GC RIEBER

SHIPPING ASA

Interim report fourth quarter 2018

(Unaudited)

Highlights fourth quarter 2018

- Fleet utilisation[1] of 98% in a quarter with continued challenging market conditions
- Contract backlog[2] of NOK 434 million as of 1 January 2019
- Shearwater GeoServices[3] became a market-leading marine geophysical company by completing the acquisition of the marine seismic acquisition assets and operations of WesternGeco, the geophysical services product line of Schlumberger
- Net profit of NOK 269.4 million in the fourth quarter, including a non-cash gain of NOK 310 million as a result of Shearwater's acquisition of Schlumberger's marine seismic acquisition business
- GC Rieber Shipping ASA completed a NOK 246 million rights issue in December 2018 to finance its participation in the above-mentioned transaction

Highlights after the end of the period

- GC Rieber Shipping signed a ship management contract with Statnett for technical management of two vessels
- Shearwater awarded four Ocean Bottom Seismic contracts by Aker BP and Equinor filling backlog for the North Sea for two vessels

Key figures (Unaudited)

Figures in NOK million	Q4 2018	Q4 2017	31.12.2018	31.12.2017
Operating income	70.2	50.4	231.9	264.1
EBITDA	273.7	-65.7	254.9	21.0
EBIT	279.4	-67.2	200.7	-90.0
Profit before tax	265.6	-81.9	148.0	-130.6
Net profit in the period	269.4	-81.4	148.1	-130.1
Normalised profit before tax[4]	-75.2	-109.6	-218,1	-142.1
Earnings per share	3.13	-1.86	1.72	-2.98
Equity ratio	57.5 %	46.6 %	57.5 %	46.6 %
Fleet capacity utilisation	98 %	80 %	91 %	84 %
Number of shares (in million)	86.1	43.8	86.1	43.8

1 Excluding marine seismic
2 Excluding marine seismic and charterers' extension options
3 Shearwater GeoServices Holding AS, the previously 50/50 owned marine geophysical company between GC Rieber Shipping and Rasmussengruppen AS, now owned by Rasmussengruppen AS (65%), GC Rieber Shipping (20%) and Schlumberger (15%)
4 Profit bef. tax adjusted for unrealised currency gains/losses, profit from disposals and impairment of fixed assets

Operational review

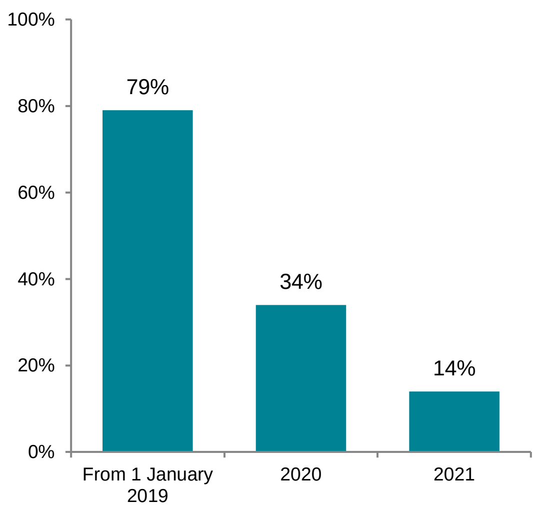
GC Rieber Shipping operates 11 and has direct and indirect ownership in 23 vessels within the segments subsea, ice/support and marine seismic.

Capacity utilisation and contract backlog

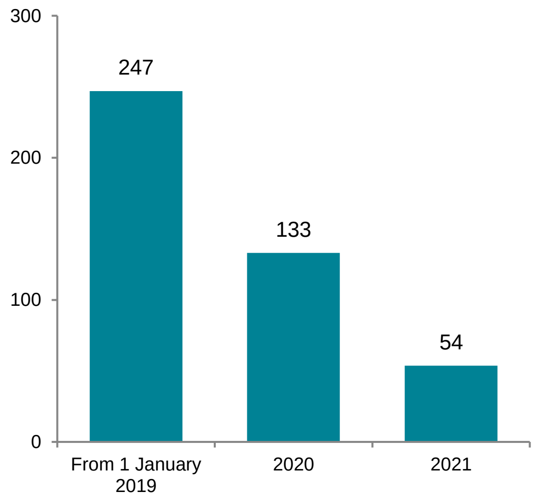
The fleet capacity utilisation[5] was 98% in the fourth quarter of 2018, up from 80% in the corresponding period of 2017. For the full year, fleet capacity utilisation was 91%, compared with 84% in 2017.

As of 1 January 2019, the company had a contract backlog[6] of NOK 434 million, compared with NOK 388 million as of 1 January 2018. Contract coverage for 2019, 2020 and 2021 was at 79%, 34% and 14% respectively.

Contract coverage



Contract backlog (figures in MNOK)



Contract updates fourth quarter 2018

- Reference is made to the previously announced time charter agreement with a Tier 1 client for the CSV vessel Polar Queen, with one firm period of 45 days plus options which commenced in October 2018, and one firm period of 50 days from February 2019. The client declared its extension options and it was also agreed to extend the contract, prolonging the first of the two periods with approximately two months. The vessel is used to perform walk-to-work duties and accommodation services

- Shearwater was awarded two 3D surveys in the Arabian Sea, adding 8 vessel months to the backlog. Both surveys started in the fourth quarter of 2018

5 Excluding marine seismic
6 Excluding charterers' extension options and marine seismic

Contract updates after the end of the period

- The contract for technical management signed with Statnett Transport AS for the ro-ro vessels Elektron and Elektron II has a duration of three years plus options. The vessels are mainly used for subsea works and transport of transformers, generators and turbines to Norwegian energy plants

- Shearwater was awarded four Ocean Bottom Seismic surveys by Aker BP and Equinor, securing backlog for the full North Sea summer season for two of Shearwater's multi-purpose vessels

Shearwater GeoServices

On 22 August 2018 Shearwater announced that it had entered into a definitive agreement to acquire the marine seismic acquisition assets and operations of WesternGeco, the geophysical services product line of Schlumberger. The transaction was completed in November 2018, bringing GC Rieber Shipping's ownership in the combined company to approximately 20%. GC Rieber Shipping's participation in the acquisition was financed by a NOK 246 million rights issue completed in December 2018.

The transaction is in line with the strategic ambition GC Rieber Shipping had when creating Shearwater in 2016 together with Rasmussengruppen AS. As a result of the transaction GC Rieber Shipping booked a non-cash gain of NOK 310 million in the fourth quarter of 2018. The non-cash gain is a preliminary estimate, awaiting finalisation of the Purchase Price Allocation.

The USD 7.5 million cash deposit provided by GC Rieber Shipping when establishing Shearwater in 2016 was released following the transaction and will no longer be classified as restricted cash. The transaction also included certain changes to GC Rieber Shipping's guarantees, please refer to note 8 to the consolidated accounts for further details.

Reference is made to the stock exchange notice 15 November 2018 for further details about the transaction, and 18 December 2018 for further details about the rights issue.

Corporate matters

Acting Chief Executive Officer (CEO) Einar Ytredal was appointed CEO on a permanent basis in November 2018. At the same time, Øystein Kvåle was appointed Chief Financial Officer (CFO) and Christoffer Knudsen was appointed Chief Commercial Officer (CCO).

Financial review (Unaudited)

Accounting principles

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

Operating income

GC Rieber Shipping had operating income of NOK 70.2 million in the fourth quarter of 2018, up from NOK 50.4 million in the corresponding period of 2017. The increased operating income is due to higher utilisation of the three subsea vessels in the period.

Preliminary operating income for 2018 was NOK 231.9 million, compared with NOK 264.1 million in 2017. The decrease reflected continued pressure on offshore market rates.

Operating profit
Group EBITDA was NOK 273.7 million in the fourth quarter of 2018, including the non-cash gain of NOK 310 million booked as a result of Shearwater's acquisition of Schlumberger's marine seismic acquisition business. Higher utilisation of the subsea fleet in the period also contributed to increase EBITDA from a negative NOK 65.7 million in the fourth quarter of 2017.

According to the preliminary figures for 2018, the group EBITDA was NOK 254.9 million, up from NOK 21.0 million in 2017.

Impairment
As at 31 December 2018, the company obtained vessel market values from two reputable brokers (three brokers are used when the value from the first two deviates by more than 10%) and performed impairment testing of the assets in the balance sheet. Based on these assessments, the fair value for each vessel was set as the average of the obtained market values.

With continuity in applied accounting principles, the obtained fair values resulted in a reversed write-down of NOK 29.5 million in the fourth quarter of 2018. Full-year reversed write-downs amounted to NOK 55.8 million in 2018 when including adjustments booked in the second quarter of 2018.

In the current challenging offshore market, fair value assessments are subject to uncertainty.

Net financial items
Net financial items were negative NOK 13.8 million in the fourth quarter of 2018, compared with negative NOK 14.7 million in the corresponding period of 2017.

The group does not use hedge accounting for currency exchange rates. As a result, exchange rate variations between USD and NOK may have a significant impact on the accounts, in accordance with IAS 39. Unrealised currency gain/loss has no cash effect for the group. Unrealised currency gain in the period was NOK 1.0 million, compared with an unrealised currency loss of NOK 1.9 million in the same period of 2017.

Profit for the period
GC Rieber Shipping had a profit of NOK 269.4 million in the fourth quarter of 2018, compared with a loss of NOK 81.4 million in the corresponding period of 2017.

The preliminary annual result for 2018 showed a profit of NOK 148.1 million, compared with a loss of NOK 130.1 million in 2017.

Cash flow
Cash flow from operational activities as at 31 December 2018 was positive NOK 36.2 million, compared with positive NOK 15.9 million as at 31 December 2017.

Cash flow from investment activities was negative NOK 210.5 million, including the participation with NOK 241 million (USD 28.5 million) in Shearwater's acquisition of Schlumberger's marine seismic acquisition business. Cash flow for the corresponding period of 2017 was negative NOK 14.7 million.

Cash flow from financing activities was positive NOK 209.3 million as at 31 December 2018. The amount includes net payment of equity in relation to the two rights issues in 2018 of positive NOK 338.2 million, and payment of interests and instalments of NOK 128.9 million on the group's existing loans. NOK 56.7 million of the debt instalments paid in 2018 were originally due in the second half of 2017. According to an agreement with the lending banks, the due date was postponed until the first quarter of 2018. Cash flow from financing activities in the corresponding period of 2017 was negative NOK 99.8 million.

Net cash flow in 2018 was positive NOK 34.9 million. In addition, the USD 7.5 million restricted cash deposit related to Shearwater was reclassified from long-term receivables to cash and bank deposits in the period.

Liquidity and financing

GC Rieber Shipping complied with the amended financial covenants at 31 December 2018 and throughout the fourth quarter of 2018.

Interest-bearing liabilities	31.12.2018	31.12.2017
Liabilities at end period (NOK million)	1,219.8	1,230.8
Average liabilities (NOK million)	1,175.1	1,251.4
Average interest incl. margin	4.00 %	3.69 %
Proportion of liabilities in USD	100 %	100 %

Liquid assets	31.12.2018	31.12.2017
Bank and interest-bearing securities (NOK million)	204.2	107.7

As at 31 December 2018, GC Rieber Shipping had cash and bank deposits of NOK 204.2 million. This includes the released USD 7.5 million Shearwater cash deposit previously classified as restricted cash.

As at 31 December 2017, the cash and bank deposits amounted to NOK 107.7 million, in addition to the USD 7.5 million restricted cash at the time classified as long-term receivables.

Net liabilities (liquid assets minus interest-bearing liabilities) amounted to NOK 1 015.6 million, compared with net liabilities of NOK 1,123.1 million as at 31 December 2017.

Please refer to note 8 to the consolidated accounts for further details about changes to guarantees and cash deposits in the fourth quarter of 2018.

Equity

GC Rieber Shipping had book equity of NOK 1,711.1 million as at 31 December 2018, corresponding to an equity ratio of 57.5%. As at 31 December 2017, the book equity was NOK 1,139.6 million and the equity ratio 46.6%.

Segments

Subsea

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

Polar King is chartered to Nexans Skagerrak AS until August 2019. Polar Onyx started a three-year charter for DeepOcean BV in February 2018. Polar Queen operated for an undisclosed client for most of the fourth quarter.

Key figures (in NOK million)	Q4 2018	Q4 2017	31.12.2018	31.12.2017
Operating income	65.8	46.1	214.6	247.1
EBITDA	10.8	-12.5	20.3	14.1
EBIT	18.4	-11.9	-26.4	-88.1
Capacity utilisation (in %)	95 %	58 %	82 %	70 %

GC Rieber Shipping had a capacity utilisation of 95% for the subsea vessels in the fourth quarter of 2018, up from 58% in the corresponding period of 2017.

Operating income amounted to NOK 65.8 million, compared with NOK 46.1 million in the fourth quarter of 2017. EBITDA was NOK 10.8 million, compared with negative NOK 12.5 million in the corresponding period of 2017.

Ice/Support

Ernest Shackleton is on a bareboat charter to the British Antarctic Survey until September 2019 for operations in Antarctica.

Key figures (in NOK million)	Q4 2018	Q4 2017	31.12.2018	31.12.2017
Operating income	4.3	4.4	17.3	17.0
EBITDA	4.3	4.3	17.1	16.8
EBIT	2.3	2.2	9.5	8.0
Capacity utilisation (in %)	100 %	100 %	100 %	99 %

The vessel had full capacity utilisation in the fourth quarter of 2018, yielding a stable operating income and EBITDA of both NOK 4.3 million. In comparison, the vessel had an operating income of NOK 4.4 million and EBITDA of NOK 4.3 million in the fourth quarter of 2017.

Joint Ventures

Joint Venture - Ice/Support

The ice-breaker Polar Pevek is owned through a 50/50 joint venture with Maas Capital Offshore, and the crew boats Polar Piltun and Polar Baikal are owned through a 50/50 joint venture with MG Holdings (Cyprus) Limited. All three vessels are operated through a 50/50 joint venture with Primorsk Shipping Corporation. GC Rieber Shipping's 50% stake is reported in the profit and loss statement under «profit from joint ventures».

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

The group's share of the profit for the fourth quarter of 2018 amounted to NOK 11.2 million, compared with NOK 11.9 million in the corresponding period of 2017.

Joint Venture - Marine Seismic (Shearwater)

GC Riebers Shipping's stake in Shearwater is reported in the profit and loss statement under «profit from joint ventures». GC Rieber Shipping owns 20% of Shearwater following the acquisition of Schlumberger's marine seismic acquisition business in November 2018. Prior to that, the ownership was 50%.

Shearwater operates as a global, customer-focused and technology-driven provider of marine geophysical services. Shearwater owns and operates a fleet of 14 fully equipped seismic vessels, offering a full range of acquisition services including 3D, 4D and ocean bottom seismic. The company also has a portfolio of proprietary streamer technology and processing software enabling effective execution of geophysical surveys and delivery of high-quality data. The company has approximately 600 employees and operates in all major offshore basins across the world. This combination makes Shearwater a leading global and technology-driven full-service provider of marine geophysical services, able to deliver exceptional customer solutions.

The seismic market in general has remained challenging in the fourth quarter of 2018, however the activity level has been significantly higher than in the corresponding period of 2017. Shearwater had a fleet utilisation of 76% for its three active vessels in the period. The combination of market rates, intercontinental transits as well as non-recurring costs related to the acquisition of the marine acquisition business from Schlumberger affected the profitability in the quarter. Shearwaters active fleet is booked through the first quarter of 2019, and the company is well underway to secure backlog for the fleet for the second and third quarter.

GC Rieber Shipping`s share of profit for the fourth quarter of 2018 amounted to a loss of NOK 62.8 million, compared with a loss of NOK 69.4 million in the fourth quarter of 2017.

Shareholder information

The company's shares are listed on Oslo Børs with the ticker RISH. The company sold 96,300 of its own shares to board members and employees in December 2018, leaving a holding of 54,500 own shares, i.e. 0.06% of the shares in the company as at 31 December 2018.

In the fourth quarter of 2018 the group's shares were traded in a range from NOK 7.00 to NOK 11.90 per share. The last recorded closing price in December 2018 was NOK 7.00, which based on the 86,087,310 shares outstanding valued the group's equity at approximately NOK 603 million. At the end of December 2018, the company had 488 shareholders. 94.54% of the shares were owned by the 20 largest shareholders. Please refer to note 7 for a list of the 20 largest shareholders in the company as at 31 December 2018.

Outlook

GC Rieber Shipping's operations are exposed to developments in the markets for oil, gas and renewables. The oil price fluctuated between USD 70 and 80 per barrel from April to September 2018. In the beginning of October, the price peaked at USD 86 per barrel, representing the highest price since the oil price collapse in 2014. From the peak in October the oil price has remained volatile, and is currently traded around USD 60 per barrel.

There are indications that the offshore market has bottomed out, and that improvement will gradually continue in 2019 and onwards. Although observations in the subsea market show signs of improvement, an increase in activity and market rates has been slower than expected. The renewables market keeps absorbing a notable share of the subsea fleet in Europe with several offshore wind companies tendering for projects this summer season, some also assessing long term charters

The utilisation for the subsea fleet was high in 2018. Polar King was on hire for the whole year, Polar Onyx worked for 11 out of 12 months, and Polar Queen was busy since April 2018 with only short stops between the charters. Going forward, Polar Onyx is expected to continue at 100% utilisation based on its long-term contract, after completion of the current scheduled dry docking of the vessel. Both Polar King and Polar Queen have good contract coverage and are expected to have high utilisation in the first three quarters of 2019, although Polar King is currently operating on reduced rate due to a temporary warm lay-up. GC Rieber Shipping has secured a good fleet utilisation considering the prevailing market conditions, but the current market conditions remain unsustainable in the long run.

With respect to the seismic fleet, GC Rieber Shipping performs technical and crew ship management for four vessels in this segment on behalf of Shearwater, ensuring continuity and quality in the marine operation of Shearwater's high-end vessels. Following the acquisition of Schlumberger's marine seismic acquisition business, Shearwater has become a leading global marine seismic services provider with a strong financial platform able to deliver exceptional customer solutions. The seismic market remains competitive with pressure on rates, however an uptick in market activity appears to be underway and utilisation has been acceptable for the active fleet the past year.

The current market for ice/support is stable and strong. New areas of operation will be opened for future activity, as such the ice/support market confirms its attractiveness in years to come. GC Rieber Shipping has a unique track record within ice operations and will continue to pursue new attractive opportunities in this segment.

About GC Rieber Shipping

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

GC Rieber Shipping currently operates 11 and has direct and indirect ownership in 23 advanced special purpose vessels for defined markets within the subsea, ice/support and marine seismic segments.

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

Bergen, 15 February 2019

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

Paul-Chr. Rieber, Chairman
Morten Foros Krohnstad, Vice Chairman
Trygve Bruland, Board Member
Tove Lunde, Board Member
Bodil Valland Steinhaug, Board Member

Einar Ytredal, CEO

GC RIEBER SHIPPING ASA
4Q 2018
Consolidated accounts
(Unaudited)

Profit & Loss Account (NOK 1000)	**4Q 18**	**4Q 17**	**31.12.2018**	**31.12.2017**
Charter income	62 790	42 926	206 228	231 107
Other operating income	7 387	7 495	25 682	32 960
Total income	**70 177**	**50 421**	**231 910**	**264 066**
Operating expenses	-55 050	-58 622	-194 513	-233 192
Sale of shares in joint venture	310 254	0	310 254	0
Profit from joint venture	-51 662	-57 474	-92 754	-9 879
EBITDA*	**273 719**	**-65 675**	**254 897**	**20 995**
Depreciation	-23 916	-31 069	-110 003	-115 209
Write-downs	29 551	29 559	55 761	4 220
Operating profit	**279 354**	**-67 186**	**200 655**	**-89 994**
Financial income	868	219	1 998	1 331
Financial expenses	-14 883	-12 320	-54 735	-50 357
Realized currency gains (losses)	-733	-754	-85	1 178
Unrealized currency gains (losses)	966	-1 869	199	7 288
Net financial income and expenses	-13 781	-14 723	-52 624	-40 559
Profit before taxes	**265 573**	**-81 909**	**148 032**	**-130 554**
Taxes	3 839	526	107	485
Profit from continuing operations	**269 412**	**-81 384**	**148 139**	**-130 069**
Profit for the period	**269 412**	**-81 384**	**148 139**	**-130 069**
Earnings and diluted earnings per share	3,13	-1,86	1,72	-2,98
Numer of shares (in million)	86,1	43,8	86,1	43,8

Statement of Comprehensive Income (NOK 1000)	**4Q 18**	**4Q 17**	**31.12.2018**	**31.12.2017**
Profit for the period	269 412	-81 384	148 139	-130 069
Foreign currency translation subsidiaries continuing operations	87 797	22 552	84 064	-58 570
Foreign currency translation subsidiaries discontinuing operations	0	0	0	0
Changes in pension estimates	316	-7 965	316	1 626
Comprehensive income for the period	357 524	-66 797	232 519	-187 013

** Operating profit before depreciation, write-downs and gains (losses) on fixed assets*

GC RIEBER SHIPPING ASA
4Q 2018
Consolidated accounts
(Unaudited)

Balance Sheet **(NOK 1000)**	**31.12.2018**	**31.12.2017**
ASSETS		
FIXED ASSETS		
Vessels	1 770 606	1 717 984
Machinery and equipment	22 362	30 852
Financial fixed assets	921 562	450 506
Long term receivables and restricted cash	0	61 545
Total fixed assets	2 714 530	2 260 887
CURRENT ASSETS		
Inventories	2 328	6 939
Receivables	56 264	71 004
Cash and bank deposits	204 164	107 749
Total current assets	262 755	185 692
Total assets	**2 977 286**	**2 446 579**
EQUITY AND LIABILITIES		
EQUITY		
Restricted equity	441 369	95 196
Retained earnings	1 269 707	1 044 440
Total equity	1 711 077	1 139 636
LIABILITIES		
Provision for liabilities	7 321	7 401
Other long-term liabilities	1 195 729	1 060 659
First year instalments	24 025	170 158
Current liabilities	39 135	68 725
Total liabilities	1 266 209	1 306 943
Total equity and liabilities	**2 977 286**	**2 446 579**

GC RIEBER SHIPPING ASA
4Q 2018
Consolidated accounts
(Unaudited)

Cash Flow Statement (NOK 1000)	**2018**	**2017**
EBITDA	254 897	20 995
Change in net current assets	-218 746	-5 065
Net cash from operating activities	36 151	15 930
Acquisition of tangible fixed assets	-1 220	-34 855
Other investing activities	-209 307	20 149
Net cash from investment activities	-210 527	-14 706
New loans and repayments	-79 449	-53 617
Net payment of equity	338 158	0
Net interest paid	-49 456	-46 170
Net cash from financing activities	209 253	-99 787
Net change in liquidity	34 877	-98 563
Liquidity at beginning of period (incl restricted cash)	169 286	267 849
Restricted cash	0	-61 538
Liquidity at end of period	**204 164**	**107 748**

Equity statement (NOK 1000)	**Share capital**	**Own shares**	**Share Premium**	**Other equity**	**Total equity**
Balance at 01.01.2017	78 863	-271	16 604	1 231 451	1 326 649
Profit for the year				-187 013	-187 013
Balance at 31.12.2017	**78 863**	**-271**	**16 604**	**1 044 438**	**1 139 636**
Balance at 01.01.2018	78 863	-271	16 604	1 044 438	1 139 635
Profit for the year				232 519	232 519
Capital increase June	24 000		76 000	-3 682	96 318
Capital increase December	52 094		193 906	-4 160	241 840
Sale of own shares		173	590	0	763
Balance at 31.12.2018	**154 957**	**-98**	**287 100**	**1 269 116**	**1 711 077**

Segment Reporting (NOK 1000)	**4Q 18**	**4Q 17**	**31.12.2018**	**31.12.2017**
Ice/support	4 338	4 350	17 347	17 010
Subsea	65 839	46 070	214 563	247 056
Operating income	**70 177**	**50 420**	**231 910**	**264 066**
Ice/support	4 280	4 332	17 080	16 805
Subsea	10 847	-12 533	20 317	14 069
Sale of shares in joint venture	310 254	0	310 254	0
JV - Seismic	-62 844	-69 359	-125 965	-43 955
JV - Ice/support	11 182	11 884	33 211	34 076
EBITDA*	**273 719**	**-65 675**	**254 897**	**20 995**
Ice/support	2 324	2 155	9 541	7 986
Subsea	18 438	-11 867	-26 385	-88 101
Sale of shares in joint venture	310 254	0	310 254	0
JV - Seismic	-62 844	-69 359	-125 965	-43 955
JV - Ice/support	11 182	11 884	33 211	34 076
Operating profit	**279 354**	**-67 186**	**200 655**	**-89 994**

GC RIEBER SHIPPING ASA
Fourth quarter 2018
Group
(Unaudited)

Note 1 Foreign currency

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

Note 2 General information

GC Rieber Shipping ASA is registered and domiciled in Norway, with its head office in Bergen. The consolidated interim accounts for the Group include GC Rieber Shipping ASA with its subsidiaries and the Group's investment in associated companies. The Group accounts for fiscal year 2017 were approved by the Board of Directors on 20 March 2018. The consolidated financial statement for the year ended 31 December 2017 with notes and auditor's report are available on our website at www.gcrieber-shipping.com.

Note 3 Accounting principles

The Group's financial reporting is in accordance with International Financial Reporting Standards (IFRS). The consolidated interim accounts at 31 December 2018 have been prepared in accordance with IAS 34 Interim financial reporting. As of January 2018 the Group has adopted IFRS 9 and 15. The Group has assessed the two new standards, and found that adopting them will have no impact on the Group's financial statements. The interim financial statements are unaudited and do not include all the information required in full annual financial statements, and therefore should be read in conjunction with the 2017 Group accounts. The condensed, consolidated quarterly financial statements were approved by the Board of Directors on 15 February 2019.

Note 4 Estimates

Preparation of interim financial statements requires use of assessments, estimates and assumptions that affect accounting principles and reported amounts for equity and liabilities, income and costs. The statements are based on assumptions and estimates, and some of them are beyond the company's control and therefore subject to risks and uncertainty. The actual result may differ from these estimates. When preparing this consolidated interim financial statement, the management has used the same critical assessments related to application of accounting principles as were used for the group financial statements for the financial year that ended on 31 December 2017 and the most important sources of estimate uncertainty are the same as for preparation of the 2017 Group financial statements.

Note 5 Related parties

The Group makes purchase and sales transactions with related parties as part of the normal business operations. Note 16 of the 2017 annual report describe transactions with related parties. There have been no material changes or transactions in connection with related parties that make a material impact on the Group's position or profit for the period.

Note 6 Financial risk management

GC Rieber Shipping makes a continuous and thorough assessment of operational and financial risk factors. The Group's objectives and principles for financial risk management are in accordance with what has been stated in the Group financial statements for 2017.

Note 7 Overview of shareholders

The 20 largest shareholders in GC Rieber Shipping ASA as of 31 December 2018 (outstanding shares):

Name	Number of shares	Owner's share
GC Rieber AS	66 145 908	76,8 %
GC Rieber Fondet	2 026 839	2,4 %
AS Javipa	2 003 492	2,3 %
Pareto Aksje Norge	1 628 179	1,9 %
Viben AS	1 334 435	1,6 %
Celsius AS	1 328 768	1,5 %
Trioship Invest AS	1 190 000	1,4 %
Tannlege Randi Arnesen AS	850 000	1,0 %
Delta A/S	820 000	1,0 %
M.R.Martens Allm. Fond	786 654	0,9 %
Pelicahn AS	685 166	0,8 %
Storkleiven AS	600 000	0,7 %
Benedicte Martens Nes	386 250	0,4 %
Dag Fredrik Jebsen Arnesen	320 000	0,4 %
Triofa 2 AS	278 001	0,3 %
Mikkel Martens	225 949	0,3 %
Thorild Marie Rong	210 648	0,2 %
Bergen Råvarebørs AS	208 668	0,2 %
Tigo AS	186 359	0,2 %
Stian Strøm Arnesen	170 000	0,2 %
Other Shareholders	4 701 994	5,5 %
Outstanding Shares	86 087 310	100,0 %

Note 8 Guarantees and cash deposits

Following Shearwater's acquisition ("Acquisition") of Schlumberger's marine seismic business, there are certain changes to guarantees and cash deposits provided by GC Rieber Shipping:

- The USD 7.5 million cash deposit provided by GC Rieber Shipping when establishing Shearwater Holding in 2016 has been released and will no longer be classified as restricted cash

- Upon the establishment of Shearwater Holding, GC Rieber Shipping provided a parent guarantee of 50% (max. USD 99.3 million) of Shearwater's outstanding facility amount. Following the Acquisition, Rasmussengruppen AS has provided a counter guarantee in favour of GC Rieber Shipping for 63.9% of this liability

- If the market value of Shearwater's four vessels Polar Duke, Polar Duchess, Polar Empress and Polar Marquis is reduced below 90% of their outstanding facility amount, GC Rieber Shipping shall, within 12 months, provide a cash deposit for the difference between the market value and the 90% level, limited to USD 10 million. Following the Acquisition, Rasmussengruppen AS has provided a counter guarantee in favour of GC Rieber Shipping for 63.9% of this liability

Note 9 Cash sweep

When negotiating revised terms and certain amendments to the two subsea credit facilities in early 2018, the new terms and amendments included the following cash sweep mechanism;

- Cash sweep of the average aggregate consolidated cash in the company during the six months prior to the sweep date in excess of the following threshold amounts;
    - NOK 150 million in 2019
    - NOK 120 million in 2020 and onwards

  First cash sweep at 15 June 2019 and semi-annually thereafter.

For further information about terms and amendments, please refer to note 13 to the group`s annual report for 2017.