THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document or the action you should take, you are recommended to seek your own financial advice immediately from an appropriately authorised stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000 ("FSMA").

This Document comprises a prospectus relating to Thalassa Holdings Ltd (the "Company") prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the "FCA") made under section 73A of FSMA (the "Prospectus Rules") and approved by the FCA under section 87A of FSMA. This Document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

Applications will be made to the FCA for all of the ordinary shares in the Company (the "Ordinary Shares") to be admitted to the Official List of the UK Listing Authority (the "Official List") by way of a standard listing under Chapter 14 of the listing rules published by the UK Listing Authority under section 73A of FSMA as amended from time to time (the "Listing Rules") and to London Stock Exchange plc (the "London Stock Exchange") for such Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities ("Admission"). It is expected that Admission will become effective, and that unconditional dealings in the Ordinary Shares will commence, at 8.00 a.m. on 6 February 2019. The Ordinary Shares are expected to be traded under the symbol "THAL". The Ordinary Shares are currently admitted to trading on AIM under the symbol "THAL"; trading on AIM will be cancelled simultaneously with Admission.

The Directors, whose names appear on page 37, and the Company accept responsibility for the information contained in this Document. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and contains no omission likely to affect its import. In addition, the Directors have taken all reasonable care to ensure that the facts stated in this Document are true and accurate in all material respects, and there are no other facts the omission of which would make misleading any statement in this Document, whether of facts or opinion. All the Directors accept responsibility accordingly.

Thalassa Holdings Ltd

(incorporated in the British Virgin Islands with registered number 1433759)

Admission to the Official List of 25,567,522 Ordinary Shares of US$0.01 each (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange's main market for listed securities

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This Document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer or invitation to buy or subscribe for, Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. The distribution of this Document in or into jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this Document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Accordingly, this Document may not be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

This Document is not an offer or invitation to the public to subscribe for Ordinary Shares and has been prepared in order to satisfy s85(2) of the Financial Services and Markets Act 2000. This Document is not, and should not be construed as an inducement or encouragement to buy or sell any Ordinary Shares. No investment decision relating to the Shares should be made on the basis of the information contained in this Document. This Document is issued solely for the purposes of the admission of the Shares to the Official List and to trading on the London Stock Exchange's regulated market for listed securities.

Application will be made for the Ordinary Shares to be admitted to on the Official List by way of a Standard Listing. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in companies with a Premium Listing on the Official List, which are subject to additional obligations under the Listing Rules.

British Virgin Islands

No invitation has been made or will be made, directly or indirectly, to any person in the British Virgin Islands or to the public in the British Virgin Islands to subscribe for the Ordinary Shares and the Ordinary Shares are not being offered or sold and may not be offered or sold, directly or indirectly, in the British Virgin Islands, except as otherwise permitted by the British Virgin Islands laws.

This Document does not constitute, and there will not be, an offering of the Ordinary Shares to any person in the British Virgin Islands.

CONTENTS

Summary	3
Risk Factors	16
Consequences Of A Standard Listing	28
Important Information	29
Summary Of British Virgin Islands Company Law	33
Part I: The Company, Investment And Strategy	37
Part II: The Board	44
Part III: The Board And Corporate Governance	45
Part IV: Operating And Financial Review	47
Part V: Share Capital, Liquidity And Capital Resources And Accounting Policies	61
Part VI: Financial Information On The Company	64
Part VII: Taxation	65
Part VIII: Crest And Depositary Interests	67
Part IX: Additional Information	68
Part X: Notices To Investors	83
Part XI: Definitions	87
Schedule:	
Part A: Index To Consolidated Financial Statements	88
Part B: Unaudited Interims (Unaudited Interims For The 6 Months Ended 30 June 2018)	89
Part C: 2017 Financial Statements	98
Part D: 2016 Financial Statements	126
Part E: 2015 Financial Statements	153

SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A - E (A.1 - E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

SECTION A—INTRODUCTION AND WARNINGS		
A.1.	**Warning to investors**	This summary should be read as an introduction to this Document. Any decision to invest in the Ordinary Shares should be based on consideration of this Document as a whole by the Investor. Where a claim relating to the information contained in this Document is brought before a court, the plaintiff Investor might under the national legislation of the EEA States, have to bear the costs of translating this Document before legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary including any translation thereof but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Document or it does not provide, when read together with the other parts of this Document, key information in order to aid Investors when considering whether to invest in such securities.
A.2.	**Consent for intermediaries**	Not applicable; this is not a public offer of securities and no consent has been given by the Company for the use of this Document for subsequent resale or final placement of securities by financial intermediaries.
SECTION B—ISSUER		
B.1.	**Legal and commercial name**	The legal and commercial name of the issuer is Thalassa Holdings Ltd.
B.2.	**Domicile / Legal form / Legislation / Country of incorporation**	The Company was incorporated and registered in the British Virgin Islands with registered number 1433759 on 26 September 2007 as a company limited by shares under the BVI Business Companies Act 2004.
B.3.	**Current operations / Principal activities and markets**	Thalassa is a holding company with current investments in the real estate and oil field services sectors. However, the Company is broadly sector agnostic and its strategy is to identify, acquire, integrate and develop businesses which the Directors consider to have potential for capital appreciation. Thalassa currently has one principal operating business, Autonomous Robotics Limited ("**ARL**"). ARL's principal business is the design, manufacture and testing of a "flying node" autonomous underwater vehicle. This system is designed to be deployed as part of offshore seismic survey programmes, potentially offering oil and gas field developers savings on the cost of seismic surveys where high quality seismic data is required. There is also a potential usage in the defence market which ARL continues to explore. The Company also has a 25.48% interest in The Local Shopping REIT plc ("**LSR**"), a listed Real Estate Investment Trust. The Directors regularly monitor this investment and the performance of LSR's management team and investment adviser.

	Business strategy and execution	The Directors intend to pursue a five-pronged approach to future investments:- 1. Opportunistic: where an acquisition or investment exists because of price dislocation (the price of a stock collapses but fundamentals are, in the opinion of the Board, mis-priced by the market) or where the Board identifies a specific "off market" opportunity. 2. Finance: The Board is currently investigating opportunities in Banking and FinTech. 3. Property: The Company currently owns 25.48% of LSR. The Company's LSR investment is described above. 4. Education: there are few businesses that offer the same longevity and predictability of earnings as Education. 5. R&D: Development situations such as ARL, where we see an opportunity to participate in disruptive, early stage technology. The above-outlined strategy is subject to change depending on the Board's findings and prevailing market conditions.
B.4.	**Significant trends**	The Company currently holds two principal investments in the real estate and oil field services sectors. LSR's announced strategy is to conduct a managed disposal of its portfolio. The major trend affecting this investment therefore is the appetite for real estate funds and other commercial property businesses to acquire individual or portfolios of assets. In its "United Kingdom Real Estate Outlook 2018" (available at https://www.cbre.co.uk/research-and-reports/United-Kingdom-Real-Estate-Outlook-2018), CBRE: 1. predicts that the commercial real estate market will be adversely affected by subdued consumer spending and business investment arising from a weak currency, inflation and Brexit uncertainty; 2. acknowledges that the UK economy rebounded strongly from the uncertainty in the immediate aftermath of the EU referendum and as a consequence the UK property investment market has seen a surprise surge in transaction volumes, particularly from overseas investors; and 3. forecasts that investment volumes are likely to remain robust at around £60bn for 2018 as a whole. (The Directors confirm that the information above has been accurately reproduced from CBRE's United Kingdom Real Estate Outlook 2018 and as far as the Company is aware and is able to ascertain from information published by CBRE, there are no facts which have been omitted which would render the above summary information inaccurate or misleading). ARL's ability to attact investment to complete the commercialisation of its technology is likley to be affected by, among other factors, the price of oil and therefore the willingness for exploration companies to invest and use technologies such as ARL's to carry out seismic surveys in a cost effective and efficient way.

		The Company has a significant cash balance which can be used for future acquisitions. In relation to this, the most significant trend in the Board's opinion is that asset prices are generally overstated and there are few companies which the Board believe are currently attractive investment or acquisition opportunities. The Board is also conscious of the uncertainty arising from Brexit negotiations and the potential short and long term implications of the outcome of those neogitations, which is continuing to impact the general investment landscape as well as the likely timing and geographic location of any acquisition/investing activity which the Company may carry out in the future.
B.5.	**Group structure**	The Company is a holding company with the following wholly owned operating subsidiaries: • Autonomous Holdings Ltd (BVI) • Autonomous Robotics Ltd (England & Wales) The Company also has an associated entity, The Local Shopping REIT plc in which it holds 25.48% of the voting shares. Further, the Company wholly owns the following non-operating subsidiaries (each of which is incorporated in the BVI unless otherwise stated): • DOA Alpha Ltd, formerly WGP Group Ltd • DOA Beta Ltd, formerly WGP Energy Services Ltd • DOA Delta Ltd, formerly WGP Survey Ltd • DOA Gamma Ltd, formerly WGP Professional Services Ltd • DOA Exploration Limited, formerly WGP Exploration Limited (England & Wales) • WGP Geosolutions Limited (Cyprus) • WGP Group AT GmbH (Austria) Anemoi SA is incorporated in Luxembourg and is a wholly owned subsidiary of the Company. The intention is for it to obtain a listing on the Luxembourg Stock Exchange. The new company will initially be a cash shell considering a number of potential transactions in Europe, which will benefit from a listing to raise any additional funds required and provide the Company with additional flexibility post-Brexit. The Board considers Luxembourg, lying within the EU, to be an attractive location both geographically and for the transactions under consideration In addition, Apeiron Holdings AG is in the process of being incorporated in Switzerland as a wholly owned subsidiary of the Company.

B.6.	**Major shareholders**	On Admission, the following Shareholders (being Shareholders with over 3% of the issued shares of the Company) have notified the Company of their interests in the issued share capital.

Shareholder	**No. of Ordinary Shares**	**Percentage of issued ordinary share capital**
C Duncan Soukup	3,562,571	20.0%
Lombard Odier Asset Management (Europe) Limited	3,182,266	17.8%
THAL Discretionary Trust	3,078,667	17.2%
Mark Costar	800,000	4.5%
Church House Investments Limited	675,000	3.6%
Aurora Nominees Limited	564,992	3.2%
On Admission, such Shareholders will not have special voting rights and the Ordinary Shares owned by them will rank pari passu in all respects with all other Ordinary Shares.		

B.7.	**Selected historical key financial information**	The table below sets out the summary financial information of the Group for the years ended 31 December 2015, 2016 and 2017 and for the six months ended 30 June 2018. The Company sold the assets and business of WGP Group Ltd on 1 January 2018 for an initial consideration of $20m, with a potential total earn out of a further $10m. Revenue from WGP Group Ltd is reported under discontinued operations in the year to 31 December 2017 financial results.

Summary Income Statements

	Unaudited For the 6 months ended 30 June 2018 US$	Unaudited For the 6 months ended 30 June 2017 US$	Audited For the year ended 31 December 2017 US$	Audited For the year ended 31 December 2016 US$	Audited For the year ended 31 December 2015 US$
Continuing operations					
Revenue	3,286	-	-	16,289	18,863,273
Cost of sales	5,593	(27,103)	(34,643)	(318,693)	(9,416,746)
Gross profit	**8,879**	**(27,103)**	**(34,643)**	**(302,404)**	**9,446,527**
Gain on disposal of WGP assets	7,419,475	-			
Administrative expenses	(2,387,015)	(1,042,512)	(1,532,021)	(987,558)	(5,775,983)
	5,041,339	(1,069,615)	(1,566,664)	(1,289,962)	3,670,544
Depreciation	(27,713)	(50,148)	(101,067)	(109,642)	(2,226,645)
Non-recurring costs	-	-	-	-	(12,948,755)
Operating profit/(loss)	**5,013,626**	**(1,119,763)**	**(1,667,731)**	**(1,399,604)**	**(11,504,856)**
Net financial (expense)/income	275,517	1,029,794	(576,295)	990,970	(261,144)
Share of profits less losses of associated entities	(961,774)	(7,167)	(284,000)	60,741	-
Profit/(loss) before taxation	**4,327,369**	**(97,136)**	**(2,528,026)**	**(347,893)**	**(11,766,000)**
Taxation	133,064	(699)	28,007	104,975	(493,230)
Profit/(loss) for the financial period	**4,460,433**	**(97,835)**	**(2,500,019)**	**(242,918)**	**(12,259,230)**
Discontinued operations					
Profit for the year from discontinued operations	**-**	**903,146**	**3,884,519**	**2,211,499**	**-**
Total profit/(loss) for the financial period	**4,460,433**	**805,311**	**1,384,500**	**1,968,581**	**(12,259,230)**
Exchange differenced on re-translation of foreign operations	**(59,833)**	**37,110**	**(6,106)**	**(86,587)**	**43,460**
Unrealised losses on available for sale investments	**(39,252)**	**-**	**(132,631)**	**11,130**	**-**
Total comprehensive income	**4,361,348**	**842,421**	**1,245,763**	**1,893,124**	**(12,215,770)**

On 1 January 2018, the sale of the business and assets of WGP was successfully completed. The results of this business segment are included under discontinued activities in the summarised results for the 6 months ended 30 June 2017, year ended 31 December 2017 and year ended 31 December 2016. The results for the year ended 31 December 2015 above include the results of WGP.

During the period covered by the historical key financial information set out above, the cost of sales attributed to continuing activities decreased due to the R & D expenditure decreasing as during the second half of 2017, delays in the design of the node acoustic communications and autonomous function software impacted the planned development programme with testing and trials having to continue well into 2018 to demonstrate autonomous operation of the first prototype node.

Administrative expenses increased in the year ended 31 December 2017 and the 6 months to 30 June 2018 as additional staff were employed and the process of securing external funding to allow the full-scale development of the flying node system started in the last quarter of 2017. The administrative expenses in the 6 months to 30 June 2018 include costs relating to the disposal of WGP of US$1.3m.

The non-recurring costs in the year ended 31 December 2015 include the impairment of non-current assets and group restructuring costs. Depreciation costs decreased from the year ended 31 December 2015 to 31 December 2016 as a result.

The financial income and expenses have fluctuated due to foreign currency gains and losses.

Summary Statements of Financial Position

	Unaudited 30 June 2018	Unaudited 30 June 2017	Audited 31 December 2017	Audited 31 December 2016	Audited 31 December 2015
	US$	US$	US$	US$	US$
Assets					
Non-current assets					
Goodwill	-	368,525	-	368,525	368,525
Property, plant and equipment	27,976	9,888,076	55,084	10,985,757	8,023,557
Available for sale financial assets	1,120,407	1,379,826	740,691	826,022	-
Intangible assets	-	197,200	-	-	-
Loans	1,620,796	1,572,953	1,596,695	1,549,564	1,503,823
Investments in associated entities	8,104,114	8,833,565	9,065,888	8,636,972	-
	10,873,293	**22,240,145**	**11,458,358**	**22,366,840**	**9,895,905**
Assets held for sale	-	-	10,155,525	-	-
Current assets					
Inventories	-	517,104	-	491,151	391,035
Trade and other receivables	394,473	6,693,666	1,440,962	836,908	811,728
Cash and cash equivalents	20,554,400	3,145,345	8,091,288	7,732,215	20,303,136
	20,948,873	10,356,115	9,532,250	9,060,274	21,505,899
Liabilities					
Current liabilities					
Trade and other payables	2,695,099	4,769,314	5,516,403	4,162,534	5,012,720
	2,695,099	4,769,314	5,516,403	4,162,534	5,012,720
Net current assets	**18,253,774**	**5,586,801**	**4,015,847**	**4,897,740**	**16,493,179**
Net assets	**29,127,067**	**27,826,946**	**25,629,730**	**27,264,580**	**26,389,084**
Shareholders' equity					
Share capital	255,675	250,675	255,675	250,675	250,675
Share premium	45,416,298	45,202,810	45,416,298	45,202,810	45,202,810
Treasury shares	(5,921,172)	(2,238,109)	(5,057,161)	(1,958,054)	(940,425)
Other reserves	(347,510)	(72,579)	(248,426)	(109,689)	(34,233)
Retained earnings	(10,276,224)	(15,315,851)	(14,736,656)	(16,121,162)	(18,089,743)
Total equity	**29,127,067**	**27,826,946**	**25,629,730**	**27,264,580**	**26,389,084**

Non-current assets increased between 2015 and 2016 as the Company invested in plant and equipment for WGP contracts and acquired a 23.31% interest in The Local Shopping REIT Plc (associated entity). At 31 December 2017 the WGP plant and equipment was reclassed under asset held for sale. The value of the investment in associated entity increased as at 31 December 2017 due to the increase in the interest, the gain on foreign exchange translation offset by the Company's share of the associate's losses.

Current assets decreased between 31 December 2016 and 31 December 2015 as the cash at bank decreased due to the investment in the non-current assets noted above and the buy back of Ordinary Shares of US$1m.

Current assets increased between 31 December 2017 and 31 December 2016 as the cash at bank increased due to the inflow from operating activities was offset by the increase in the investment in associated entity and the buy back of Ordinary Shares of US$3m.

The cash at bank increased to US$20.6m at 30 June 2018 due to the proceeds from the sale of WGP and interests in associated entities offset by the buy back of Ordinary Shares of US$0.9m.

Summary Cashflow Statements

	Unaudited For the 6 months ended 30 June 2018	Unaudited For the 6 months ended 30 June 2017	Audited For the year ended 31 December 2017	Audited For the year ended 31 December 2016	Audited For the year ended 31 December 2015
	US$	US$	US$	US$	US$
Cash flow from operating activities					
(Loss)/Profit for the year before taxation	**4,327,369**	**(97,136)**	**(2,528,026)**	**(347,893)**	**(11,766,000)**
Impairment of assets	-	-	-	-	13,374,071
Share option expense	-	-	-	-	168,375
Unrealised (loss)/gain on FX option	-	-	-	-	66,563
Increase/(decrease) in inventories	-	-	-	-	(47,804)
Decrease/(Increase) in trade and other receivables	745,686	51,197	507,026	(122,204)	1,943,195
Increase/(decrease) in trade and other payables	(2,876,150)	1,654,841	631,260	1,496,985	(975,750)
Gain on disposal of WGP assets	(7,419,475)	-	-	-	-
Net Foreign exchange gain	(99,084)	37,110	(6,106)	(86,587)	43,460
Accrued interest income	-	(23,389)	(47,131)	(45,740)	(212,082)
Taxation	133,064	-	28,007	104,975	(493,230)
Cash generated from operations	**(5,188,591)**	**1,622,623**	**(1,414,970)**	**999,536**	**2,100,798**
Depreciation	27,713	50,148	101,067	109,642	2,226,645
Amortisation of multi-client library	-	-	-	-	430,336
Net cash from operating activities	**(5,160,877)**	**1,672,771**	**(1,313,903)**	**1,109,178**	**4,757,779**
Net cash flow from discontinued operations	**-**	**-**	**5,259,547**	**3,324,979**	**-**
Cash flow from investing activities					
Proceeds from the disposal of WGP assets	17,906,548	-	-	-	-
Investment in associated entities	961,774	(196,593)	(428,916)	(8,636,972)	-
Purchase of AFS financial assets	(379,717)	(553,804)	(47,300)	(813,987)	-
Purchase of property, plant and equipment	(605)	(3,432)	(40,642)	-	(1,242,292)
Net cash used in investing activities – continuing operations	**18,488,000**	**(753,829)**	**(516,858)**	**(9,450,959)**	**(1,242,292)**
Purchase of property, plant and equipment	-	-	(189,093)	(6,536,490)	-
Net cash used in investing activities – discontinued operations	**-**	**-**	**(189,093)**	**(6,536,490)**	**-**

Cash flow from financing activities					
Purchase of treasury shares	(864,011)	(280,055)	(3,099,107)	(1,017,629)	(940,425)
Issue of new shares	-	-	218,487	-	-
Net cash used in financing activities – continuing operations	**(864,011)**	**(280,055)**	**(2,880,620)**	**(1,017,629)**	**(940,425)**
Net increase/(decrease) in cash and cash equivalents	**12,463,112**	**(4,586,870)**	**359,073**	**(12,570,921)**	**2,575,062**
Cash and cash equivalents at the start of the period	8,091,288	7,732,215	7,732,215	20,303,136	17,728,074
Cash and cash equivalents at end of the period	**20,554,400**	**3,145,345**	**8,091,288**	**7,732,215**	**20,303,136**

Since 30 June 2018 (being the latest end of financial period of the Group), there has been no significant change in the financial condition and operating results of the Group save for:

- the issue of 18,594,775 Preference Shares to existing shareholders;
- the cancellation of 1,108,754 Preference Shares; and
- the Company buying back 1,192,500 Ordinary Shares for £1,063,429.96 at an average price of 89.1765p per Ordinary Share. These Ordinary Shares are held in treasury by the Company.

B.8.	**Selected key pro forma financial information**	Not applicable: this Document does not contain pro forma financial information.
B.9.	**Profit forecast or estimate**	Not applicable: this Document does not contain a profit forecast or estimate.
B.10.	**Qualified audit report**	Not applicable: there are no qualifications in the audit reports for the financial periods ending 31 December 2015, 2016 and 2017.
B.11.	**Insufficient working capital**	The Company is of the opinion that, taking into account the Company's cash balances, the working capital available to the Group is sufficient for the Group's present requirements, that is for at least the 12 months from the date of this Document.
SECTION C—SECURITIES		
C.1.	**Description of the type and the class of the securities being offered**	There will not be any offering of Ordinary Shares in conjunction with this Admission to the Standard List. The Ordinary Shares are registered with ISIN number VGG878801031 and SEDOL number B2QZ9D8 and it is expected that the Ordinary Shares will be traded under the ticker "THAL". The nominal value of the total issued ordinary share capital of the Company immediately following Admission will be US$255,675 divided into 25,567,522 ordinary shares of US$0.01 each, all issued fully paid.
C.2.	**Currency of the securities issue**	The Ordinary Shares are denominated in US dollars.
C.3.	**Issued share capital**	The issued share capital of the Company upon Admission will be: • 25,567,522 Ordinary Shares, of which 7,715,247 are held in treasury. • 17,486,021 Preference Shares, which will not be admitted to trading on the Standard List.

C.4.	**Rights attached to the securities**	The Company may issue shares with such rights or restrictions as may be determined by the Board, including, subject to the requirements of the BVI Business Companies Act 2004, shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder of such shares. Shareholders will have the right to receive notice of and to attend and vote at any meetings of members. Each Shareholder entitled to attend and being present in person or by proxy at a meeting will, upon a show of hands, have one vote and upon a poll each such Shareholder present in person or by proxy will have one vote for each Ordinary Share held by him. Each Preference Share entitles the holder to 10 votes per share held on a poll. Other than this voting right, the Preference Shares have no other rights, economic or otherwise, in the Company. The Company shall hold an annual general meeting each year in addition to any general meeting held in the year. The Directors can call a general meeting at any time in accordance with the Articles. All members who are entitled to receive notice under the Articles must be given notice. The Directors are generally empowered to allot shares for such consideration as they think fit, being not less than the par value of the shares being allotted and upon such other terms and conditions as the Directors may determine. The Company may, subject to the provisions of the BVI Business Companies Act 2004 and the Articles, by ordinary resolution from time to time declare dividends to be paid to members not exceeding the amount recommended by the Directors. If the Company is wound up, the Shareholders may, subject to the Articles and any other sanctions required by the BVI Business Companies Act 2004, pass a resolution allowing the liquidator to do either or both of the following: (i) divide in specie among the Shareholders the whole or any part of the assets of the Company and, for that purpose, value any assets and determine how the division should be carried out as between the Shareholders or different classes of Shareholder; and/or (ii) vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members and those liable to contribute to the winding up. No member shall be compelled to accept any assets upon which there is a liability.
C.5.	**Restrictions on transferability**	All Ordinary Shares are freely transferable, subject to the Directors having a discretion not to approve a transfer to any proposed transferee of the Ordinary Shares in the event they are a Prohibited Person.
C.6.	**Application for admission to trading on a regulated market**	Application has been made for the Ordinary Shares to be admitted to a Standard Listing on the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that unconditional dealings will commence at 8.00 a.m. on 6 February 2019.
C.7.	**Dividend policy**	The Company intends to pay dividends on the Ordinary Shares at such times (if any) and in such amounts (if any) as the Board determines appropriate. The Company will only pay dividends to the extent that to do so is in accordance with the BVI Business Companies Act 2004 and all other applicable laws.

SECTION D—RISKS		
D.1.	**Key information on the key risks that are specific to the issuer or its industry**	The Company may acquire either less than whole voting control of, or less than a controlling equity interest in, a target, which may limit its operational strategies. The Company is dependent upon the Directors, and in particular, Mr C. Duncan Soukup, who serves as the Executive Chairman, to identify potential acquisition opportunities and to execute any acquisition. The unexpected loss of the services of Mr Soukup or other Directors could have a material adverse effect on the Company's ability to identify potential acquisition opportunities and to execute an acquisition. The Company may invest in or acquire unquoted companies, joint ventures or projects which, amongst other things, may be leveraged, have limited operating histories, have limited financial resources or may require additional capital. Mr Duncan Soukup holds a significant stake in the Company and is able to influence all matters requiring Shareholders' approval.
D.2.	**Key information on the key risks that are specific to the securities**	The Company is applying for a Standard Listing on the Official List in accordance with Chapter 14 of the Listing Rules. As a result, the Shareholders will be afforded a lower level of regulatory protection than that afforded to investors of a company with a Premium Listing. For example, the Company will not be appointing a sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The application of the Listing Rules regarding significant transactions and related party transactions (which requires shareholder approval if a company has a Premium Listing) will not apply to the Company. **In addition, the UK Listing Authority will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply.** The price of the Ordinary Shares may be subject to volatility due to a number of factors which may be unrelated to the Company's operating performance and might be outside the Company's control. As a result of such volatility, Shareholders may experience a negative or no return on monies invested in the Company. Following Admission, the Company may need to raise additional funds in order to finance the business or make further investments. If additional funds are required, the existing Shareholders' holdings may be subject to dilution and/or issued shares may have preferred rights, options or pre-emption rights senior to those of the Ordinary Shares.

		If an offer for the entire issued and to be issued share capital is made for LSR ("Offer"), the Company will be undertaking a reverse takeover for the purposes of the Listing Rules. LSR is a premium listed closed ended investment company. A Standard Listing is not available for a company which is an investment entity. If the Offer is made, the Company does not intend to change its own listing category. Accordingly, the Company will need to re-confirm its eligibility for Standard Listing pursuant to Listing Rule 5.6.23(G) in light of the Offer and its potential acquisition of the entire issued share capital of LSR. The UKLA will consider the Company's continued eligibility for Standard Listing upon completion of the Offer. There is a risk that the outcome of the UKLA's eligibility review will be that the Company is no longer eligible for Standard Listing or indeed under any other listing category of the Official List. In those circumstances, the Company's listing may be cancelled. If that were to be the case, the Company would consider what options may be open to it (such as a corporate action or a potential change to its own listing category or trading venue) so as to ensure it can remain a listed or quoted business. Dependent on the nature of any potential corporate action that the Board may contemplate in such circumstances, the Company's shares may be suspended as a result. The length of any such suspension will vary depending on the circumstances and it may be that after any such period of suspension the listing of the Company's shares is cancelled. It may be that the Board is unable to undertake any such corporate action which allows the Company's shares to be traded on any exchange or market for quoted or listed securities. If the Company's shares (i) are cancelled from listing; (ii) cease to be traded on any exchange; or (iii) are no longer quoted, any one of those scenarios would materially reduce liquidity in such shares which may affect an Investor's ability to realise some or all of its investment and/or the price at which such Investor can effect such realisation. There is unlikely to be a market for the Company's shares where they cease to be listed, traded or quoted.
SECTION E—OFFER		
E.1	**Net proceeds and expenses**	Not applicable: this Document relates to the application for listing of the Ordinary Shares on the Official List and admission to trading on the regulated market only.
E.2	**Reasons for Offer and estimated net amount of the proceeds**	Not applicable: this Document relates to the application for listing of the Ordinary Shares on the Official List and admission to trading on the regulated market only.
E.3	**Terms and conditions of the Offer**	Not applicable: this Document relates to the application for listing of the Ordinary Shares on the Official List and admission to trading on the regulated market only.
E.4	**Interests material to the Offer**	Not applicable: this Document relates to the application for listing of the Ordinary Shares on the Official List and admission to trading on the regulated market only.
E.5	**Offerors and lock-up arrangements**	Not applicable: this Document relates to the application for listing of the Ordinary Shares on the Official List and admission to trading on the regulated market only.
E.6	**Dilution**	Not applicable: this Document relates to the application for listing of the Ordinary Shares on the Official List and admission to trading on the regulated market only.
E.7	**Expenses**	Not applicable: this Document relates to the application for listing of the Ordinary Shares on the Official List and admission to trading on the regulated market only.

RISK FACTORS

Investment in the Company and the Ordinary Shares carries a significant degree of risk, including risks in relation to the Company's business strategy, potential conflicts of interest, risks relating to taxation and risks relating to the Ordinary Shares.

Prospective investors should note that the risks relating to the Company, its proposed sector of activity and the Ordinary Shares summarised in the section of this document headed "Summary" are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed "Summary" but also, among other things, the risks and uncertainties described below.

The risks referred to below are those risks the Company and the Directors consider to be the material risks relating to the Company. However, there may be additional risks that the Company and the Directors do not currently consider to be material or of which the Company and the Directors are not currently aware that may adversely affect the Company's business, financial condition, results of operations or prospects. Investors should review this Document carefully and in its entirety and consult with their professional advisers before acquiring any Ordinary Shares. If any of the risks referred to in this Document were to occur, the results of operations, financial condition and prospects of the Company could be materially adversely affected. If that were to be the case, the trading price of the Ordinary Shares and/or the level of dividends or distributions (if any) received from the Ordinary Shares could decline significantly. Further, Investors could lose all or part of their investment.

RISKS RELATING TO THE COMPANY'S BUSINESS STRATEGY

The Company is a holding company with diverse assets

The Company's strategy is to pursue a five-pronged approach to future investments, which are in diverse sectors. Should the Company successfully execute its strategy and acquire or invest in one or more businesses from each sector, the Board will be required to monitor such investments and the sector in which the investee/acquired business is operating. The Board is currently comprised of the Executive Chairman and two non-executive directors, supported by the company secretary and consultants. Managing the assets and investments which the Company has in its portfolio at any given time will be challenging, particularly if there are a number of urgent or time-consuming issues to be addressed concurrently. Whilst the Company expects investee companies will provide it with regular management information, there may be occasions where an investee company is seeking the Company's approval on a particular investment decision or corporate action and, due to factors such as time pressure or deal confidentiality, the Company may not be in possession of all of the relevant information. This may result in the Company approving matters which ultimately may result in best value not being achieved from all investments.

The Company may be unable to hire or retain personnel required to support the Company

Following completion of an acquisition or investment, the Company will evaluate the personnel of the acquired business and may determine that it requires increased support to operate and manage the acquired business in accordance with the Company's overall business strategy. There can be no assurance that existing personnel of the acquired business will be adequate or qualified to carry out the Company's strategy, or that the Company will be able to hire or retain experienced, qualified employees to carry out the Company's strategy. The impact of any such consequences may be that returns generated by any such investments are reduced.

The Company may acquire assets in different jurisdictions

The Company may invest in or acquire assets which are not in the United Kingdom. Ensuring such targets are acquired or invested in with adequate legal protection for the Company and then monitoring those investments or acquisitions may be challenging depending on the jurisdiction concerned. There may also be adverse tax, regulatory or other consequences for Shareholders which may differ for individual Shareholders depending on their individual status and residence. The impact of any such consequences may be that returns generated by any such investments are reduced.

Due Diligence on potential investments and acquisitions

Any due diligence by the Company in connection with an investment or acquisition may not reveal all relevant considerations or liabilities of the target business, which could have a material adverse effect on the Company's financial condition or results of operations.

The Company intends to conduct such due diligence as it deems reasonably practicable and appropriate based on the facts and circumstances applicable to any potential Acquisition. The objective of the due diligence process will be to identify material issues which might affect the decision to proceed with any one particular acquisition target or the consideration payable for an investment or acquisition. The Company also intends to use information revealed during the due diligence process to formulate its business and operational planning for, and its valuation of, any target company or business. Whilst conducting due diligence and assessing a potential investment or acquisition, the Company will rely on publicly available information, if any, information provided by the relevant target company to the extent such company is willing or able to provide such information and, in some circumstances, third party investigations.

There can be no assurance that the due diligence undertaken with respect to a potential investment or acquisition will reveal all relevant facts that may be necessary to evaluate such investment or acquisition including the determination of the price the Company may pay for an acquisition target, or to formulate a business strategy. Furthermore, the information provided during due diligence may be incomplete, inadequate or inaccurate. As part of the due diligence process, the Company will also make subjective judgments regarding the results of operations, financial condition and prospects of a potential opportunity. If the due diligence investigation fails to correctly identify material issues and liabilities that may be present in a target company or business, or if the Company considers such material risks to be commercially acceptable relative to the opportunity, and the Company proceeds with an investment or acquisition, the Company may subsequently incur substantial impairment charges or other losses. In addition, following an investment or acquisition, the Company may be subject to significant, previously undisclosed liabilities of the acquired business that were not identified during due diligence and which could contribute to poor operational performance, undermine any attempt to restructure the acquired company or business in line with the Company's business plan and have a material adverse effect on the Company's financial condition and results of operations.

The Company may decide to issue Ordinary Shares as consideration for an acquisition

The Company may issue Ordinary Shares as consideration for an acquisition. There is no guarantee that Ordinary Shares will be an attractive offer for the shareholders of any company or business which the Company identifies as a suitable acquisition opportunity. If the Company fails to identify a target company which is willing to accept share consideration, it may have to raise additional cash funds (or, if the circumstances require, use debt financing) and may be left with substantial unrecovered transaction costs, potentially including fees, legal costs, accounting costs, due diligence or other expenses which will affect the Company's ability to carry out future acquisitions. In addition, the existing Shareholders' holdings will be subject to dilution as a result of the issue of Ordinary Shares to partly satisfy the consideration due in respect of an acquisition.

If the Company acquires less than either the whole voting control of, or less than the entire equity interest in, a target company or business, its decision-making authority to implement its plans may be limited and third party minority shareholders may dispute the Company's strategy

Although the Company (or its successor) may acquire the whole voting control of a target company or business, it may consider acquiring a controlling interest constituting less than the whole voting control or less than the entire equity interest of that target company or business if such opportunity is attractive or where the Company (or its successor) would acquire sufficient influence to implement its strategy. If the Company acquires either less than the whole voting control of, or less than the entire equity interest in, a target company or business, the remaining ownership interest will be held by third parties. Accordingly, the Company's decision-making authority may be limited. Such third parties may also have interests which are inconsistent or conflict with the Company's interests, or they may obstruct the Company's strategy for the target or propose an alternative strategy. Any third party's interests may be contrary to the Company's interests. In addition, disputes among the Company and any such third parties could result in litigation or arbitration. Any of these events could impair the Company's objectives and strategy, which could have a material adverse effect on the continued development or growth of the acquired company or business.

The Company may be unable to fund the operations of a target business if it does not obtain additional funding

If, following any investment or acquisition, the Company's cash reserves are insufficient, the Company will likely be required to seek additional equity or debt financing. The Company may not receive sufficient support from its existing Shareholders to raise additional equity, and new equity investors may be unwilling to invest on terms that are favourable to the Company, or at all. Lenders may be unwilling to extend debt financing to the Company on attractive terms, or at all.

The Company may issue shares or convertible debt securities or incur indebtedness which may dilute the interests of Shareholders or present other risks

Any issuance of Ordinary Shares, preferred shares or convertible debt securities may:

- significantly dilute the value of the Ordinary Shares held by existing Shareholders;
- subordinate the rights of holders of Ordinary Shares if preferred shares are issued with rights senior to those of Ordinary Shares; or
- adversely affect the market prices of the Ordinary Shares.

Where Ordinary Shares, preferred shares or convertible debt securities are issued as consideration for any investment or acquisition, existing Shareholders will have no pre-emptive rights with regard to the securities that are issued. The issuance of such Ordinary Shares, preferred shares or convertible debt securities is likely to materially dilute the value of the Ordinary Shares held by existing Shareholders. Where a target company has an existing large shareholder, an issue of Ordinary Shares, preferred shares or convertible debt securities as consideration may result in such shareholder subsequently holding a significant or majority stake in the Company, which may, in turn, enable it to exert significant influence over the Company (to a greater or lesser extent depending on the size of its holding). The Company intends to enter into a relationship agreement with any 'controlling shareholder' in accordance with the provisions of Chapter 6 of the Listing Rules which apply to Premium Listed companies, however, any compliance with Chapter 6 of the Listing Rules is voluntary and there is no guarantee that the Company will be able to require a controlling shareholder to enter into a relationship agreement. This means that the Company may not be able to ensure that it will at all times be capable of carrying on business independently of such significant shareholder and that all transactions and arrangements between the Company and the significant shareholder are carried out at arm's length and on normal commercial terms.

The Company may be subject to foreign investment and exchange risks

The Company's functional and presentational currency is US dollars. As a result, the Company's consolidated financial statements will carry the Company's assets in US dollars. Any business the Company acquires or invests into may denominate its financial information in a currency other than US dollars, conduct operations or make sales in currencies other than US dollars. When consolidating a business that has functional currencies other than US dollars, the Company will be required to translate, inter alia, the balance sheet and operational results of such business into US dollars. Due to the foregoing, changes in exchange rates between US dollars and other currencies could lead to significant changes in the Company's reported financial results from period to period. Among the factors that may affect currency values are trade balances, levels of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political or regulatory developments. Although the Company may seek to manage its foreign exchange exposure, including by active use of hedging and derivative instruments, there is no assurance that such arrangements will be entered into or available at all times when the Company wishes to use them or that they will be sufficient to cover the risk.

The Company may invest in or acquire unquoted companies, joint ventures or projects which, amongst other things, may be leveraged, have limited operating histories, have limited financial resources or may require additional capital

All or any of these factors may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company. For investments in companies which are at a relatively early stage of development, there can be no assurance that successful operations will develop and such operations may require the injection of further capital that the Company is unable or unwilling to meet, which could have a material adverse effect on the Company. Investments in unquoted companies and companies quoted on exchanges other than the Official List may involve a higher degree of risk and Shareholders may have fewer regulatory protections than investments on the Official List. The shares of such companies may also be less liquid which could affect the Company's ability to realise its investment. The companies in which the Company may invest will be subject to market factors and as such may experience decreased revenues, financial losses and requirements for additional funding. Whilst the Company is intending to invest for the longer term and thus many of these risks may be mitigated over time, there remains a risk that the requirements of the Company's investments may have a negative impact on the operating performance of the Company.

Competition

The Company's intended activities are within a competitive market. The Company will be competing with private equity funds, hedge funds, private debt funds, corporate acquirers and other listed companies which are seeking to acquire majority stakes in or the whole of target businesses. Many of the Company's competitors will have greater financial and other resources than the Company and, as a result, may be in a better position to compete for potential investment opportunities. This competition could have a material adverse effect on the Company's financial condition, results or operations as well as the Company's ability to attract and retain highly skilled individuals. There can be no assurance that the Company can, or will be able to, compete effectively.

RISKS RELATING TO AN ACQUISITION TARGET'S PROPOSED AREAS OF OPERATION

Banking and Fintech

The Company may be subject to regulatory and compliance risk

The fintech sector is developing rapidly and the regulatory environment is consequently subject to near constant change and updating to keep pace with innovation and disruption in financial services, markets and products. There are a large number of rules, regulations and laws applicable to the fintech sector and the marketing, use and development of innovative financial services products. The Company will be required to comply with these and interact with the relevant regulator to ensure that it is complying with law applicable to it. Failure to comply with such rules, regulations and laws could lead to fines, public reprimands, damage to reputation, increased prudential requirements, enforced suspension of operations or, in extreme cases, a decline in business or withdrawal of authorisations to operate.

Factors arising out of changes to the regulatory climate which may negatively impact the financial services and fintech sector include:

- the monetary, interest rate and other policies of central banks and regulatory authorities;
- changes in government or regulatory policies of central banks and regulatory authorities, particularly following the UK's departure from the European Union in the year 2019;
- changes in the regulatory requirements, for example, rules designed to promote financial stability and increase;
- depositor protection;
- changes in competition and pricing environments;
- developments in the financial reporting environment;
- new financial transactions related to other taxes;
- restrictions on shadow banking and on core banking activities;
- increased burdens regarding a company's duty to protect and manage personal data, (particularly in respect of block chain operations);
- restrictions on outsourcing by fintech firms of any given part of their businesses (e.g. their technological function) potentially increasing the regulatory compliance burden of such companies;
- technological advances meaning an increased risk in cyber threats or security which in turn could lead governments and regulators to impose new regulation on businesses operating in the fintech space;
- more onerous obligations on companies arising out of the government and regulators requiring companies to share information with them on cyber/security threats;
- financial stability measures (based on the supply, demand and performance of the relevant financial product or service on both domestic and international markets) on the international movement of capital;
- financial stability measures (dictated by the political or economic climate of the relevant business territory or territories in question), fiscal budget controls, exchange controls and controls on the international movement of capital; and
- expropriation, nationalisation, confiscation of assets and changes in legislation relating to foreign ownership.

Changes in interpretation or application of regulation may be further factors which could have an adverse effect on the operation, financial condition and general business of the Company.

The fintech sector is highly competitive

In the event that the Company acquires a company or business in the fintech sector, it is likely that the market in which it operates would be highly competitive. In particular, it is possible that its competitors would include companies and businesses with significantly greater financial and technological resources which enable them to meet evolving industry standards, changes in consumer needs, heavy competition and frequent new products and services introductions. If the Company fails to identify investment opportunities in response to these changes it could have an adverse effect on the Company's business, financial condition, results of operations and/or prospects.

The fintech sector is largely a global market and high competition can also be expected from businesses with geographical bases external to the UK. Many of these foreign competitors are increasingly progressive, not only in terms of their innovative approach to industry standards, but also in their use and application of UK government and regulatory policy which supports fintech set-up

and industry from overseas. Strong competition in the fintech sector is caused by factors such as (1) the pool of technical, financial services and entrepreneurial talent available to competitors in the same market who may be able to engage such talent on more favourable commercial terms than those engaged by the Company with its respective employees, (2) the amount of capital at the disposal of competing fintech businesses and how potentially more of that capital might be injected in to their re-investment or expansion plans in comparison to how much the Company can generate and re-invest, (3) the attitude and enforcement efforts of competing businesses' governments being more relaxed than those of the Company's immediate government as regards policy, regulation and taxation, (4) the end-client demand across consumers, corporates and financial institutions being greater in the immediate markets where competing businesses operate as opposed to demand in the operational markets of the Company.

Technological advances

The technologies surrounding products and services provided by companies in the fintech sector may be rendered obsolete by new inventions and technologies, which would adversely impact the Company in the event that it acquires a company or business in the fintech sector. In particular, the market for internet-related products is characterised by continued evolution in technology, evolving industry standards, changes in consumer needs, heavy competition and frequent new products and services introductions. If the Company fails to identify investment opportunities in response to these changes it could have an adverse effect on the Company's business, financial condition, results of operations and/or prospects. Obligations to comply with UK regulatory requirements concerning investor/consumer protection, market integrity and money laundering may impede the speed and degree to which innovative technology can be implemented and incorporated in to the Company's operations. This in turn may therefore affect the competitive edge or USP of the Company's product or service creating a negative impact on sales, good will and market positioning of the Company.

Unauthorised disclosure of data, whether through cyber security breaches, computer viruses or otherwise could expose the Company (and any target business) to liability, protracted and costly litigation and damage its reputation

In the event that the Company acquires a company or business in the fintech sector, it is likely that the Company would process sensitive personal data (including, in certain instances consumer names and addresses and/or bank details) and therefore would have a responsibility to safeguard that data to certain third parties, including customers. With the introduction of the Data Protection Act 2018 (following the EU's General Data Protection Regulation (GDPR)), the Company would be under significant scrutiny as regards its management of personal data following its potential Acquisition. In particular, the Company may be liable to fines of up to 20 million Euros or 4 per cent of its annual worldwide turnover if found to have seriously violated its duties under GDPR. Unauthorised data disclosure could occur through cyber security breaches as a result of malware infection and malicious or accidental user activity, internal security breaches or human error, or as a result of physical breaches where unauthorised personnel gain physical access to such data. Any loss, destruction or unauthorised modification of customer data could result in significant reputational damage, additional costs relating to customer compensation or other charges, fines, sanctions and proceedings against the Company or the company or business it acquires. This could in turn have an adverse effect on the Company's business, financial condition, results of operations and/or prospects.

Investment risk in the real estate sector

Property market conditions

Investments in property are relatively illiquid. Such illiquidity may affect the ability to dispose of or liquidate and asset in a timely fashion and at satisfactory prices in response to changes in economic, real estate market or other conditions. This could result in holding asset for longer than anticipated and, should there be a need to result in a reduction in the sale price achieved.

Any future property market recession could materially adversely affect the value of properties held from time to time. Returns from an investment in property may depend upon the amount of rental income generated from the property and the costs and expenses incurred in the maintenance and management of the property, as well as upon changes in its market value. Rental income and the market value for properties are generally affected by overall conditions in the economy, such as growth in gross domestic product, employment trends, inflation and changes in interest rates.

Valuation risk

Property and property-related assets are inherently subjective as regards value due to the individual nature of each property. As a result, valuations are subject to uncertainty. Valuations are made on the basis of certain assumptions which may not prove to reflect the true position. There is no assurance that the valuations of a property will reflect actual sale prices even where any such sales occur shortly after the relevant valuation date.

Prior to investing in any underlying entity, the Group will, if applicable, conduct a due diligence review of the valuation methodology utilised by the underlying entity. Although the Directors will review the valuations prepared for any potential acquisitions, the Group may not be able to confirm independently the accuracy of valuations commissioned. Therefore the investment could be overvalued and worth less than expected when it matures or is sold.

Competition

Competition in the property market may lead either to an over-supply through over-development of existing properties or to prices of land for development being driven up through competing bids by potential purchasers. Accordingly, the existence of such competition may have a material adverse on the ability to identify opportunities at satisfactory prices and consequently may have an adverse effect on the Company's financial performance.

The property market is affected by many factors such as general economic conditions, availability of financing, interest rates and other factors, including investor/buyer supply and demand, that are beyond the Company's control.

Laws and regulations

Government authorities are actively involved in the application and enforcement of laws and regulations relating to taxation, land use and zoning and planning restrictions, environmental protection and safety and other matters. The institution and enforcement of those laws and regulations could have the effect of increasing the expense and lowering the income or rate of return from, as well as adversely affecting the value of, the Company's property assets. Rent control and other measures could be introduced or changed which could adversely affect income levels or rights to review rents or obtain occupancy. Any change to the laws and regulations relating to the UK or other international property market or the Company's business in general may have an adverse effect on the capital value of the Company's property assets and/or the rental income derived from them and the Company's financial position and prospects.

Reliance on third parties

The Company may use third party agents for the management of portfolio properties and for renovation works if and when required. There can be no guarantee that the quality of the management or redevelopment work undertaken by the third parties will be maintained at the level expected by the Company. Less than satisfactory performance by these third parties could negatively affect the Company's ability to let successfully the properties in its portfolio, which could have a material negative effect on the financial condition of the Company.

Due diligence on acquisitions

Whilst the Company will undertake due diligence into any property before it is acquired, there can be no guarantee that any such due diligence will identify all potential risks and liabilities within a property prior to acquisition. Should it transpire that there was a material liability within a property once it has been acquired this could have a material adverse effect on the realisable value from the property and could have a material adverse effect on the financial performance of the Company.

The Company may need to incur additional capital expenditure on maintenance and/or redevelopment of a property beyond management's expectations or that wasn't uncovered in due diligence, which may have a material adverse effect on the results of operations of the Company.

Investment risk in the education sector

Economic and political conditions

Economic and political developments may affect the regulatory environment in which educational institutions operate, including charitable status and access to funding. Whilst the Company would likely consider investment in stable political environments, there is no guarantee that such environments will continue to be stable in the future.

The effect of Brexit is unknown and could result in a reduction in applications as well as challenges in recruiting staff. Well-trained and qualified teachers are critical to maintaining the quality of instruction provided in schools. The ability to deliver high quality education across a range of curricula is dependent on the availability of qualified teachers and the ability to continue to recruit, employ and train such teachers. Likewise, the ability to recruit and retain schools heads, administrator and support staff is critical to maintaining performance and meeting any growth strategy.

There can be no assurance that either the economic performance of, or political stability in the countries in which the Company may operate can or will be sustained. Furthermore, economic performance and political stability in the countries where prospective students come from may be affected should economic grown and performance in these countries slows or begins to decline, which in turn may lead to a reduction in applicants. Any or some combined of these macro features of the education sector might make it challenging for the Company to execute its strategy in the sector or make it reluctant to invest in it at all.

Licensing requirements

Educational institutions are typically subject to various licensing requirements, which are renewed on a periodic basis. Any termination or suspension of any licence or non-renewal for whatever reason could result in the cessation of that business and curtail the institutions ability to enrol new students and/or cause the institution to incur additional costs. To the extent the Company was invested in any business which lost its licence, this could have a material adverse effect on the Company's return from that investment.

Regulatory oversight

Furthermore, educational institutions are subject to various governmental regulations and policies and there can be no assurance that the regulatory authorities will not impose new or amended regulations/policies.

There can be no assurance that regulatory authorities will not impose restrictions on fees or on increases in fees in the future. The Company may have limited or no control over the nature and timing of any such changes, which can occur at short notice and may have an adverse effect on the Company's business by adding additional cost and complexity to any investment into a business in the sector.

Competition

The private education sector is highly fragmented and competitive. In the future, institutions may experience increased competition both in their geographic regions and elsewhere. Some competitors may have greater financial resources and may be in a better position to compete for future opportunities. If an institution is unable to differentiate the academic experience offered to its students from that offered by its competitors, this may lead to a decrease in enrolment and profitability. These features might make it hard for the Company to break into the sector or, once it had invested, to secure an attractive return.

Real estate

Schools typically own real estate, which is either leased, financed or owned outright. No assurance can be given that the carrying value of an institution's real estate assets will reflect actual market or sale prices. Significant differences between asset recorded at historic cost and actual sales prices could have an adverse effect on the Company's financial condition and results of operations in the event of a sale of such assets.

R&D

Economic and political conditions

Economic and political developments may affect the regulatory environment in which R&D is being conducted including within a specific industry, such as the oil & gas industry.

There can be no assurance that either the economic performance of, or political stability in the countries in which the Company is conducting investment into R&D can or will be sustained. This means that initially attractive R&D investment opportunities may quickly and unpredictably become unsustainable for the Company or difficult to monetise should the Company want to exit any such investment.

Culture of innovation and disruptive business model

The failure to create a culture of innovation or to invest adequately in innovation as well as the risks arising from the introduction of disruptive or alternate business models could impact on the ability to grow and competitiveness. There is no assurance that investee company management teams will be able to identify and nurture such a culture, nor that the disruptive nature of the business model may not lead to third party interference in development. The Company does not, as a general rule, join boards of investee companies and therefore its ability to influence a culture of innovation may be limited.

Intellectual property

The ability to create and successfully protect intellectual property rights is key to commercialisation. There may be third parties developing similar or competing technology whose intellectual property rights precede those of the Company. There can be no assurance that the Company would be successful in either defending or prosecuting intellectual property rights or that the cost of such an exercise might not be prohibitive.

Staffing

Failure to recruit and retain suitably qualified staff, in highly specialised engineering, technical and scientific research domains as well as lack of domain-specific graduates may lead to skills shortage. The inability to forge strategic partnerships with industry players and potential customer base may limit growth opportunities and lead to delay in commercialisation.

Fundraising

The ability to raise funds and the access further rounds of funding for potentially high risk investments into R&D businesses may affect the ability to meet milestones in a development programme and therefore cause setbacks in bringing products to the market and commercialising them.

RISKS RELATING TO THE COMPANY'S EXISTING PORTFOLIO OF ASSETS

The Local Shopping REIT plc ("LSR")

The Company has a 25.48% shareholding in LSR of which it acquired 23.14% in August and September 2016 and the balance between January and October 2017. LSR is a UK real estate investment trust with an established portfolio of local shops in urban and suburban areas throughout the UK. It is listed on the Official List under the ticker "LSR". LSR operates in the UK and no revenue has been generated from this investment in the periods covered by the historical financial information.

Whilst LSR's shares are a tradable security on the premium segment of the London Stock Exchange's main market for listed securities, there is limited liquidity in the stock which means, particularly given the size of Thalassa's holding, it is unlikely that a material part of that holding could be sold at a price representing a reasonable return on the Company's original investment. Since LSR is not currently paying dividends (and has publicly stated that it has no intention of doing so), the Company does not currently generate a return from its investment in LSR.

LSR's publicly stated strategy is a managed disposal of its property portfolio. There can be no certainty that the board of LSR will achieve best price for the company's property portfolio and historically LSR has consistently sold property below book value, with a loss of £7.15 million reported in the year ended 30 September 2018. Depending on the value achieved in such disposals going forward and the costs of carrying out this programme, the Company's return on its investment might be below book value. This situation would be further exacerbated if the carrying value of LSR's property portfolio is overstated in its accounts. Should the losses on sale of the portfolio continue, it might result in any value the Company is able to achieve on disposing of its shareholding in LSR being less than that paid on entry. LSR may not be able to complete its liquidation programme in the manner it has publicly announced (or otherwise return capital to shareholders) without the Company's support.

On-going uncertainly surrounding Brexit and the effect specifically on the property market (both residential and commercial) may result in the inability to dispose of certain assets or the need to sell at a significant discount.

Potential offer for LSR

The Company announced a possible offer for LSR pursuant to rule 2.4 of the City Code on 9 January 2019. There can be no assurance that the offer will in fact be made and on what terms. The offer may not be recommended by the board of LSR and shareholders of LSR may decide not to accept the offer in such numbers such that the offer cannot be completed. If the offer is made but does not complete, the Company may be left with substantial unrecovered transaction costs, potentially including fees, legal costs, accounting costs, due diligence and other expenses which will affect the Company's ability to carry out future acquisitions in the short term. If the Company's shares are used as consideration under the offer, existing Shareholders' holdings will be subject to dilution as a result.

Autonomous Robotics Limited ("ARL")

Early stage development

Due to the inherent risks in the development of early stage technologies, the Board has adopted the extremely conservative position of expensing and will not capitalise its investment until such time as ARL has completed "proof of concept" in its development phase. This accounting treatment is in accordance with International Accounting Standard No 38. There is no guarantee that the business of ARL will be successful and maybe required to seek additional equity or debt financing for the commercialisation of the technologies.

Staffing

ARL's ability to retain existing staff and attract new talent will be key to the successful development of the technology and there can be no guarantee that past success in its recruitment programme can be repeated, not nor that natural attrition and employee movement will not have an adverse effect on the company's ability to meet its development targets.

Completion of proof of concept and seismic trial

Successful completion of the seismic trials scheduled in Q1 2019 and the confirmation of proof of concept are critical to the ability to raise the necessary funding to pursue development and commercialisation of the node technology. There can be no certainty

that the trials will proceed on time and produce the expected results, which may lead to delays in obtaining funding. This may have an adverse effect ARL's future profitability and, therefore, the Company's return on its investment in ARL.

RISKS RELATING TO THE ORDINARY SHARES

The Company may not continue to be eligible for Standard Listing upon completion of its proposed potential offer for LSR

If an offer for the entire issued and to be issued share capital is made for LSR ("Offer"), the Company will be undertaking a reverse takeover for the purposes of the Listing Rules. LSR is a premium listed closed ended investment company. A Standard Listing is not available for a company which is an investment entity. If the Offer is made, the Company does not intend to change its own listing category. Accordingly, the Company will need to re-confirm its eligibility for Standard Listing pursuant to Listing Rule 5.6.23(G) in light of the Offer and its potential acquisition of the entire issued share capital of LSR. The UKLA will consider the Company's continued eligibility for Standard Listing upon completion of the Offer. There is a risk that the outcome of the UKLA's eligibility review will be that the Company is no longer eligible for Standard Listing or indeed under any other listing category of the Official List. In those circumstances, the Company's listing may be cancelled. If that were to be the case, the Company would consider what options may be open to it (such as a corporate action or a potential change to its own listing category or trading venue) so as to ensure it can remain a listed or quoted business. Dependent on the nature of any potential corporate action that the Board may contemplate in such circumstances, the Company's shares may be suspended as a result. The length of any such suspension will vary depending on the circumstances and it may be that after any such period of suspension the listing of the Company's shares is cancelled. It may be that the Board is unable to undertake any such corporate action which allows the Company's shares to be traded on any exchange or market for quoted or listed securities. If the Company's shares (i) are cancelled from listing; (ii) cease to be traded on any exchange; or (iii) are no longer quoted, any one of those scenarios would materially reduce liquidity in such shares which may affect an Investor's ability to realise some or all of its investment and/or the price at which such Investor can effect such realisation. There is unlikely to be a market for the Company's shares where they cease to be listed, traded or quoted.

The proposed Standard Listing of the Ordinary Shares will afford Investors a lower level of regulatory protection than a Premium Listing

Application will be made for the Ordinary Shares to be admitted to a Standard Listing on the Official List. A Standard Listing will afford Investors in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules.

Whilst the Company has a Standard Listing, it is not required to comply with the provisions of, among other things:

- Chapter 8 of the Listing Rules regarding the appointment of a sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company has not and does not intend to appoint such a sponsor in connection with Admission;
- Chapter 9 of the Listing Rules regarding continuous obligations for a company with a Premium Listing;
- Chapter 10 of the Listing Rules relating to significant transactions. It should be noted therefore that any acquisition will not require Shareholder consent, even if Ordinary Shares are being issued as consideration for an acquisition;
- Chapter 11 of the Listing Rules regarding related party transactions. Nevertheless, the Company will not enter into any transaction which would constitute a "related party transaction" as defined in Chapter 11 of the Listing Rules without the specific prior approval of those Directors who do not constitute a related party;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares. In particular, the Company has not adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

On completion of a reverse takeover, the listing of the Company's Ordinary Shares may be cancelled and they may not be readmitted to trading thereafter

Chapter 5 of the Listing Rules provide that the FCA will generally seek to cancel the listing of a listed company's securities when it completes a reverse takeover. In such circumstances, the Company may seek the re-admission to listing either simultaneously with completion of an acquisition or as soon thereafter as is possible but there is no guarantee that such re-admission would be granted by the FCA. Unless required by applicable law or other regulatory process, no Shareholder approval will be sought by the Company. In certain circumstances, it may be the Company's decision to cancel its listing as a result of the reverse takeover.

A cancellation of the listing of the Ordinary Shares would materially reduce liquidity in such shares which may affect an Investor's ability to realise some or all of its investment and/or the price at which such Investor can effect such realisation. There is unlikely to

be a market for shares where their listing has been cancelled and if a reverse takeover were to occur but the Company's Ordinary Shares were not readmitted, the Company would not be able raise any equity or debt financing on the public market, or carry out a further acquisition using listed share consideration, which would restrict its business activities and particularly result in incurring unnecessary costs.

Investors may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable

Investments in Ordinary Shares may be relatively illiquid. There may be a limited number of Shareholders and this factor may contribute both to infrequent trading in the Ordinary Shares on the London Stock Exchange and to volatile Ordinary Share price movements. Investors should not expect that they will necessarily be able to realise their investment in Ordinary Shares within a period that they would regard as reasonable. Accordingly, the Ordinary Shares may not be suitable for short-term investment. Admission should not be taken as implying that there will be an active trading market for the Ordinary Shares. Even if an active trading market develops, the market price for the Ordinary Shares may fall below the price per Ordinary Share on Admission.

Dividend payments on the Ordinary Shares are not guaranteed

To the extent the Company intends to pay dividends on the Ordinary Shares, it will pay such dividends, at such times (if any) and in such amounts (if any) as the Board determines appropriate and in accordance with applicable law, but expects to be principally reliant upon dividends received on shares held by it in any operating subsidiaries in order to do so. Payments of such dividends will be dependent on the availability of any dividends or other distributions from such subsidiaries. The Company can therefore give no assurance that it will be able to pay dividends going forward or as to the amount of such dividends, if any.

Preference Shares

The Company issued Preference Shares to its shareholders on the shareholder register as at 30 September 2018 on a one for one basis. The Preference Shares were issued as a means of defence against an unsolicited bid for the Company. Each Preference Share has no rights other than 10 votes per share. Each Preference Share does not transfer with any sale of the related Ordinary Share and therefore as the Company's Ordinary Shares are traded, a referable number of Preference Shares are cancelled. Any investor acquiring Ordinary Shares after 30 September 2018 would therefore not enjoy the enhanced voting rights afforded to those existing Shareholders of the Company who hold Preference Shares. Accordingly, the voting rights in the Company will increasingly reside with those Shareholders who retain their Ordinary Shares and who therefore also hold Preference Shares.

British Virgin Islands company law

The Company is incorporated in the British Virgin Islands. As a result, the rights of the Shareholders will be governed by the laws of the British Virgin Islands and the Memorandum and Articles. The laws of the British Virgin Islands relating to the protection of the interests of minority shareholders differ in some respects from those established under statutes or judicial precedent in existence in England. Such differences may mean that the Company's minority shareholders may have less protection than they would have under English law.

Set out below is a description of the principal relevant differences between companies incorporated in England and the British Virgin Islands:

(i) Pre-emptive rights: Shareholders do not have statutory pre-emption rights under the BVI Business Companies Act over further issues of shares of the Company. Certain restrictions on the ability of the Directors to allot Ordinary Shares are contained in the Articles, which may be amended by a special resolution of the Shareholders.

(ii) Takeovers: the BVI Business Companies Act does not contain provisions similar to those in the City Code which, inter alia, oblige a person or persons acquiring at least 30 per cent of voting rights in a company to which the City Code applies to make an offer to acquire the remainder of the shares in such company. The Articles incorporate provisions similar to those contained in Rule 9 of the City Code, but may be amended by a special resolution of the Shareholders.

Rights of shareholders are more limited under British Virgin Islands law than under United Kingdom law

The Company's corporate affairs are governed by the Memorandum and Articles of Association, the BVI Business Companies Act and the common law of the British Virgin Islands. The rights of Shareholders to take action against the Directors, the rights of Shareholders to institute actions and the fiduciary responsibilities of Directors under British Virgin Islands law are to a large extent governed by the common law of the British Virgin Islands. The common law of the British Virgin Islands is derived in part from comparatively limited judicial precedent in the British Virgin Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the British Virgin Islands. The rights of Shareholders and the fiduciary responsibilities of

Directors under British Virgin Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions. In particular, the British Virgin Islands has a less developed body of corporate laws than the United Kingdom.

The Company is organised under the laws of the British Virgin Islands. As a result, a Shareholder may not be able to enforce a judgment against the Company or some or all of the Directors and executive officers outside the British Virgin Islands. It may not be possible for a Shareholder to effect service of process upon the Directors and executive officers within the Shareholder's country of residence or to enforce against the Directors and executive officers judgments of courts of the Shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that a Shareholder will be able to enforce any judgments in civil and commercial matters against the Directors or executive officers who are residents of countries other than those in which judgment is made.

RISKS RELATING TO THE COMPANY'S RELATIONSHIP WITH THE DIRECTORS

The Company is dependent upon the Board to identify potential acquisition opportunities and to execute an Acquisition and the loss of the services of any of the Directors could materially adversely affect it

The Company is dependent upon the Directors, and in particular Mr C. Duncan Soukup, who serves as Executive Chairman, to identify potential acquisition and investment opportunities. The unexpected loss of the services of any of the Directors could have a material adverse effect on the Company's ability to execute its strategy.

RISKS RELATING TO HEDGING STRATEGIES

The Company engages in multiple currency hedging strategies as well as stock market and/or share specific hedging strategies. Whilst the Company has consistently benefitted from these hedging strategies in the past, there is no guarantee that such strategies will succeed in the future.

RISKS RELATING TO TAXATION

Changes in tax law and practice may reduce any net returns for Investors

The tax treatment of shareholders of the Company, any special purpose vehicle that the Company may establish and any company which the Company may acquire are all subject to changes in tax laws or practices in the British Virgin Islands or any other relevant jurisdiction. Any change may reduce any net return derived by Investors from a shareholding in the Company.

There can be no assurance that the Company will be able to make returns for Shareholders in a tax-efficient manner

It is intended that the Company will structure the Company, including any company or business acquired in an Acquisition, to maximise returns for Shareholders in as fiscally efficient a manner as is practicable. The Company has made certain assumptions regarding taxation. However, if these assumptions are not correct, taxes may be imposed with respect to the Company's assets, or the Company may be subject to tax on its income, profits, gains or distributions (either on a liquidation and dissolution or otherwise) in a particular jurisdiction or jurisdictions in excess of taxes that were anticipated. This could alter the post-tax returns for Shareholders (or Shareholders in certain jurisdictions). The level of return for Shareholders may also be adversely affected. Any change in laws or tax authority practices could also adversely affect any post-tax returns of capital to Shareholders or payments of dividends (if any, which the Company does not envisage the payment of, at least in the short to medium term). In addition, the Company may incur costs in taking steps to mitigate any such adverse effect on the post-tax returns for Shareholders.

Forward-looking statements

This Document includes statements that are, or may be deemed to be, "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "targets", "believes", "estimates", "anticipates", "expects", "intends", "may", "will", "should" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the Document and include statements regarding the intentions, beliefs or current expectations of the Company and the Board of Directors concerning, among other things: (i) the Company's objective, acquisition and financing strategies, results of operations, financial condition, capital resources, prospects, capital appreciation of the Ordinary Shares and dividends; and (ii) future deal flow and implementation of active management strategies, including with regard to an acquisition. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual performance, results of operations, financial condition, distributions to shareholders and the development of its financing strategies may differ materially from the forward-looking statements contained in this Document. In addition, even if the

Company's actual performance, results of operations, financial condition, distributions to shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this Document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to:

- the Company's ability to identify suitable acquisition opportunities or the Company's success in completing an acquisition;
- the Company's ability to ascertain the merits or risks of the operations of a target company or business;
- the availability and cost of equity or debt capital for future transactions;
- currency exchange rate fluctuations, as well as the success of the Company's hedging strategies in relation to such fluctuations (if such strategies are in fact used); and
- legislative and/or regulatory changes, including changes in taxation regimes.

Prospective Investors should carefully review the "Risk Factors" section of this Document for a discussion of additional factors that could cause the Company's actual results to differ materially, before making an investment decision. For the avoidance of doubt, nothing in this paragraph constitutes a qualification of the working capital statement contained in paragraph 9 of Part IX of this Document.

Forward-looking statements contained in this Document apply only as at the date of this Document. Subject to any obligations under the Listing Rules, the Disclosure Guidance and Transparency Rules, the Prospectus Rules or the Market Abuse Regulation, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

CONSEQUENCES OF A STANDARD LISTING

Application will be made for the Ordinary Shares to be admitted to listing on the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings. Listing Principles 1 and 2 which are contained in Chapter 7 of the Listing Rules will apply to the Company with effect from Admission. As the Company will have a Standard Listing and not a Premium Listing, the Premium Listing Principles will not apply to it. The Company will, however, voluntarily comply with Premium Listing Principles 1, 5 and 6 from Admission.

However, while the Company has a Standard Listing, it is not required to comply with the provisions of, among other things:

- Chapter 8 of the Listing Rules regarding the appointment of a sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company has not and does not intend to appoint such a sponsor in connection with the Admission;
- Chapter 9 of the Listing Rules regarding continuous obligations for a company with a Premium Listing;
- Chapter 10 of the Listing Rules relating to significant transactions. It should be noted therefore that an Acquisition will not require Shareholder consent, even if Ordinary Shares are being issued as consideration for such Acquisition;
- Chapter 11 of the Listing Rules regarding related party transactions;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares. In particular, the Company has not adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

Following a significant acquisition, the Directors would determine the most appropriate trading venue for the Company's Ordinary Shares, which might include continuing with its Standard Listing or moving to a Premium Listing or other appropriate stock market, based on the track record of the Company or business it acquires (although there can be no guarantee that the Company will fulfil the relevant eligibility criteria at the time and that a transfer to a Premium Listing or other appropriate stock market, will be achieved). If a transfer to a Premium Listing is possible (and there can be no guarantee that it will be) and the Company decides to transfer to a Premium Listing, the various Listing Rules highlighted above as rules with which the Company is not required to comply will become mandatory and the Company will comply with the continuing obligations contained within the Listing Rules (and the Disclosure Guidance and Transparency Rules) in the same manner as any other company with a Premium Listing.

It should be noted that the UK Listing Authority will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply. However, the FCA would be able to impose sanctions for non-compliance where the statements regarding compliance in this document are themselves misleading, false or deceptive.

IMPORTANT INFORMATION

In deciding whether or not to invest in Ordinary Shares, prospective Investors should rely only on the information contained in this Document. No person has been authorised to give any information or make any representations other than as contained in this Document and, if given or made, such information or representations must not be relied on as having been authorised by the Company or the Directors. Without prejudice to the Company's obligations under FSMA, the Prospectus Rules, Listing Rules and Disclosure Guidance and Transparency Rules, the delivery of this Document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Document or that the information contained herein is correct as at any time after its date.

Prospective Investors must not treat the contents of this Document or any subsequent communications from the Company or the Directors or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

The section headed "Summary" should be read as an introduction to this Document. Any decision to invest in the Ordinary Shares should be based on consideration of this Document as a whole by the Investor. In particular, Investors must read "Section D" of the Summary together with the risks set out in the section headed "Risk Factors" beginning on page 17 of this Document.

This Document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or the solicitation of an offer or invitation to subscribe for or buy, any Ordinary Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation. The distribution of this Document and the offering of the Ordinary Shares in certain jurisdictions may be restricted. Accordingly, persons outside the United Kingdom who obtain possession of this document are required by the Company or the Directors to inform themselves about, and to observe any restrictions as to the offer or sale of Ordinary Shares and the distribution of, this Document under the laws and regulations of any territory in connection with any applications for Ordinary Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such territory. No action has been taken or will be taken in any jurisdiction by the Company or the Directors that would permit a public offering of the Ordinary Shares in any jurisdiction where action for that purpose is required. Neither the Company nor the Directors accepts any responsibility for any violation of any of these restrictions by any other person.

The Ordinary Shares have not been and will not be registered under the Securities Act, or under any relevant securities laws of any state or other jurisdiction in the United States, or under the applicable securities laws of Australia, Canada or Japan. Subject to certain exceptions, the Ordinary Shares may not be, offered, sold, resold, reoffered, pledged, transferred, distributed or delivered, directly or indirectly, within, into or in the United States, Australia, Canada, the Republic of South Africa, the Republic of Ireland or Japan or to any national, resident or citizen of Australia, Canada, the Republic of South Africa, the Republic of Ireland or Japan.

The Ordinary Shares have not been approved or disapproved by the SEC, any federal or state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or confirmed the accuracy or determined the adequacy of the information contained in this Document. Any representation to the contrary is a criminal offence in the United States.

Investors may be required to bear the financial risk of an investment in the Ordinary Shares for an indefinite period. The Ordinary Shares are not transferable except in compliance with the restrictions described in Part IX of this Document.

Selling and transfer restrictions

Prospective Investors should consider (to the extent relevant to them) the notices to residents of various countries set out in Part X of this Document.

Investment considerations

In making an investment decision, prospective Investors must rely on their own examination, analysis and enquiry of the Company and this Document, including the merits and risks involved. The contents of this Document are not to be construed as advice relating to legal, financial, taxation, investment decisions or any other matter. Prospective Investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and

- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares or distributions by the Company, either on a liquidation and distribution or otherwise. Prospective Investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's objective will be achieved.

It should be remembered that the price of the Ordinary Shares, and any income from such Ordinary Shares, can go down as well as up.

This Document should be read in its entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Articles which Investors should review.

Currency presentation

Unless otherwise indicated, all references to "GBP" or "£" are to British pounds sterling and "US$" or "$" are to US dollars.

No incorporation of website

The contents of any website of the Company or any other person do not form part of this Document.

Definitions

A list of defined terms used in this Document is set out in Part XI of this Document.

SUMMARY OF BRITISH VIRGIN ISLANDS COMPANY LAW

The Company was incorporated in the British Virgin Islands as a limited company on 26 September 2007 subject to the BVI Business Companies Act. Certain provisions of British Virgin Islands company law are set out below but this section does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the BVI Business Companies Act and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

(a) Company operations

The Company is a legal entity in its own right separate from its Shareholders and continues in existence until it is dissolved. The Company has, irrespective of corporate benefit, full capacity to carry on or undertake any business or activity, do any act or enter into any transaction, and for these purposes, full rights, powers and privileges. The Company has the power to carry on business, whether inside or outside of the BVI, where it has the requisite licences to carry on business.

(b) Share Capital

A BVI company is authorised to issue such number of shares as is specified in its memorandum of association. The shares of a BVI company may be issued with or without par value and a share with par value may be issued in any currency. The par value of a par value share may be a fraction of the smallest denomination of the currency in which it was issued. A share in a BVI company is personal property. A BVI company may issue fractional shares, and a fractional share in a BVI company has the corresponding fractional rights, obligations and liabilities of a whole share of the same class. A BVI company may divide its shares, including issued shares, into a larger number of shares, or combine its shares, including issued shares, into a smaller number of shares provided that a company may not divide its shares if it would cause the maximum number of shares that the company is authorised to issue by its memorandum of association to be exceeded. Where par value shares are divided or combined, the aggregate par value of the new shares must be equal to the aggregate par value of the original shares.

The entry of the name of a person in the register of members of a BVI company as a holder of a share in the company is prima facie evidence that legal title in the share vests in that person. The company may treat the holder of a registered share as the only person entitled to exercise any voting rights attached to the share, receive notices, receive a distribution in respect of the share, and exercise other rights and powers attaching to the share

The Company is authorised to issue 200,000,000 shares divided into 100,000,000 Ordinary Shares with a par value of US$0.01 and 100,000,000 Preference Shares with no par value.

Each Ordinary Share confers on the holder:

(i) the right to one (1) vote at a meeting of the members of the Company or on any resolution of the members of the Company;

(ii) the right to an equal share in any dividend paid by the Company in accordance with the BVI Business Companies Act; and

(iii) the right to an equal share in the distribution of the surplus assets of the Company.

Each Preference Share confers on the holder:

(i) the right to ten (10) votes at a meeting of the members of the Company or on any resolution of the members of the Company;

(ii) no right to any dividend; and

(iii) no right to share in the distribution of the surplus asset of the Company.

A preference share shall not be transferable by the holder or be subject to transmission.

(c) Financial assistance to purchase shares of a company or its holding company

The BVI Business Companies Act does not limit the circumstances in which the Company can give financial assistance to another person for the purchase of, or subscription for, its own, its holding company's or a subsidiary's shares. Therefore, a Company may provide financial assistance provided the directors of the Company, when proposing to grant such financial assistance, discharge their duties of care and act in good faith, for a proper purpose and in the interests of the Company. Such assistance should be on an arm's-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

Provided the directors are satisfied, on reasonable grounds, that the Company will, immediately after the purchase of shares, satisfy the Solvency Test, the directors may, on behalf of the Company purchase, redeem or otherwise acquire any of the Company's own shares for such consideration as they consider fit, and either cancel or hold such shares as treasury shares. For these purposes, the Company satisfies the solvency test (the "**Solvency Test**") if (i) the value of the Company's assets exceeds its liabilities, and (ii) the Company is able to pay its debts as they fall due. The BVI Business Companies Act does not limit the circumstances in the Company can purchase its warrants or shares of its subsidiaries.

(e) Dividends and distributions

The directors of the Company may, by resolution, authorise a dividend or a distribution by the Company to its shareholders at such time and of such amount, as they think fit if they are satisfied, on reasonable grounds, that the Company will, immediately after the dividend or distribution, satisfy the Solvency Test.

(f) Protection of minorities and shareholders' suits

British Virgin Islands law permits personal, derivative and representative actions by shareholders.

British Virgin Islands law permits shareholders to bring personal actions against a BVI company.

In addition, a British Virgin Islands court, may, on the application of a shareholder, grant leave to that shareholder to bring proceedings in the name and on behalf of a BVI company, or intervene in proceedings to which the company is a party for the purpose of continuing, defending or discontinuing the proceedings on behalf of the company (a derivative action). In determining whether to grant leave, the Court must take the following matters into account:

(i) whether the shareholder is acting in good faith;

(ii) whether the derivative action is in the interest of the company taking account of the views of the company's directors on commercial matters;

(iii) whether the proceeding are likely to succeed;

(iv) the costs of the proceedings in relation to the relief likely to be obtained; and

(v) whether an alternative remedy to the derivative claim is available.

In addition, where a shareholder brings proceedings against a BVI company and other shareholders have the same or substantially the same interest in relation to the proceedings, a British Virgin Islands court may appoint that shareholder to represent all or some of the shareholders having the same interest and may, for that purpose, make such order as it thinks fit, including an order:

(i) as to the control and conduct of the proceedings;

(ii) as to the costs of the proceedings; and

(iii) directing a distribution of any amount ordered to be paid by a defendant in the proceedings among the shareholders represented.

(g) Disposal of assets

Any sale, transfer, lease, exchange or other disposition, other than a mortgage, charge or other encumbrance or the enforcement thereof, of more than 50 per cent in value of the assets of the Company, other than a transfer pursuant to the power described in section 28(3) of the BVI Business Companies Act, if not made in the usual or regular course of the business carried on by the Company, shall be approved by the directors and authorised by a resolution of the shareholders.

(h) Accounting and auditing requirements

Under the BVI Business Companies Act, the Company is obliged to keep records and underlying documentation that (i) are sufficient to show and explain the Company's transactions and (ii) will, at any time, enable the financial position of the Company to be determined with reasonable accuracy. There is no statutory requirement to audit or file annual accounts.

(i) Exchange control

There is no exchange control legislation under British Virgin Islands law.

(j) Taxation

The Company and all dividends, interest, rents, royalties, compensations and other amounts paid by the Company to persons who are not persons resident in the British Virgin Islands are exempt from the provisions of the Income Tax Act in the British Virgin

Islands, and any capital gains realized by persons who are not persons resident in the British Virgin Islands with respect of any shares, debt obligations, or other securities of the Company are exempt from taxation in the British Virgin Islands. No estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by persons who are not persons resident in the BVI with respect to any shares, debt obligations or other securities of a BVI business company.

There are currently no withholding taxes or exchange control regulations in the British Virgin Islands applicable to the Company or its members.

Shareholders who are not tax resident in the British Virgin Islands will not be subject to any income, withholding or capital gains taxes in the British Virgin Islands, with respect to the shares of the Company owned by them and dividends received on such shares, nor will they be subject to any estate or inheritance taxes in the British Virgin Islands.

The Company is required to pay an annual government fee which is determined by reference to the number of shares the Company is authorized to issue. The government fee is currently $1,200 per annum.

(k) Stamp duty on transfers

Provided the Company does not directly or indirectly own, hold or have any interest in land situate in the British Virgin Islands, all instruments relating to transfers of property to or by the Company, all instruments relating to transactions in respect of the shares, debt obligations or other securities of the Company, and all instruments relating to other transactions relating to the business of the Company are exempt from the payment of stamp duty in the British Virgin Islands.

(l) Loans to directors

The BVI Business Companies Act does not limit the circumstances in which the Company can makes loans to a director of the Company.

(m) Inspection of corporate records

Pursuant to the BVI Business Companies Act, a shareholder of the Company is entitled, on giving written notice to the Company, to inspect the memorandum of association and articles of association of the Company, the register of members, the register of directors and minutes of meetings and resolutions of shareholders, and to make copies of or extracts from such documents and records. The directors may, if they are satisfied that it would be contrary to the company's interests to allow a shareholder to inspect any document, or part of a document, refuse to permit the shareholder to inspect the document or limit the inspection of the document, including limiting the making of copies or the taking of extracts from the records. The directors shall, as soon as reasonably practicable, notify a shareholder of any exercise of these powers. Where a company fails or refuses to permit a shareholder to inspect a document or permits a shareholder to inspect a document subject to limitations, that shareholder may apply to the British Virgin Islands Court for an order that he should be permitted to inspect the document or to inspect the document without limitation. On an application, the British Virgin Islands Court may make such order as it considers just.

(n) Register of members

The Company is required to maintain a register of members. The entry of the name of a person in the register of members as a holder of a share in the Company is *prime facie* evidence that legal title in the share vests in that person.

(o) Register of Directors and officers

The Company is required to maintain a register of directors. The register of directors is *prima facie* evidence of any matters directed or authorised by the BVI Business Companies Act to be contained therein.

(p) Winding up

On liquidation, dissolution or winding up, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of shares will be entitled to receive the property of the Company remaining after payment of all outstanding debts on a pro rata basis.

(q) Reconstructions

Under the BVI Business Companies Act, two or more companies may merge or consolidate in accordance with the statutory provisions. A merger means the merging of two or more constituent companies into one of the constituent companies, and a consolidation means the uniting of two or more constituent companies into a new company. In order to merger or consolidate, the directors of each constituent company must approve a written plan of merger or consolidation which must be authorized by a resolution of shareholders.

Shareholders not otherwise entitled to vote on the merger or consolidation may still acquire the right to vote if the plan or merger or consolidation contains any provision which, if proposed as an amendment to the memorandum of association or articles of association, would entitle them to vote as a class or series on the proposed amendment. In any event, all shareholders must be given a copy of the plan of merger or consolidation irrespective of whether they are entitled to vote at the meeting or consent to the written resolution to approve the plan of merger or consolidation.

(r) Take-overs

The BVI Business Companies Act does not contain provisions similar to those in the City Code which, inter alia, oblige a person or persons acquiring at least 30 per cent of voting rights in a company to which the City Code applies to make an offer to acquire the remainder of the shares in such company. The Articles incorporate provisions similar to those contained in Rule 9 of the City Code, but may be amended by a special resolution of the Shareholders.

(s) Merger and Consolidation

The BVI has a statutory merger and consolidation regime as set out in the BVI Business Companies Act. Generally, the merger or consolidation of a BVI company requires approval by both its shareholders and its board of directors. However, a BVI parent company may merge with one or more BVI subsidiaries without shareholder approval. Shareholders dissenting from a merger are entitled to payment of the fair value of their shares unless the BVI company is the surviving company and the shareholders continue to hold the same or similar shares in the surviving company. BVI law permits BVI companies to merge with companies incorporated outside the BVI, provided the merger is lawful under the laws of the jurisdiction in which the non-BVI company is incorporated.

Under BVI law, a merger or consolidation may take the form of one or more companies merging into, and being subsumed by, another company (being the surviving company) or the consolidation of two or more companies into, and being subsumed by, a new company. In either case, with effect from the effective date of the merger, the surviving company or the new consolidated company assumes all of the assets and liabilities of the other entity or entities by operation of law and the other constituent entities cease to exist.

Under BVI law, a merger can result in the compulsory cancellation of a shareholder's shares, although in such circumstances a shareholder will have the right to demand fair value for its shares. In the event that a minority shareholder objects to the merger consideration and the parties are unable to agree a price, the BVI Business Companies Act sets out a mechanism whereby the shareholder and the BVI company may each appoint an appraiser, who will together appoint a third appraiser and all three appraisers will have the power to determine the fair value of the shares to be cancelled. Pursuant to the BVI Business Companies Act, the determination of the three appraisers shall be binding on the BVI company and the minority shareholder for all purposes.

(t) Redemption of Minority Shares

The BVI Business Companies Act provides that, subject to its memorandum and articles of association, shareholders holding 90% or more of all the voting shares in a BVI company may instruct the BVI company to redeem the shares of the remaining shareholders. The BVI company is then required to redeem the shares of the minority shareholders, whether or not the shares are by their terms redeemable. The BVI company must notify the minority shareholders in writing of the redemption price to be paid for the shares and the manner in which the redemption is to be effected. In the event that a minority shareholder objects to the redemption price to be paid and the parties are unable to agree the redemption amount payable, the BVI Business Companies Act sets out a mechanism whereby the shareholder and the BVI company may each appoint an appraiser, who will together appoint a third appraiser, and all three appraisers will have the power to determine the fair value of the shares to be compulsorily redeemed. Pursuant to the BVI Business Companies Act, the determination of the three appraisers shall be binding on the BVI company and the minority shareholder for all purposes.

(u) Indemnification

The Company's memorandum and articles of association provide that the Company may indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings any person who (a) is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a director of the Company, or (b) is or was, at the request of the Company, serving as a director of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise, provided that the person acted honestly and in good faith and in what he believed to be in the best interests of the Company and, in the case of criminal proceedings, the person had no reasonable cause to believe that his conduct was unlawful.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Date of this Document	1 February 2019
Publication of this Document	1 February 2019
Cancellation of Ordinary Shares from trading on AIM	6 February 2019
Admission and commencement of unconditional dealings in Ordinary Shares	8.00 a.m. on 6 February 2019

All references to time in this Document are to London time unless otherwise stated.

DEALING CODES

The dealing codes for the Ordinary Shares will be as follows:

ISIN	VGG878801031
SEDOL	B2QZ9D8
TIDM	THAL

DIRECTORS, AGENTS AND ADVISERS

Directors	C. Duncan Soukup, *Executive Chairman* Graham Cole FCA, FSI, *Non-executive Director* David Thomas, *Non-executive Director* *all of whose address for business is at the Company's registered office:* Folio Chambers PO Box 800 Road Town, Tortola British Virgin Islands
Company Secretary	Julian Henley-Price
Registered Office	Folio Chambers PO Box 800 Road Town, Tortola British Virgin Island
Auditors and Reporting Accountants	Jeffreys Henry LLP Finsgate, 5-7 Cranwood Street London EC1V 9EE
Broker and Financial Advisor	WH Ireland Limited 24 Martin Lane London EC4R 3AB
Registrar	Link Market Services (Jersey) Limited 12 Castle Street St Helier Jersey JE2 3RT Channel Islands
Depositary	Link Market Services Trustees Ltd The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Legal advisers to the Company as to English law	Locke Lord (UK) LLP 201 Bishopsgate London EC2M 3AB
Legal advisers to the Company as to British Virgin Islands law	Conyers Dill & Pearman Romasco Place Wickhams Cay 1 PO Box 3140 Road Town Tortola British Virgin Islands VG1110

PART I
THE COMPANY, INVESTMENT AND STRATEGY

Introduction

The Company was incorporated on 26 September 2007 in the British Virgin Islands and was admitted to AIM on 29 July 2008. Its share capital will, on Admission, consist of Ordinary Shares and Preference Shares. It is intended that the Ordinary Shares will be admitted by the FCA to a Standard Listing on the Official List in accordance with Chapter 14 of the Listing Rules and to trading on the London Stock Exchange's main market for listed securities. It is intended that the Preference Shares will not be admitted by the FCA to a Standard Listing on the Official List in accordance with Chapter 14 of the Listing Rules nor to trading on the London Stock Exchange's main market for listed securities.

Brief History of the Company

The following is a summary of key developments in the Company's history:

Date	***Key development***
29 July 2008	Thalassa is admitted to trading on AIM with a market capitalisation of US$8,500,000, raising on admission US$6,189,073 pursuant to a placing of Ordinary Shares.
17 November 2011	Thalassa acquires WGP Exploration Ltd, the Company's long term operating partner with leading industry experience in 4-D seismic, used in Permanent Reservoir Monitoring for a consideration of £806,612 satisfied by the issue of 2,688,707 Ordinary Shares at £0.30 per share.
12 April 2013	Thalassa raises gross proceeds of circa £5.4 million through a placing of 4,500,000 new Ordinary Shares at a placing price of £1.20 per share.
30 October 2013	Thalassa raises gross proceeds of £18.1 million through a placing of 7,240,000 new Ordinary Shares at a placing price of £2.50 per share.
22 November 2013	Thalassa completes acquisition of the business and assets of GO Science (now forming the business and assets of Autonomous Robotics Limited) for a consideration of £1.86 million in cash.
2 September 2016	Thalassa announces an investment in Papua Mining plc of £400,000 for 40,000,000 new ordinary shares of Papua Mining plc at a price of 1 pence per share.
9 September 2016 During 2017	Thalassa begins acquiring a position in The Local Shopping REIT plc, acquiring 10,438,376 ordinary shares in The Local Shopping REIT plc at an aggregate cost of approximately £3.6 million and a further 6,225,000 ordinary shares at an aggregate cost of approximately £2.05 million, representing an aggregate shareholding in LSR of 23.14%. Thalassa acquires further ordinary shares in The Local Shopping REIT plc, taking its total shareholding to 25.48%.
16 October 2017	Thalassa announces the sale of its interest in Papua Mining plc, disposing of the 40,000,000 ordinary shares acquired by the Company on 12 October 2016 for 1 pence per share at the sale price of 1.15 pence per share.
1 December 2017	Thalassa reaches agreement with Fairfield Industries Incorporated doing business as FairfieldNodal for sale of the business and assets of WGP Group Ltd and its subsidiaries for $20,000,000 in cash and a further $10,000,000 payable contingent on certain customer contracts being entered into within 5 years of completion of the sale. The sale completed on 1 January 2018. $6 million of this contingent consideration has become payable of which the Company has already received $1.2 million with the balance of $4.8 million due for settlement by 11 September 2019.
9 January 2019	Thalassa announces a possible offer for LSR pursuant to rule 2.4 of the City Code.

Company objective

The Company's objective is to acquire assets which are, in the opinion of the Directors, capable of delivering long term value for Shareholders.

The Board consider that a listing on the main market will offer the Company additional flexibility in light of Brexit since by virtue of being listed on an EU Regulated Market (which AIM is not) the Company can, if the Directors decide it is in the best interests

of Shareholders, apply for an additional listing at a suitable listing venue in the EU using the EU Prospectus Directive's 'passporting' arrangements.

Business strategy and execution

The Company's strategy, as approved by shareholder resolution dated 23 April 2009, is to identify, acquire, integrate and develop businesses which the Directors consider to have potential for capital appreciation. The management team, led by the Executive Chairman, is responsible for implementing the strategy and overseeing management of the business at an operational level and reporting to the Board.

The Board is actively considering a number of opportunities in real estate, R&D and financial services and, ultimately, the Directors believe that this approach will deliver long-term value for shareholders. In executing the Group's strategy, management will seek to mitigate/hedge risk whenever possible. The Board is currently considering making an offer for LSR and announced the fact the company was considering a possible offer for the entire issued and to be issued share capital of LSR not already owned by it on 9 January 2019. Further details of the possible offer are set out later in this Part I on page 42.

As a result of the Board's view of the market, the Board has adopted a five-pronged approach to future investments:

1. **Opportunistic**: where an acquisition or investment exists because of price dislocation (the price of a stock collapses but fundamentals are, in the opinion of the Board, mis-priced by the market) or where the Board identifies a special "off market" opportunity.
2. **Finance**: the Board is currently investigating opportunities in banking and fintech. The Company will seek to capitalise on opportunities that the Board believe exist to acquire control or substantial influence in public and/or private finance companies (which the Board sees as including but not limited to banks, multi-family offices, asset/wealth managers and other financial support service providers with an emphasis on technology based service companies) ("Finance Companies"). The Board believes that fintech is a growth industry which benefits from modest funding requirements (in comparison to conventional banking and other financial services) and is modular in its application, such that different services can be offered and provided through a single portal. Being technology driven, the on-going costs are largely in the maintenance of existing systems and development of new offerings.
3. **Property**: the Company currently owns 25.48% of The Local Shopping REIT plc ("LSR"). There are no specific further property investments being considered at this juncture as LSR is pursuing a liquidation strategy approved by its shareholders in July 2013. However, the Board would consider acquisitions and investments in the real estate sector where there are opportunities to buy into a property project which requires top-up financing or where there is an opportunity for other value enhanced lending. This may include dedicated funding structures to provide top up or conventional lending where bank credit is limited by loan to value (LTV) ratios. Such enhanced lending would be ancillary to the strategy of owning property investments and expected to be short term in nature (such a "bridge financing").
4. **Education**: in the Board's opinion, there are few sectors that offer the same longevity and predictability of earnings as private primary and secondary education. Private education represents a potentially area of investment due to recurring revenues from students who attend secondary school from the age of 14 to 18/19. Fees are paid for annual attendance even though actual attendance is only roughly 7 months of the year or 58% of the calendar year. This allows for alternative use of the property while un-utilised, such as for language courses, executive education and sports camps. A number of potential investments in the UK and Western Europe have been identified but no approaches have yet been made.
5. **R&D**: development situations such as Autonomous Robotics, where the Board sees an opportunity to participate in disruptive, early stage technology. The Board will consider investment in other aspects of the robotics sector as opportunities present themselves, including, but not limited to opportunities in autonomous underwater vehicles (AUV), unmanned underwater vehicles (UUV) and unmanned aerial vehicles (UAV).

The Company aims, where appropriate or required, to provide strategic, operational and financial support to its investee companies but would seek to develop a self-funding model as soon as practically possible. The level of active involvement will be dependent on any investment's specific needs, but typically will include value added services surrounding financial and operational expertise and early technology adoption. The Company will generally not charge fees for advisory services. Where the Company supports an investee company through a sale or other significant corporate action, it may, on occasion, charge an advisory "deal" fee.

Current Group Structure

The Company is a holding company with the following wholly owned subsidiaries (each of which is incorporated in the United Kingdom unless otherwise stated):

- Autonomous Holdings Ltd (BVI)
- Autonomous Robotics Ltd

Further, the Company wholly owns the following non-operating subsidiaries (each of which is incorporated in the BVI unless otherwise stated):

- Anemoi SA (Luxembourg)
- Apeiron Holdings AG (Switzerland)
- DOA Alpha Ltd, formerly WGP Group Ltd
- DOA Beta Ltd, formerly WGP Energy Services Ltd
- DOA Delta Ltd, formerly WGP Survey Ltd
- DOA Gamma Ltd, formerly WGP Professional Services Ltd
- DOA Exploration Limited, formerly WGP Exploration Limited (England & Wales)
- WGP Geosolutions Limited (Cyprus)
- WGP Group AT GmbH (Austria)

In addition, the Company has an associated entity, The Local Shopping REIT plc in which it holds 25.48% of the voting shares.

Current Investments

Autonomous Robotics Limited

Background and reasons for investment

The Company owns 100% of Autonomous Robotics Limited ("**ARL**") which was established in 2013 with the assets of GO Science Limited, bought by the Company out of administration.

ARL is developing a next generation ocean bottom sensing and data acquisition technology using autonomous underwater vehicles ("**Nodes**"). The Nodes have potential application in both the Energy and Defence industries. Focus is currently on applications in the oil & gas industry, with separate work flow on potential defence applications. In particular, the flying node system is currently under development to operate as an autonomous Ocean Bottom Node ("**OBN**") for offshore seismic surveys and can offer oil and gas field developers a considerable saving in the cost of seismic surveys where high quality seismic data is required.

The features of the technology are:

- Simultaneous deployment of multiple receiver rows.
- Fast, efficient deployment and recovery.
- Reduces cost of acquiring seabed seismic.
- Excellent positioning accuracy - comparable to Robot Operated Vehicles deployed nodes.
- Flexible receiver geometries.

The Directors believe the OBN will be commercially attractive to oil and gas field developers because of its ability to reduce the costs of seismic surveys where high quality seismic data is required.

ARL is patenting its technology where appropriate to do so and has three granted patents, five patent applications pending and two patent applications currently being drafted.

ARL operates in the UK and no revenue has been generated from this investment in the periods covered by the historical financial information.

As stated below under "Funding", the Company has invested considerable cash resources into ARL and has also spent material management time on the business. The Directors believe there to be significant value in the intellectual property which has been created in ARL, but given there has been no external funding or other liquidity event, this has not been independently verified. Taking these features into account, and the fact that ARL is one of two current investments in the Company, it is material to the Company. The significance of the investment and its materiality to the Company as a whole does however need to be considered in the context of the fact that it is valued at zero in the Company's accounts until "proof of concept" is achieved.

Management and staffing

ARL is managed by a professional team of engineers led by a seasoned senior executive with a successful history and track record in the development of sub-sea vehicles. ARL's main development partner is Sonardyne, a leading independent global provider of underwater acoustic, inertial, optical and sonar technology. Sonardyne is a preferred supplier for the development of the Nodes, but is engaged on a commercial, arm's length basis. Sonardyne supply the acoustic navigation system which controls the Node's autonomous operation.

Operational costs were consistently less than budgeted during 2017 with no additional staff employed until December 2017 when Mr Rafael Albea joined the company as CEO (Mr Albea left ARL in August 2018 by mutual consent). Executive capacity was

therefore limited and the budgeted programme for 2017 was not achieved with certain activities moving into 2018. The planned additional engineering staff for 2017 were recruited during 2018. ARL employed 4 staff at the end of 2018, in comparison to 2 at 2017 year end.

Development and commercialisation

Assembly of the node sub-assemblies was completed in the first quarter of 2017 which allowed the new node design to be tested for stability, through water speed and control with a light tether attached. The results were very encouraging with performance matching expectations and stability in flight better than expected. Some difficulties with electronic and magnetic effects were identified during these trials and rework continued to improve performance. Integration of the acoustic transponder in the node was implemented successfully and the acoustic performance was successfully evaluated in the test tank of the acoustic equipment supplier. New methods of completing the seismic survey have also been developed and modelled which have resulted in a greater potential saving in the cost of performing seismic survey. Significant work has been performed to create additional intellectual property. There is currently a total of 10 applicable patents with 2 granted, 6 pending and 2 in drafting.

During the second half of 2017, delays in the design of the node acoustic communications and autonomous function software impacted the planned development programme with testing and trials having to continue well into 2018 to demonstrate autonomous operation of the first prototype node. Initial "autonomous" tests were successfully completed in July 2018 and initial seismic trials were completed in November 2018.

ARL announced a collaboration with Robert Gordon University ("**RGU**") on 5 October 2018. The collaboration will focus on swarm technology research of a simultaneous, distributed and scalable localisation system for the Nodes. The focus of the research will initially be for application in the oil & gas industry, although it is anticipated that the findings may also be applied to defence application. The purpose of this research is to further enhance the capability of the Nodes and reduce the cost and time for ocean bottom seismic surveys. Dr Wai-keung Fung and Mr Adham Sabra of RGU lead the research, with results expected by October 2019.

Acoustic communications testing and autonomous operation testing was completed in 2018. Limited marketing was performed in 2018 as the main resources have been focussed on progressing the first prototype node. Meetings with an oil and gas major continued with considerable interest in cost reductions potentially available from our OBN seismic surveys. Some progress on marketing and developing defence applications of the flying node system has been made with plans to increase this area of work during 2019. Further open water seismic trials will take place in Q1 2019, which will lead to the development and commercialisation stage of the Nodes over the next couple of years.

First commercialisation is expected within 24 months of proof of concept, which would follow the open water seismic trials planned for Q1 2019 referred to above being a success. Development during this period will focus on software development and build of the Nodes. The development programme is process oriented, budget controlled and subject to milestone review and every stage of development. To date, development is on budget and, other than some early delays, on schedule. However, there is no guarantee that past experience can be translated into future performance.

Following the appointments of Rear Admiral (retired) Jon Westbrook CBE and Commodore (retired) Phillip Titterton CBE as defence consultants in August 2018, further progress has been made in defence market applications. Current work with a defence contractor on the market applications as well as sources of research funding opportunities will also continue into 2019. As these applications are developed, financial support from the defence industry will be targeted to support the demonstration of the potential of the flying node system in the defence arena. No specific testing for defence applications has been conducted to date, with the focus specifically on servicing the oil and gas industry.

Funding

Thalassa has funded the development costs to date of approximately $8.5 million. ARL has also received R&D tax credits from HMRC.

Under the terms of the project agreement with RGU, ARL provides both in-kind and financial contribution. Additional funding is provided by the Oil & Gas Innovation Centre, who assist companies to find academic partners and provides funding for innovative projects which benefit the oil & gas industry. This funding will been used to meet RGU's costs on the project. In both cases, the level of funding is not material in the context of the overall funding requirements of ARL in order to complete development and production of a commercially operating suite of Nodes. This funding will be paid during 2019 and is therefore not included in the development costs funded to date.

No other grants or other financial assistance has been received by ARL.

Various sources of funding options have been investigated and this work will continue during 2019. Funding in the meantime continues to be provided by Thalassa from existing resources.

Although Thalassa currently has the cash resources necessary, the total cost to develop the Node and bring it to market was never intended to be fully funded by the Company alone and the Company's plan has always been to seek third party funding including from EIS, VCT and other early stage investors, as well as industry sponsors. Advance assurance has been obtained from HMRC and fundraising is expected to commence during H1 2019 following the open water seismic trials in Q1 2019. Funding is expected to be sought from VCT/EIS investors or other investor, including industry players.

There are no guarantees that ARL will succeed in raising the necessary funds required to complete development and production of a commercially operating suite of Nodes. Whilst Thalassa has committed to funding the development of the Node through proof of concept, if ARL does not succeed in raising third party funding to commercialise the technology it is unlikely that Thalassa will continue to fund the project. However, Thalassa would only take this decision after all funding options have been exhausted and there are no other indications of interest from third parties to joint venture or otherwise contribute the necessary skills and expertise to bring the Node to market.

The Local Shopping REIT plc

Thalassa owns 21,021,277 shares in The Local Shopping REIT plc ("LSR"), which represents 25.48% of LSR's issued share capital. LSR was founded in January 2005 with the objective of building a portfolio of properties and letting units in the convenience shopping market. LSR was floated on the London Stock Exchange in May 2007 and is a UK real estate investment trust with an established portfolio of local shops in urban and suburban areas throughout the UK. It is listed on the Official List under the ticker "LSR". LSR operates in the UK and no revenue has been generated from this investment in the periods covered by the historical financial information.

Background and reasons for the investment

The investment made by the Company into LSR is an example of the "opportunistic" element of the Company's overall investment strategy:

- in July 2013, following a strategic review, LSR's shareholders resolved to change LSR's investment policy to enable the orderly liquidation of assets, the repayment of debt and the return of the remaining capital to shareholders. INTERNOS Global Investors Limited was appointed to manage this process.
- in 2016, the Company identified a significant difference between LSR's market price and reported net asset value per share and considered there to be value in a listed REIT structure. Thalassa announced a holding cost of LSR shares of c.29.6 pence per share (excluding c.2.5 pence per share of foreign exchange gains) in its interim results to 30 June 2018.

Recent developments

On 11 October 2018, LSR announced a potential net realisable value ("NRV") in liquidation to its shareholders of between 33 and 34.5 pence per share. Although these are unaudited figures, they represent a professional liquidator's view of NRV for LSR. Whilst the Company has no knowledge of any facts which might lead it to question the NRV, the Company has noted that historically LSR has consistently sold property below book value. However, if a per share return to the Company by way of a liquidation was achieved at the NRV indicated (or the Company was otherwise able to sell its shareholding at that price, which is not in contemplation and maybe unlikely given the size of Thalassa's shareholding), the Company's estimated gain on its investment would be between 3.4 and 4.9 pence per share (excluding foreign exchange gains), or between £714,723 and £1,030,043.

On 16 November 2018, LSR published a circular and notice convening a general meeting held on 12 December 2018 to consider a resolution that LSR should enter into a solvent members' voluntary liquidation ("**MVL**"). On 12 December 2018, the resolution to approve the MVL was not approved, with the Company voting against such proposals.

The Company has met with members of LSR's management team since it made its initial investment in order to share its views on LSR's strategy including at a meeting on 19 December 2018. During this meeting representatives of LSR confirmed that proposals for enhancing and distributing value through other strategies are being considered, but were not able to confirm any further details.

Having heard nothing further as to the nature of these proposals as of 8 January 2019, the Company decided to approach the LSR board to indicate that it was considering making a possible offer for the entire issued and to be issued share capital of LSR not already owned by the Company ("**Possible Offer**"). The Company subsequently made an announcement of the Possible Offer pursuant to rule 2.4 of the City Code on 9 January 2019 ("**Rule 2.4 Announcement**"). As the Rule 2.4 Announcement makes clear, there can be no certainty that the Company will make an offer for LSR or as to the terms of such an offer. The Company is obliged to announce its firm intention to make an offer for LSR and confirm the detailed terms of the same pursuant to rule 2.7 of the City Code (or that it does not intend to make any such offer) by 6 February 2019 in accordance with rule 2.6(a) of the City Code, being 28 days following the Rule 2.4 Announcement.

LSR is a premium listed closed ended investment company.

A standard listing is not available for a company which is an investment entity

If an offer for the entire issued and to be issued share capital is made for LSR ("Offer"), the Company will be undertaking a reverse takeover for the purposes of the Listing Rules. LSR is a premium listed closed ended investment company. A Standard Listing is not available for a company which is an investment entity. If the Offer is made, the Company does not intend to change its own listing category. Accordingly, the Company will need to re-confirm its eligibility for Standard Listing pursuant to Listing Rule 5.6.23(G) in light of the Offer and its potential acquisition of the entire issued share capital of LSR. The UKLA will consider the Company's continued eligibility for Standard Listing upon completion of the Offer. There is a risk that the outcome of the UKLA's eligibility review will be that the Company is no longer eligible for Standard Listing or indeed under any other listing category of the Official List. In those circumstances, the Company's listing may be cancelled. If that were to be the case, the Company would consider what options may be open to it (such as a corporate action or a potential change to its own listing category or trading venue) so as to ensure it can remain a listed or quoted business. Dependent on the nature of any potential corporate action that the Board may contemplate in such circumstances, the Company's shares may be suspended as a result. The length of any such suspension will vary depending on the circumstances and it may be that after any such period of suspension the listing of the Company's shares is cancelled. It may be that the Board is unable to undertake any such corporate action which allows the Company's shares to be traded on any exchange or market for quoted or listed securities. If the Company's shares (i) are cancelled from listing; (ii) cease to be traded on any exchange; or (iii) are no longer quoted, any one of those scenarios would materially reduce liquidity in such shares which may affect an Investor's ability to realise some or all of its investment and/or the price at which such Investor can effect such realisation. There is unlikely to be a market for the Company's shares where they cease to be listed, traded or quoted.

Trend information

The Local Shopping REIT plc ("LSR")

The major trend affecting this investment is the appetite for real estate funds and other commercial property businesses to acquire individual or portfolios of assets. CBRE (United Kingdom Real Estate Outlook 2018) predicts that the commercial real estate market will be adversely affected by subdued consumer spending and business investment arising from a weak currency, inflation and Brexit uncertainty. CBRE acknowledge that the UK economy rebounded strongly from the uncertainty in the immediate aftermath of the EU referendum and as a consequence the UK property investment market has seen a surprise surge in transaction volumes, particularly from overseas investors. CBRE forecast that investment volumes are likely to remain robust at around £60bn for 2018 as a whole.

Autonomous Robotics Limited ("ARL")

ARL's ability to attract investment to complete the commercialisation of its technology is likely to be affected by, among other factors, the price of oil and therefore the willingness for exploration companies to invest and use technologies such as ARL's to carry out seismic surveys in a cost effective and efficient way.

The success of ARL will initially be dependent on the oil and gas majors' willingness to adopt new technology. Downturns in the oil and gas industry or fluctuation in the price of oil have, in the past, led to reductions in exploration & production budgets. However, the Nodes would have significant application in monitoring current production wells and therefore could be funded from productions budgets, which are less likely to be reduced by an oil and gas major, even during a downturn. Thalassa's experience with WGP has demonstrated that, during economic downturns or falls in the price of oil, oil and gas majors will continue to seek to increase production from existing resources rather than invest in speculative exploration.

Defence applications for ARL's technology are expected to take longer to commercialise due to the complexity of regulation surrounding the sale of technology and additional required development. Development of regulation around the use of autonomous vehicles being used by the military and the policies relating to their use adopted by governments internationally will have a significant effect on the use of ARL's technology in the defence sector.

The Company

The Company has a significant cash balance which can be used for future acquisitions. In relation to this, the most significant trend in the Board's opinion is that asset prices are generally overstated and there are few companies which the Board believe are currently attractive investment or acquisition opportunities. The Board is also conscious of the uncertainty arising from Brexit negotiations and the potential short and long term implications of the outcome of those negotiations, which is continuing to impact the general investment landscape as well as the likely timing and geographic location of any acquisition/investing activity which the Company may carry out in the future.

Capital and returns management

Given the anticipated operating costs of the Company, the Company does not envisage that further funding will be required in the 12 months following Admission unless in connection with an acquisition by the Company.

The Company expects that any returns for Shareholders would derive primarily from capital appreciation of the Ordinary Shares and any dividends paid pursuant to the Company's dividend policy set out below.

Working capital and reasons for Admission

The Company is of the opinion that, taking into account the Company's cash balances, the working capital available to the Group is sufficient for the Group's present requirements, that is for at least 12 months from the date of this Document.

The Company is seeking Admission in order to take advantage of:

- the possibility to create a broader investor base;
- the potential liquidity offered by a Standard Listing; and
- the potential to "passport" to another listing venue in the EU after Brexit.

Dividend policy

The Company intends to pay dividends on the Ordinary Shares at such times (if any) and in such amounts (if any) as the Board determines appropriate in its absolute discretion. The Company will only pay dividends to the extent that to do so is in accordance with all applicable laws.

Lock-in arrangements

Given the maturity of the Company and the length of time it has traded on AIM, it is not intended that any Shareholder or Director should enter into any form of lock in arrangement upon Admission.

CREST

Settlement of transactions in the Ordinary Shares following Admission will continue to take place in the CREST system using the Company's depositary interest facility if the relevant Shareholder wishes.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

Admission to trading, settlement and dealing arrangements

Application has been made for the Ordinary Shares to be admitted to the Official List, by way of a Standard Listing, and to trading on the Main Market. Dealings in the Ordinary Shares are expected to commence at 8.00 a.m. on 6 February 2019. No application has or will be made for the Ordinary Shares to be admitted to trading or to be listed on any other stock exchange.

PART II
THE BOARD

Introduction

The Board comprise a knowledgeable and experienced senior management team. Details of the Board are set out below.

Executive Chairman

Charles Duncan Soukup ("Duncan")

Mr Soukup is the founder and Executive Chairman of Thalassa. Since the Company was admitted to AIM in 2008, Mr Soukup has led the Company's growth through strategic investment and timely exits. Thalassa bought WGP Group Ltd in November 2011, while the assets of GO Science Ltd were acquired out of administration in 2013, since renamed Autonomous Robotics Limited. In 2017, Mr Soukup led the sale of the business and assets of WGP Group Ltd to FairfieldNodal, which completed on 1 January 2018.

Mr Soukup has over 35 years of investment experience. Having worked in investment banking for 10 years (1984-1994), latterly with Bear Stearns as managing director in charge of the company's non-US equity business, Mr Soukup set up his own investment management business in 1994. Acquisitor plc, a company of which Mr Soukup was a director, was admitted to trading on AIM in January 2000. In 2002, 90% of the assets of Acquisitor Plc were moved to Acquisitor Holdings Ltd (Bermuda) and Acquisitor Plc was left as an investing company which then acquired Tinopolis Plc, a leading UK independent TV production company. In 2006, Acquisitor Holdings Limited (Bermuda) merged with New York Holdings Ltd. and Baltimore Plc. Shortly thereafter, the combined group was acquired by Oryx International Limited, a Guernsey investment company.

Non-Executive Directors

Graham Cole FCA, FSI

Mr Cole specialises in advising growth companies in public offerings, capital raising, merger and acquisition strategy. He has been involved in over 60 public flotations. Mr Cole has initiated, project managed and negotiated the acquisition and sale of a wide range of companies, both domestic and international, in transactions ranging from £2 million to £50 million.

Mr Cole qualified as a chartered accountant and was a partner at Deloitte Haskins & Sells before moving into corporate finance as a director of Beeson Gregory Limited (now subsequently Evolution Securities Limited) in 1995.

Mr Cole is a co-founder and past executive member of the Quoted Companies Alliance. Mr Cole has extensive experience as a director of both private and public companies including Stagecoach Theatre Arts plc (Chairman) and Ideal Shopping Direct plc.

Mr Cole received the Lifetime Achievement Award for Services to the mid-cap public company market in 2002.

David Thomas

Mr Thomas is a geologist with 40 years' experience in the oil and gas industry, mainly in North and West Africa. After five years of working in SE Asia and then in London for North Sea operations, Mr Thomas spent the late 1970s and early 1980s working in Libya for Occidential Petroleum, and then in Tunisia for Tenneco. A return to London as International Chief Geologist for the Kuwait Petroleum Corporation gave Mr Thomas the opportunity to develop his technical management skills and establish a broad international contact network. In the late 1980s, Mr Thomas formed a consultancy, Thomas & Associates, offering a broad range of petroleum advisory services. Clients have included major oil companies and foreign government agencies. Mr Thomas served most recently as managing director of AIM-quoted med Oil PLC, a position he held for three years until the sale of the company to Cairn Energy plc in the fourth quarter of 2007.

Mr Thomas is currently a director of AIM quoted Tower Resources plc.

Senior Management Team

Julian Henley-Price, Company Secretary

Mr Henley-Price is a barrister with over 20 years' experience, who has held senior in-house counsel positions in a number of blue chip organisations including GE and British American Tobacco and, most recently as Company Secretary and General Counsel of AIM quoted Baltimore Capital plc. He holds an MBA from London Business School and law degrees from King's College London and Université de Paris I, Panthéon-Sorbonne.

PART III
THE BOARD AND CORPORATE GOVERNANCE

The Directors

The Directors are listed below.

Duncan Soukup, *Executive Chairman*

Graham Cole FCA, FSI, *Non-Executive Director*

David Thomas, *Non-Executive Director*

The Board considers Mr Cole and Mr Thomas to be independent in character and judgment.

Senior Management

Julian Henley-Price, *Company Secretary*

Strategic decisions

Members and responsibility

The Directors are responsible for carrying out the Company's objectives, implementing its business strategy and conducting its overall supervision. Acquisition, divestment and other strategic decisions will all be considered and determined by the Board.

The Board will provide leadership within a framework of prudent and effective controls. The Board will establish the corporate governance values of the Company and will have overall responsibility for setting the Company's strategic aims, defining the business plan and strategy and managing the financial and operational resources of the Company.

Corporate governance

As a company with a Standard Listing the Company will not be required to comply with the provisions of the UK Corporate Governance Code. Nevertheless, the Directors are committed to maintaining high standards of corporate governance and have therefore voluntarily adopted the 2018 QCA Code. In doing so, the Company follows a corporate governance framework, including board leadership and effectiveness, remuneration and internal control, which the Board believes is proportionate to the risks inherent to the size and complexity of Thalassa's operations. Further details of this framework are set out below.

The Board has established an Audit Committee and a Remuneration Committee with formally designated duties and responsibilities, but it has not established a nomination committee, as it is considered unnecessary given the nature of the Company's business and management structure.

Given the Company's size, it has not yet developed a corporate and social responsibility policy. One will be put in place at the appropriate time.

To demonstrate the Company's adherence to the QCA Code, the Company will hold timely board meetings as issues arise which require the attention of the Board and will meet at least quarterly. The Board is responsible for the management of the business of the Company, setting the strategic direction of the Company and establishing the policies of the Company. It is the Directors' responsibility to oversee the financial position of the Company and monitor the business and affairs of the Company, on behalf of the Shareholders, to whom they are accountable. The primary duty of the Directors is to act in the best interests of the Company at all times. The Board also addresses issues relating to internal control and the Company's approach to risk management.

Audit Committee

The audit committee, which currently comprises Graham Cole (as chair) and any one other director, has the primary responsibility for monitoring the quality of internal control and ensuring that the financial performance of the Company is properly measured and reported on and for reviewing reports from the Company's auditors.

Remuneration Committee

The remuneration committee, which currently comprises David Thomas (as chair) and any one other director, is responsible for the review and recommendation of the scale and structure of remuneration for senior management, with due regard to the interests as Shareholders and the performance of the Company.

Share Dealings

The Company has adopted a dealing code and procedures manual ("**Dealing Code**") which complies with the Market Abuse Regulation (EU) No 596/2014 ("**MAR**") and will take all reasonable steps to ensure compliance by the Directors and any relevant individuals.

Conflict Management by the Board

Mr Soukup does not hold an executive function with other companies other than companies related to Thalassa. Mr Cole and Mr Thomas hold multiple directorships. All the Directors are committed to dedicating sufficient time to the Company as necessary to meet its objectives and each will manage their time such that they are fully able to fulfil their duties as Directors to the Company and their board duties in respect of their other business interests.

The Articles provide for how the Board are to manage and deal with conflicts of interest. The Directors may approve or otherwise deal with a conflict of a director subject to certain parameters. For example:

- any requirement as to quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question and any other interested Director; and
- the matter has been agreed to without the Director in question and any other interested Director voting or would have been agreed to if their votes had not been counted.

The Board may authorise a matter on such terms and for such duration, or impose such limits or conditions on it, as it may decide and vary the terms or duration of such an authorisation (including any limits or conditions imposed on it) or revoke it. A Director is required to comply with any obligations imposed on him by the Directors pursuant to any such authorisation.

PART IV
OPERATING AND FINANCIAL REVIEW

The following operating and financial review contains financial information that has been extracted or derived without material adjustment from the Group's audited consolidated financial information for the years ended 31 December 2015, 31 December 2016 and 31 December 2017 and from the Group unaudited interim financial information for the 6 month period ended 30 June 2017 and 30 June 2018, included in the Schedule to this Document "Historical Financial Information", prepared in accordance with IFRS.

The overview of the financial results below provides information which the Board believes to be relevant to an assessment and understanding of the Group's financial position and the results of operations. The following discussion should be read in conjunction with the other information in this Prospectus.

This discussion contains forward- looking statements, which, although based on assumptions that the Directors consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. Investors should read the notice in relation to forward-looking statements contained on page 28.

The key risks and uncertainties include, but are not limited to, those described in this Prospectus entitled "Risk Factors" on pages 17 to 27.

1. Overview of the Group's business

Thalassa Holdings Ltd ("**Thalassa**" or the "**Company**") is a British Virgin Island international business company, incorporated and registered in the BVI on 26 September 2007. The Company was established as a holding company with various interests across a number of industries.

On 1 January 2018 the sale of the business and assets of WGP Group Ltd ("**WGP**") was successfully completed, thus ending a ten-year association and seven-year ownership of WGP. This resulted in Thalassa holding two investments.

Thalassa owns 100% of Autonomous Robotics Limited ("**ARL**"). ARL is developing the next generation ocean bottom sensing acquisition technology using swarms of autonomous underwater vehicles ("**Nodes**"). ARL is valued at zero in the Company's accounts until "proof of concept" is achieved.

The features of the technology are:

- Simultaneous deployment of multiple receiver rows.
- Fast, efficient deployment and recovery.
- Reduces cost of acquiring seabed seismic.
- Excellent positioning accuracy - comparable to Robot Operated Vehicles deployed nodes.
- Flexible receiver geometries.

Initial "Autonomous" tests have now been successfully completed and development continues.

The total cost to develop the Node and bring it to market was never intended to be fully funded by Thalassa alone and the plan has always been to seek third party funding from EIS, VCT and other early stage investors.

There are no guarantees that ARL will succeed in raising the necessary funds required to complete development and production of a commercially operating suite of Nodes.

Thalassa owns 25.48% of The Local Shopping REIT plc ("**LSR**"). LSR was founded in January 2005 with the objective of building a portfolio of properties and letting units in the convenience shopping market. LSR was floated on the London Stock Exchange in May 2007. In the latter part of that year LSR adjusted its property purchasing programme in response to the downturn in the UK property market, focussing activities on active asset management. From 2009 LSR developed its asset management proposition and established a number of joint ventures to complement its wholly-owned portfolio. In July 2013, following a strategic review, LSR's shareholders resolved to change the LSR's investment policy to enable the orderly liquidation of assets, the repayment of debt and the return of the remaining capital to shareholders and they appointed INTERNOS Global Investors Limited to manage this process.

In 6 months to 30 June 2018, the Group generated no revenues, made a profit on disposal of WGP of US$7.4m, incurred a share of LSR's losses of US$1m and made a loss after tax from operating activities of US$2m. The net assets at 30 June 2018 stood at US$29.1m of which US$8m was the value of the investment in LSR and the cash at bank was US$20.5m. Given these cash

resources, the Company has no immediate need to raise new finance. This is due to the likely size of any proposed acquisition and the potential for the Company to use its own shares as consideration. A major acquisition or investment might require third party debt or equity funding or for the target itself to be well capitalised.

LSR represents approximately 25% of the Company's book value.

2. Significant factors affecting the Group's results of operations and financial condition

ARL

During the second half of 2017, delays in the design of the node acoustic communications and autonomous function software impacted the planned development programme with testing and trials having to continue well into 2018 to demonstrate autonomous operation of the first prototype node.

Operational costs were consistently less than budgeted during the year with no additional staff employed until December 2017 when Mr Rafael Albea joined the company as CEO (Mr Albea left ARL in August 2018 by mutual consent). Executive capacity was therefore limited and the budgeted programme for 2017 was not achieved with certain activities moving into 2018.

The planned additional engineering staff for 2017 were not recruited. There have been some difficulties with sub-contractor delays during the first prototype development and the planned test programme had been delayed. Testing during the first half of 2017 progressed well but unfortunately progress during the second half was significantly delayed. Acoustic communications testing and autonomous operation testing was completed in 2018.

Further funding will be sought following proof of concept and seismic testing expected in Q1 2019. No future funding will be dependent on acquisitions and the subsequent funding of an acquired entity. Various sources of funding options have been investigated and this work will continue during 2019. Funding in the meantime continues to be provided by Thalassa from existing resources.

LSR

Thalassa's 25.48% holding represents 'negative equity control', which, means that LSR will be unable to distribute any cash to its shareholders beyond the sum of its retained earnings (£3.9m at 30 September 2018) without a special resolution being passed, requiring 75% of the votes cast at the meeting. On 16 November 2018, LSR published a circular and notice convening a general meeting to be held on 12 December 2018 to consider a resolution that LSR should enter into a solvent members' voluntary liquidation ("**MVL**"). On 12 December 2018, the resolution to approve the MVL was not approved, with the Company voting against such proposals.

LSR's ability to manage the disposal of its remaining property assets at reasonable valuations and then return capital to its shareholders will be the most significant factors affecting this investment. Given its substantial shareholding in LRS, the Company has some ability to influence to future strategy of LSR, which is something it is seeking to do by engaging LSR's board. Ultimately, the key factor in relation to the LSR investment is the Company's ability to realise value from the shareholding either by selling some or all of its shares at a profit to its original purchase price, receive a return of capital from LSR or otherwise realise its investment by other means.

Thalassa accounts for its holding in LSR as an associate company.

3. Current trading and prospects

The results for the 6 months to 30 June 2018 are noted in section 4 below. The Board has outlined the following 5-pronged strategy going forward, which is subject to change depending on the Board's findings and prevailing market conditions:

1. Opportunistic: where an acquisition or investment exists because of price dislocation (the price of a stock collapses but fundamentals are, in the opinion of the Board, mis-priced to the market) or where the Board identifies a special "off market" opportunity.
2. Finance: The Board is currently investigating opportunities in Banking and FinTech.
3. Property: The Company currently owns 25.48% of LSR. The Company's LSR investment is more comprehensibly described above.
4. Education: there are few businesses that offer the same longevity and predictability of earnings as Education. Britain's Schools and Universities are considerably older and more successful than Britain's oldest companies, and
5. R&D: Development situations such as ARL, where we see an opportunity to participate in disruptive, early stage technology.

4. Results of operations

Summarised below is the audited statement of income and comprehensive income of the Group for the years ended 31 December 2015, 31 December 2016 and 31 December 2017 and the unaudited 6-month periods ended 30 June 2017 and 30 June 2018:

	Audited For the year ended 31 December 2017	**Audited For the year ended 31 December 2016**	**Audited For the year ended 31 December 2015**
	US$	**US$**	**US$**
Continuing operations			
Revenue	-	16,289	18,863,273
Cost of sales	(34,643)	(318,693)	(9,416,746)
Gross profit	**(34,643)**	**(302,404)**	**9,446,527**
Administrative expenses	(1,532,021)	(987,558)	(5,775,983)
Operating profit before depreciation and non-recurring costs	**(1,566,664)**	**(1,289,962)**	**3,670,544**
Depreciation	(101,067)	(109,642)	(2,226,645)
Non-recurring costs	-	-	(12,948,755)
Operating profit/(loss)	(1,667,731)	(1,399,604)	(11,504,856)
Net financial (expense)/income	(576,295)	990,970	(261,144)
Share of profits less losses of associated entities	(284,000)	60,741	-
Profit/(loss) before taxation	**(2,528,026)**	**(347,893)**	**(11,766,000)**
Taxation	28,007	104,975	(493,230)
Profit/(loss) for the financial period	**(2,500,019)**	**(242,918)**	**(12,259,230)**
Discontinued operations			
Profit for the year from discontinued operations	**3,884,519**	**2,211,499**	**-**
Total profit/(loss) for the financial period	**1,384,500**	**1,968,581**	**(12,259,230)**
Exchange differenced on re-translation of foreign operations	**(6,106)**	**(86,587)**	**43,460**
Unrealised losses on available for sale investments	**(132,631)**	**11,130**	**-**
Total comprehensive income	**1,245,763**	**1,893,124**	**(12,215,770)**

Summary income statements (continued)

	Unaudited For the 6 months ended 30 June 2018	Unaudited For the 6 months ended 30 June 2017
	US$	US$
Continuing operations		
Revenue	3,286	-
Cost of sales	5,593	(27,103)
Gross profit	**8,879**	**(27,103)**
Gain on disposal of WGP assets	7,419,475	-
Administrative expenses	(2,387,015)	(1,042,512)
Operating profit before depreciation and non-recurring costs	**5,041,339**	**(1,069,615)**
Depreciation	(27,713)	(50,148)
Non-recurring costs	-	-
Operating profit/(loss)	5,013,626	(1,119,763)
Net financial (expense)/income	275,517	1,029,794
Share of profits less losses of associated entities	(961,774)	(7,167)
Profit/(loss) before taxation	**4,327,369**	**(97,136)**
Taxation	133,064	(699)
Profit/(loss) for the financial period	**4,460,433**	**(97,835)**
Discontinued operations		
Profit for the year from discontinued operations	**-**	**903,146**
Total profit/(loss) for the financial period	**4,460,433**	**805,311**
Exchange differenced on re-translation of foreign operations	**(59,833)**	**37,110**
Unrealised losses on available for sale investments	**(39,252)**	**-**
Total comprehensive income	**4,361,348**	**842,421**

Discontinued activities

On 1 January 2018 the sale of the business and assets of WGP was successfully completed. The results of this business segment are included under discontinued activities in the summarised results for the 6 months ended 30 June 2017, year ended 31 December 2017 and year ended 31 December 2016. The results for the year ended 31 December 2015 above include the results of WGP. Summarised below are the results of WGP for the years ended 31 December 2017, 31 December 2016 and 31 December 2015.

	Audited For the year ended 31 December 2017	Audited For the year ended 31 December 2016	Audited For the year ended 31 December 2015
	US$	US$	US$
Discontinued operations			
Revenue	18,451,972	13,971,637	18,846,496
Cost of sales	(6,444,083)	(5,340,199)	(9,469,454)
Gross profit	**12,007,889**	**8,631,438**	**9,377,042**
Administrative expenses	(5,316,865)	(4,517,922)	(3,439,957)
Operating profit before depreciation and non-recurring costs	**6,691,024**	**4,113,516**	**5,937,085**
Depreciation	(1,970,922)	(990,802)	(2,149,602)
Non-recurring costs	-	-	(7,115,847)
Operating profit/(loss)	4,720,102	3,122,714	(3,328,364)
Net financial expense	(27,479)	(283,942)	(286,764)
Profit/(loss) before taxation	**4,692,623**	**2,838,772**	**(3,615,128)**
Taxation	(808,104)	(628,273)	(692,072)
Profit/(loss) for the financial period	**3,884,519**	**2,210,499**	**(4,307,200)**

Revenue decreased from US$18.9m to US$14m in 2016 due to non-recurring proprietary projects in 2015 significantly boosting revenue in that period. There was also downturn in the seismic market caused by the drop in the price of crude oil in 2015 before the slight recovery in 2016. The number of 3D seismic vessels operating in Q4 of 2016 dropped to around 22 vessels; the lowest in the last 12 years. WGP's strategy of focussing on Life of Field Seismic ("LoFS") and value added bespoke seismic solutions proved fortuitous in 2016, notwithstanding continued pricing pressure from the clients. The Dual Portable Modular Source System, operating over Snorre and Grane, continued to perform well following a successful 2015 campaign. Despite little time between contract award and mobilisation over Ekofisk in August 2016, WGP designed, built and delivered a new 3rd generation Portable Modular Source System on time.

Revenue increased from US$14m to US$18.5m in 2017 despite the downturn in the seismic market. This was helped by the contracted work on the on-going Snorre & Grane PRM surveys, the COP Ekofisk PRM project and the work over the Eldfisk field.

Gross profit decreased from US$9.4m to US$8.6m in 2016 due to the decrease in revenues being marginally offset by efficiency savings. Gross profit increased from US$8.6m to US$12m in 2017 due to the increase in revenues. Gross margin increased from 49.8% to 61.8% in 2016 and to 65.1% in 2017 as WGP continued to focus on improving operational efficiencies and controlling costs.

Administrative expenses increased from US$3.4m to US$4.5m primarily due to intergroup management charges being made in the year. The administrative expenses increased from US$4.5m to US$5.6m in 2017 primarily due to the increase in the intergroup management charge of US$0.3m and bonuses of US$0.5m.

Operating profit before depreciation and non-recurring costs decreased from US$5.9m to US$4.1m in 2016 as the gross profit decreased by US$0.7m and administrative costs increased by US$1.1m.

Operating profit before depreciation and non-recurring costs increased from US$4.1m to US$ 6.7m in 2017 as the increase in gross profit of US$3.4m being offset by an increase in administrative expenses of US$0.8m.

Depreciation charges decreased from US$2.1m to US$1m in 2016 as a significant part of plant and equipment was impaired fully in 2015. This is the non-recurring cost in 2015. The depreciation charges increased US$1m to US$2m due to the shorter useful life of the additions to plant and equipment in 2017.

Net financial expenses were consistent in 2016 and decreased by US$0.3m in 2017 as the interest charges on the intergroup loans were offset by a larger gain on foreign exchange than in prior years.

The total net loss of US$ 4.3m became a net profit of US$2.2m in 2016 and a profit of US$3.9m in 2017.

Operating and financial review for year ended 31 December 2015

Thalassa Holdings Limited held 100% shareholding in two businesses, WGP Group Ltd (WGP) and Autonomous Robotics Ltd (ARL).

During the year, the Group generated revenues of US$18.9m from the completion of surveys over Snorre and Grane fields for Statoil, the project to provide seismic services for TGS in the Barents Sea and the late data sales generated from the multi- client project with TGS in 2014.

Cost of sales of US$9.4m were incurred during the year, of which US$0.2m related to R&D costs at ARL. This resulted in a gross profit margin of 43.0%.

Administrative expenses of US$5.8m were incurred in the year. US$3.4m of this relates to costs incurred by WGP. The balance of the expenses includes consultancy fees of US$0.6m, wages and salaries of US$0.2m, contractor costs of US$0.4m, legal and professional expenses of US$0.2m, head office costs of US$0.2m and ongoing AIM listing costs of US$0.7m.

The non-recurring costs were exceptional write downs in the year of US$12.9m following an impairment review of plant and equipment, full impairment of the multi-client library, partial impairment of the balance outstanding with THAL Discretionary Trust, restructuring costs associated with the redundancy programme and the release of an accrual made for the remediation of WGP's equipment from Ecuador. This was as a result of the downturn in the seismic market as described above and the restructuring of the group.

Operating and financial review for year ended 31 December 2016

During the year, the Group generated revenues of US$14.0m, which are included within discontinued activities, which is a significant decrease of 25.8% compared to 2015. This fall was due to non-recurring proprietary projects in 2015 significantly boosting revenue in that period.

Cost of sales of US$5.9m were incurred during the year. This resulted in a gross profit margin of 57.9% compared to the margin of 43.0% in 2015. This increase in margin is due to operation efficiencies and stringent cost controls fully implemented din the year. Included in cost of sales are ARL R & D costs of US$0.3m

Administrative expenses of US$5.9m were incurred in the year compared with US$5.8m in 2015. US$4.5m of this relates to costs incurred by WGP. These included consultancy fees of US$1m and wages and salaries of US$0.1m,

The Group made a significant gain on foreign currency translations of US$1.7m

There were no exceptional costs in the year and so resulted in a profit of US$2.0m compared to a loss of £12.3m in 2015.

Operating and financial review for year ended 31 December 2017

The Group sold WGP on 1 January 2018 to FairfieldNodal as management saw little in the way of growth opportunities in that company. The decision was made to dispose of WGP and allow management to focus its efforts on streamlining operations. Furthermore, this decision was made to protected the Group's shareholders from the continued extreme volatility in the price of oil.

During the year, the Group generated no revenues from continued operations as WGP was the sole external revenue generating component of the Group.

Cost of sales on continuing operations of US$0.03m were incurred during the year, which relate to continued R&D cost in ARL. This compares with a spend of US$0.3m in 2016 and US$0.6m in 2015.

Administrative expenses on continuing operations of US$1.5m were incurred in the year. These included consultancy fees of US$0.9m and wages and salaries of US$0.3m,

The Group made losses of US$0.3m on its share of losses in LSR. In the year the Group increased it's shareholding of LSR by 2.1% to 25.48% for a consideration of US$0.7m.

Discontinued operations, being WGP, generated a profit of US$3.9m in the year (2016- US$2.2 million), resulting in a profit of US$1.4m for the Group.

Operating and financial review for the 6 months ended 30 June 2018

As discussed above the sale of WGP was finalised in this period, on the 1 January 2018. ARL has completed its first autonomous deployment test and with continued progress in the development of the autonomous operational software, which shows viability in the project.

During the period, the Group generated revenues of US$0.003m.

Cost of sales of US$(0.006) m were incurred during the year. This balance is negative due to a reclass from the discontinued operations.

The Group recognised a gain on disposal of WGP of US$7.4m based on proceeds of US$17.9m and net book value of assets of US$10.5m on disposal.

Administrative expenses of US$2.4m were incurred in the year, of which US$1.3m relates to the costs on disposal of WGP

The Group made losses of US$0.9m on its share of losses in LSR.

5. Summary cash flow statements

Summarised below is the audited cash flow statement of the Group for the years ended 31 December 2015, 31 December 2016 and 31 December 2017 and the unaudited 6-month periods ended 30 June 2017 and 30 June 2018:

	Audited For the year ended 31 December 2017	**Audited For the year ended 31 December 2016**	**Audited For the year ended 31 December 2015**
	US$	**US$**	**US$**
Cash flow from operating activities			
(Loss)/Profit for the year before taxation	**(2,528,026)**	**(347,893)**	**(11,766,000)**
Impairment of assets	-	-	13,374,071
Share option expense	-	-	168,375
Unrealised (loss)/gain on FX option	-	-	66,563
Increase/(decrease) in inventories	-	-	(47,804)
Decrease/(Increase) in trade and other receivables	507,026	(122,204)	1,943,195
Increase/(decrease) in trade and other payables	631,260	1,496,985	(975,750)
Net Foreign exchange gain	(6,106)	(86,587)	43,460
Accrued interest income	(47,131)	(45,740)	(212,082)
Taxation	28,007	104,975	(493,230)
Cash generated from operations	**(1,414,970)**	**999,536**	**2,100,798**
Depreciation	101,067	109,642	2,226,645
Amortisation of multi-client library	-	-	430,336
Net cash from operating activities	**(1,313,903)**	**1,109,178**	**4,757,779**
Net cash flow from discontinued operations	**5,259,547**	**3,324,979**	**-**
Cash flow from investing activities			
Investment in associated entities	(428,916)	(8,636,972)	-
Purchase of AFS financial assets	(47,300)	(813,987)	-
Purchase of property, plant and equipment	(40,642)	-	(1,242,292)
Net cash used in investing activities – continuing operations	**(516,858)**	**(9,450,959)**	**(1,242,292)**
Purchase of property, plant and equipment	(189,093)	(6,536,490)	-
Net cash used in investing activities – discontinued operations	**(189,093)**	**(6,536,490)**	**-**
Cash flow from financing activities			
Purchase of treasury shares	(3,099,107)	(1,017,629)	(940,425)
Issue of new shares	218,487	-	-
Net cash used in financing activities – continuing operations	**(2,880,620)**	**(1,017,629)**	**(940,425)**
Net increase/(decrease) in cash and cash equivalents	**359,073**	**(12,570,921)**	**2,575,062**
Cash and cash equivalents at the start of the period	7,732,215	20,303,136	17,728,074
Cash and cash equivalents at end of the period	**8,091,288**	**7,732,215**	**20,303,136**

Summary cash flow statements (continued)

	Unaudited For the 6 months ended 30 June 2018	Unaudited For the 6 months ended 30 June 2017
	US$	US$
Cash flow from operating activities		
(Loss)/Profit for the year before taxation	**4,327,369**	**(97,136)**
Impairment of assets	-	-
Share option expense	-	-
Unrealised (loss)/gain on FX option	-	-
Increase/(decrease) in inventories	-	-
Decrease/(Increase) in trade and other receivables	745,686	51,197
Increase/(decrease) in trade and other payables	(2,876,150)	1,654,841
Gain on disposal of WGP assets	(7,419,475)	-
Net Foreign exchange gain	(99,084)	37,110
Accrued interest income	-	(23,389)
Taxation	133,064	-
Cash generated from operations	**(5,188,591)**	**1,622,623**
Depreciation	27,713	50,148
Amortisation of multi-client library	-	-
Net cash from operating activities	**(5,160,877)**	**1,672,771**
Net cash flow from discontinued operations	**-**	**-**
Cash flow from investing activities		
Proceeds from the disposal of WGP assets	17,906,548	-
Investment in associated entities	961,774	(196,593)
Purchase of AFS financial assets	(379,717)	(553,804)
Purchase of property, plant and equipment	(605)	(3,432)
Net cash used in investing activities – continuing operations	**18,488,000**	**(753,829)**
Purchase of property, plant and equipment	-	-
Net cash used in investing activities – discontinued operations	**-**	**-**
Cash flow from financing activities		
Purchase of treasury shares	(864,011)	(280,055)
Issue of new shares	-	-
Net cash used in financing activities – continuing operations	**(864,011)**	**(280,055)**
Net increase/(decrease) in cash and cash equivalents	**12,463,112**	**(4,586,870)**
Cash and cash equivalents at the start of the period	8,091,288	7,732,215
Cash and cash equivalents at end of the period	**20,554,400**	**3,145,345**

Year ended 31 December 2015

During the year the Group generated US$4.8m of cash from operating activities. Following expenditure of US$1.2m on property, plant and equipment and US$0.9m on the purchase of treasury shares, the Group had a net cash inflow of US$2.6m resulting in a net cash balance as at the year-end of US$20.3m. The investment in property, plant and equipment was in relation to work on WGP sales contracts.

Year ended 31 December 2016

During the year the Group generated US$4.4m of cash from operating activities including discontinued activities. Following expenditure of US$8.6m on investments in associated entities, US$7.3m on property, plant and equipment and US$1.0m on the purchase of treasury shares, the Group had a net cash outflow of US$12.6m resulting in a net cash balance as at the year-end of US$7.7m. The investment in property, plant and equipment was in relation to WGP sales contracts. The Investment in associated entities was the purchase of a 23.31% of the shareholding in The Local Shopping REIT Plc (LSR) for US$8.6m.

Year ended 31 December 2017

During the year the Group spent US$1.3m of cash in its operating activities from continued operations and generated US$5.3m from its discontinued operations. Following expenditure of US$0.4m on investments in associated entities, US$0.2m on property, plant and equipment (for both continuing and discontinued activities) and US$3.1m on the purchase of treasury shares, which was slightly offset by the US$0.2m generated from the issue of new shares, the Group had a net cash inflow of US$0.4m resulting in a net cash balance as at the year-end of US$8.1m.

Period ended 30 June 2018

During the year the Group spent US$5.2m of cash in its operating activities. The proceeds from the disposal of WGP of US$17.9m and net cash received from investments in associated entities of US$1.0m were offset by expenditure of US$0.4m on the purchase of AFS financial assets and US$0.9m on the purchase of treasury shares. The Group had a net cash inflow of US$12.5m resulting in a net cash balance as at the year end of US$21.6m.

6. Capital expenditure and liabilities

Summarised below is the audited statement of financial position of the Group as at 31 December 2015, 31 December 2016 and as at 31 December 2017 and the unaudited statements of financial position as at 30 June 2017 and 30 June 2018:

	Audited 31 December 2017	Audited 31 December 2016	Audited 31 December 2015
	US$	US$	US$
Assets			
Non-current assets			
Goodwill	-	368,525	368,525
Property, plant and equipment	55,084	10,985,757	8,023,557
Available for sale financial assets	740,691	826,022	-
Intangible assets	-	-	-
Loans	1,596,695	1,549,564	1,503,823
Investments in associated entities	9,065,888	8,636,972	-
	11,458,358	**22,366,840**	**9,895,905**
Assets held for sale	10,155,525	-	-
Current assets			
Inventories	-	491,151	391,035
Trade and other receivables	1,440,962	836,908	811,728
Cash and cash equivalents	8,091,288	7,732,215	20,303,136
	9,532,250	9,060,274	21,505,899
Liabilities			
Current liabilities			
Trade and other payables	5,516,403	4,162,534	5,012,720
	5,516,403	**4,162,534**	**5,012,720**
Net current assets	**4,015,847**	**4,897,740**	**16,493,179**
Net assets	**25,629,730**	**27,264,580**	**26,389,084**
Shareholders' equity			
Share capital	255,675	250,675	250,675
Share premium	45,416,298	45,202,810	45,202,810
Treasury shares	(5,057,161)	(1,958,054)	(940,425)
Other reserves	(248,426)	(109,689)	(34,233)
Retained earnings	(14,736,656)	(16,121,162)	(18,089,743)
Total equity	**25,629,730**	**27,264,580**	**26,389,084**

	Unaudited 30 June 2018	Unaudited 30 June 2017
	US$	US$
Assets		
Non-current assets		
Goodwill	-	368,525
Property, plant and equipment	27,976	9,888,076
Available for sale financial assets	1,120,407	1,379,826
Intangible assets	-	197,200
Loans	1,620,796	1,572,953
Investments in associated entities	8,104,114	8,833,565
	10,873,293	**22,240,145**
Assets held for sale	-	-
Current assets		
Inventories	-	517,104
Trade and other receivables	394,473	6,693,666
Cash and cash equivalents	20,554,400	3,145,345
	20,948,873	10,356,115
Liabilities		
Current liabilities		
Trade and other payables	2,695,099	4,769,314
	2,695,099	**4,769,314**
Net Current assets	**18,253,774**	**5,586,801**
Net assets	**29,127,067**	**27,826,946**
Shareholders' equity		
Share capital	255,675	250,675
Share premium	45,416,298	45,202,810
Treasury shares	(5,921,172)	(2,238,109)
Other reserves	(347,510)	(72,579)
Retained earnings	(10,276,224)	(15,315,851)
Total equity	**29,127,067**	**27,826,946**

Year ended 31 December 2015

As at the year end the Group had plant and equipment with a net book value of US$8m and Loans of US$1.5m to the THAL Discretionary Trust, a trust independent of Thalassa, established for the benefits of individuals or parties to whom the Trustees wish to make awards at their discretion.

As at the year end the Group had trade and other receivables of US$0.8m, comprising of net trade payables of US$0.3m (trade payables of US$3.6m with provisions of US$3,4m), other receivables of US$0.2m and prepayments of US$0.3m.

As at the year end, the Group had trade and other payables of US$5.0m, comprising of trade payables of US$2.4m, Corporation tax payables of US$0.5m and accruals of US$2.1m.

Year ended 31 December 2016

The Group invested heavily in an associate in the year. 23.31% of the shareholding in The Local Shopping REIT Plc (LSR) was purchased for US$8.6m. Plant and equipment of US$6.5m was also purchased.

As at the year end the Group had trade and other receivables of US$0.8m, comprising of net trade payables of US$0.03m, other receivables of US$0.6m and prepayments of US$0.2m.

As at the year end, the Group had trade and other payables of US$4.2m, comprising of trade payables of US$0.5m, other payables of US$0.2m, withholding tax payables of US$1.3m and accruals of US$2.2m.

Year ended 31 December 2017

The Group held US$10.2m of assets relating to WGP as held for sale as at the year end, which resulted in a significant fall goodwill and plant property and equipment in the year. The loan to THAL Discretionary Trust had increased to US$1.6m.

As at the year end the Group had trade and other receivables of US$1.4m, comprising of net trade payables of US$0.8m, other receivables of US$0.3m and prepayments of US$0.3m.

As at the year end, the Group had trade and other payables of US$5.5m, comprising of trade payables of US$1.2m, other payables of US$0.7m, withholding tax payables of US$1.6m and accruals of US$2.1m.

Period ended 30 June 2018

As at the year end the Group had trade and other receivables of US$0.4m.

As at the year end, the Group had trade and other payables of US$2.7m.

7. Contingent liabilities

As at 31 December 2017 and under the terms of the Group's manufacturing and sale agreements, the Group may be required to repurchase equipment from 2017 onwards, at rates intended to reflect fair value. However, this was no longer applicable as at 1 January 2018 following the disposal of the business and assets of WGP. The liability to repurchase any equipment was transferred to the buyer of WGP. There are no other contingent liabilities.

8. Qualitative and quantitative disclosures about market risk

The Group's financial instruments comprise cash and cash equivalents together with various items such as trade and other receivables and trade payables etc, that arise directly from its operations. The fair value of the financial assets and liabilities approximates the carrying values disclosed in the financial statements. The main risks arising from the Group's financial instruments are interest rate risk, foreign exchange risk, credit risk and liquidity risk.

Interest rate risk

The Group does not undertake any hedging against interest rate risk. The Group finances its operations from the cash balances on the current and deposit accounts. The Group has no borrowings as at 30 June 2018 or 31 December 2017.

Foreign exchange risk

The Group undertakes FOREX and asset risk management activities from time to time to mitigate foreign exchange risk. An increase in foreign exchange rates of 5% at 31 December 2017 would have increased the profit and net assets by $414,838 (2016: $101,596). A decrease of 5% would have had an equal and opposite impact. The majority of the Group's balances are held in USD. As 31 December 2017 approximately 28% (2016: 28%) of amounts owing to suppliers are held in GBP, 3% in NOK (2016: 13%) and 14% in EUR (2016: 15%).

Credit risk

Group credit risk is predominantly a matter of individual corporate risk. However, Group companies also operate in frontier and challenging regions which has the potential to add risk and uncertainty both from an operational and financial point of view. Whenever and wherever possible the Group attempts to mitigate this risk. In line with other international companies, the Group is exposed to geopolitical risks and the possibility of sanctions which could adversely affect our ability to perform operations or collect receivables from our clients. This risk is un-insurable and un-hedgeable. The Group's customers include large multinational E&P companies and other geophysical service providers. In 2017, a significant proportion of the Groups' revenue was generated from 2 customers. As at 31 December 2017, net trade receivables outstanding amounted to $0.8m.

Liquidity risk

The Group's strategy for managing cash is to maximise interest income whilst ensuring its availability to match the profile of the Group's expenditure. All financial liabilities are generally payable within 30 days and do not attract any other contractual cash flows. Based on current forecasts the Group has sufficient cash to meet future obligations.

Capital risk

The Group's capital comprises ordinary share capital, retained earnings and capital reserves, the Group has no debt. The Group's objectives when managing capital are to provide an optimum return to shareholders over the short to medium term through capital growth and income whilst ensuring the protection of its assets by minimising risk. The Group seeks to achieve its objectives by having available sufficient cash resources to meet capital expenditure and ongoing commitments.

9. Critical accounting estimates and policies

The preceding discussion of past performance is based upon the consolidated financial statements of Thalassa, which have been prepared in accordance with IFRS.

The Group's significant accounting policies are described in notes 1 and 2 to the audited annual financial statements of Thalassa. The application of these accounting policies require management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting dates and the amounts reported for revenue and expenses during the periods. The nature of estimation means that the actual outcome could differ from those estimates. On an ongoing basis, the Group evaluates its estimates, which are based on historical experience and market and other conditions, and on assumptions that the Group believes to be reasonable.

PART V
SHARE CAPITAL, LIQUIDITY AND CAPITAL RESOURCES AND ACCOUNTING POLICIES

Share capital

The Company was incorporated on 26 September 2007 under the BVI Business Companies Act.

Details of the current issued share capital of the Company are set out in paragraph 3.5 of Part IX of this Document. As at Admission, the issued ordinary share capital of the Company will be 25,567,522 Ordinary Shares of US$0.01 each, of which 7,715,247 are held in treasury. In addition, there will be 17, 486, 021 Preference Shares of no par value in issue.

All of the issued Ordinary Shares will be in registered form, and capable of being held in certificated or uncertificated form. The Registrar will be responsible for maintaining the share register. The ISIN number of the Ordinary Shares is VGG878801031. The SEDOL number of the Ordinary Shares is B2QZ9D8.

All Ordinary Shares are freely transferable, subject to the Directors having a discretion not to approve a transfer to any proposed transferee of the Ordinary Shares in the event they are a Prohibited Person.

Financial position

The financial information in respect of the Company as at 30 June 2018 is set out in Part B of the Schedule to this Document.

Liquidity and capital resources

Sources of cash and liquidity

The Company had US$20.6 million in cash as at 30 June 2018, with no debt. It is also expecting a payment of US$4.8 million of deferred consideration due from FairfieldNodal on or before 11 September 2019.

Whilst the Company envisages that any capital raised will be from new equity, the Company may also choose to finance its activities with debt financing. Any debt financing used by the Company is expected to take the form of bank financing, although no financing arrangements will be in place at Admission. The Company envisages that debt financing may be necessary if, for example, an investment or acquisition has been identified but would require a certain amount of cash consideration in addition to, or instead of, share consideration.

Any associated debt financing (if any) will be assessed with reference to the projected cash flow of the target company or business and may be incurred at the Company level or by any subsidiary of the Company. Any costs associated with the debt financing will be paid with the proceeds of such financing.

If debt financing is utilised, there will be additional servicing costs. Furthermore, while the terms of any such financing cannot be predicted, such terms may subject the Company to financial and operating covenants or other restrictions, including restrictions that might limit the Company's ability to make distributions to Shareholders.

The Company has no current funding requirement.

Further funding will be sought following ARL's proof of concept and sesismic testing expected in Q1 2019. No future funding will be dependent on acquisitions and the subsequent funding of an acquired entity. Various sources of funding options have been investigated and this work will continue during 2019. Funding in the meantime continues to be provided by Thalassa from existing resources.

Cash uses

The Company's current intention is to retain earnings (if any) for use in its business operations and it does not anticipate declaring any dividends in the foreseeable future.

The Board intends to be prudent so as to preserve Company funds as far as possible.

Indebtedness

As at the date of this Document, the Company has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness.

Hedging arrangements and risk management

The Company may use forward contracts, options, swaps, caps, collars and floors or other strategies or forms of derivative instruments to limit its exposure to changes in the relative values of investments that may result from market developments, including changes in prevailing interest rates and currency exchange rates, as previously described. It is expected that the extent of risk management activities by the Company will vary based on the level of exposure and consideration of risk across the business.

The success of any hedging or other derivative transaction generally will depend on the Company's ability to correctly predict market changes. As a result, while the Company may enter into such a transaction to reduce exposure to market risks, unanticipated market changes may result in poorer overall investment performance than if the transaction had not been executed. In addition, the degree of correlation between price movements of the instruments used in connection with hedging activities and price movements in a position being hedged may vary. Moreover, for a variety of reasons, the Company may not seek, or be successful in establishing, an exact correlation between the instruments used in a hedging or other derivative transactions and the position being hedged and could create new risks of loss. In addition, it may not be possible to fully or perfectly limit the Company's exposure against all changes in the values of its assets, because the values of its assets are likely to fluctuate as a result of a number of factors, some of which will be beyond the Company's control.

Capitalisation and Indebtedness

The following table sets out the Group's capitalisation as at 30 June 2018. The figures are unaudited and they are based on the Group's Interim accounts. The table is to be read in conjunction with the unaudited Interims for the 6 months to 30 June 2018, audited consolidated financial statements for the year ended 31 December 2017, 31 December 2016 and 31 December 2015 included in Parts B, C, D and E of the Schedule to the Prospectus.

The capitalisation of the Group as at 30 June 2018 is as follows:

	30 June 2018 (unaudited) US$'000
Total current debt	
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	-
	-
Total Non-current debt (excluding current portion of long term debt)	
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	-
	-
Shareholder's equity	
Share capital	256
Share premium	45,416
Treasury shares	(5,921)
Other reserves	(348)
	39,403

The only significant change that has taken place in the Group's capitalisation since 30 June 2018 has been the purchase of Treasury shares of £1,417k.

Indebtedness

The indebtedness of the Group as at 31 December 2018 is as follows:

	31 December 2018 (unaudited) US$'000
Liquidity	
Cash	17,370
Cash equivalents	-
Trading securities	-
	17,370
Current financial receivable	
	-
Current financial debt	
Current bank debt	-
Current portion of non-current debt	-
Other current financial debt	-
	-
Net current financial assets/(indebtedness)	17,370
Non-current financial indebtedness	
Non current bank loans	-
Bonds issued	-
Other non-current loans	-
	-
Net financial assets /(indebtedness)	**17,370**

The Group has incurred no indebtedness, whether guaranteed, unguaranteed, secured, unsecured, indirect or contingent at 31 December 2018.

PART VI
FINANCIAL INFORMATION ON THE COMPANY

Audited financial information on the Group is published in its annual reports for the last three financial years which are set out in the Schedule to this Document. The Group's Financial Statements contain a description of the Group's financial condition, changes in financial condition and results of operations for each relevant year.

The auditors, Moore Stephens LLP, made unqualified reports under section 495 of the 2006 Act for each of these financial years, and such reports did not contain any statements under section 498(2) or (3) of the 2006 Act.

The annual reports referred to above were all prepared, and the annual reports for the Group's next financial year will be prepared in accordance with applicable International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The unaudited interims for the 6 months to 30 June 2018 are included in Part B of the Schedule to this Document.

PART VII
TAXATION

General

The following statements do not constitute tax advice and are intended only as a general guide to current English law as applied in England and Wales and HM Revenue & Customs ("**HMRC**") published practice, which may not be binding on HMRC, as at the date of this Document (which are both subject to change at any time, possibly with retrospective effect). They relate only to certain limited aspects of the UK taxation treatment of Shareholders in connection with the Admission and are intended to apply only, except to the extent stated below, to persons who are resident and, if individuals, domiciled in the UK for UK tax purposes, who are absolute beneficial owners of Ordinary Shares (otherwise than through an Individual Savings Account or a Self Invested Personal Pension) and who hold the Ordinary Shares as investments (and not as securities to be realised in the course of a trade).

They may not apply to certain Shareholders, such as dealers in securities, insurance companies and collective investment schemes, Shareholders who are exempt from taxation and Shareholders who have (or are deemed to have) acquired their Ordinary Shares by virtue of an office or employment. Such persons may be subject to special rules.

Any person who is in any doubt as to their tax position, or who is subject to taxation in any jurisdiction other than the UK, should consult their own professional adviser without delay.

United Kingdom taxation

Taxation of dividends

(A) Individual Shareholders

When the Company pays a dividend to a Shareholder who is an individual resident (for tax purposes) in the UK, the Shareholder will pay income tax on the amount received.

Dividend income is regarded as the top slice of the individual's income. Each individual will have an annual dividend allowance of £2,000 which means that they will not pay tax on the first £2,000 of all dividend income that they receive (the "**Dividend Allowance**").

Dividends in excess of the Dividend Allowance will be taxed at the individual's marginal rate of tax. Where the dividend income falls within the basic rate income tax band that dividend income is taxable at 7.5% (the "dividend ordinary rate"). Where the dividend income falls within the higher rate income tax band, that dividend income is taxable at 32.5% (the "dividend upper rate") and where it falls within the additional rate income tax band, it is taxable at 38.1% (the "dividend additional rate").

The annual Dividend Allowance available to individuals will not be available to UK resident trustees of a discretionary trust. Instead UK resident trustees of a discretionary trust in receipt of dividend income are liable to income tax at a rate of 38.1%, which mirrors the dividend additional rate.

(B) Corporate Shareholders

Shareholders within the charge to UK corporation tax which are "small companies" (for the purposes of UK taxation of dividends) will not be subject to tax on dividends from the Company unless the Company becomes resident in the UK or another jurisdiction with an appropriate double tax treaty with the UK. Other Shareholders within the charge to UK corporation tax will not be subject to tax on dividends from the Company so long as the dividends fall within an exempt class and certain conditions are met. In general, (i) dividends paid on shares that are not redeemable and (ii) dividends paid to a person holding less than, among other things, 10 per cent. of the issued share capital of the payer (or any class of that share capital) are examples of dividends that fall within an exempt class, but subject to various anti avoidance provisions.

Taxation of chargeable gains

(A) Individual Shareholders

A disposal of Ordinary Shares may give rise to a chargeable gain (or allowable loss) for the purposes of UK capital gains tax, depending on the circumstances and subject to any available exemption or relief. For Shareholders who are UK tax resident or only temporarily non-UK tax resident, capital gains tax at the rate of tax of 10 per cent. (for basic rate taxpayers) or 20 per cent. (for higher or additional rate taxpayers) may be payable on any gain (after any available exemptions, reliefs or losses).

(B) Corporate Shareholders

Where a Shareholder is within the charge to corporation tax, including cases where it is not resident (for tax purposes) in the UK, a disposal of Ordinary Shares may give rise to a chargeable gain (or allowable loss) for the purposes of UK corporation tax, depending on the circumstances and subject to any available exemption or relief.

(C) Non-resident Holders

A Shareholder that is not resident in the UK (and is not temporarily non-resident) for UK tax purposes and whose Ordinary Shares are not held in connection with carrying on a trade, profession or vocation in the UK generally will not be subject to UK tax on chargeable gains on the disposal of Ordinary Shares.

Corporation tax

The Company is not subject to UK corporation tax unless it is held to be managed and controlled from the UK or has a permanent establishment in the UK. The directors consider that management and control is exercised outside the UK although this has not been addressed with HMRC and could change in the future.

Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

The statements below (which apply whether or not a Shareholder is resident or domiciled in the UK) summarise the current position and are intended as a general guide only to stamp duty and SDRT. Certain categories of person are not liable to stamp duty or SDRT, and special rules apply to agreements made by broker dealers and market makers in the ordinary course of their business and to certain categories of person (such as depositaries and clearance services) who may be liable to stamp duty or SDRT at a higher rate or who may, although not primarily liable for tax, be required to notify and account for SDRT under the Stamp Duty Reserve Tax Regulations 1986.

No UK stamp duty or SDRT will be payable on the issue of New Ordinary Shares pursuant to the Admission, other than as explained below.

Dealings in Ordinary Shares will generally be subject to stamp duty or SDRT in the normal way. An instrument effecting the transfer on sale of Ordinary Shares will generally be liable to stamp duty at the rate of 0.5 per cent. (rounded up, if necessary, to the nearest multiple of £5) of the amount or value of the consideration payable. However, where the amount or value of the consideration is £1,000 or less, and provided that the transfer does not form part of a larger transaction or series of transactions where the combined consideration exceeds £1,000, such instrument should be exempt from charge upon certification of such facts.

An unconditional agreement to transfer Ordinary Shares will generally be liable to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable, but such liability will be cancelled, or a right to a repayment (generally, with interest) in respect of the payment of such SDRT liability will arise, if the agreement is completed by a duly stamped or exempt transfer within six years of the agreement having become unconditional. Stamp duty and SDRT are normally the liability of the purchaser.

Subject to certain exemptions, a charge to stamp duty or SDRT will arise on the transfer of Ordinary Shares to a person providing a clearance service, its nominee or agent, or to an issuer of depositary receipts, its nominee or agent, where that transfer is not an integral part of an issue of share capital. The rate of stamp duty or SDRT, as the case may be, in such circumstances will generally be 1.5 per cent. of the amount or value of the consideration for the transfer or, in some circumstances, the value of the Ordinary Shares concerned, in the case of stamp duty rounded up, if necessary, to the nearest multiple of £5.

No stamp duty or SDRT will arise on a transfer of Ordinary Shares into the CREST system provided that the transfer is not for money or money's worth. Paperless transfers of Ordinary Shares within CREST are liable to SDRT (at a rate of 0.5 per cent. of the amount or value of the consideration payable) rather than stamp duty, and SDRT arising on the agreement to transfer Ordinary Shares under relevant transactions settled within the system or reported through it for regulatory purposes will generally be collected by CREST.

British Virgin Islands taxation

The Company and all dividends, interest, rents, royalties, compensations and other amounts paid by the Company are exempt from the provisions of the Income Tax Act in the British Virgin Islands, and any capital gains realized with respect to any shares, debt obligations, or other securities of the Company are exempt from the provisions of the Income Tax Act in the British Virgin Islands. No estate, inheritance, succession or gift tax is payable with respect to any shares, debt obligations or other securities of a BVI business company. There are no withholding taxes or exchange control regulations in the British Virgin Islands applicable to the Company or its shareholders. Shareholders will not be subject to any income, withholding or capital gains taxes in the British Virgin Islands, with respect to the shares of the Company owned by them and dividends received on such shares, nor will they be subject to any estate, inheritance, succession or gift tax in the British Virgin Islands.

PART VIII
CREST AND DEPOSITARY INTERESTS

1. CREST and depositary arrangements

The Company has established arrangements to enable investors to settle interests in the Ordinary Shares through the CREST system. The Depositary Interests have been created pursuant to and issued on the terms of the Deed Poll dated 17 July 2008 and executed by the Depositary in favour of the holders of the Depositary Interests from time to time.

2. Effect of AIM Cancellation and Admission on Depositary Interests

The Depositary Interests will continue to have the same ISIN number as the underlying Ordinary Shares and do not require a separate listing on the Official List.

The Depositary Interests will be capable of being traded and settled within the CREST system in the same way as when the Company was admitted to trading on AIM.

If a holder wishes to cancel its Depositary Interest, it will either directly or through its broker instruct the applicable CREST participant to initiate a CREST withdrawal (where such withdrawal is sent to the Depositary) for the name that appears on the Register. The Depositary Interest will then be cancelled by the Depositary and the related Ordinary Shares will be credited to the account on the Register by the Registrar. The Registrar will then send the holder a new Ordinary Shares certificate.

The information included within this Part VIII relating to the obtaining and cancellation of Depositary Interests by a holder is intended to be a summary only and is not to be construed as legal, business or tax advice. Each investor should consult his or her own lawyer, financial adviser, broker or tax adviser for legal, financial or tax advice in relation to Depositary Interests.

PART IX
ADDITIONAL INFORMATION

1. Responsibility

The Directors, whose names appear on page 32, and the Company accept responsibility for the information contained in this Document. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and contains no omission likely to affect its import. In addition, the Directors have taken all reasonable care to ensure that the facts stated in this Document are true and accurate in all material respects, and there are no other facts the omission of which would make misleading any statement in this Document, whether of facts or opinion. All the Directors accept responsibility accordingly.

2. The Company

2.1 The Company was incorporated with limited liability and registered in the British Virgin Islands as a business company under the BVI Business Companies Act on 26 September 2007.

2.2 The legal and commercial name of the Company is Thalassa Holdings Ltd and its registered number is 1433759.

2.3 The Company is not regulated by the FCA or any financial services or other regulator. With effect from Admission the Company will be subject to the Listing Rules and the Disclosure Guidance and Transparency Rules (and the resulting jurisdiction of the UK Listing Authority), to the extent such rules apply to companies with a Standard Listing pursuant to Chapter 14 of the Listing Rules.

2.4 The principal legislation under which the Company operates, and pursuant to which the Ordinary Shares have been created, is the BVI Business Companies Act. The currency of the Ordinary Shares is US dollars.

2.5 The Company's registered office is at Folio Chambers, PO Box 800, Road Town, Tortola, British Virgin Islands. The Company's telephone number is +1 284 494 7065 and its website can be found at www.thalassaholdingsltd.com.

2.6 The Company is operating in conformity with its constitution.

3. Share Capital

3.1 On incorporation of the Company, the share capital of the Company was 50,000,000 ordinary shares of US$1.00 each and were each subsequently sub-divided into 100 Ordinary Shares of US$0.01 each, increasing the number of issued and unissued shares from 50,000,000 to 5,000,000,000. 4,900,000,000 of the authorised but unissued Ordinary Shares where then cancelled such that the number of shares which the Company was then authorised to issue was 100,000,000 Ordinary Shares of US$0.01 each.

3.2 In the period covered by the historical financial information, the authorised share capital of 100,000,000 was unchanged.

3.3 The number of Ordinary Shares in issue and held in treasury at the end of each financial year for the period covered by the historical financial information was:

Financial Year Ended	***Number of Ordinary Shares in issue***	***Number of Ordinary Shares held in treasury***
31 December 2015	25,067,522	1,458,657
31 December 2016	25,067,522	3,108,657
31 December 2017	25,567, 522	5,754,882

3.4 Pursuant to a resolution of the Directors passed on 1 October 2018, the Company resolved to adopt the Articles which incorporated the rights attaching to the Preference Shares which are:

(a) they are unlisted;

(b) they are uncertificated;

(c) they are non-transferable (meaning both that the Preference Shares is not transferable or tradeable itself and, in the event a shareholder disposes of any Ordinary Share, the corresponding Preference Share will be cancelled and will not be transferred to the transferee of such Ordinary Share); and

(d) they are without any shareholder rights (including as to any return on winding up or other realisation event for the Company) other than so as to provide the shareholder holding such Preference Share with 10 votes per share in addition to his existing one vote per Ordinary Share.

3.5 The following table shows the issued and fully paid shares of the Company at the date of this Document:

	Issued and Credited as Full Paid	
Class of Share	**Number**	**Amount Paid up (US$)**
Ordinary*	25,567,522	255,675
Preference	17,486,021	0

* Includes 7,697,747 Ordinary Shares held in treasury.

3.6 The issued and fully paid shares of the Company immediately following Admission is expected to be as shown in the following table:

	Issued and Credited as Full Paid	
Class of Share	**Number**	**Amount Paid up (US$)**
Ordinary*	25,567,522	255,675
Preference	17,486,021	0

* Includes 7,697,747 Ordinary Shares held in treasury.

3.7 Save as disclosed in this Document, as at the date of this Document, the Company will have no short, medium or long term indebtedness.

3.8 Save as disclosed in this Document:

(a) there are no shares not representing capital;

(b) no share or loan capital of the Company has been issued or is proposed to be issued;

(c) no person has any preferential subscription rights for any shares of the Company;

(d) no Ordinary Shares are held by or on behalf of the Company by itself;

(e) no share or loan capital of the Company is convertible or unconditionally to be put under option or subject to warrant;

(f) no commissions, discounts, brokerages or other special terms have been granted by the Company since its incorporation in connection with the issue or sale of any share or loan capital of the Company; and

(g) the Ordinary Shares are freely transferrable.

3.9 It is expected that the Ordinary Shares will be listed on the Official List and will be traded on the main market of the London Stock Exchange. The Ordinary Shares are not listed or traded on, and no application has been or is being made for the admission of the Ordinary Shares to listing or trading on any other stock exchange or securities market.

4. Memorandum and Articles of Association of the Company

On 1 October 2018, the Company adopted the Articles in substitution for and to the exclusion of the Company's then existing articles of association.

4.1 **Memorandum of Association**

The general objects of the Company, which are set out in clause 5 of its Memorandum of Association, are unrestricted unless prohibited by the BVI Business Companies Act.

4.2 **Articles of Association**

The Articles of Association of the Company contain, inter alia, provisions to the following effect:

Voting Rights

(a) Subject to any special rights or restrictions as to voting upon which any shares may for the time being be held, on a show of hands every member holding Ordinary Shares and who (being an individual) is present in person or (being a corporation) is present by its duly appointed representative shall have one vote per Ordinary Share held and on a poll every member present in person or by representative or proxy shall have one vote for every Ordinary Share held by him.

(b) Subject to any special rights or restrictions as to voting upon which any shares may for the time being be held, on a show of hands every member holding Preference Shares and who (being an individual) is present in person or (being a corporation) is present by its duly appointed representative shall have ten votes per Preference Share held and on a poll every member present in person or by representative or proxy shall have one vote for every Preference Share held by him.

Variation of class rights

Whenever the shares which the Company is authorised to issue are divided into different classes of shares the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-fourths of the total issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class.

Transfer of shares

(a) Ordinary Shares are transferable subject to the transfer provisions contained in the Articles. The Directors may, in their absolute discretion, decline to register any transfer of a share (not being a fully-paid up share). The Directors may also decline to register the transfer of any shares (not being a fully paid up share) in respect of which the Company has a lien (except in the case of a transfer to executors, administrators or trustees of deceased members) or the transfer of any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists or a transfer of a share to more than three or more joint holders. Shares are not transferable to natural persons under the age of 18. If the Directors refuse to register a transfer they shall notify the transferee as soon as reasonably practicable. The Directors shall not exercise such discretion if to do so would cause a contravention of any applicable CREST rule or regulation (including, for the avoidance of doubt, the UK Uncertificated Securities Regulations 2001).

(b) If the Directors believe that any shares are or may be held by a Prohibited Person, then the Directors may serve a notice on the registered holder of such shares requiring him within 10 days (or such extended time as the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) such share to another person who, in the sole and exclusive determination of the Directors, is not a Prohibited Person. From the date of such notice until registration of such a transfer or a transfer arranged by the Directors as referred to below, the rights and privileges attaching to such shares will be suspended and not capable of exercise. If the notice is not complied with within 10 days (or such extended time as in the circumstances the Directors consider reasonable) to the satisfaction of the Directors, the Directors shall arrange for the Company to sell the shares at the best price reasonably obtainable to any other person who is not a Prohibited person. The net proceeds of sale (after payment of the Company's costs of the sale) shall be paid over by the Company to the former holder.

(c) Shares shall be transferred by a written instrument of transfer acceptable to the Board signed by the transferor and containing the name and address of the transferee. The instrument of transfer shall also be signed by the transferee if registration as a holder of the shares imposes a liability to the Company on the transferee. The instrument of transfer of a registered share shall be sent to the Company for registration. The Company shall not be required to treat a transferee of a share as a member until the transferee's name has been entered in the register of members of the Company.

For the purpose of this article, a "Prohibited Person" means (a) any person that is an employee benefit plan subject to Title I of ERISA (the United States' Employee Retirement Income Security Act of 1974, as amended, or other plan subject to Section 4975 of the US Internal Revenue Code of 1986, as amended), and in the opinion of the Directors the assets of the Company may be considered "plan assets" within the meaning of Section 3(42) of ERISA; or (b) any person to whom a transfer of shares or whose ownership or holding of any shares might in the opinion of the Directors require registration of the Company as an investment company under the US Investment Company Act; or (c) any "United States person" (as defined in Section 957(c) of the US Internal Revenue Code of 1986, as amended) and such person's shareholding amounts to ten per cent. or more of the shares, unless otherwise approved by the Directors.

Distributions

(a) Subject to the provisions of the BVI Business Companies Act, the Directors may, by resolution, authorise a distribution by the Company at a time, and of an amount they think fit if they are satisfied, on reasonable grounds, that the Company will, immediately after the distribution, satisfy the solvency test as stipulated in section 56 of the BVI Business Companies Act.

(b) Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide all distributions shall be declared and paid according to the amounts paid up (not credited) on the shares in issue, but no amount paid on a share in advance of calls shall be treated as paid up on a share and all distributions shall be apportioned and paid pro rata according to the amounts paid up (not credited) on the shares during any portion or portions of the period in respect of which the distribution is made.

(c) All distributions unclaimed for one year may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. Any distributions unclaimed for six years after having been declared shall be forfeited by the Directors for the benefit of the Company.

(d) No unpaid distribution shall bear interest against the Company.

(e) There is no fixed date on which an entitlement to dividend arises.

(f) There are no dividend restrictions attaching to the Ordinary Shares, provided they are fully paid up. Payments of dividends may be made by any method the Directors consider appropriate and on a cash dividend there are no special arrangements for non-resident Shareholders. The Directors may make such arrangements as they consider expedient in connection with a dividend payment in shares to deal with any legal or other difficulties that may arise in any territory in which non-resident Shareholders are present.

(g) On winding up of the Company, each Ordinary Share confers upon the holder the right to equal share in the distribution of the surplus assets of the Company.

General meetings

(a) The Company is required to hold an annual general meeting in each year (other than the year of the Company's incorporation). The Directors may convene meetings of the Shareholders of the Company at such times and in such manner and places within or outside the British Virgin Islands as the Directors consider necessary or desirable. Upon the written request of Shareholders holding 10 per cent. or more of the outstanding voting shares in the Company, the Directors shall convene a meeting of Shareholders.

(b) The Director shall give not less than 14 clear days' notice of meetings of Shareholders to those persons whose names on the date the notice is given appear as Shareholders in the share register of the Company and are entitled to vote at the meeting.

(c) A meeting of Shareholders may be called on short notice if it is so agreed:

(i) in the case of a meeting called as an annual general meeting, by all the Shareholders entitled to attend and vote thereat; and

(ii) in the case of any other meeting, by a majority in number of the Shareholders having the right to attend and vote at the meeting, being a majority together holding not less than ninety per cent of the total voting rights on all the matters to be considered at the meeting;

(a) and for this purpose, the presence of a Shareholder at the general meeting shall be deemed to constitute waiver on his part.

(b) A meeting of Shareholders is duly constituted if, at the commencement of the meeting, there are present in person or by proxy no less than 2 Shareholders entitled to vote on resolutions of Shareholder to be considered at the meeting (or, if at that time, the Company shall have only one Shareholder, one Shareholder present in person or by proxy, shall form a quorum).

(c) If within thirty minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Shareholders, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other time and place as the Directors may determine, and if at the adjourned meeting a quorum is not present within thirty minutes from the time appointed for the meeting, the meeting shall be dissolved. The chairman, may, with the consent of the meeting, adjourn any meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than the business which might lawfully have been transacted at the meeting had the adjournment not taken place.

(d) An action that may be taken by the Shareholders at a meeting may also be taken by a resolution of Shareholders consented to in writing or by telex, telegram, cable, facsimile or other written electronic communications, without the need for any notice, but if any resolution of Shareholders is adopted otherwise than by the unanimous written consent of all Shareholders, a copy of such resolution shall forthwith be sent to all Shareholders not consenting to such resolution.

Directors

(a) The minimum number of Directors shall be one and maximum number shall be twelve.

(b) The business and affairs of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not by the BVI Business Companies Act or by the Memorandum of Association or the Articles of Association required to be exercised by the Shareholders of the Company, subject to any delegation of such powers as may be authorised by the Articles of Association and to such requirements as may be prescribed by a resolution of Shareholders.

(c) The Directors or any committee thereof may meet at such times and in such manner and places within or outside the British Virgin Islands as the Directors may determine to be appropriate. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chairman at the meeting shall have a second or casting vote.

(d) A resolution approved by a majority of the Directors for the time being entitled to receive notice of a meeting of the Directors or of a committee of the Directors and taking the form of one or more documents in writing or by telefax or other written or electronic communication shall be as valid and effectual as if it had been passed at a meeting of the Directors or of such committee duly convened and held, without the need for any notice.

The Takeover Code

(a) The summary provisions of the Articles relating to takeover situations shall apply to the Company unless the Takeover Panel (or a financial adviser to the Company) has advised the Company that it is subject to the Takeover Code.

(b) Subject to the remainder of the Articles summarised below, except with the consent of a resolution of the Board, when:

(i) any member (or person acting in concert with such member) acquires, whether in a single transaction or by a series of transactions over a period of time, an interest in shares which (taken together with shares in which such member or persons acting in concert with such member are interested) carry 20% or more of the voting rights of the Company; or

(ii) any member, together with persons acting in concert with such member, is interested in shares which in the aggregate carry not less than 20% of the voting rights of the Company but does not hold shares carrying more than 50% of such voting rights and such member, or any person acting in concert with such member, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested,

such member (the "**Offeror**") shall extend an offer, on the basis set out in paragraphs (c) to (e) below, to the holders of all the issued (and to be issued) shares in the Company. An offer will not be required under this paragraph where control of the Company is acquired as a result of a voluntary offer made materially in accordance with the provisions of the Takeover Code (as if the Takeover Code applied to the Company) to all holders of shares. For the purposes of this paragraph, "Group" in relation to a corporate entity means that corporate entity's subsidiaries, its holding company and any subsidiaries of such holding company.

(c) An offer made pursuant to paragraph (b) above must be conditional only upon the Offeror having received acceptances in respect of shares which, together with shares acquired or agreed to be acquired before or during the offer, will result in the Offeror and any person acting in concert with it holding shares carrying more than 50% of the voting rights of the Company.

(d) An offer made pursuant to paragraph (b) must be in cash or be accompanied by a cash alternative at not less than the highest price paid by the Offeror or any person acting in concert with it for any interest in shares during the 12 months prior to the date upon which an announcement of that offer would have been required had the Takeover Code applied to the Company. If, after the obligation to make an offer pursuant to paragraph (b) arises and before the offer closes for acceptance, the Offeror or any person acting in concert with it acquires any interest in shares at above the offer price, it shall increase its offer to not less than the highest price paid for the interest in shares so acquired. The cash offer or the cash alternative must remain open after the offer has become or been declared unconditional as to acceptances for not less than fourteen (14) days after the date on which it would otherwise have expired.

(e) When an offer is made pursuant to paragraph (b) and the Company has convertible securities outstanding, the Offeror must make an appropriate offer or proposal, on terms equivalent to the offer made for shares, to the holders of such convertible securities to ensure that their interests are safeguarded.

(f) Any offer required to be made pursuant to paragraph (b) shall be made on terms that would be required by the then current Takeover Code, save to the extent that the Board otherwise determines. In relation to any offer required to be made pursuant to paragraph (b), any matter which under the Takeover Code would fall to be determined by the Takeover Panel shall be determined by the Board in its absolute discretion or by such person appointed by the Board to make such determination.

(g) No acquisition of any interest in shares which would give rise to a requirement for an offer pursuant to paragraph (b) may be made (and the directors shall be entitled to refuse to register any transfer of shares effecting such acquisition) if the making or implementation of such offer would or might be dependent on the passing of a resolution at any meeting of shareholders of the Offeror or upon any other conditions, consents or arrangements.

(h) No nominee of an Offeror or persons acting in concert with it may be appointed as a director, nor may an Offeror or any persons acting in concert with it exercise the votes attaching to any shares until the relevant offer document has been posted.

(i) Except with the consent of a resolution of the Board, members shall comply with the requirements of the Takeover Code (as if the Takeover Code applied to the Company) in relation to any dealings in any shares and in relation to their dealings with the Company in relation to all matters. Any matter which under the Takeover Code would fall to be determined by the Takeover Panel shall be determined by the Board in its absolute discretion or by such person appointed by the Board to make such determination. Any notice which under the Takeover Code is required to be given to the Takeover Panel shall be given to the Company at its registered office.

(j) Without limitation to the requirements of paragraph (i) above, at all times when the Company is in an offer period each member shall comply with the disclosure obligations set out in Rule 8 of the Takeover Code as if the Takeover Code applied to the Company.

(k) If at any time any member has incurred an obligation under paragraph (b) to extend an offer to the holders of all the issued shares (and any convertible securities of the Company), and shall have failed so to do, or that any member is in default of any other obligation imposed upon members pursuant to this paragraph "*The Takeover Code*", then the Board shall as soon as practicable by notice (a "**Direction Notice**") to such member and any other member acting in concert with such member (together the "**Defaulters**") direct that:

  (i) in respect of the shares held by the Defaulters (the "Default Shares") the Defaulters shall not be entitled to vote at a general meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company;

  (ii) except in a liquidation of the Company, no payment shall be made of any sums due from the Company on the Default Shares, whether in respect of capital or dividend or otherwise, and the Company shall not meet any liability to pay interest on any such payment when it is finally paid to the member; and

  (iii) no other distribution shall be made on the Default Shares.

(l) The Company shall be entitled, without the requirement to obtain the consent of any member, to make all such announcements as would be required or permitted under the Takeover Code (if the Takeover Code applied to the Company), notwithstanding that such announcements may make reference to, or contain information about, members or persons acting in concert with members.

(m) Where shares or other securities of the Company are charged as security for a loan and, as a result of enforcement of such security, the lender incurs an obligation to make an offer under paragraph (b), no such offer will be required if sufficient interests in shares are disposed of within a period of fourteen (14) days to persons unconnected with the lender, so that the percentage of shares carrying voting rights in which the lender, together with persons acting in concert with it, is interested is reduced to below 20% in a manner satisfactory to the Board (in its absolute discretion). In any case where arrangements are to be made involving a transfer of voting rights to the lender, but which do not amount to enforcement of security, no offer under paragraph (b) will be required if the lender satisfies the Board (in the Board's absolute discretion) that such arrangements are necessary to preserve the lender's security and that the security was not given at a time when the lender had reason to believe that enforcement was likely. A receiver, liquidator or administrator of a company, or any other insolvency or bankruptcy official, is not required to make an offer under paragraph (b) when he acquires an interest in shares carrying 20% or more of the voting rights in the Company in his capacity as such, but paragraph (b) shall for the avoidance of doubt apply to a purchaser from such a person.

(n) Where in the opinion of the Board the Company is in such a serious financial position that the only way it can be saved is by an urgent rescue operation which involves the issue of new shares to, or the acquisition of existing shares by, the rescuer, without approval by a resolution of The Board of Directors, and which would otherwise require the rescuer to make an offer pursuant to paragraph (b), the Board may waive the requirements of paragraph (b) in such circumstances provided that either:

  (i) approval for the rescue operation by a resolution of The Board of Directors on a poll is obtained as soon as possible after the rescue operation is carried out; or

  (ii) some other protection for The Board is provided which the Board considers satisfactory in the circumstances.

(o) If, due to a bona fide inadvertent mistake, a person incurs an obligation to make an offer under paragraph (b), the Board may waive the requirement to make such an offer if sufficient interests in shares are disposed of within a limited period (being a maximum of fourteen (14) days) to persons unconnected with such person, so that the percentage of shares carrying voting rights in which the person, together with persons acting in concert with him, is interested is reduced to below 20% in a manner satisfactory to the Board.

(p) In construing this paragraph "*The Takeover Code*":

(i) the words, "**acting in concert**", "**control**", "**interests**" in securities, "**offer period**", "**voting rights**" and any other words and expressions used in or defined in the Takeover Code shall bear the same meanings given by the Takeover Code;

(ii) the Takeover Code refers to the City Code on Takeover and Mergers as published by the Panel on Takeovers and Mergers, an independent body established in 1968 by the Government of the United Kingdom;

(iii) the Takeover Panel refers to the Panel on Takeovers and Mergers, an independent body, established in 1968, whose main functions are to issue and administer the Takeover Code and to supervise and regulate takeovers and other matters to which the Takeover Code applies in accordance with the rules set out in the Takeover Code;

(iv) "the Board" means the board of directors of the Company;

(v) for the avoidance of doubt and for the purpose of this paragraph only, a reference to a member shall include a person who becomes (or upon entry in the Register would become) a member as a result of any acquisition of an interest in shares to which this paragraph relates; and

(vi) any decision to be made, or discretion to be exercised, by the Board shall be made or exercised by the Board excluding any director who is (or may be) obliged to make an offer pursuant to paragraph (b) or who is acting in concert with any person who is (or may be) obliged to make such an offer."

Disenfranchisement notice

(a) The Directors may at any time serve an Information Notice (being a notice served upon a member by the Board requiring such member to disclose to the Board in writing within such period (being not less than ten days and not more than thirty days from the date of despatch) as may be specified in such notice any of the following information in relation to any or all shares registered in such member's name at the date of the notice: (a) any beneficial interest of any third party in the shares the subject of the notice; and/or (b) any other interest of any kind whatsoever which a third party may have in the shares) upon a member. The Information Notice is similar in effect to a section 793 notice under the Companies Act 2006. If a member has been issued with an Information Notice and has failed in relation to any shares the subject of the Information Notice ("relevant shares") to furnish any information required by such notice within the time period specified therein, then the Directors may at any time following 14 days from the expiry of the date on which the information required to be furnished pursuant to the relevant Information Notice is due to be received by the Directors, serve on the relevant holder a notice (in this paragraph called a "disenfranchisement notice") whereupon the following sanctions shall apply:

(i) Voting: the member shall not with effect from the service of the disenfranchisement notice be entitled in respect of the relevant shares to be present or to vote (either in person or by representative or proxy) at any general meeting of the Company or at any separate meeting of the holders of any class of shares of the Company or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and

(ii) Dividends and transfers: where the relevant shares represent at least 0.25 per cent in nominal value of their class:

(aa) any dividend or other money payable in respect of the relevant shares shall be withheld by the Company, which shall not have any obligation to pay interest on it and the member shall not be entitled to elect to receive shares instead of that dividend; and

(bb) subject in the case of uncertificated shares to the Regulations no transfer, other than an approved transfer, of any relevant shares held by the member shall be registered unless the member is not himself in default as regards supplying the information required pursuant to the relevant Information Notice and the member proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

(b) The Company may at any time withdraw a disenfranchisement notice by serving on the holder of the shares to which the same relates a notice in writing to that effect (a "withdrawal notice").

(c) Where the sanctions under paragraph (a) apply in relation to any shares they shall cease to have effect:

(i) if the shares are transferred by means of an approved transfer;

(ii) at the end of the period of one week (or such shorter period as the Directors may determine) following receipt by the Company of the information required by the notice mentioned in paragraph (a) and the Directors being fully satisfied that such information is full and complete; or

(iii) on the date on which a withdrawal notice is served by the Company.

Disclosure of substantial interests in shares

(a) A person must notify the Company of the percentage of its voting rights if, at the date on which these Articles comes into force, the percentage of voting rights which he directly or indirectly holds as shareholder or through his direct or indirect holding of qualifying financial instruments (or a combination of such holdings) has reached or exceeded 3 per cent, 4 per cent, 5 per cent, 6 per cent, 7 per cent, 8 per cent, 9 per cent or 10 per cent, or each 1 per cent threshold thereafter up to 100 per cent.

(b) A person must notify the Company of the percentage of voting rights held if, at any time after the date on which these Articles comes into force, the percentage of voting rights which he holds directly or indirectly as shareholder or through his direct or indirect holding of qualifying financial instruments (or a combination of such holdings):

(i) reaches, exceeds or falls below 3 per cent, 4 per cent, 5 per cent, 6 per cent, 7 per cent, 8 per cent, 9 per cent or 10 per cent and each 1 per cent threshold thereafter up to 100 per cent; or

(ii) reaches exceeds or falls below an applicable threshold in paragraph (a) above as a result of events changing the breakdown of voting rights and on the basis of information disclosed by the Company in accordance with paragraph (c) below.

(c) The Company must at the end of each calendar month during which an increase or decrease has occurred, notify to a Regulatory Information Service for distribution to the public the total number of voting rights and capital in respect of each class of share which it issues.

(d) A notification given in accordance with paragraphs (a) or (b) above shall include the following information:

(i) (on the date on which the Articles came into force) the percentage of voting rights held or which may be exercised, or (at any time after the date on which this Article comes into force) the resulting situation in terms of voting rights and the date on which the relevant threshold was reached or crossed;

(ii) if applicable, the chain of controlled undertakings through which voting rights are effectively held;

(iii) so far as known to him, the identity of the shareholder, even if that shareholder is not entitled to exercise voting rights and of the person entitled to exercise voting rights on behalf of that shareholder;

(iv) the price, amount and class of shares concerned;

(v) in the case of a holding of qualifying financial instruments, the following information must also be disclosed:

(aa) for qualifying financial instruments with an exercise period, an indication of the date or time period where shares will or can be acquired, if applicable;

(bb) the date of maturity or expiration of the qualifying financial instruments;

(cc) the identity of the holder;

(dd) the name of the underlying company; and

(ee) the detailed nature of the qualifying financial instruments, including full details of the exposure to Ordinary Shares; and

(vi) any other information required by the Company.

(e) An obligation to give a notice to the Company under paragraphs (a) or (b) above shall be fulfilled without delay and in any event before the end of the second Business Day on which it arises.

(f) Every person who holds 3 per cent or more of the voting rights of any relevant class of shares of the Company shall, for as long as he holds such voting rights, be under a continuing obligation to give to the Company notice in writing of the particulars in relation to those shares specified in paragraph (d) and of any change in those particulars, of which he becomes aware at any time after the event (or if more than one the most recent event) by virtue of which he became obliged by the preceding provisions of this paragraph "Disclosure of Substantial interests in shares" to give notice to the

Company of his percentage of voting rights held. A notice given under this paragraph shall be given before the end of the second business day after the day on which the person giving the notice becomes aware of the relevant facts.

(g) The Company shall on receipt of a notification and without delay deliver an announcement detailing all the information contained in the notification to a Regulatory Information Service for distribution to the public.

Register of Substantial Interests

(a) The Directors shall keep a register for the purposes of this paragraph (in these paragraphs hereafter referred to as the "Register of Substantial Interests") and shall procure that, whenever the Company receives information from a person in consequence of the fulfilment of an obligation imposed on him by this paragraph, that information is within three Business Days thereafter inscribed in the Register of Substantial Interests against that person's name, together with the date of the inscription.

(b) Unless the Register of Substantial Interests is in such a form as to constitute an index, the Directors shall ensure that the Register of Substantial Interests is made up in such a way that the entries against the respective names entered in it appear in chronological order.

(c) The Directors shall cause to be maintained an index of the names entered in the Register of Substantial Interests, containing in relation to each such name a sufficient indication to enable the information entered against it to be readily found, and shall procure that within ten days after the date on which a name is entered in the Register of Substantial Interests any necessary alteration is made in the index.

(d) The Register of Substantial Interests shall be kept at the registered office of the Company or at any other place determined by the Directors.

(e) The Register of Substantial Interests shall be open to inspection in the same manner as the Register in accordance with these Articles.

In paragraphs "*The Takeover Code*", "*Disenfranchisement Notice*" and "*Disclosure of Substantial interests in shares*":

(a) a person's percentage interest in voting rights is to be calculated on the basis of all the shares to which voting rights are attached even if the exercise of such rights is suspended. The number of voting rights to be considered when calculating whether a threshold has been reached, exceeded or fallen below is the number of voting rights in existence according to the Company's most recent disclosure made in accordance with paragraph (c) under the heading "Disclosure of Substantial interest in shares" and the proportion of voting rights held shall if necessary be rounded down to the next whole number;

(b) "qualifying financial instruments" has the meaning given to that term in rule 5.3.2 of the DTR;

(c) "Regulatory Information Service" means a service approved by the London Stock Exchange for the distribution to the public of announcements;

(d) "DTR" means the Disclosure and Transparency Rules of the UK Financial Services Authority; and

(e) "controlled undertakings" has the same meaning as given to that term in the DTR.

For the purposes of paragraphs "The Takeover Code", "Disenfranchisement Notice", "Disclosure of Substantial interests in shares" and "Register of Substantial Interests":

(a) a person is an indirect holder of shares for the purposes of the applicable definition of shareholder to the extent that he is entitled to acquire, to dispose of, or to exercise voting rights in any of the cases listed in rule 5.2.1 of the DTR or a combination of them;

(b) voting rights held by those persons listed in rule 5.1.3 of the DTR are to be disregarded completely; and

(c) the Company shall not by virtue of anything done for the purposes of such paragraphs or this paragraph be deemed to be affected with notice of, or put upon enquiry as to, the rights of any person in relation to any shares.

References in this Article to the DTR include any modification thereof by the UK Financial Services Authority for the time being in force.

Notification of Shareholdings

(a) The provisions of DTR 5 insofar as they relate to Shareholders' notifications are incorporated into the Company's articles. Accordingly, Shareholders are required to notify the Company where their voting rights exceed, reach or fall below the threshold of three per cent. and each one per cent. thereafter within two trading days of the event, the Company is required to release details to a regulatory information service "without delay" following receipt of a notification.

5. Directorships and Partnerships

In addition to their directorships of the Company, the Directors are, or have been, members of the administrative, management or supervisory bodies or partners of the following companies or partnerships, at any time in the five years prior to the date of this Document.

Duncan Soukup

Current directorships and partnerships	*Former directorships and partnerships*
Thalassa Holdings Ltd (BVI)	RPL Services Ltd (BVI)
Acquisitor Ltd (BVI)	Thalassa Private Investments Ltd (BVI)
CityPoint Holdings Ltd (BVI)	Thalassa Public Investments Ltd (BVI)
Fleur-de-Lys Management Ltd (BVI)	CityPoint Services Ltd (BVI)
Northward Holdings Ltd (BVI)	RPL Holdings, Inc. (USA)
DOA Exploration Limited (UK)	RPL Services Ltd (BVI)
DOA Beta Ltd (BVI)	Renewable Power & Light Limited (UK)
DOA Alpha Ltd (BVI)	Acquisitor Services Ltd (BVI)
Thalassa Holdings Ltd (BVI)	WGP Technical Services Ltd (BVI)
DOA Delta Ltd (BVI)	
DOA Gamma Ltd (BVI)	
Target Games Ltd (BVI)	
Auld Mug Inns Limited (UK)	
Autonomous Holdings Ltd (BVI)	
Autonomous Robotics Limited (UK)	
WGP Geosolutions Ltd (Cyprus)	
WGP Group AT GmbH (Austria)	
Eastleigh Court Limited (UK)	
Eastleigh Stables Limited (UK)	
Peregrine Property Company Limited (UK)	
Anemoi S.A. (Luxembourg)	
Apeiron Holdings A.G. (Switzerland)	

Graham Cole FCA, FSI

Current directorships and partnerships	*Former directorships and partnerships*
Thalassa Holdings Ltd (BVI)	Ideal Shopping Direct (UK)
	Stagecoach Theatre (UK)
	Recruitment Investment Group (UK)
	Vantis plc (UK)

David Thomas

Current directorships and partnerships	*Former directorships and partnerships*
Thalassa Holdings Ltd (BVI)	medOil plc (UK)
Orion Oil & Gas Ltd (UK)	David Thomas & Associates Ltd (UK)
Orion Energy plc (UK)	
Orion Italiana Petroli srl (Italy)	
Orion Albania Ltd (UK)	
Tower Resources plc (UK)	
Utica Resources In (Canada)	
Gwalia Resources Ltd (UK)	

6. Directors' Confirmations

6.1 At the date of this Document none of the Directors:

(i) has any convictions in relation to fraudulent offences for at least the previous five years;

(ii) has, save as disclosed at paragraph 6.2 of this Part IX, been associated with any bankruptcy, receivership or liquidation while acting in the capacity of a member of the administrative, management or supervisory body or of senior manager of any company for at least the previous five years;

(iii) has any family relationship with any of the other Directors;

(iv) had any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by or to the Company, or any such interest in any contract or arrangement subsisting at the date of this Document and which is significant to the business of the Company; or

(v) has been subject to any official public incrimination and/or sanction of him by any statutory or regulatory authority (including any designated professional bodies) or has ever been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

6.2 Duncan Soukup was a director of Renewable Power & Light Limited (RPL), which entered into administration on 11 December 2014 having a deficit to creditors of approximately £2.3 million and was subsequently dissolved on 20 March 2018. RPL was a failed renewable energy company, which was acquired by the Company in January 2010 and then transferred to Mr Soukup in partial satisfaction of a loan by Mr Soukup to the Company of $1.2million. RPL shares were trading below NAV and the anticipation was that the entity might be used as a cash shell for future acquisitions. Following the removal of the board of directors of RPL, significant claims against former professional advisors were identified, resulting in the inability to use RPL as a cash shell due to legacy issues. Consequently, the bulk of the company's assets (cash) were transferred to a subsidiary (Acquisitor Ltd), whose shares were distributed to RPL's shareholders. Following the distribution, RPL retained a modest sum of cash and raised litigation funding to pursue claims against former professional advisors following opinions from leading counsel. The claims were discontinued following breach on contract by the funder, following which the company was placed in administration. Since the RPL shareholders received Acquisitor Ltd shares in exchange for their RPL shares on the basis of 1 Acquisitor Ltd share for every 1 RPL share, and taking into account the relative value of each business, any loss to RPL shareholders was immaterial.

6.3 The Board confirm that there are no conflicts of interest between any duties owed to the Company by the Directors and their private interests or other duties Graham Cole and David Thomas hold or have held in multiple directorships. All aforementioned individuals are, however, committed to dedicating sufficient time to the Company as necessary to meet its objectives and each will manage their time such that they are fully able to fulfil their duties as non-executive Directors to the Company and their board duties in respect of their other business interests.

6.4 As at the date of this Document, neither the Directors or members of the administrative, management or supervisory bodies of the Company have any interests in options or warrants in the Ordinary Shares.

7. Directors' interests

Save as disclosed below, none of the Directors nor any member of their immediate families has or will have on or following Admission any interests (beneficial or non-beneficial) in the shares of the Company or any of its subsidiaries.

Interests immediately following Admission

Director	**No. of Ordinary Shares**	**Percentage of Issued Ordinary Shares**
Duncan Soukup	3,562,571	20%
Graham Cole	39,870	0.2%
David Thomas	-	-

7.1 None of the Directors hold options, warrants or any form of convertible security in respect of Ordinary Shares. There is currently no intention for the Company to make incentivisation arrangements for the Directors to be involved in the capital of the Company.

8. Major Shareholders and other interests

8.1 As at 31 January 2019 (being the latest practicable date prior to the publication of this Document), the following persons had a notifiable interest (being an interests in the share capital of the Company requiring notification in accordance with the provisions of Chapter 5 of the Disclosure Guidance and Transparency Rules) in the issued share capital of the Company:

Shareholder	No. of Ordinary Shares	Percentage of issued ordinary share capital
Duncan Soukup	3,562,571	20%
Lombard Odier Asset Management (Europe) Limited	3,182,266	17.8%
THAL Discretionary Trust	3,078,667	17.2%
Mark Costar	800,000	4.5%
Church House Investments Limited	675,000	3.6%
Aurora Nominees Limited	564,992	3.2%

8.2 Save as set out above in paragraph 8.1 above, as at 31 January 2019 (being the latest practicable date prior to the publication of this Document), no person has a notifiable interest in the issued shares of the Company

8.3 As at 31 January 2019 (being the latest practicable date prior to the publication of this Document), the Company was not aware of any person or persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company nor is it aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

8.4 Save as a result of any transfers of Ordinary Shares (which result in the related Preference Shares held by such transferring shareholder being cancelled and accordingly the votes relating to such Preference Shares ceasing to exist thereby increasing the relative votes held by remaining Shareholders), those interested, directly or indirectly, in three per cent. or more of the issued Ordinary Shares of the Company do not now, and, following Admission, will not, have different voting rights from other holders of Ordinary Shares.

9. Working capital

The Company is of the opinion that, taking into account the Company's cash balances, the working capital available to the Group is sufficient for the Group's present requirements, that is for at least the 12 months from the date of this Document.

10. Significant change

There has been no significant change in the financial or trading position of the Group since 30 June 2018, being the date as at which the financial information contained in Part VI of this Document has been prepared save for the issue of Preference Shares, cancellation of Preference Shares and the Company buying back ordinary shares as detailed below.

1 Preference share was issued for each Ordinary share held in the capital of the Company at 30 September 2018, which resulted in the issue of 18,594,775 preference shares with 10 votes but no economic value. 1,108,754 Preference shares were cancelled between 1 October 2018 and 31 January 2019.

Between 1 July 2018 and 21 December 2018, the Company bought back 1,192,500 Ordinary shares for £1,063,429.96 at an average price of 89.1765p per Ordinary share. These Ordinary shares are held in treasury by the Company.

11. Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) since the Company's incorporation which may have, or have had in the recent past, significant effects on the financial position or profitability of the Group.

12. UK Takeover Code

The company is incorporated and domiciled in the British Virgin Islands and accordingly the City Code does not apply to it and any takeover of the Company will be unregulated by UK takeover authorities. Whilst the Articles contain certain takeover protections, these will not provide the full protections afforded by the City Code. The relevant provisions of the articles are summarised in paragraph 4.2 of Part IX of this Document.

13. Material contracts

The following the material contracts (not being contracts entered into in the ordinary course of business) that have been entered into by the Company in the period being two years immediately prior to the publication of this Document:

13.1 *WGP Sale Agreement*

On 30 November 2017, the Company entered into a conditional sale agreement with Fairfield Industries Incorporated (doing business as FairfieldNodal) ("**FFN**") for the sale of the assets of WGP Group Ltd to FFN for a maximum cash consideration

of US$30,000,000. US$20,000,000 was received by the Company on completion of the sale, which occurred on 1 January 2018, with the remaining $10,000,000 becoming payable by FFN contingent on certain customer contracts being entered into with 5 years of completion of the agreement. As disclosed in Parts I and IV of this Document, the Company is expecting the first $6,000,000 of this contingent consideration in at least two separate tranches, the first $1,200,000 has been paid and the balance of £4,800,000 is due on or before 11 September 2019. The agreement contained customary warranties and representations for a transaction of this nature and was completed on 1 January 2018.

13.2 *Papua Selling Shareholder Agreement*

On 15 September 2017, the Company and First Equity Limited entered into a selling shareholder agreement in order to facilitate the sale of shares owned by the Company in Papua Mining plc ("**Papua**") into a placing which was being carried out by Papua at that time. Pursuant to the terms of the agreement, First Equity Limited agreed to place the Company's 40,000,000 shares in Papua at a price of 1.15p per share, resulting in gross proceeds to the Company of £460,000.

14 Agreements with Directors

14.1 *Consultancy Agreement*

Mr Soukup first entered into a consultancy agreement with the Company dated 23 July 2008, replaced by an agreement dated 3 January 2011 and subsequently by an agreement dated 30 August 2014, pursuant to which he agreed to act as a Director of the Company and the Company agreed to engage him as a consultant. The agreement is for no fixed term and continues on a rolling basis until terminated by either party giving five years' prior written notice. Mr Soukup is entitled to be paid an annual fee of US$300,000, as varied with effect from 1 January 2018, and reasonable expenses in consideration for the proper performance of his services under the agreement.

14.2 *Non-executive Directors' letters of appointment*

The services of each of the non-executive Directors are provided under the terms of letters of appointment between each of them and the Company dated 23 July 2008 which have been subsequently amended by mutual agreement to increase the compensation payable to each non-executive Director, which is US$10,000 per board meeting attended and USD$1,000 per board call attended per annum. The appointments are subject to termination upon at least one months' notice given by either the Director or the Company unless for cause when termination may be immediate.

14.3 The aggregate remuneration paid and benefits in kind granted to directors of the Company for the financial period ended 31 December 2017 amounted to US$1,309,685.

15 Intellectual Property Rights

The following table sets out brief particulars of the patents granted to and current patent applications of ARL (but excludes patents (or applications) which have been abandoned by ARL):

Official Title (Descriptive Title)	***Application No.***	***Jurisdictions***	***Priority Date***
Autonomous Underwater Vehicle (Passive Buoyancy Unit)	GB201514063	Granted: UK Filed: US and EPO	10.08.2015
Deployment And Retrieval Methods For AUVS (Cage with single port with ability to store multiple AUV's)	GB20150018297	Filed: EPO and USA	16.10.2015
Underwater Vehicle (Combination of ducted thruster and moving mass)	GB20150018299	Filed: EPO and USA	16.10.2015
Node with Wing (Autonomous Underwater Vehicle with multi-plane wing)	GB20160021483	Filed: PCT and UK	16.12.2016
Towed Deployment & Retrieval Method (Use of towed cage to deploy and recover AUV's)	GB20150018298	Filed: EPO and USA	16.10.2015
Deployment and retrieval of seabed device (Towed Sensor Deployment Method)	EP2681591A2	Filed: EPO	23.12.2010
Communication with an underwater vehicle (Sprint and Drift)	WO2013128188A1	Granted: USA, UK	02.03.2012
Determining position of underwater node (Pulse Position Modulation)	WO2013128187A1	Granted: USA, UK	02.03.2012

16. General

16.1 Moore Stephens LLP, whose address is 150 Aldersgate Street, London EC1A 4AB, are the auditors of the Company and are registered to carry out audit work by the Institute of Chartered Accountants of England and Wales and were the auditors for the period covered by the historical financial information in the Schedule to this Document.

16.2 Jeffreys Henry LLP has given and not withdrawn its written consent to the issue of this Document with the inclusion herein of the references to its name in the form and context in which they appear.

16.3 The Company has no existing or planned material tangible fixed assets, including leased properties.

16.4 Other than the information included in this Document in the Summary and part I of this Document from the report entitled "CBRE United Kingdom Real Estate Outlook 2018" ("CBRE Report") no information contained in this Document has been sourced from a third party. The Directors confirm that the information included in this Document from the CBRE Report has been accurately reproduced from that report and, as far as the Company is aware and is able to ascertain from information published by CBRE, there are no facts which have been omitted which would render the information included in this Document from the CBRE Report inaccurate or misleading.

16.5 As at the date of this Document, the Company had four employees. The average number of employees employed by the Company for each financial year for the period covered by the historical financial information was:

Period	***No. of employees***	***Location***	***Group Company***
1 January 2018 - date	4	Wiltshire, UK	ARL
FY 2017	33	Wiltshire, UK and Offshore	WGP Group and ARL
FY 2016	38	Wiltshire, UK and Offshore	WGP Group and ARL
FY 2015	51	Wiltshire, UK and Offshore	WGP Group and ARL

16.6 The Company does not own any premises or material fixed assets.

16.7 The total expenses incurred (or to be incurred) by the Company in connection with Admission are approximately £150,000.

16.8 No Ordinary Shares are currently in issue and no Ordinary Shares will be in issue on Admission with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

16.9 No payment (including commissions) or other benefit has been or is to be paid or given to any promoter of the Company.

16.10 There are no pensions or other similar arrangements in place with the Directors nor are there any such arrangements proposed.

16.11 The Company has made the following principal investments during the period covered by the historical financial information, details of which are described in Parts I and VI of this Document:

(i) The London Shopping REIT plc (interest acquired in September 2016); and

(ii) Papua Mining plc (interest acquired in September 2016 and sold in October 2017).

16.12 The Company has no principal investments in progress and there are no future investments on which the Directors have already made firm commitments which are or may be significant to the Company.

16.13 The Directors are unaware of any exceptional factors which have influenced the Company's activities.

16.14 Save as set out in paragraph 15 of this Part IX The Directors are not aware of any patents, licences or other intellectual property rights, industrial, commercial or financial contracts or new manufacturing processes which are or may be of material importance to the business or profitability of the Company.

16.15 There have been no public takeover bids by third parties in respect of the Ordinary Shares during the period from incorporation to the date of this Document.

16.16 Save as described in Part I, the Directors are not aware of any significant trends between 31 December 2017 and the date of this Document, or, save for Brexit any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year, or any environmental issues that may affect the Company's utilisation of its tangible fixed assets.

16.17 Save as disclosed in this Document, the Company has not entered into any related party transactions.

17. Availability of this Document

Following Admission, copies of this Document may be collected, free of charge during normal business hours, from the registered office of the Company: c/o Locke Lord (UK) LLP, 201 Bishopsgate, London EC2M 3AB. In addition, this Document will be published in electronic form and be available on the Company's website at www.thalassaholdingsltd.com, subject to certain access restrictions applicable to persons located or resident outside the United Kingdom.

18. Documents for inspection

Copies of the following documents may be inspected at Locke Lord (UK) LLP, 201 Bishopsgate, London EC2M 3AB during usual business hours on any day (except Saturdays, Sundays and public holidays) from the date of this Document until Admission:

(i) the Articles;

(ii) the accountant's reports on the historical financial information set out in the Schedule to this Document;

(iii) the service agreement and the letters of appointment entered into between the Company and the Directors; and

(iv) this Document.

PART X
NOTICES TO INVESTORS

The distribution of this Document may be restricted by law in certain jurisdictions and therefore persons into whose possession this Document comes should inform themselves about and observe any restrictions, including those set out below. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

General

No action has been or will be taken in any jurisdiction that would permit a public offering of the Ordinary Shares, or possession or distribution of this Document or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this Document nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Document does not constitute an offer to subscribe for any of the Ordinary Shares.

This Document has been approved by the FCA as a prospectus which may be used to offer securities to the public for the purposes of section 85 of FSMA, and of the Prospectus Directive. No arrangement has however been made with the competent authority in any other EEA State (or any other jurisdiction) for the use of this Document as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdiction. Issue or circulation of this Document may be prohibited in countries other than those in relation to which notices are given below.

For the attention of all Investors

The Ordinary Shares are only suitable for acquisition by a person who: (a) has a significantly substantial asset base such that would enable the person to sustain any loss that might be incurred as a result of acquiring the Ordinary Shares; and (b) is sufficiently financially sophisticated to be reasonably expected to know the risks involved in acquiring the Ordinary Shares.

For the attention of European Economic Area Investors

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), an offer to the public of the Ordinary Shares may only be made once the prospectus has been passported in such Relevant Member State in accordance with the Prospectus Directive as implemented by such Relevant Member State. For the other Relevant Member States an offer to the public in that Relevant Member State of any Ordinary Shares may only be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such Relevant Member State subject to obtaining prior consent of the Company for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any offer of Ordinary Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (and any amendments, thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

During the period up to but excluding the date on which the Prospectus Directive is implemented in member states of the EEA, this Prospectus may not be used for, or in connection with, and does not constitute, any offer of Ordinary Shares or an invitation to purchase or subscribe for any Ordinary Shares in any member state of the EEA in which such offer or invitation would be unlawful.

The distribution of this Document in other jurisdictions may be restricted by law and therefore persons into whose possession this Document comes should inform themselves about and observe any such restrictions.

For the attention of U.K. Investors

This Document comprises a prospectus relating to the Company prepared in accordance with the Prospectus Rules and approved by the FCA under section 87A of FSMA. This Document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

PART XI
DEFINITIONS

The following definitions apply throughout this Document unless the context requires otherwise:

"Admission"	means admission of the Ordinary Shares to the Official List by way of a Standard Listing and to trading on the main market for listed securities of the London Stock Exchange becoming effective;
"ARL"	Autonomous Robotics Limited, a wholly owned subsidiary of the Company;
"Articles of Association" or "Articles"	means the articles of association of the Company in force from time to time;
"Brexit"	means the withdrawal of the United Kingdom from the European Union expected in March 2019;
"Business Day"	means a day (other than a Saturday or a Sunday) on which banks are open for business in London;
"BVI"	means the British Virgin Islands;
"BVI Business Companies Act"	means the statute under which the Company was incorporated, the BVI Business Companies Act 2004;
"certificated" or "in certificated form"	means an Ordinary Share, title to which is recorded in the relevant share register as being held in certificated form (that is, not in CREST);
"City Code"	means the City Code on Takeovers and Mergers;
"Company"	means Thalassa Holdings Ltd, a company incorporated in the British Virgin Islands under the BVI Business Companies Act on 26 September 2007, with registered number 1433759;
"CREST" or "CREST System"	means the computer-based system (as defined in the CREST Regulations) operated and administered by Euroclear enabling securities to be evidenced otherwise than by certificates and transferred otherwise than by written instruments;
"CREST Regulations"	means The Uncertified Securities Regulations 2001 (SI 2001 3755), as amended;
"Directors" or "Board" or "Board of Directors"	means the directors of the Company, whose names appear in "Part II — The Board", or the board of directors from time to time of the Company, as the context requires, and "Director" is to be construed accordingly;
"Deed Poll"	the deed poll of the Depositary dated 17 July 2008, details of which are set out in paragraph 1 of Part VIII;
"Depositary"	Link Market Services Trustees Ltd;
"Depositary Interests"	the dematerialised depositary interests in respect of the Ordinary Shares issued or to be issued by the Depositary;
"Disclosure Guidance and Transparency Rules" or "Disclosure Rules"	means the FCA disclosure guidance and transparency rules made in accordance with section 73A of FSMA as amended from time to time;
"Document"	means this prospectus;
"EEA"	means the European Economic Area;
"EEA States"	means the member states of the European Union and the European Economic Area, each an "EEA State";
"EU"	means the Member States of the European Union;
"Euroclear"	means Euroclear UK & Ireland Limited;
"FCA"	means the UK Financial Conduct Authority;
"FSMA"	means the UK Financial Services and Markets Act 2000, as amended;
"£" or "pounds sterling"	means british pounds sterling;
"general meeting"	means a meeting of the Shareholders of the Company or a class of Shareholders of the Company (as the context requires);

"Group"	means the Company and its subsidiary undertakings;
"IFRS"	means International Financial Reporting Standards as adopted by the European Union;
"Investors"	means current or prospective shareholders of the Company;
"Listing Rules"	means the listing rules made by the UK Listing Authority under section 73A of FSMA as amended from time to time;
"London Stock Exchange"	means London Stock Exchange plc;
"LSR"	The Local Shopping REIT plc;
"MAR" or "Market Abuse Regulation"	means EC Regulation 394/2014 on market abuse;
"MVL"	means a members' voluntary liquidation;
"NRV"	means net realisable value;
"Official List"	means the official list maintained by the UK Listing Authority;
"Ordinary Shares"	means the ordinary shares of US$0.01 each in the capital of the Company;
"Preference Shares"	means the preference shares of no par value in the capital of the Company;
"Premium Listing"	means a premium listing under Chapter 6 of the Listing Rules;
"Prohibited Person"	means (a) any person that is an employee benefit plan subject to Title I of ERISA (the United States' Employee Retirement Income Security Act of 1974, as amended, or other plan subject to Section 4975 of the US Internal Revenue Code of 1986, as amended), and in the opinion of the Directors the assets of the Company may be considered "plan assets" within the meaning of Section 3(42) of ERISA; or (b) any person to whom a transfer of shares or whose ownership or holding of any shares might in the opinion of the Directors require registration of the Company as an investment company under the US Investment Company Act; or (c) any "United States person" (as defined in Section 957(c) of the US Internal Revenue Code of 1986, as amended) and such person's shareholding amounts to ten per cent. or more of the shares, unless otherwise approved by the Directors;
"Prospectus Directive"	means Directive 2003/71/EC (and any amendments thereto, including Directive 2010/73/EU, to the extent implemented in the relevant member state), and includes any relevant implementing measures in each EEA State that has implemented Directive 2003/71/EC;
"QCA Code"	means the corporate governance code (2018) published by the Quoted Companies Alliance (as the same may be amended or revised from time to time);
"Registrar"	means Link Market Services (Jersey) Limited or any other registrar appointed by the Company from time to time;
"SEC"	means the U.S. Securities and Exchange Commission;
"Securities Act"	means the U.S. Securities Act of 1933, as amended;
"Shareholders"	means the holders of Ordinary Shares;
"Standard Listing"	means a standard listing under Chapter 14 of the Listing Rules;
"Takeover Panel"	the Panel on Takeovers and Mergers;
"Trading Day"	means a day on which the main market of the London Stock Exchange (or such other applicable securities exchange or quotation system on which the Ordinary Shares are listed) is open for business (other than a day on which the main market of the London Stock Exchange (or such other applicable securities exchange or quotation system) is scheduled to or does close prior to its regular weekday closing time);
"UK Corporate Governance Code"	means the UK Corporate Governance Code issued by the Financial Reporting Council from time to time;
"UK Listing Authority"	means the FCA in its capacity as the competent authority for listing in the UK pursuant to Part VI of FSMA;
"uncertificated" or "uncertificated form"	means, an Ordinary Share, title to which is recorded in the relevant share register as being held in uncertificated form (that is, in CREST) and title to which may be transferred by using CREST;
"United Kingdom" or "U.K."	means the United Kingdom of Great Britain and Northern Ireland;
"United States" or "U.S."	means the United States of America; and

"US$" or "$"	means United States Dollars;
"VAT"	means (i) within the EU, any tax imposed by any Member State in conformity with the Directive of the Council of the European Union on the common system of value added tax (2006/112/EC), and (ii) outside the EU, any tax corresponding to, or substantially similar to, the common system of value added tax referred to in paragraph (i) of this definition.

References to a "company" in this Document shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established.

SCHEDULE
PART A: INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Description	Unudited 30 June 2018	Audited 31 December 2017	Audited 31 December 2016	Audited 31 December 2015
Consolidated Statement of Income	Page 6	Page 14	Page 16	Page 16
Consolidated Statement of Comprehensive income	Page 7	Page 15	Page 17	Page 17
Consolidated Statement of Financial Position	Page 8	Page 16	Page 18	Page 18
Consolidated Statement of Cash Flows	Page 9	Page 17	Page 19	Page 19
Consolidated Statement of Change in Equity	Page 10	Page 18	Page 20	Page 20
Notes to the Consolidated Financial Statements	Pages 11-13	Pages 19-36	Pages 21-37	Pages 21-37
Independent Auditor's Report on the Financial Statements	N/A	Pages 12-13	Pages 14-15	Page 15

PART B: UNAUDITED INTERIMS

Unaudited interims for the 6 months ended 30 June 2018

CONSOLIDATED STATEMENT OF INCOME

For the six months ended 30 June 2018

	Note	Six months ended 30 Jun 18 Unaudited $	Six months ended 30 Jun 17 Unaudited $	Year ended 31 Dec 17 Audited $
Continuing Operations				
Revenue		3,286	-	-
Cost of sales		5,593	(27,103)	(34,643)
Gross profit		**8,879**	**(27,103)**	**(34,643)**
Gain on disposal of WGP assets		7,419,475	-	-
Administrative expenses		(2,387,015)	(1,042,512)	(1,532,021)
Operating profit before depreciation		**5,041,339**	**(1,069,615)**	**(1,566,664)**
Depreciation		(27,713)	(50,148)	(101,067)
Operating profit		**5,013,626**	**(1,119,763)**	**(1,667,731)**
Net financial income		465,970	1,038,510	(576,295)
Interest Expense		(190,453)	(8,716)	-
Share of profits less losses of associated entities		(961,774)	(7,167)	(284,000)
Profit before taxation		**4,327,369**	**(97,136)**	**(2,528,026)**
Taxation		133,064	(699)	28,007
Profit for the financial period		**4,460,433**	**(97,835)**	**(2,500,019)**
Discontinued Operations				
Profit for the year from discontinued operations		**-**	**903,146**	**3,884,519**
Profit for the period		**4,460,433**	**805,311**	**1,384,500**
Earnings per share - US$ (using weighted average number of shares)				
Basic and Diluted	3	0.23	0.04	0.06

The notes on pages 11 to 13 form an integral part of this consolidated interim financial information.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2018

	Six months ended 30 Jun 18 Unaudited $	Six months ended 30 Jun 17 Unaudited $	Year ended 31 Dec 17 Audited $
Profit/(loss) for the financial period	**4,460,433**	**805,311**	**1,384,500**
Other comprehensive income:			
Exchange differences on re-translating foreign operations	(59,833)	37,110	(6,106)
Unrealised losses on available for sale investments	(39,252)	-	(132,631)
Total comprehensive income	**4,361,348**	**842,421**	**1,245,763**
Attributable to:			
Equity shareholders of the parent	4,361,348	842,421	1,245,763
Total Comprehensive income	**4,361,348**	**842,421**	**1,245,763**

The notes on pages 11 to 13 form an integral part of this consolidated interim financial information.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2018

	Six months ended 30 Jun 18 Unaudited $	Six months ended 30 Jun 17 Unaudited $	Year ended 31 Dec 17 Audited $
Assets			
Non-current assets			
Goodwill	-	368,525	-
Property, plant and equipment	27,976	9,888,076	55,084
Available for sale financial assets	1,120,407	1,379,826	740,691
Intangible assets	-	197,200	-
Loans	1,620,796	1,572,953	1,596,695
Investments in associated entities	8,104,114	8,833,565	9,065,888
Total non-current assets	**10,873,293**	**22,240,145**	**11,458,358**
Assets Held for Sale	-	-	10,155,525
Current assets			
Inventories	-	517,104	-
Trade and other receivables	394,473	6,693,666	1,440,962
Cash and cash equivalents	20,554,400	3,145,345	8,091,288
Total current assets	**20,948,873**	**10,356,115**	**9,532,250**
Liabilities			
Current liabilities			
Trade and other payables	2,695,099	4,769,314	5,516,403
Total current liabilities	**2,695,099**	**4,769,314**	**5,516,403**
Net current assets	**18,253,774**	**5,586,801**	**4,015,847**
Net assets	**29,127,067**	**27,826,946**	**25,629,730**
Shareholders equity			
Share capital	255,675	250,675	255,675
Share premium	45,416,298	45,202,810	45,416,298
Treasury shares	(5,921,172)	(2,238,109)	(5,057,161)
Other reserves	(347,510)	(72,579)	(248,426)
Retained earnings	(10,276,224)	(15,315,851)	(14,736,656)
Total shareholders equity	**29,127,067**	**27,826,946**	**25,629,730**
Total equity	**29,127,067**	**27,826,946**	**25,629,730**

The notes on pages 11 to 13 form an integral part of this consolidated interim financial information.

These financial statements were approved by the board on 17 September 2018.

Signed on behalf of the board by:

Duncan Soukup

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2018

	Six months ended 30 Jun 18 Unaudited $	Six months ended 30 Jun 17 Unaudited $	Year ended 31 Dec 17 Audited $
Cash flows from operating activities			
Profit/Loss for the period before taxation	**4,327,369**	**(97,136)**	**(2,528,026)**
Decrease/(increase) in inventories	-	-	-
Decrease/(increase) in trade and other receivables	745,686	51,197	507,026
Increase/(decrease) in trade and other payables	(2,876,150)	1,654,841	631,260
Gain on disposal of WGP assets	(7,419,475)	-	-
Net foreign exchange gain	(99,085)	37,110	(6,106)
Accrued interest income	-	(23,389)	(47,131)
Taxation	133,064	-	28,007
Cash generated by/(used in) operations	**(5,188,591)**	**1,622,623**	**(1,414,970)**
Depreciation	27,713	50,148	101,067
Amortisation of multi-client library	-	-	-
Net cash flow (used in)/from operating activities	**(5,160,878)**	**1,672,771**	**(1,313,903)**
Net cash flow from discontinued operations	**-**	**(5,102,310)**	**5,259,547**
Proceeds from the disposal of WGP assets	17,906,548	-	-
Investments in associated entities	961,774	(196,593)	(428,916)
Purchase of AFS financial assets	(379,717)	(553,804)	(47,300)
Purchase of property, plant and equipment	(605)	(3,432)	(40,642)
Net cash flow used in/from investing activities - continuing operations	**18,488,000**	**(753,829)**	**(516,858)**
Purchase of property, plant and equipment	-	(123,447)	(189,093)
Net cash flow used in/from investing activities - discontinued operations	**-**	**(123,447)**	**(189,093)**
Cash flows from financing activities			
(Purchase)/disposal of treasury shares	(864,011)	(280,055)	(3,099,107)
Issue of new shares	-	-	218,487
Net cash flow from financing activities	**(864,011)**	**(280,055)**	**(2,880,620)**
Net increase/(decrease) in cash and cash equivalents	**12,463,111**	**(4,586,870)**	**359,073**
Cash and cash equivalents at the start of the period	8,091,288	7,732,215	7,732,215
Cash and cash equivalents at the end of the period	**20,554,400**	**3,145,345**	**8,091,288**

The notes on pages 11 to 13 form an integral part of this consolidated interim financial information.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2018

	Share Capital $	Share Premium $	Treasury Shares $	Other Reserves $	Retained Earnings $	Total Equity $
Balance as at 30 June 2017	**250,675**	**45,202,810**	**(2,238,109)**	**(72,579)**	**(15,315,851)**	**27,826,946**
Issue of new shares	5,000	213,487	-	-	-	218,487
Purchase of treasury shares	-	-	(2,819,052)	-	-	(2,819,052)
Total comprehensive income for the period	-	-	-	(175,847)	579,189	403,342
Balance as at 31 December 2017	**255,675**	**45,416,298**	**(5,057,161)**	**(248,426)**	**(14,736,656)**	**25,629,730**
Purchase of treasury shares	-	-	(864,011)	-	-	(864,011)
Total comprehensive income for the period	-	-	-	(59,833)	4,460,433	4,400,600
Unrealised losses on available for sale investments	-	-	-	(39,252)	-	(39,252)
Balance as at 30 June 2018	**255,675**	**45,416,298**	**(5,921,172)**	**(347,510)**	**(10,276,224)**	**29,127,067**

The notes on pages 11 to 13 form an integral part of this consolidated interim financial information.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

Thalassa Holdings Ltd (the "Company") is a British Virgin Island ("BVI") International business company ("IBC"), incorporated and registered in the BVI on 26 September 2007. The Company was established as a holding company, and currently has three directly owned subsidiaries, DOA Alpha Ltd ("WGP" - formerly WGP Group Ltd), Autonomous Holdings Ltd ("AHL" – formerly GO Science Group Ltd) and WGP Geosolutions Limited (together with Thalassa Holdings Ltd, the "Group").

DOA Alpha Ltd is a wholly owned subsidiary of Thalassa Holdings Ltd. The assets of DOA Alpha Ltd were reflected in the accounts as Held for Sale and were disposed of 1 January 2018.

Autonomous Holdings Ltd is a wholly owned subsidiary of Thalassa and is an Autonomous Underwater Vehicle ("AUV") research and development company with one subsidiary:

- Autonomous Robotics Limited ("ARL" – formerly GO Science 2013 Ltd)

WGP Geosolutions Limited is a wholly owned subsidiary of Thalassa which has an additional subsidiary, WGP Group AT GmbH, both currently non-operational.

The Group's interest in each of the subsidiaries is 100%.

2. SIGNIFICANT ACCOUNTING POLICIES

The Group prepares its accounts in accordance with applicable International Financial Reporting Standards ("IFRS") as adopted by the EU.

The accounting policies applied by the Company in this unaudited consolidated interim financial information are the same as those applied by the Company in its consolidated financial statements as at and for the period ended 31 December 2017.

2.1. BASIS OF PREPARATION

The condensed consolidated interim financial information for the six months ended 30 June 2018 has been prepared in accordance with International Accounting Standard No. 34, 'Interim Financial Reporting'. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Company as at and for the period ended 31 December 2017.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

2.2. GOING CONCERN

The financial information has been prepared on the going concern basis as management consider that the Group has sufficient cash to fund its current commitments for the foreseeable future.

3. EARNINGS PER SHARE

	Six months ended 30 Jun 2018 Unaudited	Six months ended 30 Jun 2017 Unaudited	Year ended 31 Dec 2017 Audited
The calculation of earnings per share is based on the following loss and number of shares:			
Profit/(loss) for the period ($)	**4,460,433**	**805,311**	**1,384,500**
Weighted average number of shares of the Company	**19,275,546**	**21,657,704**	**21,882,648**
Earnings per share:			
Basic and Diluted (US$)	0.23	0.04	0.06

4. LOANS AND RECEIVABLES

	Six months ended 30 Jun 18 Unaudited $	Six months ended 30 Jun 17 Unaudited $	Year ended 31 Dec 17 Audited $
Loans	1,620,796	1,572,953	1,596,695

Loans and receivables includes a loan of $1,620,796 plus accrued interest of $116,972 to the THAL Discretionary Trust. Interest is payable at 3% per annum (reviewed periodically).

The THAL Discretionary Trust is a trust, independent of Thalassa, established for the benefit of individuals or parties to whom the Trustees wish to make awards at their discretion.

5. RELATED PARTY BALANCES AND TRANSACTIONS

Under the consultancy and administrative services agreement entered into on 30 August 2014 with a company in which the Chairman has a beneficial interest, the Group was invoiced $280,000 for consultancy and administrative services provided to the Group. At 30 June 2018 the amount owed to this company was $143,139 (1H17: $nil).

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL INFORMATION CONTINUED

6. SHARE CAPITAL AND SHARE PREMIUM

	Six months ended 30 Jun 18 Unaudited $	Year ended 31 Dec 17 Audited $
Authorised share capital:		
100,000,000 ordinary shares of $0.01 each	**1,000,000**	**1,000,000**
Allotted, issued and fully paid	**255,675**	**250,675**

	Number of shares	Number of Treasury shares	Treasury Shares $
Number of shares outstanding at the period end:			
Balance as 31 December 2017	**19,812,640**	**5,754,882**	**5,057,161**
Shares purchased	(767,865)	767,865	864,011
Balance as 30 June 2018	**19,044,775**	**6,522,747**	**5,921,172**

7. SUBSEQUENT EVENTS

As announced in the Company's RNS dated 11 July 2018, WGP has been awarded a substantial contract as a result of which Thalassa is due $6m. Payment is due in two tranches, $1.2 million (20%) upon signing and $4.8 million 12 months thereafter. Final contracts have been signed and an initial payment of $1.2 million is now due.

8. COPIES OF THE INTERIM REPORT

The interim report is available on the Company's website: www.thalassaholdingsltd.com.

PART C: 2017 FINANCIAL STATEMENTS

The following is the text of the independent auditors' report on the Group from its statutory financial statements for the two years ended 31 December 2017.

References to other sections and page numbers of the 2017 Annual Report and Accounts should be disregarded for the purposes of this Document.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS' OF THALASSA HOLDINGS LTD

OPINION

We have audited the financial statements of Thalassa Holdings Limited (the 'Company') and its subsidiaries (the "Group") for the year ended 31 December 2017 which comprise the Consolidated Statement of Income, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in British Virgin Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assets held for sale

On 1 January 2018, the Company completed the sale of the business and trading assets of WGP Group to Fairfield Industries Incorporated.

WGP Group Limited was deemed to be a wholly owned subsidiary of Thalassa Holdings Limited at 31 December 2017 and is the owner of the seismic operating assets and business of the Group. Its subsidiaries include:

- WGP Energy Services Ltd;
- WGP Exploration Ltd;
- WGP Professional Services Ltd; and
- WGP Survey Ltd.

Given that the sale transaction was completed so close to the year-end, there is a risk that the transaction is recognised in the incorrect accounting period.

Our audit approach was as follows:

- The nature of the transaction was reviewed and the accounting treatment in relation to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations was assessed; and
- We obtained and reviewed the key supporting documentation such as the Sale and Purchase Agreement and Completion Statement to determine the appropriateness of the timing of completion of the above mentioned sale.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance,

but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Michael Simms.

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with our terms of engagement. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Simms
for and on behalf of Moore Stephens LLP
Chartered Accountants

Moore Stephens LLP
150 Aldersgate Street
London
EC1A 4AB

21 June 2018

CONSOLIDATED STATEMENT OF INCOME

for the year ended 31 December 2017

	Note	2017 $	2016 $
Continuing Operations			
Revenue	8	-	16,289
Cost of sales		(34,643)	(318,693)
Gross loss		**(34,643)**	**(302,404)**
Administrative expenses		(1,532,021)	(987,558)
Operating loss before depreciation		**(1,566,664)**	**(1,289,962)**
Depreciation	11	(101,067)	(109,642)
Operating loss	3	**(1,667,731)**	**(1,399,604)**
Net financial (expense)/income	4	(576,295)	990,970
Share of profits less losses of associated entities	20	(284,000)	60,741
Loss before taxation		**(2,528,026)**	**(347,893)**
Taxation	5	28,007	104,975
Loss for the year from continuing operations		**(2,500,019)**	**(242,918)**
Discontinued Operations			
Profit for the year from discontinued operations	21	**3,884,519**	**2,211,499**
Profit for the year		**1,384,500**	**1,968,581**
Earnings per share - US$ (using weighted average number of shares)			
Basic and Diluted - Continuing Operations		(0.12)	(0.01)
Basic and Diluted - Discontinued Operations		0.18	0.10
Basic and Diluted	6	**0.06**	**0.09**

The notes on pages 19 to 36 form an integral part of this consolidated financial information.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2017

	2017 $	2016 $
Profit for the financial year	**1,384,500**	**1,968,581**
Other comprehensive income:		
Exchange differences on re-translating foreign operations	(6,106)	(86,587)
Unrealised (losses)/gains on AFS Securities	(132,631)	11,130
Total comprehensive income	**1,245,763**	**1,893,124**

The notes on pages 19 to 36 form an integral part of this consolidated financial information.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2017

	Note	2017 $	2016 $
Assets			
Non-current assets			
Goodwill	10	-	368,525
Property, plant and equipment	11	55,084	10,985,757
Available for sale financial assets	13	740,691	826,022
Loans	7	1,596,695	1,549,564
Investments in associated entities	20	9,065,888	8,636,972
Total non-current assets		**11,458,358**	**22,366,840**
Assets Held for Sale	21	10,155,525	-
Current assets			
Inventories	14	-	491,151
Trade and other receivables	15	1,440,962	836,908
Cash and cash equivalents		8,091,288	7,732,215
Total current assets		**9,532,250**	**9,060,274**
Liabilities			
Current liabilities			
Trade and other payables	16	5,516,403	4,162,534
Total current liabilities		**5,516,403**	**4,162,534**
Net current assets		**4,015,847**	**4,897,740**
Net assets		**25,629,730**	**27,264,580**
Shareholders' equity			
Share capital	17	255,675	250,675
Share premium		45,416,298	45,202,810
Treasury shares	17	(5,057,161)	(1,958,054)
Other reserves	17	(248,426)	(109,689)
Retained earnings		(14,736,656)	(16,121,162)
Total shareholders' equity		**25,629,730**	**27,264,580**
Total equity		**25,629,730**	**27,264,580**

The notes on pages 19 to 36 form an integral part of this consolidated financial information.

These financial statements were approved and authorised by the board on 21 June 2018.

Signed on behalf of the board by:

C. Duncan Soukup
Chairman

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2017

	Notes	2017 $	2016 $
Cash flows from operating activities			
(Loss)/Profit for the year before taxation		**(2,528,026)**	**(347,893)**
Decrease/(Increase) in trade and other receivables		507,026	(122,204)
Increase in trade and other payables		631,260	1,496,985
Net foreign exchange gain		(6,106)	(86,587)
Accrued interest income		(47,131)	(45,740)
Taxation		28,007	104,974
Cash generated by operations		**(1,414,970)**	**999,535**
Depreciation	11	101,067	109,642
Net cash flow from operating activities		**(1,313,903)**	**1,109,178**
Net cash flow from discontinued operations	23	**5,259,547**	**3,324,979**
Investments in associated entities		(428,916)	(8,636,972)
Purchase of AFS financial assets		(47,300)	(813,987)
Purchase of property, plant and equipment		(40,642)	-
Net cash flow used in investing activities - continuing operations		**(516,858)**	**(9,450,959)**
Purchase of property, plant and equipment		(189,093)	(6,536,490)
Net cash flow used in investing activities - discontinued operations		**(189,093)**	**(6,536,490)**
Cash flows from financing activities			
Purchase of treasury shares		(3,099,107)	(1,017,629)
Issue of new shares		218,487	-
Net cash flow used in financing activities - continuing operations		**(2,880,620)**	**(1,017,629)**
Net increase/(decrease) in cash and cash equivalents		**359,073**	**(12,570,921)**
Cash and cash equivalents at the start of the year		7,732,215	20,303,136
Cash and cash equivalents at the end of the year		**8,091,288**	**7,732,215**

The additional disclosures required by IAS7 regarding changes to liabilities has not resulted in additional disclosures as the Group has no financing liabilities.

The notes on pages 19 to 36 form an integral part of this consolidated financial information.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2017

	Share Capital $	Share Premium $	Treasury Shares $	Other Reserves $	Retained Earnings $	Total Shareholders Equity $
Balance as at 31 December 2015	**250,675**	**45,202,810**	**(940,425)**	**(34,232)**	**(18,089,743)**	**26,389,085**
Purchase of treasury shares	-	-	(1,017,629)	-	-	(1,017,629)
Total comprehensive income for the period	-	-	-	(75,457)	1,968,581	1,893,125
Balance as at 31 December 2016	**250,675**	**45,202,810**	**(1,958,054)**	**(109,689)**	**(16,121,162)**	**27,264,580**
Issue of new shares	5,000	213,487	-	-	-	218,487
Purchase of treasury shares	-	-	(3,099,107)	-	-	(3,099,107)
Total comprehensive income for the period	-	-	-	(138,737)	1,384,500	1,245,763
Balance as at 31 December 2017	**255,675**	**45,416,297**	**(5,057,161)**	**(248,426)**	**(14,736,655)**	**25,629,730**

The notes on pages 19 to 36 form an integral part of this consolidated financial information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2017

1. GENERAL INFORMATION

Thalassa Holdings Ltd (the "Company") is a British Virgin Island ("BVI") International business company ("IBC"), incorporated and registered in the BVI on 26 September 2007. The Company is a holding company with various interests across a number of industries.

WGP Group Ltd is a wholly owned subsidiary of Thalassa Holdings Ltd. The assets of WGP Group Ltd are reflected in the accounts as Held for Sale and were disposed of 1 January 2018 (note 21).

Autonomous Holdings Ltd (formerly GO Science Group Ltd) is a wholly owned subsidiary of Thalassa and is an Autonomous Underwater Vehicle ("AUV") research and development company with one subsidiary:

- Autonomous Robotics Limited ("ARL" – formerly GO Science 2013 Ltd)

WGP Geosolutions Limited is a wholly owned subsidiary of Thalassa which has an additional subsidiary, WGP Group AT GmbH, both currently non-operational.

The Group's interest in each of the subsidiaries is 100%.

2. ACCOUNTING POLICIES

The Group prepares its accounts in accordance with applicable International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The financial statements are expressed in US dollars, being the functional currency of the company and its subsidiaries other than WGP Exploration Ltd and Autonomous Robotics Limited which have a functional currency of pound sterling and WGP Group AT GmbH of Euro.

The principal accounting policies are summarised below. They have been applied consistently throughout the period covered by these financial statements.

2.1. NEW INTERPRETATIONS AND REVISED STANDARDS EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017

The Group has adopted the new interpretations and revised standards effective for the year ended 31 December 2017. The adoption of these interpretations and revised standards had no impact on the disclosures and presentation of the financial statements during the year.

2.2. STANDARDS AND INTERPRETATIONS IN ISSUE BUT NOT YET EFFECTIVE

A number of new standards and amendments to existing standards have been published which are mandatory, but are not effective for the year ended 31 December 2017. The directors do not anticipate that the adoption of these revised standards and interpretations will have a significant impact on the figures included in the financial statements in the period of initial application other than the following:

IFRS 9 Financial Instruments

The standard makes substantial changes to the recognition and measurement of financial assets and financial liabilities and derecognition of financial assets. There will only be three categories of financial assets whereby financial assets are recognised at either fair value through profit and loss, fair value through other comprehensive income or measured at amortised cost. On adoption of the standard, the Group will have to re-determine the classification of its financial assets based on the business model for each category of financial asset. This is not considered likely to give rise to any significant reclassifications.

The principal change to the measurement of financial assets measured at amortised cost or fair value through other comprehensive income is that impairments will be recognised on an expected loss basis compared to the current incurred loss approach. As such, where there are expected to be credit losses these are recognised in profit or loss. For financial assets measured at amortised cost the carrying amount of the asset is reduced for the loss allowance. For financial assets measured at fair value through other comprehensive income the loss allowance is recognised in other comprehensive income and does not reduce the carrying amount of the financial asset.

Most financial liabilities will continue to be carried at amortised cost, however, some financial liabilities will be required to be measured at fair value through profit or loss, with changes in the liabilities' credit risk recognised in other comprehensive income.

The standard is effective for periods beginning on or after 1 January 2018. An initial assessment of the standard was carried out and it was concluded that it will have no material effect on recognition and measurement.

IFRS 15 – Revenue from contracts with customers

The standard has been developed to provide a comprehensive set of principles in presenting the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is based around five steps in recognising revenue:

1. Identify the contract with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price
5. Recognise revenue when a performance obligation is satisfied

On application of the standard the disclosures are likely to increase. The standard includes principles on disclosing the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers, by providing qualitative and quantitative information.

An impact assessment of the standard was carried out and it was concluded that it will have no material effect on the recognition and measurement.

2.3. BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

2.4. JUDGEMENT AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key judgement areas relate to the carrying value of plant and equipment, goodwill, intellectual property, provisions for doubtful debts and loans receivable. Plant and Equipment is reviewed annually for indication of impairment. Goodwill is reviewed annually for indication of impairment. Intellectual property is amortised and also reviewed annually for indication of impairment. Outstanding trade receivables are reviewed for potential recovery and provisions for bad and doubtful debts included where necessary. Loans receivable are reviewed for potential recovery and impairments included where necessary.

Judgement is also made in respect of the accounting treatment of the THAL Discretionary Trust. Management's assessment is based on various indicators including activities, decision-making, benefits and risks of the Trust. Based on this assessment, management consider that the THAL Discretionary Trust should not be consolidated.

On disposal, the fair value of assets are assessed for impairment.

2.5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less depreciation and any provision for impairment. Cost includes the purchase price, including import duties, non-refundable purchase taxes and directly attributable costs incurred in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Cost also includes capitalised interest on borrowings, applied only during the period of construction.

Fixed assets are depreciated on a straight line basis between 3 and 15 years from the point at which the asset is put into use.

2.6. INTANGIBLE ASSETS

GOODWILL

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 2.16) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

MULTI-CLIENT LIBRARY

The Multi-Client library comprises completed surveys and surveys in progress that can be licensed to multiple customers. All direct costs related to data collection, processing and completion of seismic surveys are capitalised. The Multi-Client library is capitalised at cost less accumulated amortisation and impairment losses. The Company has a minimum amortisation policy whereby the carrying amount one year after completion of a survey is no more than 60% of cost. This maximum level is reduced on a straight-line basis by 20% for each of the three subsequent years.

Estimated revenues are reviewed continuously and these may change to reflect market conditions. The amortisation expense of the Multi-Client library may fluctuate and be accelerated according to the level of revenue and revisions to estimated remaining revenues. Where amortisation expense is accelerated it is calculated as the proportion of the total cost of a survey calculated according to the proportion of cumulative revenues for the survey to the estimated total revenue for the survey. The costs of a survey are completely amortised when the estimated revenue has been reached.

2.7. INVENTORIES

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first in first out principle and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

The net realisable value is the cost less any impairment recognised. Inventories are expensed as utilised in the Group's operations.

Costs associated with contracts which are long term in nature are included in inventories to the extent that they cannot be matched with contract work accounted for as revenue. Amounts included in work in progress are stated at cost, after provision has been made for any foreseeable losses.

2.8. IMPAIRMENT OF ASSETS

An assessment is made at each reporting date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in a prior period may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's value in use or its net selling price.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the statement of income in the period in which it arises. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation / amortisation), had no impairment loss been recognised for the asset in a prior period. A reversal of an impairment loss is credited to the statement of income in the period in which it arises.

2.9. INVESTMENTS

Available for sale investments are initially measured at cost, including transaction costs. Gains and losses arising from changes in fair value of available for sale investments are recognised directly in other comprehensive income, until the security is disposed or is deemed to be impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is included in the statement of income for the period.

2.10. REVENUE

Revenue is measured at the fair value of the consideration received or receivable.

In respect of contracts which are long term in nature and contracts for ongoing services, revenue, restricted to the amounts of costs that can be recovered, is recognised according to the value of work performed in the period. Revenue in respect of such contracts is calculated on the basis of time spent on the project and estimated work to completion.

Where the outcome of contracts which are long term in nature and contracts for ongoing services cannot be estimated reliably, revenue is recognised only to the extent of the costs recognised that are recoverable.

Where payments are received in advance in excess of revenue recognised in the period, this is reflected as a liability on the statement of financial position as deferred revenue.

MULTI-CLIENT LIBRARY

Pre-funded revenues from underwritten programmes are recognised as the seismic data is acquired. Where the Group has finished data sets ready for sale, revenue is recognised at the time of the transaction when the customer executes a valid license agreement and has the right to access the licensed portion of the Multi-Client library.

2.11. TAXATION

The Company is incorporated in the BVI as an IBC and as such is not subject to tax in the BVI.

WGP Exploration Ltd and Autonomous Robotics Ltd are incorporated in the UK and are therefore subject to UK tax regulations. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the reporting date. Tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise tax is recognised in the income statement.

Deferred tax is provided in full using the liability method on all timing differences which result in an obligation at the reporting date to pay more tax, or the right to pay less tax, at a future date, at rates that are expected to apply when they crystalise based on current tax rates. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax is not provided when the amounts involved are not significant.

2.12. FOREIGN CURRENCY

Transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rate of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the financial reporting date. Exchange differences arising are included in the statement of income for the period.

WGP Exploration Ltd and Autonomous Robotics Ltd are incorporated in the UK and have a functional currency of GBP. Exchange differences on the retranslation of operations denominated in foreign currencies are included in Other Comprehensive Income.

2.13. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets until such a time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit and loss in the period incurred.

2.14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and liabilities are recognised on the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Loans and receivables are initially measured at fair value and are subsequently measured at amortised cost, plus accrued interest, and are reduced by appropriate provisions for estimated irrecoverable amounts. Such provisions are recognised in the statement of income.

Trade receivables are initially measured at fair value and are subsequently measured at amortised cost less appropriate provisions for estimated irrecoverable amounts. Such provisions are recognised in the statement of income.

Cash and cash equivalents comprise cash in hand and demand deposits and other short-term highly liquid investments with maturities of three months or less at inception that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade payables are not interest-bearing and are initially valued at their fair value and are subsequently measured at amortised cost.

Equity instruments are recorded at fair value, being the proceeds received, net of direct issue costs.

Share capital - Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of taxation, from the proceeds.

Treasury shares - Where any Group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued.

Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Financial instruments require classification of fair value as determined by reference to the source of inputs used to derive the fair value. This classification uses the following three-level hierarchy:

Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 — inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);

Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.15. BUSINESS COMBINATIONS

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

2.16. GOING CONCERN

The financial information has been prepared on the going concern basis as management consider that the Group has sufficient cash to fund its current commitments for the foreseeable future.

2.17. INVESTMENT IN ASSOCIATED ENTITIES

Investments in associates are those over which the Group has significant influence. These are accounted for using the equity method of accounting. Significant influence is considered to be participation in the financial and operating policy decisions of the investee and is usually evidenced when the Group owns between 20% and 50% of that company's voting rights.

Investments in associates are initially recorded at cost and the carrying amount is increased or decreased to recognise the Group's share of the profits or losses of the associate after acquisition. At the date of acquisition any excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets of the associate is recognised as goodwill. The carrying amount of these investments is reduced to recognise any impairment of the value of the individual investment. If the Group's share of losses exceeds its interest in an associate the carrying value of that investment is reduced to nil and the recognition of any further losses is discontinued unless the Group has an obligation to make further funding contributions to that associate.

The Group's share of associates' post acquisition profits or losses is recognised in profit or loss and the post acquisition movements in other comprehensive income is recognised within other comprehensive income.

3. OPERATING LOSS FOR THE YEAR

The operating loss for the year is stated after charging:

	2017 $	2016 $
Consultancy fees	910,072	967,908
Wages and salaries	242,528	117,602
Social security costs	52,044	20,502
Pension costs	3,540	2,575
Audit fees	83,112	67,718

Included within consultancy fees / wages and salaries is $242,272 in relation to amounts accrued for directors' remuneration (2016: $63,000).

4. NET FINANCIAL INCOME/(EXPENSE)

	2017 $	2016 $
Loan interest receivable	47,131	45,740
Bank interest payable	(132,232)	(47,649)
(Losses)/Gains on investments	(233,012)	99,999
Impairment on investments	-	(448,031)
Foreign currency (Losses)/Gains	(258,182)	1,340,911
	(576,295)	990,970

5. INCOME TAX EXPENSE

	2017 $	2016 $
Current tax from continuing operations	(28,007)	(104,975)
Current tax from discontinued operations	808,104	628,274
Deferred tax	-	-
Total Tax	**780,097**	**523,299**

	$	$
Loss before tax from continuing operations	(2,528,026)	(347,893)
Profit before tax from discontinued operations	4,692,623	2,839,772
R&D tax credits	-	(91,996)
Overseas corporation tax	780,097	615,295
Total Tax	**780,097**	**523,299**

The applicable tax rates in relation to the Group's profits are BVI 0%, UK 19% and Norway 24% (2016: 0%,20% and 25%).

WGP Group Ltd is currently awaiting the outcome of an appeal which if successful could reduce the tax charged and accrued in prior periods.

An unrecognised deferred tax relating to taxable losses carried forward amount to $0.2m as at 31 December 2017 (2016: $0.2m).

6. EARNINGS PER SHARE

	2017 $	2016 $
The calculation of earnings per share is based on the following loss and number of shares:		
Loss for the year from continuing operations	(2,500,019)	(242,918)
Profit for the year from discontinued operations	3,884,519	2,211,499
Profit for the year ($)	**1,384,500**	**1,968,581**
Weighted average number of shares of the Company	**21,882,648**	**22,806,734**
Earnings per share:		
Basic and Diluted (US$) from continuing operations	(0.12)	(0.01)
Basic and Diluted (US$) from discontinued operations	0.18	0.10
Basic and Diluted (US$)	0.06	0.09
Number of shares outstanding at the period end:		
Number of shares in issue	**21,958,865**	**23,608,865**
Issue of new shares	500,000	-
Treasury shares	(2,646,225)	(1,650,000)
Basic number of shares in issue	**19,812,640**	**21,958,865**
Share options	-	-

7. LOANS

	2017 $	2016 $
At 1 January	1,549,564	1,503,823
Accrued interest	47,131	45,741
At 31 December	1,596,695	1,549,564

Loans includes an amount of US$1,596,695 to the THAL Discretionary Trust.

Interest is payable at 3% per annum (reviewed periodically).

The THAL Discretionary Trust is a trust, independent of Thalassa, established for the benefit of individuals or parties to whom the Trustees wish to make awards at their discretion.

8. SEGMENT INFORMATION

The Group has one operating segment being operations from geophysical project management, services and the supply of equipment.

9. RELATED PARTY TRANSACTIONS

Under the consultancy and administrative services agreement entered into on 3 January 2011 with a company in which the Chairman has a beneficial interest, the Group was invoiced $967,000 (2016: $510,000) for consultancy and administrative services provided to the Group. As at 31 December 2017, the amount owed to this company was $178,787 (2016: $140,650).

During the period, Baintree Limited, a company in which the non-executive director, Francis Smulders has a beneficial interest, invoiced the Group $489,028 (2016: $37,948). As at 31 December 2017, the amount owed to this company was $266,632 (2016: $nil).

During the period Graham Cole, non-executive director, invoiced the Group $74,762 of which $36,484 was owed as at 31 December 2017 (2016: $nil).

During the period David Thomas, non-executive director, invoiced the Group $74,968 of which $27,000 was owed as at 31 December 2017 (2016: $nil).

Eastleigh Court Limited, a company owned by Thalassa's chairman, Duncan Soukup, invoiced the Group £120,000 (2016: £120,000) in the period. As at 31 December 2017, the amount owed by this company was £32,169 (2016: $nil).

Eastleigh Stables Ltd, a company also owned by the Company's chairman invoiced the Group £50,413 (2016: $25,397) during the year. As at 31 December 2017, the balance owed by this company was £15,776 (2016: $nil).

10. GOODWILL

	2017 $	2016 $
Cost		
Cost at 1 January	368,525	368,525
Cost at 31 December	**368,525**	**368,525**
Transfer to non-current assets held for sale	(368,525)	-
Carrying Amount		
At 31 December	**-**	**368,525**

Goodwill relates to the acquisition of WGP Exploration Ltd in November 2011 which has been reclassified to Assets Held for Sale following the sale of assets to FairfieldNodal on 1 January 2018.

11. PROPERTY, PLANT AND EQUIPMENT

Cost	Total 2017 $	Plant and Equipment 2017 $	Motor Vehicles 2017 $	Computer Software 2017 $
Cost at 1 January 2017	26,793,620	26,286,825	158,921	347,874
FX movement	(39,533)	(13,562)	943	(26,914)
	26,754,087	26,273,263	159,864	320,960
Additions	314,540	314,540	-	-
Transfer to non-current assets held for sale	(26,776,041)	(26,444,068)	(11,013)	(320,960)
Cost at 31 December 2017	**292,586**	**143,735**	**148,851**	**-**
Depreciation				
Depreciation at 1 January	15,807,863	15,586,645	109,358	111,860
FX movement	13,510	44,413	717	(31,620)
	15,794,353	15,631,058	110,075	80,240
Charge for the year on continuing operations	1,970,923	1,930,100	-	40,823
Charge for the year on discontinued operations	101,067	27,970	35,570	37,527
Transfer to non-current assets held for sale	(17,687,621)	(17,518,363)	(10,664)	(158,590)
Depreciation at 31 December 2017	**237,502**	**102,521**	**134,981**	**-**
Closing net book value at 31 December 2017	**55,084**	**41,214**	**13,870**	**-**

Cost	Total 2016 $	Plant and Equipment 2016 $	Motor Vehicles 2016 $	Computer Software 2016 $
Cost at 1 January 2016	22,783,128	22,274,613	160,934	347,581
FX movement	(95,317)	(63,855)	(2,013)	(29,449)
	22,687,811	22,210,758	158,921	318,132
Additions	4,105,809	4,076,067	-	29,742
Cost at 31 December 2016	**26,793,620**	**26,286,825**	**158,921**	**347,874**
Depreciation				
Depreciation at 1 January	14,759,571	14,650,485	74,565	34,521
FX movement	(52,153)	(41,006)	(1,381)	(9,766)
	14,707,418	14,609,479	73,184	24,755
Charge for the year	1,100,445	977,166	36,174	87,105
Depreciation at 31 December 2016	**15,807,863**	**15,586,645**	**109,358**	**111,860**
Closing net book value at 31 December 2016	**10,985,757**	**10,700,180**	**49,563**	**236,014**

As outlined in note 2.8, an assessment is made at each financial reporting date as to whether there is any indication of impairment of any asset. An impairment review of the Group's equipment has been undertaken, taking into account obsolescence, market conditions, value in use and useful economic life. As a result there has been no impairment charge in 2017 (2016: $nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2017

12. MULTI-CLIENT LIBRARY

	Total 2017 $	Total 2016 $
Cost		
Cost at 1 January 2017	2,369,523	2,369,523
Cost at 31 December 2017	**2,369,523**	**2,369,523**
Amortisation		
Amortisation at 1 January 2017	2,369,523	2,369,523
Amortisation at 31 December 2017	**2,369,523**	**2,369,523**
Closing net book value at 31 December 2017	**-**	**-**

13. INVESTMENTS - AVAILABLE FOR SALE FINANCIAL ASSETS

	2017 $	2016 $
Available for sale investments		
At the beginning of the period	826,022	-
Additions	297,664	1,274,053
Impairment	-	(448,031)
Disposals	(382,995)	-
At 31 December	**740,691**	**826,022**

Available for sale ("AFS") investments have been valued incorporating Level 1 inputs in accordance with IFRS7.

14. INVENTORIES

	2017 $	2016 $
Parts and equipment	-	491,151
At 31 December	**-**	**491,151**

During the year, the Group recorded $0.4m (2016:$0.5m) as an expense in the Consolidated Statement of Comprehensive Income.

15. TRADE AND OTHER RECEIVABLES

	2017 $	2016 $
Trade receivables	821,827	35,506
Trade receivables net	821,827	35,506
Other receivables	280,107	553,731
Prepayments	339,028	247,671
Total trade and other receivables	**1,440,962**	**836,908**

As at 31 December 2017, the analysis of trade receivables that were past due but not impaired was as follows:

	Total $	Neither past due nor impaired $	0-30 days $	30-90 days $	90+ days $
2017	821,827	821,827	-	-	-
2016	35,506	-	-	35,506	-

The Directors consider that the carrying value of trade and other receivables approximate to their fair value.

16. TRADE AND OTHER PAYABLES

	2017 $	2016 $
Trade payables	1,185,927	471,868
Other payables	657,215	220,545
Overseas Corporation Tax	1,558,461	1,314,743
Accruals	2,114,800	2,155,378
Total trade and other payables	**5,516,403**	**4,162,534**

The Directors consider that the carrying value of trade and other payables approximate to their fair value.

17. SHARE CAPITAL

	As at 31 Dec 2017 $	As at 31 Dec 2016 $
Authorised share capital:		
100,000,000 ordinary shares of $0.01 each	1,000,000	1,000,000
Allotted, issued and fully paid:		
25,567,522 ordinary shares of $0.01 each	255,675	250,675

	Number of shares	Number of Treasury shares	Treasury shares $
Balance at 31 December 2016	21,958,865	3,108,657	1,958,054
Issue of new shares	500,000	-	-
Shares purchased	(2,646,225)	2,646,225	3,099,107
Balance at 31 December 2017	**19,812,640**	**5,754,882**	**5,057,161**

Share capital represents 19,812,640 ordinary shares of $ 0.01 each.

Treasury shares represents the cost of the Company buying back its shares. There were 5,754,882 shares held in Treasury as at 31 December 2017 (2016: 3,108,657 shares).

Other reserves represents the exchange differences on retranslation of foreign operations.

18. CAPITAL MANAGEMENT

The Group's capital comprises ordinary share capital, retained earnings and capital reserves, the Group has no debt. The Group's objectives when managing capital are to provide an optimum return to shareholders over the short to medium term through capital growth and income whilst ensuring the protection of its assets by minimising risk. The Group seeks to achieve its objectives by having available sufficient cash resources to meet capital expenditure and ongoing commitments.

At 31 December 2017, the Group had capital of $25,629,730 (2016: $27,264,580). The Group does not have any externally imposed capital requirements.

19. INVESTMENT IN SUBSIDIARIES

Details of the Company's subsidiaries at the year end are as follows:

		Effective Share holding	
Name of subsidiary	**Place of incorporation**	**2017**	**2016**
WGP Group Ltd	British Virgin Islands	100%	100%
WGP Energy Services Ltd	British Virgin Islands	100%	100%
WGP Exploration Ltd	United Kingdom	100%	100%
WGP Technical Services Ltd	British Virgin Islands	100%	100%
WGP Professional Services Ltd	British Virgin Islands	100%	100%
WGP Survey Ltd	British Virgin Islands	100%	100%
Autonomous Holdings Ltd	British Virgin Islands	100%	100%
Autonomous Robotics Ltd	United Kingdom	100%	100%
WGP Geosolutions Limited	Cyprus	100%	100%
WGP Group AT GmbH	Austria	100%	100%

20. ASSOCIATED ENTITIES

Details of the Group's associated entities at 31 December 2017 are as follows:

Name of associated entity	**Country of incorporation (registration)**	**Ownership %**	**Voting Rights %**	**Principal Activity**
The Local Shopping REIT plc ("LSR")	UK	25.48%	25.48%	Real Estate Investment Trust

Movement on interests in associates can be summarised as follows:

	2017 $	**2016 $**
Cost at 1 January	8,636,972	-
Additions	712,916	8,576,231
Share of post-acquisition profits less losses	(284,000)	60,741
Cost at 31 December	**9,065,888**	**8,636,972**

20. ASSOCIATED ENTITIES (continued)

The following summarises the financial information relating to associates, not adjusted for the proportion of ownership

	2017 £000	2016 £000
Assets - non-current	54,613	74,285
Assets - current	13,878	14,684
Total	**68,491**	**88,969**
Liabilities - non-current	(29,893)	(50,202)
Liabilities - current	(3,809)	(3,218)
Total	**(33,702)**	**(53,420)**
Revenue	6,023	6,989
Expenses	(6,881)	(6,358)
(Loss)/profit for the year	**(858)**	**631**

There are no other entities in which the Group holds 20% or more of the equity, or otherwise exercises significant influence over the affairs of the entity.

LSR has a reporting date of 30 September, with its 2017 results outlined above. Share of post-acquisition profits is based on the movement from the unaudited interim accounts as at 31 March 2017 to the last reporting date of 30 Sep 2017.

The Group achieved a holding of greater than 20%, and therefore significant influence on 9 Sep 2016.

At the reporting date, the Group held 21,021,195 shares (2016: 19,231,218 shares).

The Directors have evaluated the investment for potential impairment as at 31 Dec 2017. The recently disclosed net asset value of £0.42 per share (2016: £0.43) in the audited financial statements to 30 Sep 2017, supports the assessment that there is no impairment charge to be taken in the period.

The fair value of the investment determined using Level 1 inputs in accordance with IFRS7 amounts to $8.8m.

21. DISCONTINUED OPERATIONS

	2017 $	2016 $
Analysis of profit for the year from discontinued operations		
Revenue	18,451,972	13,971,637
Expenses	(13,759,349)	(11,131,846)
Profit before tax	**4,692,623**	**2,839,791**
Attributable income tax expense	(808,104)	(628,292)
Profit for the year from discontinued operations	**3,884,519**	**2,211,499**

The results from discontinued operations excludes interest on intercompany loans that are eliminated on consolidation.

Assets classified as held for sale		
Goodwill	368,525	-
Property, plant and equipment	9,088,420	-
Inventories	698,580	-
Net assets classified as held for sale	**10,155,525**	**-**

The Company announced on 1 December 2017 that it had conditionally agreed to sell the business and the assets of the WGP Group to Fairfield Industries Incorporated, doing business as FairfieldNodal, Inc. ("FFN").

WGP Group Ltd is a wholly owned subsidiary of Thalassa and is the owner of the seismic operating assets and business of the Group. Its subsidiaries include:

- WGP Energy Services Ltd
- WGP Exploration Ltd
- WGP Professional Services Ltd
- WGP Survey Ltd

WGP Energy Services Ltd's PMSSTM and P-Cable equipment, combined with WGP Professional Services Ltd's operational staff and WGP Exploration Ltd's ground support staff assist oil companies in maximising oil recovery through reservoir management practices as well as assisting in the discovery of new reserves. WGP Survey Ltd is part owner of multi-client high-resolution 3D data.

The reasons for the sale are that, although WGP's trading results for 2017 showed an improvement on 2016, the Company had only two main clients and four contracts. The loss of any contract or, worse, any client would have a material negative impact on the business. It is with this in mind that the Board of Thalassa actively sought to find a buyer for WGP at an appropriate consideration who not only shared the Board's vision for the future of WGP and its employees and clients but who also brought substantially greater financial and operating resources to the table as well as access to new business opportunities. The Board believes that the sale to FFN fulfills all of these objectives.

The sale completed on 1 January 2018.

Gross initial proceeds from the sale of WGP will be $20,000,000. A further $10,000,000 will become payable by FFN contingent on certain customer contracts being entered into within 5 years of completion.

The Company has agreed to leave up to $2,500,000 of cash in the business to meet its working capital requirements during the first five months of 2018. Any revenue received post completion in relation to certain sales made, services provided and work undertaken by WGP Group prior to completion will be repayable by FFN against this working capital amount.

22. OPERATING LEASE

Thalassa's subsidiary, WGP Exploration Limited, entered into a 10 year lease for the rent of 10,000 square feet of office space at Eastleigh Court near Warminster for £120,000 per annum. As part of the sale of the business and assets of WGP, this lease has been assigned to the new owners, effective 1 January 2018 being the date of completion of the sale of WGP's business and assets. The Company will have no further obligations regarding this lease from this date.

Thalassa's subsidiary WGP Group AT GmbH has entered into a 5 year lease for the rent of office space in Vienna, Austria. Operating leases of $725,367 were recognised as expenses in 2017 (2016: $606,650). Future minimum payments for operating leases at 31 December 2017 are as follows:

	2017 $	2016 $
Within one year	275,343	653,322
After one year but not more than five years	170,203	1,433,854
More than five years	-	296,071
	445,546	**2,383,247**

23. NET CASH FLOW FROM DISCONTINUED OPERATIONS

	2017 $	2016 $
Cash flows from discontinued operations		
Profit for the year before taxation	4,692,621	2,839,773
(Increase)/decrease in inventories	(207,421)	(100,116)
(Increase)/decrease in trade and other receivables	(1,111,080)	97,023
Increase in trade and other payables	722,609	125,770
Taxation	(808,104)	(628,273)
Cash generated by discontinued operations	3,288,625	2,334,177
Depreciation	1,970,922	990,802
Net cash flow from discontinued operations	**5,259,547**	**3,324,979**

24. FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash and cash equivalents together with various items such as trade and other receivables and trade payables etc, that arise directly from its operations. The fair value of the financial assets and liabilities approximates the carrying values disclosed in the financial statements.

The main risks arising from the Group's financial instruments are interest rate risk, foreign exchange risk, credit risk and liquidity risk.

INTEREST RATE RISK

The Group does not undertake any hedging against interest rate risk. The Group finances its operations from the cash balances on the current and deposit accounts. The Group has no borrowings as at 31 December 2017.

FOREIGN EXCHANGE RISK

The Group undertakes FOREX and asset risk management activities from time to time to mitigate foreign exchange risk.

An increase in foreign exchange rates of 5% at 31 December 2017 would have increased the profit and net assets by $414,838 (2016: $101,596). A decrease of 5% would have had an equal and opposite impact. The majority of the Group's balances are held in USD. As 31 December 2017 approximately 28% (2016: 28%) of amounts owing to suppliers are held in GBP, 3% in NOK (2016: 13%) and 14% in EUR (2016: 15%).

CREDIT RISK

Group credit risk is predominantly a matter of individual corporate risk. However Group companies also operate in frontier and challenging regions which has the potential to add risk and uncertainty both from an operational and financial point of view. Whenever and wherever possible the Group attempts to mitigate this risk.

In line with other international companies, the Group is exposed to geopolitical risks and the possibility of sanctions which could adversely affect our ability to perform operations or collect receivables from our clients. This risk is un-insurable and un-hedgeable.

The Company's customers include large multinational E&P companies and other geophysical service providers. In 2017, a significant proportion of the Groups' revenue was generated from 2 customers. As at 31 December 2017, net trade receivables outstanding amounted to $0.8m.

LIQUIDITY RISK

The Group's strategy for managing cash is to maximise interest income whilst ensuring its availability to match the profile of the Group's expenditure. All financial liabilities are generally payable within 30 days and do not attract any other contractual cash flows. Based on current forecasts the Group has sufficient cash to meet future obligations.

25. CONTINGENT LIABILITIES

As at 31 December 2017 and under the terms of the Group's manufacturing and sale agreements, the Group may be required to repurchase equipment from 2017 onwards, at rates intended to reflect fair value. However, this was no longer applicable as at 1 January 2018 following the disposal of the business and assets of WGP.

26. SUBSEQUENT EVENTS

As announced on 2 January 2018, the sale of the WGP business and assets to Fairfield Industries Incorporated, doing business as FairfieldNodal, Inc. ("FFN") completed on 1 January 2018.

As announced between 25 January 2018 and 20 June 2018, the company has purchased a total of 687,865 of its shares at a price ranging from 82 pence per share to 92 pence per share.

27. COPIES OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are available on the Company's website: www.thalassaholdingsltd.com.

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING (the "Meeting") of Thalassa Holdings Ltd (the "Company") will be held at Regus, Monte Carlo Sun, 74 Boulevard d'Italie, Monaco 98000 on 3 July 2018 at 10:00 am for the purpose of considering and, if thought fit, passing the following simple resolutions:

1. To receive and consider the financial statements for the year to 31 December 2017 together with the reports of the directors and the auditors thereon.
2. To authorise the Directors to appoint auditors of the Company for the year ending 31 December 2017 and to authorise the Directors to determine the auditor's remuneration.
3. To re-elect Duncan Soukup as a Director of the Company, who is retiring and offering himself for re-election.
4. To re-elect Graham Cole as a Director of the Company, who is retiring and offering himself for re-election.
5. To re-elect David Thomas as a Director of the Company, who is retiring and offering himself for re-election.

Dated 18 June 2018

By Order of the Board

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his place. A proxy need not also be a Member of the Company
2. To appoint a proxy, you should complete the Form of Proxy enclosed with this Notice of Annual General Meeting. To be valid the Form of Proxy together with the power of attorney or other authority (if any) under which it is signed must be completed and returned by post or by hand to the Company's Registrar, Link Asset Services Limited, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU , not later than 48 hours before the time fixed for the Meeting or any adjourned meeting.
3. In the case of joint holders, if two or more persons hold shares jointly each of them may be present in person or by proxy at the Meeting and may speak as a shareholder; if only one of the joint owners is present in person or by proxy, he may vote on behalf of all joint owners; and if two or more are present in person or by proxy they must vote as one.
4. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the annual general meeting to be held on the time and date set out at the top of the notice and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
5. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID : RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
6. CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
7. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

DIRECTORS, SECRETARY AND ADVISERS

Directors	C Duncan Soukup, Chairman A Francis Smulders, Director (resigned 1 May 2018) Graham Cole FCA, FSI, Director David M Thomas, Director
Registered Office	Folio Chambers P.O. Box 800, Road Town, Tortola, British Virgin Islands
Company Secretary	Julian Henley-Price
Nominated Adviser and Broker	WH Ireland Limited 24 Martin Lane, London, EC4R 0DR
Solicitors to the Company (as to English Law)	Locke Lord LLP 201 Bishopsgate, London, EC2M 3AB
Solicitors to the Company (as to BVI Law)	Conyers Dill & Pearman Romasco Place, Wickhams Cay, PO Box 3140 Road Town, Tortola British Virgin Islands VG1110
Auditors	Moore Stephens LLP 150 Aldersgate Street, London, EC1A 4AB
Registrars	Link Market Services 12 Castle Street St Helier Jersey JE2 3RT
Company website	www.thalassaholdingsltd.com www.wgp-group.com www.autonomousroboticsltd.co.uk

PART D: 2016 FINANCIAL STATEMENTS

The following is the text of the independent auditors' report on the Group from its statutory financial statements for the two years ended 31 December 2016.

References to other sections and page numbers of the 2016 Annual Report and Accounts should be disregarded for the purposes of this Document.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS' OF THALASSA HOLDINGS LTD

OPINION

We have audited the consolidated financial statements of Thalassa Holdings Ltd ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2016 and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Thalassa Holdings Ltd as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted in the European Union.

This report is made solely to the Company's members, as a body, in accordance with our terms of engagement. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in The British Virgin Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted in the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the relate disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identity during our audit.

The engagement partner on the audit resulting in this independent auditors' report is Michael Simms.

Moore Stephens LLP
Chartered Accountants

150 Aldersgate Street
London
EC1A 4AB

11 April 2017

CONSOLIDATED STATEMENT OF INCOME

for the year ended 31 December 2016

	Note	2016 $	2015 $
Revenue	8	13,987,926	18,863,273
Cost of sales		(5,877,401)	(9,416,746)
Gross profit		**8,110,525**	**9,446,527**
Administrative expenses		(5,885,970)	(5,775,983)
Operating profit before depreciation and non recurring costs		**2,224,555**	**3,670,544**
Depreciation	12	(1,100,445)	(2,226,645)
Operating profit before non-recurring costs	**3**	**1,124,110**	**1,443,899**
Non-recurring costs	3	-	(12,948,755)
Operating profit/(loss)	**3**	**1,124,110**	**(11,504,856)**
Net financial income/(expense)	4	1,307,028	(261,144)
Share of profits less losses of associated entities	22	60,741	-
Profit/(loss) before taxation		**2,491,880**	**(11,766,000)**
Taxation	5	(523,299)	(493,230)
Profit/(loss) for the year		**1,968,581**	**(12,259,230)**
Earnings per share - US$ (using weighted average number of shares)			
Basic and Diluted	**6**	**0.09**	**(0.50)**

The notes on pages 21 to 37 form an integral part of this consolidated financial information.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2016

	2016 $	2015 $
Profit/(loss) for the financial year	**1,968,581**	**(12,259,230)**
Other comprehensive income:		
Exchange differences on re-translating foreign operations	(86,587)	43,460
Unrealised gains on AFS Securities	11,130	-
Total comprehensive income	**1,893,124**	**(12,215,770)**

The notes on pages 21 to 37 form an integral part of this consolidated financial information.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2016

	Note	2016 $	2015 $
Assets			
Non-current assets			
Goodwill	10	368,525	368,525
Property, plant and equipment	12	10,985,757	8,023,557
Available for sale financial assets	14	826,022	-
Loans	7	1,549,564	1,503,823
Investments in associated entities	22	8,636,972	-
Total non-current assets		**22,366,840**	**9,895,905**
Current assets			
Inventories	15	491,151	391,035
Trade and other receivables	16	836,908	811,728
Cash and cash equivalents		7,732,215	20,303,136
Total current assets		**9,060,274**	**21,505,899**
Liabilities			
Current liabilities			
Trade and other payables	17	4,162,534	5,012,720
Total current liabilities		**4,162,534**	**5,012,720**
Net current assets		**4,897,740**	**16,493,179**
Net assets		**27,264,580**	**26,389,084**
Shareholders' Equity			
Share capital	18	250,675	250,675
Share premium		45,202,810	45,202,810
Treasury shares	18	(1,958,054)	(940,425)
Other reserves	18	(109,689)	(34,233)
Retained earnings		(16,121,162)	(18,089,743)
Total shareholders' equity		**27,264,580**	**26,389,084**
Total equity		**27,264,580**	**26,389,084**

The notes on pages 21 to 37 form an integral part of this consolidated financial information.

These financial statements were approved and authorised by the board on 11 April 2017.

Signed on behalf of the board by:

Duncan Soukup
Chairman

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2016

	Notes	2016 $	2015 $
Cash flows from operating activities			
Profit/(loss) for the year before taxation		**2,491,879**	**(11,766,000)**
Impairment of assets	7,12,13	-	13,374,071
Share option expense	20	-	168,375
Unrealised loss on FX option		-	66,563
Increase in inventories		(100,116)	(47,804)
(Increase)/decrease in trade and other receivables		(25,180)	1,943,195
Increase/(decrease) in trade and other payables		1,622,756	(975,750)
Net foreign exchange (loss)/gain		(86,587)	43,460
Accrued interest income		(45,740)	(212,082)
Taxation		(523,299)	(493,230)
Cash generated by operations		**3,333,713**	**2,100,798**
Depreciation	12	1,100,445	2,226,645
Amortisation of multi-client library	13	-	430,336
Net cash flow from operating activities		**4,434,158**	**4,757,779**
Net cash flow used in investing activities	12,14,22	**(15,987,450)**	**(1,242,292)**
Cash flows from financing activities			
Purchase of treasury shares		(1,017,629)	(940,425)
Net cash flow used in financing activities		**(1,017,629)**	**(940,425)**
Net (decrease)/increase in cash and cash equivalents		**(12,570,921)**	**2,575,062**
Cash and cash equivalents at the start of the year		20,303,136	17,728,074
Cash and cash equivalents at the end of the year		**7,732,215**	**20,303,136**

The notes on pages 21 to 37 form an integral part of this consolidated financial information.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2016

	Share Capital $	Share Premium $	Treasury Shares $	Other Reserves $	Retained Earnings $	Total Equity $
Balance as at 31 December 2014	**250,675**	**45,034,435**	**-**	**(77,693)**	**(5,830,513)**	**39,376,904**
Purchase of treasury shares (940,425)	-	-	(940,425)	-	-	
Share option expense	-	168,375	-	-	-	168,375
Total comprehensive income for the period (12,215,770)	-	-	-	43,460	(12,259,230)	
Balance as at 31 December 2015	**250,675**	**45,202,810**	**(940,425)**	**(34,233)**	**(18,089,743)**	**26,389,084**
Purchase of treasury shares (1,017,629)	-	-	(1,017,629)	-	-	
Total comprehensive income for the period	-	-	-	(75,456)	1,968,581	1,893,125
Balance as at 31 December 2016	**250,675**	**45,202,810**	**(1,958,054)**	**(109,689)**	**(16,121,162)**	**27,264,580**

The notes on pages 21 to 37 form an integral part of this consolidated financial information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2016

1. GENERAL INFORMATION

Thalassa Holdings Ltd (the "Company") is a British Virgin Island ("BVI") International business company ("IBC"), incorporated and registered in the BVI on 26 September 2007. The Company was established as a holding company, and currently has three directly owned subsidiaries, WGP Group Ltd ("WGP"), GO Science Group Ltd ("GO") and WGP Geosolutions Limited (together with Thalassa Holdings Ltd, the "Group").

WGP Group Ltd is a wholly owned subsidiary of Thalassa which owns the seismic operating assets of the Thalassa Group and whose subsidiaries are:

- WGP Energy Services Ltd ("WESL")
- WGP Exploration Ltd ("WGPE")
- WGP Technical Services Ltd ("WGPT")
- WGP Professional Services Ltd ("WGPP")
- WGP Survey Ltd ("WGPS")

GO Science Group Ltd is a wholly owned subsidiary of Thalassa and is an Autonomous Underwater Vehicle ("AUV") research and development company with one subsidiary:

- Autonomous Robotics Limited ("ARL" – formerly GO Science 2013 Ltd)

WGP Geosolutions Limited is a wholly owned subsidiary of Thalassa which has an additional subsidiary, WGP Group AT GmbH, both currently non-operational.

The Group's interest in each of the subsidiaries is 100%.

2. ACCOUNTING POLICIES

The Group prepares its accounts in accordance with applicable International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The financial statements are expressed in US dollars, being the functional currency of the company and its subsidiaries other than WGP Exploration Ltd and Autonomous Robotics Limited which have a functional currency of pound sterling and WGP Group AT GmbH of Euro.

The principal accounting policies are summarised below. They have been applied consistently throughout the period covered by these financial statements.

2.1. NEW INTERPRETATIONS AND REVISED STANDARDS EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016

The Group has adopted the new interpretations and revised standards effective for the year ended 31 December 2016. The adoption of these interpretations and revised standards had no impact on the disclosures and presentation of the financial statements during the year.

2.2. STANDARDS AND INTERPRETATIONS IN ISSUE BUT NOT YET EFFECTIVE

A number of new standards and amendments to existing standards have been published which are mandatory, but are not effective for the year ended 31 December 2016. The Directors do not anticipate that the adoption of these revised standards and interpretations will have a significant impact on the figures included in the financial statements in the period of initial application other than the following:

IFRS 9 Financial Instruments

The standard is effective for periods beginning on or after 1 January 2018.

The standard makes substantial changes to the measurement of financial assets and financial liabilities. There will only be three categories of financial assets whereby financial assets are recognised at either fair value through profit and loss, fair value through

other comprehensive income or measured at amortised cost. On adoption of the standard, the Group will have to re-determine the classification of its financial assets based on the business model for each category of financial asset. This is not considered likely to give rise to any significant adjustments other than reclassifications.

The principal change to the measurement of financial assets measured at amortised cost or fair value through other comprehensive income is that impairments will be recognised on an expected loss basis compared to the current incurred loss approach. As such, where there are expected to be credit losses these are recognised in profit or loss. For financial assets measured at amortised cost the carrying amount of the asset is reduced for the loss allowance.

Most financial liabilities will continue to be carried at amortised cost, however, some financial liabilities will be required to be measured at fair value through profit or loss, for example derivative financial instruments, with changes in the liabilities' credit risk recognised in other comprehensive income.

IFRS 15 – Revenue from contracts with customers

The standard has been developed to provide a comprehensive set of principles in presenting the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is based around the following steps in recognising revenue:

1. Identify the contract with the customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price; and
5. Recognise revenue when a performance obligation is satisfied.

On application of the standard the disclosures are likely to increase. The standard includes principles on disclosing the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers, by providing qualitative and quantitative information.

The date the standard is effective from 1 January 2018.

IFRS 16 – Leases

The standard which has not yet been endorsed by the European Union, is effective for periods beginning on or after 1 January 2019, but can be applied before that date if the Company also applies IFRS 15 revenue from Contracts with Customers. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead all leases are treated in a similar way to finance leases applying IAS 17. Leases are 'capitalised' by recognising the present value of the lease payments and showing them either as lease assets (right-of-use assets) or together with property, plant and equipment. If lease payments are made over time, a company also recognises a financial liability representing its obligation to make future lease payments. IFRS 16 replaces the typical straight-line operating lease expense for those leases applying IAS 17 with a depreciation charge for lease assets (included within operating costs) and an interest expense on lease liabilities (included within finance costs).

2.3. BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

2.4. JUDGEMENT AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key judgement areas relate to the carrying value of plant and equipment, goodwill, intellectual property, provisions for doubtful debts, loans receivable and investments in associates. The carrying value of the PMSS™ units of $10.7m may significantly differ from their market value. It is affected by management's assessment of its fair value and indicators of impairment. If the carrying value of a PMSS™ exceeds the recoverable amount then an impairment charge is recognised. Goodwill is reviewed annually for indication of impairment. Intellectual property is amortised and also reviewed annually for indication of impairment. Outstanding trade receivables are reviewed for potential recovery and provisions for bad and doubtful debts included where necessary. Loans receivable are reviewed for potential recovery and impairments included where necessary. Judgement has been exercised over the Group's impairment assessment for the carrying value of its holding in Local Shopping REIT plc at 31 December 2016 in relation to the current % shareholding based on the audited underlying net assets as opposed to the % shareholding based on the share price.

Judgement is also made in respect of the accounting treatment of the THAL Discretionary Trust. Management's assessment is based on various indicators including activities, decision-making, benefits and risks of the Trust. Based on this assessment, management consider that the THAL Discretionary Trust should not be consolidated.

2.5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less depreciation and any provision for impairment. Cost includes the purchase price, including import duties, non-refundable purchase taxes and directly attributable costs incurred in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Cost also includes capitalised interest on borrowings, applied only during the period of construction.

Fixed assets are depreciated on a straight line basis between 3 and 15 years from the point at which the asset is put into use.

2.6. INTANGIBLE ASSETS

GOODWILL

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 2.16) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

PATENTS AND TRADEMARKS

Patents and trademarks with a finite useful life acquired from third parties either separately or as part of the business combination are capitalised at cost and amortised over their remaining useful lives on a straight line basis and recognised within depreciation in the income statement.

MULTI-CLIENT LIBRARY

The Multi-Client library comprises completed surveys and surveys in progress that can be licensed to multiple customers. All direct costs related to data collection, processing and completion of seismic surveys are capitalised. The Multi-Client library is capitalised at cost less accumulated amortisation and impairment losses. The Company has a minimum amortisation policy whereby the carrying amount one year after completion of a survey is no more than 60% of cost. This maximum level is reduced on a straight-line basis by 20% for each of the three subsequent years.

Estimated revenues are reviewed continuously and these may change to reflect market conditions. The amortisation expense of the Multi-Client library may fluctuate and be accelerated according to the level of revenue and revisions to estimated remaining revenues. Where amortisation expense is accelerated it is calculated as the proportion of the total cost of a survey calculated according to the proportion of cumulative revenues for the survey to the estimated total revenue for the survey. The costs of a survey are completely amortised when the estimated revenue has been reached.

2.7. INVENTORIES

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first in first out principle and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

The net realisable value is the cost less any impairment recognised. Inventories are expensed as utilised in the Group's operations.

Costs associated with contracts which are long term in nature are included in inventories to the extent that they cannot be matched with contract work accounted for as revenue. Amounts included in work in progress are stated at cost, after provision has been made for any foreseeable losses.

2.8. IMPAIRMENT OF ASSETS

An assessment is made at each reporting date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in a prior period may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's value in use or its net selling price.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the statement of income in the period in which it arises. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation / amortisation), had no impairment loss been recognised for the asset in a prior period. A reversal of an impairment loss is credited to the statement of income in the period in which it arises.

2.9. INVESTMENTS

Available for sale investments are initially measured at cost, including transaction costs. Gains and losses arising from changes in fair value of available for sale investments are recognised directly in other comprehensive income, until the security is disposed or is deemed to be impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is included in the statement of income for the period.

2.10. REVENUE

Revenue is measured at the fair value of the consideration received or receivable.

In respect of contracts which are long term in nature and contracts for ongoing services, revenue, restricted to the amounts of costs that can be recovered, is recognised according to the value of work performed in the period. Revenue in respect of such contracts is calculated on the basis of time spent on the project and estimated work to completion.

Where the outcome of contracts which are long term in nature and contracts for ongoing services cannot be estimated reliably, revenue is recognised only to the extent of the costs recognised that are recoverable.

Where payments are received in advance in excess of revenue recognised in the period, this is reflected as a liability on the statement of financial position as deferred revenue.

MULTI-CLIENT LIBRARY

Pre-funded revenues from underwritten programmes are recognised as the seismic data is acquired. Where the Group has finished data sets ready for sale, revenue is recognised at the time of the transaction when the customer executes a valid license agreement and has the right to access the licensed portion of the Multi Client library.

2.11. TAXATION

The Company is incorporated in the BVI as an IBC and as such is not subject to tax in the BVI.

WGP Exploration Ltd and Autonomous Robotics Ltd are incorporated in the UK and are therefore subject to UK tax regulations. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the reporting date. Tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise tax is recognised in the income statement.

Deferred tax is provided in full using the liability method on all timing differences which result in an obligation at the reporting date to pay more tax, or the right to pay less tax, at a future date, at rates that are expected to apply when they crystalise based on current tax rates. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax is not provided when the amounts involved are not significant.

2.12. FOREIGN CURRENCY

Transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rate of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the financial reporting date. Exchange differences arising are included in the statement of income for the period.

WGP Exploration Ltd and Autonomous Robotics Ltd are incorporated in the UK and have a functional currency of GBP. Exchange differences on the retranslation of operations denominated in foreign currencies are included in Other Comprehensive Income.

2.13. FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised on the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Loans and receivables are initially measured at fair value and are subsequently measured at amortised cost, plus accrued interest, and are reduced by appropriate provisions for estimated irrecoverable amounts. Such provisions are recognised in the statement of income.

Trade receivables are initially measured at fair value and are subsequently measured at amortised cost less appropriate provisions for estimated irrecoverable amounts. Such provisions are recognised in the statement of income.

Cash and cash equivalents comprise cash in hand and demand deposits and other short-term highly liquid investments with maturities of three months or less at inception that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade payables are not interest-bearing and are initially valued at their fair value and are subsequently measured at amortised cost.

Equity instruments are recorded at fair value, being the proceeds received, net of direct issue costs.

Share capital - Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of taxation, from the proceeds.

Treasury shares - Where any Group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued.

Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Financial instruments require classification of fair value as determined by reference to the source of inputs used to derive the fair value. This classification uses the following three-level hierarchy:

Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 — inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);

Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.14. SHARE BASED PAYMENTS

FAIR VALUED SHARE BASED PAYMENTS

Where new share options have been granted in the period, a charge is made to the consolidated statement of income based on the fair value (the economic value) of the grant, measured at the grant date. The charge is spread over the vesting period. The valuation methodology takes into account assumptions and estimates of share price volatility, future risk-free interest rate and exercise behaviour and is based on the Black-Scholes method. When share options are exercised there is a transfer from the share option reserve to share capital and share premium account.

At the end of each reporting period the Group revises its estimate of the number of share options that are expected to vest taking into account those which have lapsed or been cancelled. It recognises the impact of the revision to original estimates, if any, in the profit or loss, with a corresponding adjustment to share premium reserve.

2.15. BUSINESS COMBINATIONS

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

2.16. GOING CONCERN

The financial information has been prepared on the going concern basis as management consider that the Group has sufficient cash to fund its current commitments for the foreseeable future.

2.17. INVESTMENT IN ASSOCIATED ENTITIES

Investments in associates are those over which the Group has significant influence. These are accounted for using the equity method of accounting. Significant influence is considered to be participation in the financial and operating policy decisions of the investee and is usually evidenced when the Group owns between 20% and 50% of that company's voting rights.

Investments in associates are initially recorded at cost and the carrying amount is increased or decreased to recognise the Group's share of the profits or losses of the associate after acquisition. At the date of acquisition any excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets of the associate is recognised as goodwill. The carrying amount of these investments is reduced to recognise any impairment of the value of the individual investment. If the Group's share of losses exceeds its interest in an associate the carrying value of that investment is reduced to nil and the recognition of any further losses is discontinued unless the Group has an obligation to make further funding contributions to that associate.

The Group's share of associates' post acquisition profits or losses is recognised in profit or loss and the post acquisition movements in other comprehensive income is recognised within other comprehensive income.

3. OPERATING PROFIT/(LOSS) FOR THE YEAR

The operating profit/(loss) for the year is stated after charging/(crediting):

	Note	2016 $	2015 $
Consultancy fees		1,044,452	824,810
Wages and salaries		1,405,630	1,728,073
Social security costs		221,311	233,193
Pension costs		63,954	66,730
Audit fees		67,718	65,527
Non-Recurring costs			
Impairment - Plant and Equipment	12	-	6,081,807
Impairment - Multi-Client Library	13	-	1,459,357
Impairment - THAL DT loan receivable	7	-	5,832,907
Restructuring costs	17	-	324,683
Other non-recurring costs	17	-	(750,000)
Total Non-Recurring costs		**-**	**12,948,755**

Included within consultancy fees / wages and salaries is $63,000 in relation to amounts accrued for directors' remuneration (2015: $80,000).

4. NET FINANCIAL INCOME/(EXPENSE)

		2016 $	2015 $
Share option expenses		-	(168,375)
Loan interest receivable		45,740	212,083
Bank interest payable		(47,649)	(23,223)
Gains/(Losses) on investments		99,999	(343,789)
Impairment on investments	14	(448,031)	-
Foreign currency gains	24	1,656,969	62,160
		1,307,028	**(261,144)**

5. INCOME TAX EXPENSE

	2016 $	2015 $
Current tax	523,299	493,230
Total Tax	**523,299**	**493,230**

	$	$
Profit/(loss) before tax	2,491,879	(11,766,000)
Tax at applicable rates	-	-
Adjustment in relation to previous periods	-	202,462
R&D Tax Credits	(91,996)	(199,411)
Norwegian Withholding Tax	615,295	490,179
Total Tax	**523,299**	**493,230**

The applicable tax rates in relation to the Group's profits are BVI 0%, UK 20% and Norway 25%.

An unrecognised deferred tax asset relating to taxable losses carried forward amount to $0.2m as at 31 Dec 2016 (2015: $0.1m).

6. EARNINGS PER SHARE

	2016 $	2015 $
The calculation of earnings per share is based on the following loss and number of shares:		
Profit/(loss) for the year ($)	**1,968,581**	**(12,259,230)**
Weighted average number of shares of the Company	**22,806,734**	**24,656,136**
Earnings per share:		
Basic and Diluted ($)	0.09	(0.50)
Number of shares outstanding at the period end:		
Number of shares in issue	**23,608,865**	**25,067,522**
Treasury shares	(1,650,000)	(1,458,657)
Basic number of shares in issue	**21,958,865**	**23,608,865**
Share options	-	150,000

7. LOANS

	2016 $	2015 $
Loans	1,549,564	1,503,823

Loans includes an amount of US$1,549,564 to the THAL Discretionary Trust. An impairment was made to the loan in 2015 bringing the loan in line with the carrying value of the Thalassa shares in the Trust at the time based on a price of 33 pence per share. A further impairment review has been undertaken with no further adjustment in 2016 due to the current Thalassa share price being in excess of the carrying value, but not to such an extent at this stage to be considered to reverse previous impairments.

Interest is payable at 3% per annum (reviewed periodically).

The THAL Discretionary Trust is a trust, independent of Thalassa, established for the benefit of individuals or parties to whom the Trustees wish to make awards at their discretion.

8. SEGMENT INFORMATION

The Group has one operating segment being operations from geophysical project management, services and the supply of equipment.

9. RELATED PARTY TRANSACTIONS

In addition to the matter referred to in note 16, under the consultancy and administrative services agreement entered into on 3 January 2011 with a company in which the Chairman has a beneficial interest, the Group was invoiced $510,000 (2015: $480,000) for consultancy and administrative services provided to the Group including $200,000 of consultancy fees. As at 31 December 2016, the amount owed to this company was $140,650 (2015: $nil).

As per the announcement on 22 October 2014, the Company entered into an agreement with Eastleigh Court Limited for WGP Exploration Ltd to lease 10,000 square feet at £12 per square foot at Eastleigh Court near Warminster, Wiltshire to locate all its UK operations there. The term of the lease is 10 years commencing 1 October 2014. Eastleigh Court was acquired by Eastleigh Court Limited, a company owned by Thalassa's chairman, Duncan Soukup, on 11 July 2014. As at 31 December 2016, the amount owed by this company was $nil (2015: $25,779). On the same date, the neighbouring property, Eastleigh Stables was acquired by Eastleigh Stables Ltd, a company also owned by the Company's chairman. The company also rents rooms at Eastleigh Stables as accommodation for staff and visitors and was charged $25,397 (2015: $20,072) during the year. As at 31 December 2016, the balance owed by this company was $nil (2015: $817).

10. GOODWILL

	2016 $	2015 $
Cost		
Cost at 1 January	368,525	368,525
Cost at 31 December	**368,525**	**368,525**
Carrying Amount		
At 31 December	**368,525**	**368,525**

Goodwill relates to the acquisition of WGP Exploration Ltd in November 2011.

11. INTELLECTUAL PROPERTY

Patents & Trademarks	2016 $	2015 $
Cost		
Cost at 1 January	3,058,386	3,058,386
Additions	-	-
Cost at 31 December	**3,058,386**	**3,058,386**
Accumulated amortisation and impairment		
At 1 January	(3,058,386)	(3,058,386)
Charge for the year	-	-
Impairment	-	-
At 31 December	**(3,058,386)**	**(3,058,386)**
Carrying Amount		
At 31 December	**-**	**-**

12. PROPERTY, PLANT AND EQUIPMENT

Cost	Total 2016 $	Plant and Equipment 2016 $	Motor Vehicles 2016 $	Computer Software 2016 $
Cost at 1 January 2016	22,783,128	22,274,613	160,934	347,581
FX movement	(95,317)	(63,855)	(2,013)	(29,449)
	22,687,811	22,210,758	158,921	318,132
Additions	4,105,809	4,076,067	-	29,742
Disposals	-	-	-	-
Cost at 31 December 2016	**26,793,620**	**26,286,825**	**158,921**	**347,874**
Depreciation				
Depreciation at 1 January 2016	14,759,571	14,650,485	74,565	34,521
FX movement	(52,153)	(41,006)	(1,381)	(9,766)
	14,707,418	14,609,479	73,184	24,755
Charge for the year	1,100,445	977,166	36,174	87,105
Disposals	-	-	-	-
Impairment	-	-	-	-
Depreciation at 31 December 2016	**15,807,863**	**15,586,645**	**109,358**	**111,860**
Closing net book value at 31 December 2016	**10,985,757**	**10,700,180**	**49,563**	**236,014**

Cost	Total 2015 $	Plant and Equipment 2015 $	Motor Vehicles 2015 $	Computer Software 2015 $
Cost at 1 January 2015	20,093,194	19,669,211	171,486	252,497
FX movement	(22,150)	(9,650)	(10,552)	(1,948)
	20,071,044	19,659,561	160,934	250,549
Additions*	2,717,226	2,619,493	-	97,733
Disposals	(5,142)	(4,441)	-	(701)
Cost at 31 December 2015	**22,783,128**	**22,274,613**	**160,934**	**347,581**
Depreciation				
Depreciation at 1 January 2015	6,461,728	6,436,227	25,501	-
FX movement	(10,478)	(10,801)	323	-
	6,451,250	6,425,427	25,824	-
Charge for the year	2,226,645	2,143,252	48,741	34,652
Disposals	(131)	-	-	(131)
Impairment	6,081,807	6,081,807	-	-
Depreciation at 31 December 2015	**14,759,571**	**14,650,485**	**74,565**	**34,521**
Closing net book value at 31 December 2015	**8,023,557**	**7,624,128**	**86,369**	**313,060**

As outlined in note 2.8, an assessment is made at each financial reporting date as to whether there is any indication of impairment of any asset. An impairment review of the Group's equipment has been undertaken, taking into account obsolescence, market conditions, value in use and useful economic life. As a result there has been no impairment charge in 2016 (2015: $6.1m).

*Additions amounting to $1.5m were paid in 2016.

13. MULTI-CLIENT LIBRARY

	Total 2016 $	Total 2015 $
Cost		
Cost at 1 January 2016	2,369,523	2,369,523
Additions	-	-
Cost at 31 December 2016	**2,369,523**	**2,369,523**
Amortisation		
Amortisation at 1 January 2016	2,369,523	479,830
Charge for the year	-	430,335
Impairment	-	1,459,357
Amortisation at 31 December 2016	**2,369,523**	**2,369,523**
Closing net book value at 31 December 2016	**-**	**-**

14. INVESTMENTS - AVAILABLE FOR SALE FINANCIAL ASSETS

	2016 $	2015 $
Available for sale investments		
At the beginning of the period	-	-
Additions	1,274,053	295,839
Impairment	(448,031)	(295,839)
At 31 December	**826,022**	**-**

The Company, periodically, takes short term positions in equities and other investments, including the investment in Papua Mining plc.

The investments have been reviewed as at 31 Dec 2016 for potential impairment, and a charge of $0.4m included.

AFS investments have been valued incorporating Level 1 inputs in accordance with IFRS 7.

15. INVENTORIES

	2016 $	2015 $
Parts and equipment	491,151	391,035
At 31 December	**491,151**	**391,035**

During the year, the Group recorded $0.5m as an expense to the Consolidated Statement of Income (2015: $0.5m).

16. TRADE AND OTHER RECEIVABLES

	2016 $	2015 $
Trade receivables	35,506	3,630,400
Provision for doubtful debts	-	(3,369,171)
Trade receivables net	35,506	261,229
Other receivables	553,731	220,679
Prepayments	247,671	329,820
Total trade and other receivables	**836,908**	**811,728**

The Company's subsidiary, WGP Energy Services Ltd ("WESL"), in 2015, had commenced arbitral proceedings (under the auspices of the London Court of International Arbitration) against Joint Stock Company "Sevmorgeo" ("SMG"), SMG's parent Joint Stock Company "Rusgeologia" and its ultimate parent, The Russian State regarding a claim of services provided in Ecuador in 2013, which were fully provided. During 2016, WESL entered into an assignment agreement with Joint Stock Company "Rosgeologia ("Rosgeo"), the parent company of SMG, under which the rights to the Claim were assigned to Rosgeo for a consideration of $750,000 payable to WESL. As disclosed in the 2015 annual report, Duncan Soukup, the Company's Chairman, had paid a $1.1m discount offered to SMG in January 2014 himself on a non-recourse basis provided an agreed repayment plan was met. As a result of the assignment, the Company was in a position to repay the Chairman $750,000. WESL has no further claim against SMG or Rosgeo.

As at 31 December 2016, the analysis of trade receivables that were past due but not impaired was as follows:

	Total $	Neither past due nor impaired $	0-30 days $	30-90 days $	90+ days $
2016	35,506	-	-	35,506	-
2015	261,229	-	-	261,229	-

The Directors consider that the carrying value of trade and other receivables approximate to their fair value.

17. TRADE AND OTHER PAYABLES

	2016 $	2015 $
Trade payables	471,868	2,420,421
Other payables	220,545	(10,921)
Withholding tax	1,314,743	490,179
Accruals	2,155,378	2,113,041
Total trade and other payables	**4,162,534**	**5,012,720**

The Directors consider that the carrying value of trade and other payables approximate to their fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2016

18. SHARE CAPITAL

	As at 31 Dec 2016 $	As at 31 Dec 2015 $
Authorised share capital:		
100,000,000 ordinary shares of $0.01 each	1,000,000	1,000,000
Allotted, issued and fully paid:		
25,067,522 ordinary shares of $0.01 each	250,675	250,675

	Number of shares	Number of Treasury shares	Treasury shares $
Balance at 31 December 2015	23,608,865	1,458,657	940,425
Shares purchased	(1,650,000)	1,650,000	1,017,629
Balance at 31 December 2016	**21,958,865**	**3,108,657**	**1,958,054**

Share capital represents 21,958,865 ordinary shares of $ 0.01 each.

Treasury shares represents the cost of the Company buying back its shares. There were 3,108,657 shares held in Treasury as at 31 December 2016.

Other reserves represents the exchange differences on retranslation of foreign operations and fair value changes in AFS investments.

19. CAPITAL MANAGEMENT

The Group's capital comprises ordinary share capital, retained earnings and capital reserves, the Group has no debt. The Group's objectives when managing capital are to provide an optimum return to shareholders over the short to medium term through capital growth and income whilst ensuring the protection of its assets by minimising risk. The Group seeks to achieve its objectives by having available sufficient cash resources to meet capital expenditure and ongoing commitments.

At 31 December 2016, the Group had capital of $27,264,580 (2015: $26,389,084). The Group does not have any externally imposed capital requirements.

20. SHARE-BASED PAYMENTS

Thalassa Holdings Ltd share options

	Director share options	Non - Executive director share options	Other share options
Outstanding at 1 January 2016	50,000	100,000	-
Options granted	-	-	-
Options lapsed	(50,000)	(100,000)	
Outstanding at 31 December 2016	**-**	**-**	**-**
Outstanding at 1 January 2015	150,000	120,000	-
Options granted	-	-	-
Options lapsed	(100,000)	(20,000)	-
Outstanding at 31 December 2015	**50,000**	**100,000**	**-**

20.1. DIRECTOR SHARE OPTIONS

On 9 October 2013 50,000 share options were granted to Francis Smulders at a strike price of £2.535. The options granted have an exercise period of three years and have subsequently lapsed.

20.2. NON-EXECUTIVE DIRECTOR SHARE OPTIONS

On 9 October 2013 100,000 share options were granted to Robert Anderson at a strike price of £2.535. The options granted have an exercise period of three years and have subsequently lapsed.

20.3. SHARE OPTION CHARGES

There were no share options granted in the period. The charge to share option expense in the period was $nil (2015: $168,376).

20.4. WEIGHTED AVERAGE EXERCISE PRICE

Details of the number and weighted average exercise price of options granted, exercised, expired and forfeited during the year are as follows:

	2016		2015	
	Weighted average exercise price $	**Number of options**	**Weighted Average exercise price $**	**Number of options**
At the beginning of the year	4.08	150,000	2.19	330,000
Lapsed during the year	(4.08)	(150,000)	0.84	(180,000)
Exercised during the year	-	-	-	-
Outstanding at the reporting date	-	-	4.08	150,000

	2016	**2015**
Exercisable at the reporting date	-	150,000

21. INVESTMENT IN SUBSIDIARIES

Details of the Company's subsidiaries at the year end are as follows:

		Effective Share holding	
Name of subsidiary	**Place of incorporation**	**2016**	**2015**
WGP Group Ltd	British Virgin Islands	100%	100%
WGP Energy Services Ltd	British Virgin Islands	100%	100%
WGP Exploration Ltd	United Kingdom	100%	100%
WGP Technical Services Ltd	British Virgin Islands	100%	100%
WGP Professional Services Ltd	British Virgin Islands	100%	100%
WGP Survey Ltd	British Virgin Islands	100%	100%
GO Science Group Ltd	British Virgin Islands	100%	100%
Autonomous Robotics Ltd	United Kingdom	100%	100%
WGP Geosolutions Ltd	Cyprus	100%	100%
WGP Group AT GmbH	Austria	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2016

22. ASSOCIATED ENTITIES

Details of the Group's associated entities at 31 December 2016 are as follows:

Name of associated entity	Country of incorporation (registration)	Ownership %	Voting Rights %	Principal Activity
The Local Shopping REIT plc	UK	23.31%	23.31%	Real Estate Investment Trust

Movement on interests in associates can be summarised as follows:

	2016 $	2015 $
Cost of investment	8,576,231	-
Share of post-acquisition profits less losses	60,741	-
	8,636,972	**-**

The following summarises the financial information relating to associates, not adjusted for the proportion of ownership

	2016 £000	2015 £000
Assets - non-current	74,285	79,468
Assets - current	14,684	17,155
Total	**88,969**	**96,623**
Liabilities - non-current	(50,202)	(55,347)
Liabilities - current	(3,218)	(6,424)
Total (61,771)	**(53,420)**	
Revenue	6,989	7,664
Expenses	(6,358)	(7,644)
Profit for the year	**631**	**20**

There are no other entities in which the Group holds 20% or more of the equity, or otherwise exercises significant influence over the affairs of the entity, other than Papua Mining Ltd, which, due to its size has not been consolidated using the equity method as it does not exert significant influence. This position will be periodically reviewed by the Board in line with developments at the company.

LSR has a reporting date of 30 September, with 2016 results outlined above. Share of post-acquisition profits is based on the movement from the unaudited interim accounts as at 31 March 2016 to the last reporting date of 30 Sep 2016.

The Group achieved a holding of greater than 20%, and therefore significant influence on 9 Sep 2016.

The Directors have evaluated the investment for potential impairment as at 31 Dec 2016. The recently disclosed net asset value of £0.43 per share in the audited financial statements to 30 Sep 2016, supports the assessment that there is no impairment charge to be taken in the period.

The fair value of the investment determined using Level 1 inputs in accordance with IFRS7 amounts to $6.9m.

23. OPERATING LEASE

Thalassa's subsidiary, WGP Exploration Limited, has entered into a 10 year lease for the rent of 10,000 square feet of office space at Eastleigh Court near Warminster. Thalassa's subsidiary WGP Group AT GmbH has entered into a 5 year lease for the rent of office space in Vienna, Austria. Operating leases of $606,650 were recognised as expenses in 2016 (2015: $584,417). Future minimum payments for operating leases at 31 December 2016 are as follows:

	2016 $	2015 $
Within one year	653,322	456,733
After one year but not more than five years	1,433,854	1,191,033
More than five years	296,071	532,872

24. FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash and cash equivalents together with various items such as trade and other receivables and trade payables etc, that arise directly from its operations. The fair value of the financial assets and liabilities approximates the carrying values disclosed in the financial statements.

The main risks arising from the Group's financial instruments are interest rate risk, foreign exchange risk, credit risk and liquidity risk.

INTEREST RATE RISK

The Group does not undertake any hedging against interest rate risk. The Group finances its operations from the cash balances on the current and deposit accounts. The Group has no borrowings as at 31 December 2016.

FOREIGN EXCHANGE RISK

The Group undertakes FOREX and asset risk management activities from time to time to mitigate foreign exchange risk. During the course of the year net gains of $1.3m were made.

An increase in foreign exchange rates between USD and GBP, NOK and EUR of 5% at 31 December 2016 would have increased the profit and net assets by $101,596 (2015: $114,665). A decrease of 5% would have had an equal and opposite impact. The majority of the Group's balances are held in USD. As 31 December 2016 approximately 28% of amounts owing to suppliers were held in GBP, 13% in NOK and 15% in EUR. As at 31 December 2016, approximately 15% of cash and cash equivalents were held in EUR and 12% in GBP.

CREDIT RISK

Group credit risk is predominantly a matter of individual corporate risk. However Group companies also operate in frontier and challenging regions which has the potential to add risk and uncertainty both from an operational and financial point of view. Whenever and wherever possible the Group attempts to mitigate this risk.

In line with other international companies, the Group is exposed to geopolitical risks and the possibility of sanctions which could adversely affect our ability to perform operations or collect receivables from our clients. This risk is un-insurable and un-hedgeable.

The company's customers include large multinational E&P companies and other geophysical service providers. In 2016, a significant proportion of the Groups revenue was generated from 2 customers.

LIQUIDITY RISK

The Group's strategy for managing cash is to maximise interest income whilst ensuring its availability to match the profile of the Group's expenditure. All financial liabilities are generally payable within 30 days and do not attract any other contractual cash flows. Based on current forecasts the Group has sufficient cash to meet future obligations.

25. SUBSEQUENT EVENTS

As announced on 27 January 2017, the Company purchased 225,000 of its shares at a price of 70 pence per share.

As announced on 31 January 2017, the Company ,purchased 100,000 of its shares at a price of 65 pence per share.

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING (the "Meeting") of Thalassa Holdings Ltd (the "Company") will be held at Le Cabanon, Pointe des Douaniers 06320 Cap d'Ail, France on 11 May 2017 at 12:00 noon for the purpose of considering and, if thought fit, passing the following simple resolutions:

1. To receive and consider the financial statements for the year to 31 December 2016 together with the reports of the directors and the auditors thereon.
2. To authorise the Directors to appoint auditors of the Company for the year ending 31 December 2017 and to authorise the Directors to determine the auditor's remuneration.
3. To re-elect Duncan Soukup as a Director of the Company, who is retiring and offering himself for re-election.
4. To re-elect Graham Cole as a Director of the Company, who is retiring and offering himself for re-election.
5. To re-elect David Thomas as a Director of the Company, who is retiring and offering himself for re-election.
6. To re-elect Francis Smulders as a Director of the Company, who is retiring and offering himself for re-election.

Dated 11 April 2017

By Order of the Board

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his place. A proxy need not also be a Member of the Company
2. To appoint a proxy, you should complete the Form of Proxy enclosed with this Notice of Annual General Meeting. To be valid the Form of Proxy together with the power of attorney or other authority (if any) under which it is signed must be completed and returned by post or by hand to the Company's Registrar, Capita Registrars Limited, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU , not later than 48 hours before the time fixed for the Meeting or any adjourned meeting.
3. In the case of joint holders, if two or more persons hold shares jointly each of them may be present in person or by proxy at the Meeting and may speak as a shareholder; if only one of the joint owners is present in person or by proxy, he may vote on behalf of all joint owners; and if two or more are present in person or by proxy they must vote as one.
4. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the annual general meeting to be held on the time and date set out at the top of the notice and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
5. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID : RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
6. CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
7. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

DIRECTORS, SECRETARY AND ADVISERS

Directors	C Duncan Soukup, Chairman A Francis Smulders, Director Graham Cole FCA, FSI, Director David M Thomas, Director
Registered Office	Folio Chambers P.O. Box 800, Road Town, Tortola British Virgin Islands
Company Secretary	Julian Henley-Price
Nominated Adviser and Broker	WH Ireland Limited 24 Martin Lane London EC4R 0DR
Solicitors to the Company (as to English Law)	Pinsent Masons LLP 30 Crown Place Earl Street London EC2A 4ES
Solicitors to the Company (as to BVI Law)	Conyers Dill & Pearman Romasco Place, Wickhams Cay 1 PO Box 3140 Road Town, Tortola British Virgin Islands VG1110
Auditors	Moore Stephens LLP 150 Aldersgate Street London EC1A 4AB
Registrars	Capita Asset Services 12 Castle Street St Helier Jersey JE2 3RT
Company website	www.thalassaholdingsltd.com www.wgp-group.com www.autonomousroboticsltd.co.uk

PART E: 2015 FINANCIAL STATEMENTS

The following is the text of the independent auditors' report on the Group from its statutory financial statements for the two years ended 31 December 2015.

References to other sections and page numbers of the 2015 Annual Report and Accounts should be disregarded for the purposes of this Document.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS' OF THALASSA HOLDINGS LTD

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Thalassa Holdings Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2015 and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Company's members, as a body, in accordance with our terms of engagement. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Thalassa Holdings Limited and its subsidiaries as at 31 December 2015, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Moore Stephens LLP
Chartered Accountants
4 April 2016

150 Aldersgate Street
London
EC1A 4AB

CONSOLIDATED STATEMENT OF INCOME

for the year ended 31 December 2015

	Note	2015 $	2014 $
Revenue	8	18,863,273	15,517,200
Cost of sales		(9,416,746)	(8,909,444)
Gross profit		**9,446,527**	**6,607,756**
Administrative expenses		(5,775,983)	(6,417,859)
Operating profit before depreciation and exceptional write downs		**3,670,544**	**189,897**
Depreciation	12	(2,226,645)	(1,307,414)
Operating profit/(loss) before exceptional write downs	**3**	**1,443,899**	**(1,117,517)**
Exceptional write downs	3	(12,948,755)	(11,706,206)
Operating loss	**3**	**(11,504,856)**	**(12,823,723)**
Net financial (expense)/income	4	(261,144)	592,362
Loss before taxation		**(11,766,000)**	**(12,231,361)**
Taxation	5	(493,230)	20,994
Loss for the year		**(12,259,230)**	**(12,210,367)**
Attributable to:			
Equity shareholders of the parent		(12,259,230)	(12,166,241)
Non-controlling interest		-	(44,126)
		(12,259,230)	**(12,210,367)**
Earnings per share - $ (using weighted average number of shares)			
Basic and Diluted	6	**(0.50)**	**(0.49)**

The notes on pages 21 to 36 form an integral part of this consolidated financial information.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2015

	2015 $	2014 $
Loss for the financial year	**(12,259,230)**	**(12,210,367)**
Other comprehensive income:		
Exchange differences on re-translating foreign operations	43,460	(255,229)
Impairment of AFS Securities	-	(38,675)
Total comprehensive income	**(12,215,770)**	**(12,504,271)**
Attributable to:		
Equity shareholders of the parent	(12,215,770)	(12,460,145)
Non-Controlling interest	-	(44,126)
Total Comprehensive income	**(12,215,770)**	**(12,504,271)**

The notes on pages 21 to 36 form an integral part of this consolidated financial information.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2015

	Note	2015 $	2014 $
Assets			
Non-current assets			
Goodwill	10	368,525	368,525
Intellectual property	11	-	-
Property, plant and equipment	12	8,023,557	13,631,466
Multi-client library	13	-	1,889,693
Available for sale financial assets	14	-	-
Loans	7	1,503,823	7,124,648
Total non-current assets		**9,895,905**	**23,014,332**
Current assets			
Inventories	15	391,035	343,231
Derivative financial asset	23	-	66,563
Trade and other receivables	16	811,728	2,754,923
Cash and cash equivalents		20,303,136	17,728,074
Total current assets		**21,505,899**	**20,892,791**
Liabilities			
Current liabilities			
Trade and other payables	17	5,012,720	4,530,219
Total current liabilities		**5,012,720**	**4,530,219**
Net current assets		**16,493,179**	**16,362,572**
Net assets		**26,389,084**	**39,376,904**
Shareholders' Equity			
Share capital	18	250,675	250,675
Share premium		45,202,810	45,034,435
Treasury shares	18	(940,425)	-
Other reserves		(34,233)	(77,693)
Accumulated deficit		(18,089,743)	(5,830,513)
Total shareholders' equity		**26,389,084**	**39,376,904**
Total equity		**26,389,084**	**39,376,904**

The notes on pages 21 to 36 form an integral part of this consolidated financial information.

These financial statements were approved and authorised by the board on 4 April 2016.

Signed on behalf of the board by:

C. Duncan Soukup
Chairman

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2015

	Notes	2015 $	2014 $
Cash flows from operating activities			
Loss for the year before taxation		**(11,766,000)**	**(12,231,361)**
Impairment of assets	7,12,13	13,374,071	6,071,030
Provision for doubtful debts		-	4,060,021
Share option expense		168,375	168,377
Loss on disposal of property, plant and equipment		-	66,243
Unrealised (loss)/gain on FX option		66,563	(66,563)
(Increase)/Decrease in inventories		(47,804)	346,777
Decrease in trade and other receivables		1,943,195	263,809
(Decrease)/Increase in trade and other payables		(975,750)	2,466,617
Net foreign exchange gain		43,460	(255,229)
Increase in multi-client library		-	(2,369,523)
Accrued interest income		(212,082)	-
Taxation		(493,230)	-
Cash generated by/(used in) operations		**2,100,798**	**(1,479,802)**
Depreciation	12	2,226,645	1,307,414
Amortisation of multi-client library	13	430,336	479,830
Net cash flow from operating activities		**4,757,779**	**307,442**
Cash flows from investing activities			
Acquisition of intellectual property		-	(145,185)
Purchase of property, plant and equipment	12	(1,242,292)	(9,907,805)
Loan to THAL Discretionary Trust		-	(5,239,065)
Net cash flow used in investing activities		**(1,242,292)**	**(15,292,055)**
Cash flows from financing activities			
Proceeds from exercise of share options		-	8,745
(Purchase)/disposal of treasury shares		(940,425)	468,787
Net cash flow (used in)/from financing activities		**(940,425)**	**477,532**
Net increase/(decrease) in cash and cash equivalents		**2,575,062**	**(14,507,081)**
Cash and cash equivalents at the start of the year		17,728,074	32,235,155
Cash and cash equivalents at the end of the year		**20,303,136**	**17,728,074**

The notes on pages 21 to 36 form an integral part of this consolidated financial information.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2015

	Share Capital US$	Share Premium US$	Treasury Shares US$	Foreign Exchange Reserve US$	Accumulated Deficit US$	Total Shareholders Equity US$	Non Controlling Interest US$	Total Equity US$
Balance as at 31 December 2013	**250,575**	**44,668,608**	**(279,982)**	**177,536**	**6,272,185**	**51,088,922**	**146,344**	**51,235,266**
Shares issued on exercise of options	100	8,645	-	-	-	8,745	-	8,745
Sale of treasury shares	-	188,805	279,982	-	-	468,787	-	468,787
Share option expense	-	168,377	-	-	-	168,377	-	168,377
Acquisition of Non-Controlling Interest	-	-	-	-	102,218	102,218	(102,218)	-
Total comprehensive income for the period	-	-	-	(255,229)	(12,204,916)	(12,460,145)	(44,126)	(12,504,271)
Balance as at 31 December 2014	**250,675**	**45,034,435**	**-**	**(77,693)**	**(5,830,513)**	**39,376,904**	**-**	**39,376,904**
Purchase of treasury shares	-	-	(940,425)	-	-	(940,425)	-	(940,425)
Share option expense	-	168,375	-	-	-	168,375	-	168,375
Total comprehensive income for the period	-	-	-	43,460	(12,259,230)	(12,215,770)	-	(12,215,770)
Balance as at 31 December 2015	**250,675**	**45,202,810**	**(940,425)**	**(34,233)**	**(18,089,743)**	**26,389,084**	**-**	**26,389,084**

The notes on pages 21 to 36 form an integral part of this consolidated financial information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

from the year ended 31 December 2015

1. GENERAL INFORMATION

Thalassa Holdings Ltd (the "Company") is a British Virgin Island ("BVI") International business company ("IBC"), incorporated and registered in the BVI on 26 September 2007. The Company was established as a holding company, and currently has three directly owned subsidiaries, WGP Group Ltd ("WGP"), GO Science Group Ltd ("GO")and WGP Geosolutions Limited (together with Thalassa Holdings Ltd, the "Group").

WGP Group Ltd is a wholly owned subsidiary of Thalassa which owns the seismic operating assets of the Thalassa Group and whose subsidiaries are:

- WGP Energy Services Ltd ("WESL")
- WGP Exploration Ltd ("WGPE")
- WGP Technical Services Ltd ("WGPT")
- WGP Professional Services Ltd ("WGPP")
- WGP Survey Ltd ("WGPS")

GO Science Group Ltd is a wholly owned subsidiary of Thalassa and is an Autonomous Underwater Vehicle ("AUV") research and development company with one subsidiary:

- Autonomous Robotics Limited ("ARL" – formerly GO Science 2013 Ltd)

WGP Geosolutions Limited is a wholly owned subsidiary of Thalassa which has an additional subsidiary, WGP Group AT GmbH, both currently non-operational.

The Group's interest in each of the subsidiaries is 100%.

2. ACCOUNTING POLICIES

The Group prepares its accounts in accordance with applicable International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The financial statements are expressed in US dollars, being the functional currency of the company and its subsidiaries other than WGP Exploration Ltd and Autonomous Robotics Limited which have a functional currency of pound sterling and WGP Group AT GmbH of Euro.

The principal accounting policies are summarised below. They have been applied consistently throughout the period covered by these financial statements.

2.1. NEW INTERPRETATIONS AND REVISED STANDARDS EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2015

The Group has adopted the new interpretations and revised standards effective for the year ended 31 December 2015. The adoption of these interpretations and revised standards had no impact on the disclosures and presentation of the financial statements during the year.

2.2. STANDARDS AND INTERPRETATIONS IN ISSUE BUT NOT YET EFFECTIVE

A number of new standards and amendments to existing standards have been published which are mandatory, but are not effective for the year ended 31 December 2015. The directors do not anticipate that the adoption of these revised standards and interpretations will have a significant impact on the figures included in the financial statements in the period of initial application other than the following:

IFRS 9 Financial Instruments

The standard makes substantial changes to the recognition and measurement of financial assets and financial liabilities and derecognition of financial assets. There will only be three categories of financial assets whereby financial assets are recognised at either fair value through profit and loss, fair value through other comprehensive income or measured at amortised cost. On

adoption of the standard, the Group will have to re-determine the classification of its financial assets based on the business model for each category of financial asset. This is not considered likely to give rise to any significant reclassifications.

The principal change to the measurement of financial assets measured at amortised cost or fair value through other comprehensive income is that impairments will be recognised on an expected loss basis compared to the current incurred loss approach. As such, where there are expected to be credit losses these are recognised in profit or loss. For financial assets measured at amortised cost the carrying amount of the asset is reduced for the loss allowance. For financial assets measured at fair value through other comprehensive income the loss allowance is recognised in other comprehensive income and does not reduce the carrying amount of the financial asset.

Most financial liabilities will continue to be carried at amortised cost, however, some financial liabilities will be required to be measured at fair value through profit or loss, for example derivative financial instruments, with changes in the liabilities' credit risk recognised in other comprehensive income.

The standard is effective for periods beginning on or after 1 January 2018.

IFRS 15 – Revenue from contracts with customers

The standard has been developed to provide a comprehensive set of principles in presenting the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is based around five steps in recognising revenue:

1. Identify the contract with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price
5. Recognise revenue when a performance obligation is satisfied

On application of the standard the disclosures are likely to increase. The standard includes principles on disclosing the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers, by providing qualitative and quantitative information.

The Group has not as yet evaluated the full extent of the impact that the standard will have on its financial statements of IFRS 15.

2.3. BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

2.4. JUDGEMENT AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key judgement areas relate to the carrying value of plant and equipment, goodwill, intellectual property, provisions for doubtful debts, AFS investments and loans receivable. The carrying value of the PMSS™ units may significantly differ from their market value. It is affected by management's assessment of its fair value and indicators of impairment. If the carrying value of a PMSS™ exceeds the recoverable amount then an impairment charge is recognised. Goodwill is reviewed annually for indication of impairment. Intellectual property is amortised and also reviewed annually for indication of impairment. Outstanding trade receivables are reviewed for potential recovery and provisions for bad and doubtful debts included where necessary. Loans receivable are reviewed for potential recovery and impairments included where necessary.

Judgement is also made in respect of the accounting treatment of the THAL Discretionary Trust. Management's assessment is based on various indicators including activities, decision-making, benefits and risks of the Trust. Based on this assessment, management consider that the THAL Discretionary Trust should not be consolidated.

2.5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less depreciation and any provision for impairment. Cost includes the purchase price, including import duties, non-refundable purchase taxes and directly attributable costs incurred in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Cost also includes capitalised interest on borrowings, applied only during the period of construction.

Fixed assets are depreciated on a straight line basis between 3 and 15 years from the point at which the asset is put into use.

2.6. INTANGIBLE ASSETS

GOODWILL

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 2.16) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

PATENTS AND TRADEMARKS

Patents and trademarks with a finite useful life acquired from third parties either separately or as part of the business combination are capitalised at cost and amortised over their remaining useful lives on a straight line basis and recognised within depreciation in the income statement.

MULTI CLIENT LIBRARY

The Multi-Client library comprises completed surveys and surveys in progress that can be licensed to multiple customers. All direct costs related to data collection, processing and completion of seismic surveys are capitalised. The Multi-Client library is capitalised at cost less accumulated amortisation and impairment losses. The Company has a minimum amortisation policy whereby the carrying amount one year after completion of a survey is no more than 60% of cost. This maximum level is reduced on a straight-line basis by 20% for each of the three subsequent years.

Estimated revenues are reviewed continuously and these may change to reflect market conditions. The amortisation expense of the Multi-Client library may fluctuate and be accelerated according to the level of demand and revisions to estimated remaining revenues. Where amortisation expense is accelerated it is calculated as the proportion of the total cost of a survey calculated according to the number of orders for the survey to the estimated total revenue for the survey. The costs of a survey are completely amortised when the estimated revenue has been reached.

2.7. INVENTORIES

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first in first out principle and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

The net realisable value is the cost less any impairment recognised. Inventories are expensed as utilised in the Group's operations.

Costs associated with contracts which are long term in nature are included in inventories to the extent that they cannot be matched with contract work accounted for as revenue. Amounts included in work in progress are stated at cost, after provision has been made for any foreseeable losses.

2.8. IMPAIRMENT OF ASSETS

An assessment is made at each reporting date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in a prior period may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's value in use or its net selling price.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the statement of income in the period in which it arises. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation / amortisation), had no impairment loss been recognised for the asset in a prior period. A reversal of an impairment loss is credited to the statement of income in the period in which it arises.

2.9. INVESTMENTS

Available for sale investments are initially measured at cost, including transaction costs. Gains and losses arising from changes in fair value of available for sale investments are recognised directly in other comprehensive income, until the security is disposed or is deemed to be impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is included in the statement of income for the period.

2.10. REVENUE

Revenue is measured at the fair value of the consideration received or receivable.

In respect of contracts which are long term in nature and contracts for ongoing services, revenue, restricted to the amounts of costs that can be recovered, is recognised according to the value of work performed in the period. Revenue in respect of such contracts is calculated on the basis of time spent on the project and estimated work to completion.

Where the outcome of contracts which are long term in nature and contracts for ongoing services cannot be estimated reliably, revenue is recognised only to the extent of the costs recognised that are recoverable.

Where payments are received in advance in excess of revenue recognised in the period, this is reflected as a liability on the statement of financial position as deferred revenue.

MULTI CLIENT LIBRARY

Pre-funded revenues from underwritten programmes are recognised as the seismic data is acquired. Where the Group has finished data sets ready for sale, revenue is recognised at the time of the transaction when the customer executes a valid license agreement and has the right to access the licensed portion of the Multi Client library.

2.11. TAXATION

The Company is incorporated in the BVI as an IBC and as such is not subject to tax in the BVI.

WGP Exploration Ltd and Autonomous Robotics Ltd are incorporated in the UK and are therefore subject to UK tax regulations. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the reporting date. Tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise tax is recognised in the income statement.

Deferred tax is provided in full using the liability method on all timing differences which result in an obligation at the reporting date to pay more tax, or the right to pay less tax, at a future date, at rates that are expected to apply when they crystalise based on current tax rates. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax is not provided when the amounts involved are not significant.

2.12. FOREIGN CURRENCY

Transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rate of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the financial reporting date. Exchange differences arising are included in the statement of income for the period.

WGP Exploration Ltd and Autonomous Robotics Ltd are incorporated in the UK and have a functional currency of GBP. Exchange differences on the retranslation of operations denominated in foreign currencies are included in Other Comprehensive Income.

The GBPUSD exchange rate as at 31 December 2015 was 1.4802 and the average rate for the year 1.5287.

2.13. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets until such a time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit and loss in the period incurred.

2.14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and liabilities are recognised on the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Loans and receivables are initially measured at fair value and are subsequently measured at amortised cost, plus accrued interest, and are reduced by appropriate provisions for estimated irrecoverable amounts. Such provisions are recognised in the statement of income.

Trade receivables are initially measured at fair value and are subsequently measured at amortised cost less appropriate provisions for estimated irrecoverable amounts. Such provisions are recognised in the statement of income.

Cash and cash equivalents comprise cash in hand and demand deposits and other short-term highly liquid investments with maturities of three months or less at inception that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade payables are not interest-bearing and are initially valued at their fair value and are subsequently measured at amortised cost.

Equity instruments are recorded at fair value, being the proceeds received, net of direct issue costs.

Share Capital - Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of taxation, from the proceeds.

Treasury shares - Where any Group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued.

Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Financial instruments require classification of fair value as determined by reference to the source of inputs used to derive the fair value. This classification uses the following three-level hierarchy:

Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 — inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);

Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.15. SHARE BASED PAYMENTS

FAIR VALUED SHARE BASED PAYMENTS

Where new share options have been granted in the period, a charge is made to the consolidated statement of income based on the fair value (the economic value) of the grant, measured at the grant date. The charge is spread over the vesting period. The valuation methodology takes into account assumptions and estimates of share price volatility, future risk-free interest rate and exercise behaviour and is based on the Black-Scholes method. When share options are exercised there is a transfer from the share option reserve to share capital and share premium account.

At the end of each reporting period the Group revises its estimate of the number of share options that are expected to vest taking into account those which have lapsed or been cancelled. It recognises the impact of the revision to original estimates, if any, in the profit or loss, with a corresponding adjustment to share premium reserve.

2.16. BUSINESS COMBINATIONS

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

2.17. GOING CONCERN

The financial information has been prepared on the going concern basis as management consider that the Group has sufficient cash to fund its current commitments for the foreseeable future.

3. OPERATING LOSS FOR THE YEAR

The operating loss for the year is stated after charging/(crediting):

	Note	2015 $	2014 $
Consultancy fees		824,810	891,632
Wages and salaries		1,728,073	1,853,992
Social security costs		233,193	245,666
Pension costs		66,730	66,703
Audit fees		65,527	65,875

		2015 $	2014 $
Exceptional write downs			
Impairment - Plant and Equipment	12	6,081,807	3,307,899
Impairment - IP	11	-	2,779,758
Impairment - Dev costs and Inventory ARL		-	404,298
Impairment - Multi-Client Library	13	1,459,357	-
Impairment - THAL DT loan receivable	7	5,832,908	-
Provision for Doubtful Debts		-	4,060,021
Restructuring costs	17	324,683	-
Other non-recurring costs	17	(750,000)	1,154,231
Total exceptional write downs		**12,948,755**	**11,706,207**

Included within consultancy fees / wages and salaries is US$80,000 in relation to amounts accrued for directors' remuneration (2014: US$100,000).

4. NET FINANCIAL EXPENSE

	2015 $	2014 $
Share option expenses	(168,375)	(168,377)
Loan interest receivable	212,083	322,914
Bank interest payable	(23,223)	(68,806)
Option premium	-	(39,000)
FV movement/Impairment on investments	(343,789)	66,653
Foreign currency gains	62,160	478,978
	(261,144)	592,362

5. INCOME TAX EXPENSE

	2015 $	2014 $
Current tax	(493,230)	(20,994)
Deferred tax	-	-
Total Tax	**(493,230)**	**(20,994)**

	$	$
(Loss)/Profit before tax	(11,765,999)	(12,231,361)
Tax at applicable rates	-	-
Adjustment in relation to previous periods	202,462	(90,466)
R&D Tax Credits	(199,411)	-
Overseas Tax	490,179	69,472
Total Tax	**493,230**	**(20,994)**

6. EARNINGS PER SHARE

	2015 $	2014 $
The calculation of earnings per share is based on the following loss and number of shares:		
Loss for the year ($)	**(12,259,230)**	**(12,166,241)**
Weighted average number of shares of the Company	**24,656,136**	**25,064,289**
Earnings per share:		
Basic and Diluted (US$)	(0.50)	(0.49)
Number of shares outstanding at the period end:		
Number of shares in issue	**25,067,522**	**25,067,522**
Treasury shares	(1,458,657)	-
Basic number of shares in issue	**23,608,865**	**25,067,522**
Share options	150,000	330,000

Share options outstanding are currently underwater.

7. LOANS

	2015 $	2014 $
Loans	1,503,823	7,124,648

Loans includes an amount of US$1,503,823 to the THAL Discretionary Trust. The loan to the THAL Discretionary Trust, before impairment, was US$7.3m (including interest of US$0.4m). The loan has been assessed for potential impairment given that the carrying value of the shares in the Trust were in excess of Thalassa's share price. Taking into account the current market conditions and current Thalassa share price, the ability of the Trust to repay the loan plus interest in full is in doubt. An impairment charge of US$5,832,908 has therefore been recognised, bringing the value of the loan in line with the carrying value of the Thalassa shares in the Trust based on a price of 33 pence per share.

Interest is payable at 3% per annum (reviewed periodically).

The THAL Discretionary Trust is a trust, independent of Thalassa, established for the benefit of individuals or parties to whom the Trustees wish to make awards at their discretion.

8. SEGMENT INFORMATION

The Group has one operating segment being operations from geophysical project management, services and the supply of equipment.

9. RELATED PARTY TRANSACTIONS

Under the consultancy and administrative services agreement entered into on 3 January 2011 with a company in which the Chairman has a beneficial interest, the Group was invoiced US$480,000 (2014: US$440,000) for consultancy and administrative services provided to the Group. As at 31 December 2015, the amount owed to this company was US$nil (2014: US$5,554).

As per the announcement on 11 June 2015, the Chairman bought 50,000 ordinary shares of US$0.01 each in the Company at a price of 58 pence per share.

As per the announcement on 23 June 2015, the Chairman bought 200,000 ordinary shares of US$0.01 each in the Company at a price of 58 pence per share.

As per the announcement on 9 July 2015, the Chairman bought 75,000 ordinary shares of US$0.01 each in the Company at a price of 51 pence per share.

As per the announcement on 10 July 2015, the Chairman bought 50,000 ordinary shares of US$0.01 each in the Company at a price of 51 pence per share.

As per the announcement on 22 October 2014, the Company entered into an agreement with Eastleigh Court Limited for WGP Exploration Ltd to lease 10,000 square feet at £12 per square foot at Eastleigh Court near Warminster Wiltshire to locate all its UK operations there. The term of the lease is 10 years commencing 1 October 2014. Eastleigh Court was acquired by Eastleigh Court Limited, a company owned by Thalassa's chairman, Duncan Soukup. As at 31 December 2015, the amount owed by this company was US$25,779 (2014: US$nil). On the same date, the neighbouring property, Eastleigh Stables was acquired by Eastleigh Stables Ltd, a company also owned by the Company's chairman. The company also rents rooms at Eastleigh Stables as accommodation for staff and visitors at a rate of £100 per night, however given market conditions, the rent charged was discounted to £60 per night and a total charge of US$20,072 was made during the year. As at 31 December 2015, the balance owed by this company was US$817 (2014: US$nil).

10. GOODWILL

	2015 $	2014 $
Cost		
Cost at 1 January	368,525	368,525
Cost at 31 December	**368,525**	**368,525**
Carrying Amount		
At 31 December	**368,525**	**368,525**

Goodwill relates to the acquisition of WGP Exploration Ltd in November 2011.

11. INTELLECTUAL PROPERTY

Patents & Trademarks	2015 $	2014 $
Cost		
Cost at 1 January	3,058,386	2,913,201
Additions	-	145,185
Cost at 31 December	**3,058,386**	**3,058,386**
Accumulated amortisation and impairment		
At 1 January	(3,058,386)	(43,158)
Charge for the year	-	(252,097)
Impairment	-	(2,763,131)
At 31 December	**(3,058,386)**	**(3,058,386)**
Carrying Amount		
At 31 December	**-**	**-**

12. PROPERTY, PLANT AND EQUIPMENT

Cost at	Total 2015 $	Plant and Equipment 2015 $	Motor Vehicles 2015 $	Computer Software 2015 $
1 January 2015	20,093,194	19,669,211	171,486	252,497
FX movement	(22,150)	(9,650)	(10,552)	(1,948)
	20,071,044	19,659,561	160,934	250,549
Additions	2,717,226	2,619,493	-	97,733
Disposals	(5,142)	(4,441)	-	(701)
Cost at 31 December	**22,783,128**	**22,274,613**	**160,934**	**347,581**
Depreciation and impairment				
At 1 January	6,461,728	6,436,227	25,501	-
FX movement	(10,478)	(10,801)	323	-
	6,451,250	6,425,427	25,824	-
Charge for the year	2,226,645	2,143,252	48,741	34,652
Disposals	(131)	-	-	(131)
Impairment	6,081,807	6,081,807	-	-
Depreciation and impairment 31 December 2015	**14,759,571**	**14,650,485**	**74,565**	**34,521**
Closing net book value at 31 December 2015	**8,023,557**	**7,624,128**	**86,369**	**313,060**

Cost at	Total 2014 $	Plant and Equipment 2014 $	Motor Vehicles 2014 $	Computer Software 2014 $
1 January 2014	10,282,171	10,221,827	60,344	-
Additions	9,907,805	9,506,457	148,851	252,497
Disposals	(96,782)	(59,073)	(37,709)	-
Cost at 31 December	**20,093,194**	**19,669,211**	**171,486**	**252,497**
Depreciation and impairment				
At 1 January 2014	2,129,052	2,114,824	14,228	
Charge for the year	1,055,317	1,022,751	32,566	
Disposals	(30,540)	(9,247)	(21,293)	-
Impairment	3,307,899	3,307,899	-	-
Depreciation and impairment at 31 December 2014	**6,461,728**	**6,436,227**	**25,501**	**-**
Closing net book value at 31 December 2014	**13,631,466**	**13,232,984**	**145,985**	**252,497**

As outlined in note 2.8, an assessment is made at each financial reporting date as to whether there is any indication of impairment of any asset. An impairment review of the Group's equipment has been undertaken, taking into account obsolescence, market conditions, particularly the severe impact the falling oil price has had on the oil service market, value in use and useful economic life. As a result an impairment charge of US$6.1m (2014: US$3.3m) has been charged in the period.

Plant and equipment includes assets under construction, expected to be delivered August 2016.

13. MULTI-CLIENT LIBRARY

	Total 2015 $	Total 2014 $
Cost at		
1 January 2015	2,369,523	-
Additions	-	2,369,523
Cost at 31 December 2015	**2,369,523**	**2,369,523**
Amortisation and impairment		
At 1 January 2015	479,830	-
Charge for the year	430,336	479,830
Impairment	1,459,357	-
Amortisation at 31 December 2015	**2,369,523**	**479,830**
Closing net book value at 31 December 2015	**-**	**1,889,693**

An assessment is made at each financial reporting date as to whether there is any indication of impairment of the multi-client library. An impairment review has been undertaken and an impairment charge of US$1.5m recognised.

The charge for the period in relation to amortisation on the multi-client library has been included within cost of sales.

14. INVESTMENTS - AVAILABLE FOR SALE FINANCIAL ASSETS

	2015 $	2014 $
Available for sale investments		
At the beginning of the year	-	38,675
Additions	295,839	-
Impairment	(295,839)	(38,675)
At 31 December	**-**	**-**

Financial instruments require classification of fair value as determined by reference to the source of inputs used to derive the fair value. At the point of acquisition, the investment was classified as Level 1, as it was listed on a recognised stock exchange, but subsequently reclassified to Level 3 following its de-listing. The value at the year end has been assessed and an impairment charge applied against its carrying value.

15. INVENTORIES

	2015 $	2014 $
Parts and equipment	391,035	343,231
At 31 December	391,035	343,231

16. TRADE AND OTHER RECEIVABLES

	2015 $	2014 $
Trade receivables	3,630,400	5,610,664
Provision for doubtful debts	(3,369,171)	(4,060,021)
Trade receivables net	261,229	1,550,643
Accrued Income	-	499,511
Other receivables	220,679	423,641
Prepayments	329,820	281,128
Total trade and other receivables	**811,728**	**2,754,923**

The Company's subsidiary, WGP Energy Services Ltd ("WGPES") has commenced arbitral proceedings (under the auspices of the London Court of International Arbitration) against Joint Stock Company "Sevmorgeo" ("SMG"), SMG's parent Joint Stock Company "Rusgeology" and its ultimate parent, The Russian State. The claim is currently for approximately US$6.3 million in respect of services provided in Ecuador in 2013 and includes interest accruing at a rate of 5% per annum. Although the Board is confident that WGPES will be successful in its claim against SMG, it is cautious as to its ability to enforce a judgement.

The Board would clarify that, when a protocol was executed with the Director General of SMG in January 2014, WGPES offered SMG a US$1.1m discount to the then total outstanding debt of US$4,357,942.53, provided an agreed repayment plan was met. The total to be paid by SMG under the protocol was US$3,257,942.04, which was never paid. The Chairman paid the US$1.1m discount himself on a non-recourse basis. In the event that WGPES is successful in recovering the outstanding sums owed by SMG of US$4,357,942.53, WGPES will seek to repay the Chairman the US$1.1m discount out of the award.

As at 31 December 2015, the analysis of trade receivables that were past due but not impaired was as follows:

	Total $	Neither past due nor impaired $	0-30 days $	30-90 days $	90+ days $
2015	261,229	-	-	261,229	
2014	1,550,643	1,490,862	-	59,781	

The Directors consider that the carrying value of trade and other receivables approximate to their fair value.

17. TRADE AND OTHER PAYABLES

	2015 $	2014 $
Trade payables	2,409,500	1,750,651
Other payables	-	295,818
Corporation tax payable	490,179	69,129
Accruals	2,113,041	2,414,621
Total trade and other payables	**5,012,720**	**4,530,219**

The Directors consider that the carrying value of trade and other payables approximate to their fair value.

Included within accruals are restructuring costs of US$0.3m associated with redundancies put into effect in 2016 as part of the Group's cost cutting review in 2015 and the reversal of the 2014 accrual relating to the remediation of equipment from Ecuador that has not been utilised.

18. SHARE CAPITAL

	2015 $	2014 $
Authorised share capital:		
100,000,000 ordinary shares of $0.01 each	1,000,000	1,000,000
Allotted, issued and fully paid:		
25,067,522 ordinary shares of $0.01 each	250,675	250,675

	Number of shares	Number of Treasury shares	Treasury shares $
Balance at 31 December 2014	25,067,522	-	-
Shares purchased	(1,458,657)	1,458,657	940,425
Balance at 31 December 2015	**23,608,865**	**1,458,657**	**940,425**

Share capital represents 23,608,865 ordinary shares of US$ 0.01 each.

Treasury shares represents the cost of the Company buying back its shares. There were 1,458,657 shares held in Treasury as at 31 December 2015.

Other reserves represents the exchange differences on retranslation of foreign operations.

19. CAPITAL MANAGEMENT

The Group's capital comprises ordinary share capital, retained earnings and capital reserves, the Group has no debt. The Group's objectives when managing capital are to provide an optimum return to shareholders over the short to medium term through capital growth and income whilst ensuring the protection of its assets by minimising risk. The Group seeks to achieve its objectives by having available sufficient cash resources to meet capital expenditure and ongoing commitments.

At 31 December 2015, the Group had capital of US$26,389,084 (2014: US$39,376,904). The Group does not have any externally imposed capital requirements.

20. SHARE-BASED PAYMENTS

Thalassa Holdings Ltd share options

	Director share options	Non - Executive director share options	Other share options
Outstanding at 1 January 2015	150,000	120,000	60,000
Options granted	-	-	-
Options lapsed	(100,000)	(20,000)	(60,000)
Outstanding at 31 December 2015	**50,000**	**100,000**	**-**
Outstanding at 1 January 2014	150,000	120,000	70,000
Options granted	-	-	-
Options exercised	-	-	(10,000)
Outstanding at 31 December 2014	**150,000**	**120,000**	**60,000**

20.1. DIRECTOR SHARE OPTIONS

On 21 November 2012 100,000 share options were granted to Duncan Soukup at a strike price of £0.521. The options granted had an exercise period of three years and have subsequently lapsed.

On 9 October 2013 50,000 share options were granted to Francis Smulders at a strike price of £2.535. The options granted have an exercise period of three years.

20.2. NON-EXECUTIVE DIRECTOR SHARE OPTIONS

On 21 November 2012 20,000 share options were granted, 10,000 to David Thomas and 10,000 to Graham Cole at a strike price of £0.521. The options granted have an exercise period of three years and have subsequently lapsed.

On 9 October 2013 100,000 share options were granted to Robert Anderson at a strike price of £2.535. The options granted have an exercise period of three years.

20.3. EMPLOYEE AND CONSULTANT SHARE OPTIONS

On 21 November 2012 80,000 share options were granted to employees and consultants at a strike price of £0.521. The options granted have an exercise period of three years. The options have either been exercised or lapsed.

20.4. SHARE OPTION CHARGES

There were no share options granted in the period. The charge to share option expense in the period was US$168,375 (2014: US$168,377) relating to historical share options granted in 2012 and 2013 as described above.

20.5 WEIGHTED AVERAGE EXERCISE PRICE

Details of the number and weighted average exercise price of options granted, exercised, expired and forfeited during the year are as follows:

	2015		2014	
	Weighted average exercise price $	Number of options	Weighted Average exercise price $	Number of options
At the beginning of the year	2.19	330,000	2.27	340,000
Lapsed during the year	0.84	(180,000)	-	-
Exercised during the year	-	-	0.84	(10,000)
Outstanding at the reporting date	4.08	150,000	2.19	330,000

	2015	2014
Exercisable at the reporting date	150,000	330,000

The weighted average remaining contractual life of the options is 0.77 years.

21. INVESTMENT IN SUBSIDIARIES

Details of the Company's subsidiaries at the year end are as follows:

		Effective Share holding	
Name of subsidiary	Place of incorporation	2015	2014
WGP Group Ltd	British Virgin Islands	100%	100%
WGP Energy Services Ltd	British Virgin Islands	100%	100%
WGP Exploration Ltd	United Kingdom	100%	100%
WGP Technical Services Ltd	British Virgin Islands	100%	100%
WGP Professional Services Ltd	British Virgin Islands	100%	100%
WGP Survey Ltd	British Virgin Islands	100%	100%
GO Science Group Ltd	British Virgin Islands	100%	100%
Autonomous Robotics Ltd	United Kingdom	100%	100%
WGP Geosolutions Limited	Cyprus	100%	100%
WGP Group AT GmbH	Austria	100%	100%

22. OPERATING LEASE

Thalassa's subsidiary, WGP Exploration Limited, entered into a 10 year lease in 2014 for the rent of 10,000 square feet of office space at Eastleigh Court near Warminster. Thalassa's subsidiary WGP Group AT GmbH entered into a 5 year lease in 2014 for the rent of office space in Vienna, Austria. Operating leases of US$247,715 were recognised as expenses in 2015 (2014: US$94,793). Future minimum payments for operating leases at 31 December 2015 are as follows:

	2015 $	2014 $
Within one year	456,773	262,949
After one year but not more than five years	1,191,033	1,007,135
More than five years	532,872	855,324

23. FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash and cash equivalents together with various items such as trade and other receivables and trade payables etc, that arise directly from its operations. The fair value of the financial assets and liabilities approximates the carrying values disclosed in the financial statements. Included within cash and cash equivalents is an amount of US$850,000 (2013: US$2,205,181) which is restricted in relation to sales contracts with a particular customer.

The main risks arising from the Group's financial instruments are interest rate risk, foreign exchange risk, credit risk and liquidity risk.

INTEREST RATE RISK

The Group does not undertake any hedging against interest rate risk. The Group finances its operations from the cash balances on the current and deposit accounts. The Group has no borrowings as at 31 December 2015.

FOREIGN EXCHANGE RISK

The Group undertakes hedging activities from time to time to mitigate foreign exchange risk.

An increase in foreign exchange rates of 5% at 31 December 2015 would have increased the profit and net assets by US$114,665 (2014: US$145,604). A decrease of 5% would have had an equal and opposite impact. The majority of the Group's balances are held in USD. As 31 December 2015 approximately 18% of amounts owing to suppliers are held in GBP, 3% in NOK and 74% in EUR.

The group entered into a foreign exchange option agreement in 2014 that closed out in January 2015. The Option was in relation to 15 lots of a EURUSD June 2015 1.23 Put Option with a premium of US$39,000. A gain of US$67,125 was booked in 2015.

CREDIT RISK

Group credit risk is predominantly a matter of individual corporate risk. However Group companies also operate in frontier and challenging regions which has the potential to add risk and uncertainty both from an operational and financial point of view. Whenever and wherever possible the Group attempts to mitigate this risk.

In line with other international companies, the Group is exposed to geopolitical risks and the possibility of sanctions which could adversely affect our ability to perform operations or collect receivables from our clients. This risk is un-insurable and un-hedgeable.

The company's customers include large multinational E&P companies and other geophysical service providers. In 2015, a significant proportion of the Groups revenue was generated from 2 customers. As at 31 December 2015, net trade receivables outstanding amounted to US$0.0m. Net trade receivables includes a provision for doubtful debts of US$3.4m.

LIQUIDITY RISK

The Group's strategy for managing cash is to maximise interest income whilst ensuring its availability to match the profile of the Group's expenditure. All financial liabilities are generally payable within 30 days and do not attract any other contractual cash flows. Based on current forecasts the Group has sufficient cash to meet future obligations.

24. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

Under the terms of the Group's manufacturing and sale agreements, the Group may be required to repurchase equipment from 2017 onwards, at rates intended to reflect fair value.

As at the year end, the Group had capital commitments of US$8.5m (2014: US$0m).

25. SUBSEQUENT EVENTS

There have been no material subsequent events to report.

26. COPIES OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are available on the Company's website: www.thalassaholdingsltd.com.

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING (the "Meeting") of Thalassa Holdings Ltd (the "Company") will be held at Le Cabanon, Pointe des Douaniers 06320 Cap d'Ail, France on 13 May 2016 at 12:00 noon for the purpose of considering and, if thought fit, passing the following simple resolutions:

1. To receive and consider the financial statements for the year to 31 December 2015 together with the reports of the directors and the auditors thereon.
2. To authorise the Directors to appoint auditors of the Company for the year ending 31 December 2016 and to authorise the Directors to determine the auditor's remuneration.
3. To re-elect Duncan Soukup as a Director of the Company, who is retiring and offering himself for re-election.
4. To re-elect Graham Cole as a Director of the Company, who is retiring and offering himself for re-election.
5. To re-elect David Thomas as a Director of the Company, who is retiring and offering himself for re-election.
6. To re-elect Francis Smulders as a Director of the Company, who is retiring and offering himself for re-election.

Dated 4 April 2016

By Order of the Board

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his place. A proxy need not also be a Member of the Company
2. To appoint a proxy, you should complete the Form of Proxy enclosed with this Notice of Annual General Meeting. To be valid the Form of Proxy together with the power of attorney or other authority (if any) under which it is signed must be completed and returned by post or by hand to the Company's Registrar, Capita Registrars Limited, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU , not later than 48 hours before the time fixed for the Meeting or any adjourned meeting.
3. In the case of joint holders, if two or more persons hold shares jointly each of them may be present in person or by proxy at the Meeting and may speak as a shareholder; if only one of the joint owners is present in person or by proxy, he may vote on behalf of all joint owners; and if two or more are present in person or by proxy they must vote as one.
4. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the annual general meeting to be held on the time and date set out at the top of the notice and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
5. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID : RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
6. CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
7. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

DIRECTORS, SECRETARY AND ADVISERS

Directors	C Duncan Soukup, Chairman A Francis Smulders, Director Graham Cole FCA, FSI, Director David M Thomas, Director
Registered Office	Folio Chambers P.O. Box 800, Road Town, Tortola British Virgin Islands
Company Secretary	Julian Henley-Price
Nominated Adviser and Broker	WH Ireland Limited 24 Martin Lane London EC4R 0DR
Solicitors to the Company (as to English Law)	Pinsent Masons LLP 30 Crown Place Earl Street London EC2A 4ES
Solicitors to the Company (as to BVI Law)	Conyers Dill & Pearman Romasco Place, Wickhams Cay 1 PO Box 3140 Road Town, Tortola British Virgin Islands VG1110
Auditors	Moore Stephens LLP 150 Aldersgate Street London EC1A 4AB
Registrars	Capita Asset Services 12 Castle Street St Helier Jersey JE2 3RT
Company website	www.thalassaholdingsltd.com www.wgp-group.com www.autonomousroboticsltd.co.uk