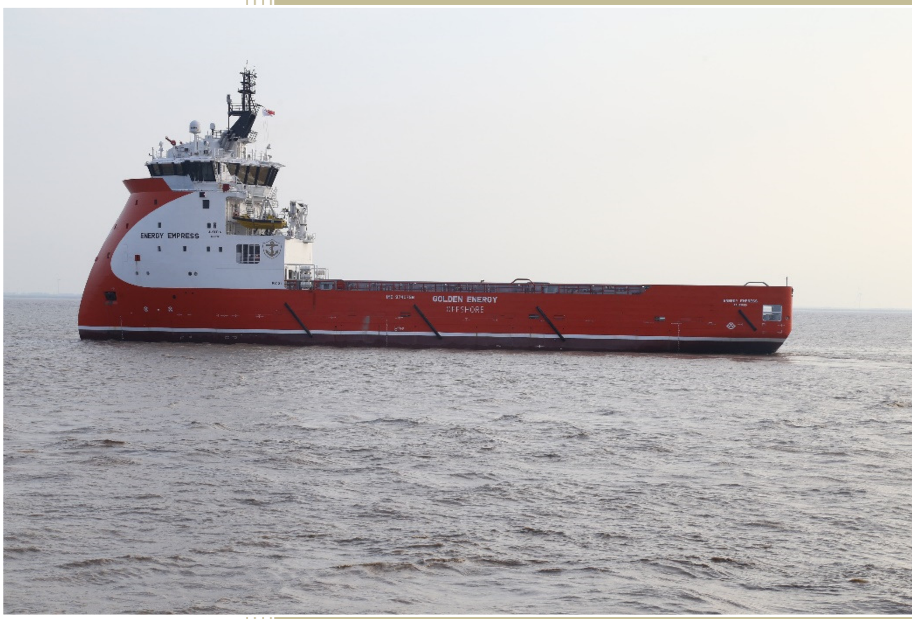
GOLDEN ENERGY OFFSHORE

2018

Golden Energy Offshore Services AS



ANNUAL REPORT 2018

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GROUP ACCOUNTS

PARENT ACCOUNTS

GOLDEN ENERGY OFFSHORE

ANNUAL REPORT

Results
The Group's revenue for 2018 was NOK 61 160 828, whereby NOK 31 798 759 originate from Energy Scout's operations in the West coast of Africa segment and NOK 29 362 070 originate from Energy Swan's operations in the North Sea segment. The operating result before depreciations amounted to NOK 2 618 609.

Net financing was positive with NOK 102 212 945 due to profit from converting the Group´s bond debt into equity.

The Group's profit before tax in 2018 is a surplus of NOK 75 561 622. This amount is recognized in retained earnings. Booked equity per 31.12.2018 is NOK 269 718 079. The equity ratio is 99 %.

In 2018 cash flows from operational activities are NOK 4 939 452. NOK -26 809 316 from investing activities and NOK 1 936 991 from financing activities. To achieve a high and stable cash flow is a preferred goal for the Group. The difference between operating result and cash flow from operating activities is mainly depreciations and accruals.

Vessels and acquisition of new vessels
The Company owns as of 31.12.2018 two platform supply vessels (PSV's) (the "Vessels") which are operated and managed by Golden Energy Offshore Management AS in Ålesund, Norway. Energy Swan currently operates in the North Sea, having its base on Mongstad outside of Bergen and Energy Scout currently operates outside of Nigeria in Africa.

30.04.2019, the Company signed an addendum with Nantong Rainbow Offshore regarding the purchase of the two new build offshore support vessels, Energy Empress and Energy Duchess, of PX121H design. The Company has taken delivery of Energy Empress, which is currently on her maiden voyage towards the North Sea. The delivery of Energy Duchess also took place just prior to publishing these accounts.

The agreement with the yard is a hybrid hire purchase agreement where two separate BIMCO Barecon 2017 have been entered into with a duration of three years with the Company and each of Energy Empress AS and Energy Duchess AS as co-charterers. Part of the charter hire paid under the Barecon is considered down payments towards the balance purchase price.

These new environmental friendly vessels where focus on safety and comfort for the crew, energy - and cost efficient solutions will fit the demand in the PSV market. The Vessels will presumably be among the youngest vessels available in the market for a long time. This is a major step for the Company to create additional shareholder value.

Prior to delivery of the new vessels the Company was also successful in raising new equity of over 36 million NOK in order to part finance the amounts payable upon delivery.

Going Concern
The Board confirms that the financial statements have been prepared on the assumption of a going concern.

Financing and Liquidity
On 05.12.2017 the Company presented its proposal for restructuring the bond issue. The proposal implied all bond debt to be converted to equity whereas the bondholders would receive 90 % direct ownership of the Company. A bondholders meeting was held December 19th where the proposal was approved and on 06.02.2018 the conversion was completed. The company now stands out as debt free, which significantly increases operational competitiveness. Following the conversion of the bond debt the company´s shares were successfully listed on Oslo Stock Exchange on 05.04.2018.

Market and future prospective
The activity in the Company's market is gradually increasing. The oil companies' investments are now starting to build up. The vessel Energy Swan has a long-term contract that expires 31.08.2019 (but with options for continuing employment for the charterers). Energy Scout is currently working in the spot market on the west coast of Africa. Energy Empress and soon Energy Duchess is underway towards the North Sea.
Proactive measure taken to sustain and position the Company for difficult market conditions is:

- All bond debt converted to equity
- Company has no financing debt
- Reached agreements with sailors for longer sailing periods
- Renegotiated new agreements with main suppliers
- Company considered throughout the market place as an reliable supplier of quality services and tonnage with team holding ample and extensive experience
- Acquisition of two new, modern and sophisticated vessels.

The Company expects to continue being offered interesting investment opportunities through its manager, Golden Energy Offshore Management AS ("GEOM"). The Company expects that these opportunities will require additional equity and the Company will explore the possibility of raising additional equity from existing shareholders and new investors if such opportunities are expected to generate increased shareholder values. The Company had the possibility of acquiring both the manager (GEOM) and the vessels Larissa and Despina in 2018, but the investor appetite for these investments were at that time not available. All these opportunities and other interesting investment may materialize enable a continuing growth of the Company, a broader shareholder group and better liquidity in the Company's shares.

Work environment, equality and discrimination
The Company does not have any employees as per today and buys management services. The crew is part of the services acquired from management companies. The Company has a clear "Anti-Harassment Policy", forbidding any discriminating against anybody because of their background, sex, age, religion or ethnicity. The work environment is considered as good.

External environment
To the best of the Board´s knowledge, the Company´s activities have not caused any environmental pollution outside the legal limits set by the authorities of the different trading areas. New and crucial measures are taken in order to increase energy efficiency within all Company's activities with subsequent reduced emissions to the external environment.

Community responsibility
The Company is part of the Golden Energy Offshore Group and operates in according to international rules and is fully certified by ISM, ISO 9001, ISO 14001, OHSAS 18001 and ISO 50001. The Management system that the entire organization is working in is called Golden Energy Offshore Integrated Management System (GIMS) and contains all procedures and policies necessary for the Company to conduct the business in a way that ensures quality in all aspects, safety, is environmentally friendly, energy efficient, and where sustainable operation of all Company activities have the highest focus. Everyone in the organization are trained to use this system. Internal and external audits are conducted on a frequent basis. The management system also contains policies on anti-corruption and anti-harassment.

The Company has a proactive approach to Energy Efficiency and Fuel Management (EEFM) that includes improvement of vessel and voyage efficiencies aimed at controlling EEFM on vessels by the use of auditable, prioritized methodologies. The efficient use of energy should be a fundamental requirement for GEO operated vessels. Energy Efficiency and Fuel Management discusses the systems and procedures necessary for operational efficiency. Company has well documented excellent performance in energy efficiency and reduced emission.

Corporate governance
The purpose of Golden Energy Offshore Services AS is derived from the Company´s articles § 3 and is shipping business with related activities. The Company runs all its operations by the Plan – Do – Check – Act (PDCA) methodology, which is secured in the Company´s management system GIMS. In addition, procedures regarding internal controls for risk management is part of the GIMS and is under continuous improvement. The Company´s external auditor is Pricewaterhousecoopers AS (PwC). The auditor is chosen at the Annual meeting.

The Company shall have up to 3-4 Board members. As of today there are 3 Board Members who are all chosen by the Annual meeting:

Chairman Sten Gustafson – Chairman since February 2018

Board member Martin Muff – Board member since February 2018

Board member Per Ivar Fagervoll – Board member since May 2014

The company and its shareholders
The Annual meeting of Golden Energy Offshores Services AS was held on 31.05.2018. The General meeting authorized to issue a total of 3,000,000 subscription rights to key employees at a strike price of NOK 4,30. The subscription rights can be exercised 1/3 at a time within one month after the presentation of the financial report of the income years 2017, 2018 and 2019. A total of 450 463 subscription rights was exercised by ten shareholders increasing the share capital to NOK 24 926 516, each share with a nominal value of NOK 1.

Pr 31.12.2018 the company had 81 shareholders and the company's share capital was NOK 24 926 516 divided by 24 926 516 shares, each with a nominal value of NOK 1.

Result parent company

Golden Energy Offshore Services AS (the "Company") was incorporated on 16.12.2013 and acquired the vessels Energy Scout and Energy Swan 30.05.2014. The Company conducts shipping business and the place of business is Ålesund Norway.

The Company's revenue for 2018 was NOK 61 160 828, whereby NOK 31 798 759 originates from Energy Scout's operations in the West coast of Africa segment and NOK 29 362 070 originates from Energy Swan's operations in the North Sea segment. The operating result before depreciations amounted to NOK 2 638 409, compared to NOK 33 584 425 in 2017. The lower operating results is caused mainly due to lower charter revenue in the North Sea segment.

Net financing was positive with NOK 102 212 945 due to profit from converting the Company´s bond debt into equity.

The Company's result before tax is a surplus of NOK 75 581 422 in 2018. This is suggested moved to equity. Booked equity per 31.12.2018 is NOK 269 737 879. Equity ratio is 99 %.

Cash flow from operational activities in 2018 is NOK 4 879 452, NOK -26 809 316 from investing activities and NOK 1 936 991 from financing activities.. To achieve a high stable cash flow is a preferred goal for the Company. The difference between operating result and cash flow from operating activities is mainly depreciations and accruals.

Aalesund, 31.05.2019

Sten Gustafson
Chairman of the Board

Martin Muff
Member of the Board

Per Ivar Fagervoll
CEO/Member of the Board

GOLDEN ENERGY OFFSHORE

Statement from the Board and CEO

We hereby confirm that the annual accounts for the period 01.01.2018 to 31.12.2018, to the best of our knowledge, are prepared in accordance with IFRS. The annual report together with the report from the Board give a fair and true value of the Company´s assets, debt, financial position and result.

Aalesund, 31.05.2019

Sten Gustafson	Martin Muff	Per Ivar Fagervoll
Chairman of the Board	Member of the Board	CEO/Member of the Board

GOLDEN ENERGY OFFSHORE

2018

Golden Energy Offshore Services AS

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2018

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PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - GROUP

NOK	Note	**2018**	**2017**
Freight income	2	61 160 828	86 835 902
Total income		**61 160 828**	**86 835 902**
Operating expenses vessels		-46 549 118	-44 456 480
Other operating expenses	11	-11 993 101	-8 794 997
Operating result before depreciations	2	**2 618 609**	**33 584 425**
Depreciation	4	-12 277 744	-15 903 288
Write down	4	-16 992 188	0
Operating result		**-26 651 323**	**17 681 137**
Interest income		26 978	19 825
Financial income	5	101 330 862	0
Currency gain/loss		855 106	-1 381 245
Net Financial Items	6	**102 212 945**	**-15 464 153**
Profit before tax		**75 561 622**	**2 216 984**
RESULT FOR THE YEAR		**75 561 622**	**2 216 984**
TOTAL COMPREHENSIVE INCOME		**75 561 622**	**2 216 984**
Earnings per share	17	3,35	0,91

BALANCE SHEET - GROUP

NOK	Note	Pr 31.12.2018	Pr 31.12.2017
NON-CURRENT ASSETS			
Tangible fixed assets	3,4	223 634 373	226 094 989
Total non-current assets		**223 634 373**	**226 094 989**
Total fixed assets		**223 634 373**	**226 094 989**
Current Assets			
Stocks		663 091	483 040
Account receivables	8	21 217 687	18 561 589
Receivables	13	11 455 918	14 106 382
Bank deposits	9	15 292 641	35 270 661
Total current assets		**48 629 337**	**68 421 672**
TOTAL ASSETS		**272 263 710**	**294 516 661**
EQUITY AND LIABILITIES			
Equity			
Share capital	14	24 926 516	291 280 000
Share premium	14	167 922 331	188 934
Other equity		76 869 231	-217 941 303
Total Equity		**269 718 079**	**73 527 631**
Liabilities			
Current liabilites			
Current portion of long-term debt	5,7	0	220 284 476
Trade debt	7	2 175 751	704 554
Other current liabilities	7	369 880	0
Total current liabilities		**2 545 631**	**220 989 030**
Total liabilities		**2 545 631**	**220 989 030**
TOTAL EQUITY AND LIABILITIES		**272 263 710**	**294 516 661**

Aalesund, 31.05.2019

Sten Gustafson
Chairman of the Board

Martin Muff
Member of the Board

Per Ivar Fagervoll
CEO/Member of the Board

CASH FLOW - GROUP

NOK	Note	**2018**	**2017**
Result before tax		75 561 622	2 216 984
Depreciation and write downs	4	29 269 932	15 903 288
Change in short-term receivables/payables		1 655 393	9 471 125
Gain on conversion of debt		-101 330 862	0
Change in other accruals		-216 633	3 008 720
Net cash flow from operations	A	**4 939 452**	**41 676 292**
Investments	4	-26 809 316	0
Net cash flow from investments	B	**-26 809 316**	**0**
Paid interests		0	-12 973 070
Capital increase	16	1 936 991	0
Net cash flow from financing	C	**1 936 991**	**-12 973 070**
Effect of changes in foreign exchange rates	D	-45 147	17 837
Net change in cash and cash equivalents	A+B+C+D	-19 978 020	28 721 059
Cash and cash equivalents at 01.01.		35 270 661	6 549 602
Cash as per balancedate		**15 292 641**	**35 270 661**

STATEMENT OF CHANGES IN EQUITY - GROUP

NOK	Note	**Share Capital**	**Share premium**	**Retained Earnings**	**Total Equity**
Equity 01.01.2018		291 280 000	188 934	-217 941 303	73 527 631
Annual result		0	0	75 561 622	75 561 622
Equity Contribution		450 463	1 486 528	0	1 936 991
Conversion of debt	5	22 028 447	96 925 167	0	118 953 614
Capital decrease	5	-288 832 394	68 674 107	220 158 287	0
Share issue costs		0	0	-909 375	-909 375
Share option expense		0	647 595	0	647 595
Equity 31.12.2018		**24 926 516**	**167 922 331**	**76 869 232**	**269 718 079**
Equity 01.01.2017		291 280 000	188 934	-220 158 287	71 310 647
Annual result		0	0	2 216 984	2 216 984
Equity 31.12.2017		**291 280 000**	**188 934**	**-217 941 303**	**73 527 631**

NOTES

NOTE 1 – GENERAL

Golden Energy Offshore Services AS (the "Group") is operating within the shipping business area and currently owns 2 offshore service vessels (PSVs) that were acquired 30.05.2014. The Group was established 11.12.2018 when the parent company purchased two newly incorporated subsidiaries. 31.12.2018 the vessels Energy Swan and Energy Scout were transferred to each of the new companies. The Group`s comparative numbers for 2017 are the same as for the parent company. The head office is located in Aalesund and the Group shares are listed on Mercur market on Oslo Stock Exchange. The date of listing of the shares was 05.04.2018.

1.1 Basis for preparation of the annual report

The annual report is prepared in accordance with the International Financial Reporting Standards (IFRS) which are adopted by the EU and associated interpretations that apply for fiscal years starting 01.01.2018, and which meet the Norwegian disclosure requirements from the accounting legislation.

The financial statements were approved for publishing by the Board on 31.05.2019.

1.2 Functional and presentation currency

Functional currency of the Group is Norwegian kroner (NOK). Transactions in foreign currencies are converted to the functional currency using the exchange rate at the transaction time. At the end of each reporting period the monetary items in foreign currency are converted using the closing rate, non-monetary items are measured at historic cost converted at the time of the transaction. Non-monetary items in foreign currency that are being measured at fair value are converted using the applicable exchange rates at the time when the fair values was determined. Changes in foreign exchange rates are booked continuously during the accounting period.

1.3 Consolidation

The consolidated financial statements comprise of the financial statements of Golden Energy Offshore Services AS and its subsidiaries as at 31st December each year. Any deviating accounting principles are adjusted for in this consolidation.

The Group accounts state the total profit or loss and financial position of Golden Energy Offshore Services AS and its controlling interests as a whole. The consolidated accounts include companies in which Golden Energy Offshore Services AS has direct or indirect ownership of more than 50% of the voting shares, or otherwise has direct control, according to IFRS 10. Share options, convertibles and other equity instruments are evaluated when assessing whether control exists.

Subsidiaries are consolidated 100% line by line in the group accounts. A subsidiary is an entity where the Group has controlling interest, direct or indirect, of more than 50% of the voting shares.

All inter-company transactions, receivables, liabilities and unrealized profits, as well as intra-group profit distributions, are eliminated. The balance sheet is translated using the balance sheet date exchange rate. Translation adjustments between local currency and functional currency are classified as financial items, while adjustments arising from translation from functional to presentation currency are booked in equity.

1.4 Use of estimates and assessment of accounting principles when creating the accounts
The Management has to some degree used estimates and assumptions that have influenced assets, debt, revenue, costs and information on potential obligations. Future events may result in a change of these estimates. The estimates and assumptions are continuously assessed, and are based on best judgment and historical experience. Changes in accounting estimates are booked in the period of which they arise. If the changes affect future periods, the effects are distributed over present and future periods.

1.5 Principles for revenue recognition
Revenue for the group relates primarily to charterparties of the vessels. The agreed upon rate is recognised over time on a straight line basis, and in accordance with the rates in the contract for various type of work (including stand-by and fully operational rates). The rate includes both an implicit lease revenue for the vessel and additional service components such as crew. The service component, if separated, would also be recognised over time on a straight line basis. Therefore a split between lease and service revenues has not been made.

1.6 Operational segments
The Group identifies its reportable segments and discloses segment information under IFRS 8 Operating Segments which requires the Group to identify its segments according to the organization and reporting structure used by management. Operating segments are components of a business that are evaluated regularly by the Chief Executive Officer (chief operating decision maker) for the purpose of assessing performance and allocating resources. For further inforamation please see note 2.

1.7 Taxes
The Group is subject to the Norwegian rules for tonnage taxation, which means that there is no taxation of the net operating result. The tonnage taxation requires that the Group has to relate to detailed regulations regarding allowance of activities and assets. Any voluntarily or forced exit from the taxation scheme would result in an ordinary taxation of the net operating result. Net finance result is taxed on an ordinary basis according to the tonnage tax rules. It is not accrued for any deferred taxes.

1.8 Ships, docking and depreciation
Vessels are measured at acquisition cost less any accumulated depreciations and write-offs. When vessels are sold or disposed, the value in the balance sheet is deducted and the potential profit or loss is allocated to net income.

The vessel values are decomposed into vessel and docking. The Group’s vessels are depreciated over a defined remaining working life, with a presumed residual value of the vessels at the end of the working life. Remaining working life is estimated on the date of acquisition of the vessels based on the Group’s intentions to own the vessels until they reach 30 years of age. The residual value is based on an estimate of what the vessels can be sold for after its remaining working life. The estimate is based on the Golden Energy Offshore Group previous experience from selling 30-year-old vessels. The estimate for residual value is assessed annually and any changes are booked as change in estimate.

Ordinary maintenance is allocated to the net operating result in the same period as it is conducted, while expenses related to dockings are recognized in the balance sheet and charged as an expense linearly over the period until the next scheduled docking. The period between dockings for both vessels is set to 5 years based on the maintenance program and class requirements for the Vessels. Expenses are booked as depreciations.

If any events or circumstances show an indication that the booked value of the vessels cannot be recovered, the booked value is analyzed for impairment. If the indications are confirmed and the booked value is higher than the recoverable amount, then the vessel is written off to the recoverable amount. Each vessel is evaluated individually. The recoverable amount is defined as the highest of net sale price and value in use. Value in use is derived by estimating future cash flows that the vessel is generating and by discounting those cash flows to net present value using an after-tax interest that reflects the value and risks associated with the vessel. Former write-offs are reversed if the estimates used to determine the recoverable amount are changed. Reversal is however limited to what the booked value would have been if the write-off was not conducted in the first place.

1.9 Government grants
Government grants are booked when reasonable probability exists that the Group fulfills the terms necessary to receive the grants and that they will be received. The Group is eligible for the Norwegian net wage refund scheme and the refund is booked against the expense it is meant to cover.

1.10 Financial instruments
The Group's financial instruments by initial recognition are classified in accordance with IFRS 9. After initial recognition, loans and receivables and financial obligations are measured at amortized cost by effective interest method. When calculating the effective interest, cash flows and all contractual matters regarding the financial instruments are taken into consideration. The calculation includes all fees between the parties of the contract as an integrated part of the effective interest and transaction expenses. The amortization of the period is included as financial expense in the profit or loss statement.

Accounts receivable and other short-term receivables, plus cash and cash-equivalents measured at fair value at amortized cost . A financial asset is impaired using the expected credit loss 3-stage model (ECL) or the practical expedient of lifetime ECL for accounts receivable in accordance with IFRS 9. Further details regarding the financial intruments are given in note 6 and 7.

1.11 Stocks
Stocks consists mainly of bunkers and lubricating oil onboard the vessels. The stocks are valued at cost price. If the booked value is higher than the market value, the stocks are written off to market value.

1.12 Cash & cash equivalents
Cash includes cash in hand and bank deposits. Cash equivalents are short term liquid investments that immediately can be converted to cash by a known amount, and maximal maturity is 3 months. Funds that are originally locked for more than 3 months are not included in cash and cash equivalents.

1.13 Debt & Equity
Financial instruments are classified as debt or equity in accordance with the underlying economic reality.

Interests, dividends, profit and loss related to a financial instrument classified as debt, will be presented as loss or profit. Distribution to owners of financial instruments that are classified as equity will be booked directly toequity.

Transaction expenses directly related to an equity transaction are booked directly to equity.

1.14 Accruals

An accrual is booked when the Group has an obligation (legal or self-imposed) as a consequence of a previous event, it is probable (more likely than not) that an economic settlement will happen as a consequence of this obligation and the size of the amount can be measured reliably. If the effect is material the accrual is calculated by discounting of expected cash flows using a discount rate pretax, which reflects the market's pricing of the timed value of cash, and, if relevant, risks specifically associated with the obligation.

1.15 Events after the balance sheet date

New information after the balance sheet date regarding the Group's financial position on the balance date has been taken into account in the annual report. Events after the balance sheet date that do not affect the Group's financial position on the balance date, but will affect the financial position in the future have been described if found material.

1.16 Changes in accounting principles and note information

Except for the changes noted below, the same accounting principles as last year have been used in this year.

IFRS 9 - Financial Instruments

The Group has adopted IFRS 9 "Financial instruments" as of 01.01.2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. The new standard sets out new requirements for the accounting of financial instruments in the areas of classification, impairment and hedge accounting.

The Group applied the modified retrospective method when implementing IFRS 9 "Financial Instruments". The changes in classification and measurement requirements did not have a significant impact on the Group's financial statements.

IFRS 15 – Revenues from Contracts with Customers

The Group has adopted IFRS 15 "Revenue from Contracts with Customers" as of 01.01.2018. IFRS 15 replaces IAS 18 "Revenue" and IAS 11 "Construction Contracts". The new standard establishes a new set of principles that shall be applied to report information about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

IFRS 15 was adopted by the Group using the modified retrospective transition method without any material implementation effect to the consolidated statement of financial position and statement of changes in equity.

All revenue derives from T/C contracts, which contain both a lease and a service element. IFRS 15 only affects the service element, as the recognition of revenue from lease agreements is governed by IAS 17 Leases (IFRS 16 Leases when effective). Revenue from both the IFRS 15 service element and the lease element is recognized over time. All service and leasing elements have the same accounting treatment under IFRS 15 as with the previous standards.

1.17 New accounting standards with future effective date

Accounting standards and interpretations that are approved up to the date of completion of these accounts, but where the effective date is in future time are listed below. As of the date of issue of these financial statements, all of these standards and interpretations were endorsed by the EU.

IFRS 16 – Leases

IFRS 16 Leases replaces the existing IFRS standard for leasing agreements, IAS 17. IFRS 16 gives principles for calculation, measuring, presentation and information regarding lease agreements for both parties in a leasing agreement(both the lessee and the lessor). The new standard demands that the lessee calculates assets and obligations for the most leasing agreements and this is a material change from todays principles. For the lessor IFRS 16 continues with the existing principles of IAS 17. According to IFRS 16 a lessor shall continue to classify its lease agreements as either operational or financial leases. The standard is effective from 01.01.2019 and shall be implemented either by full retrospective or modified retrospective method.

It is the managements preliminary view that implementation of IFRS 16 will have no effects on the financial statements, simply because the Group has no leasing agreements as a lessee.

Other published standards and interpretations with effective date in the future is not relevant for the Group and will not affect the accounts.

NOTE 2 – SEGMENT

The operating segments are determined based on where the vessels Energy Swan and Energy Scout have been operating geographically in 2018. Energy Swan has operated on fixed contracts in the North Sea , whereas Energy Scout has worked on short-term contracts within the West Coast of Africa. Both vessels provide shipping services in both geographical regions.

Segment performance is reported to the chief operating decision maker and evaluated based on two measures: total operating revenue and operating result before depreciations.

The Group has earned revenue from two different customers in 2018.

NOK

Freight income per geographical area	**2018**	**2017**
North Sea	29 362 070	52 179 675
West Coast of Africa	31 798 759	34 656 227
Total operating revenue	**61 160 828**	**86 835 902**
Operating result per geographical area		
North Sea	2 333 347	25 578 503
West Coast of Africa	8 128 603	11 258 524
Administration	-7 843 341	-3 252 602
Operating result before depreciations	**2 618 609**	**33 584 425**
Depreciation	-12 277 744	-15 903 288
Write down	-16 992 188	0
Operating result	**-26 651 323**	**17 681 137**

The lease portion of the contracts are included in the revenue above. The right to use the vessels will about be within the range of 30-70 % of the contract value.

NOTE 3 – ESTIMATE UNCERTAINTY & DISCRETIONARY ASSESSMENT

Estimate uncertainty

When preparing the annual accounts, the Group's management has used estimates based on best judgment and assumptions that are considered realistic. It is a probability that situations or changes in market conditions occur, which can lead to changes in estimates, and affect the Group's assets, debt, equity and profit.

The Group's most material accounting estimates are related to write-offs of fixed assets.

The most critical estimate related to impairment of fixed assets is the future cash flows given the market situation at current date. For further information see note 4.

NOTE 4 – FIXED ASSETS

NOK	Vessels	Docking	Ships under construction	Total
Balance 01.01.2017	**237 252 669**	**4 745 608**	**0**	**241 998 277**
Depreciations	11 157 680	4 745 608	0	15 903 288
Balance 01.01.2018	**226 094 989**	**0**	**0**	**226 094 989**
Additions	0	3 804 983	23 004 333	26 809 316
Depreciations	11 171 944	1 105 800	0	12 277 744
Write off	16 992 188	0	0	16 992 188
Balance 31.12.2018	**197 930 857**	**2 699 183**	**23 004 333**	**223 634 373**

The Vessels are depreciated linearly to a residual value when the vessels reach 30 years. The residual value is NOK 15 million for Energy Swan and NOK 10 million for Energy Scout. Costs for acquiring the vessels are already included in the acquisition cost for both vessels. Accrued and estimated docking expenses for the vessels are depreciated over 5 years until the next docking.

In 2018 the Group has paid instalments and incurred expenses in relation to two newbuilt vessels that are to be delivered in 2019. Total aquisition cost will be derived upon delivery and depreciation will not be booked until the vessels have been delivered.

Because of the development of the market outlook and the uncertainty of the vessels' future income, an impairment test has been conducted according to IAS 36. As a result of the completed analysis, an impairment of 16,9 MNOK has been recognized in 2018. The Group has conducted a value in use calculation for each vessel where estimated cash flows before finance expenses are used in addition to obtain valuations from 2 independent shipbrokers.

The value in use calculation is based on net present value of the future cash flows that the Group estimates during the remaining economical lifetime of the vessels. A discount rate after tax (WACC) has been used as the discount factor. The Group has used a WACC of 8,4 %, which is based on the Group's and equivalent comparable companies' demand for return on capital. Other material assumptions in the estimated cash flows are: inflation rate, order reserve, utilization, OPEX, CAPEX, charter rates and exchange rates of foreign currencies.

There is a large uncertainty regarding the assumptions used in the model. Both vessels are on contract when these statements are presented and for revenues the fixed contract rates are used.

Options are not considered. After expiry of contract the Group uses a low spot-rate that increases gradually the next 3 years. The rate that is used is materially lower than what the vessels have earned historically the last 5 years. After these 3 years a “steady state” rate is assumed with an annual growth of 2,5 % which is equivalent to the same target as the government has plaved for the growth in the monetary policy. In the entire period a utilization of 90 % is assumed. This is also lower than the actual historical utilization for both vessels the last 5 years.

OPEX is in the value in use calculation based on the vessels budgets, approved by the Board. A class renewal in 2020 for both vessels is also used in the model.

Because of the uncertainty regarding the assumptions in the model, sensitivity analyses on the value in use calculation has been made. This analysis shows what the impairment of the vessels would have been if other assumptions were used. If both vessel revenues are reduced by 10 % there would have been an impairment of the vessel Energy Swan of MNOK 12 and for Energy Scout MNOK 27. If the WACC was 1 % higher, the impairment of Energy Swan would have been MNOK 2 and additional MNOK 3 for Energy Scout.

NOTE 5 – INTEREST BEARING DEBT

On 19.12.2017 a bondholders meeting was held, in which the Group got 95,42 % votes in favor for its proposal to convert all outstanding bonds to equity. The conversion of debt into equity was completed in early 2018. When equity instruments issued to a creditor to extinguish a financial liability are recognized, the Group shall measure them at the fair value of the equity instruments. The difference between the carrying amount of the financial liability extinguished, and the consideration paid, shall be recognized in profit or loss. This is in accordance with paragraph 3.3.3. of IFRS 9. The Group has used a share price of NOK 5,40 in order to calculate the the implicit value. With 22 028 447 new shares issued this gives an implicit value of NOK 118 953 614. The profit is then derived as follows:

Bond issue before conversion	220 284 476
Implicit value new shares	-118 953 614
PROFIT	**101 330 862**

NOTE 6 – FINANCIAL ITEMS

NOK	2018	2017
Exchange gains	2 142 656	2 788 292
Exchange losses	-1 287 550	-4 169 537
Profit conversion of bond debt	101 330 862	0
Interest expenses	0	-11 076 176
Amortized cost	0	-3 026 557
Other financial revenues	26 978	19 825
Net Financial Items	**102 212 945**	**-15 464 153**

NOTE 7 – FINANCIAL INSTRUMENTS

Financial risk

The Group has financial instruments such as accounts receivables, trade debt and similar debts related to the ordinary business of the Group.

Routines for risk management have been adopted by the Board of Directors and are conducted in cooperation with each department.

The most important financial risks that the Group is exposed to are related to interest risk, liquidity risk and credit risk.

1) Credit risk
The Group is mainly exposed to credit risk associated with accounts receivable. The main counterparts are mainly major oil companies and the maximum exposure to credit risk is the same as accounts receivable(MNOK 21,2). Accounts receivable are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group. The credit risk has increased as a consequence of the reduced activities in the oil industry, but is still expected to be limited. The Group has procedures to monitor and collect receivables. For charter parties where the Group is dependent upon a local intermediate agent, which is typical for operations in West Africa, the Group always seeks to have a “quiet enjoyment letter” agreement depending on what is achievable in today’s market. This gives the Group an opportunity to collect its receivables directly from the end user if the local partner should face problems to settle their debt. Continuous accruals for loss are done if deemed necessary and is decided on a corporate level. The Group has not guaranteed for any third party debt.

2) Interest risk
The Group has converted all bond debt to equity as described in note 5. This means that the Group is not affected by any interest rate level currently.

3) Foreign currency risk
The Group has ordinary bank deposits in USD, as well as accounts receivable per 31.12.2018.

The following table shows the sensitivity of the Companys profit or loss before tax due to changes in USD + / - 10%. All other variables remain unchanged.

Increase/decrease in USD:			Effect on result before tax
+ / - 10%	2018	+ / -	2 270 489

Increase/decrease in USD:			Effect on result before tax
+ / - 10%	2017	+ / -	1 884 333

4) Liquidity risk / Going concern
Liquidity risk is the risk that the Group will not be in a position to meet all its financial obligations as they fall due. The strategy for managing liquidity risk is to have sufficient liquid cash at any time in order to settle the financial obligations at due date, both under normal and extraordinary circumstances, without risking unacceptable losses or loss of reputation. The following table shows an overview of the maturity structure of the Group’s financial obligations, based on undiscounted contractual payments. In cases where the counterparty can demand settlement prior to due date, the amount is stated in the earliest period which the amount can be demanded settled by the counterparty. If any obligations can be demanded settled immediately it is included in the first column(less than 1 year).

NOK	Remaining period				
31.12.2018	less 1 year	1 year	2 years	3 years or more	Total
Financial obligations					
Trade debt	2 175 751	0	0	0	2 175 751
Total:	**2 175 751**	**0**	**0**	**0**	**2 175 751**

NOK	Remaining period				
31.12.2017	less 1 year	1 year	2 years	3 years or more	Total
Financial obligations					
Trade debt	704 554	0	0	0	704 554
Total:	**704 554**	**0**	**0**	**0**	**704 554**

There are no planned dockings until the year 2020, which again significantly strengthens the liquidity.

Other current liabilities are accrued legal expenses related to 2018.

NOTE 8 – ACCOUNTS RECEIVABLES

NOK	Pr 31.12.2018	Not due	0-30 days	30-60 days	> 60 days
Accounts receivables	**21 217 687**	4 964 077	4 941 547	2 560 593	8 751 471

Of the account receivables pr 31.12.2018 the following consists of USD: USD 1 833 948,- (NOK 15 934 257). No loss allowance booked in 2018.

NOK	Pr 31.12.2017	Not due	0-30 days	30-60 days	> 60 days
Accounts receivables	**18 561 589**	5 006 755	2 080 517	2 275 254	9 199 063

Of the account receivables pr 31.12.2017 the following consists of USD: USD 1 974 487,- (NOK 16 200 665). No loss allowance booked in 2017.

NOTE 9 – BANK DEPOSIT

The Group has no restricted bank deposits.

NOTE 10 –TAX

Golden Energy Offshore Services AS is subject to the Norwegian tonnage tax rules. Tax payable is based on the taxable financial result only in accordance with these rules. This year's taxable income is positive with NOK 293 719 against -3 120 691 in 2017. As of 31.12.2018 the Group has NOK 6 104 255 in financial losses that are carried forward. Tax for the Group will mainly arise in the event of foreign operations involving local taxation.

NOTE 11 – OTHER OPERATING EXPENSES

NOK	2018	2017
Management fee	4 800 000	4 800 000
Guarantee expenses	18 700	18 700
Audit fee*	343 300	264 106
Legal fees	5 403 332	2 125 299
Accrued loss of receivables	86 026	-223 378
Other	1 341 743	1 810 270
Total other operating expenses	**11 993 101**	**8 794 997**

*Audit fee consists of the following:

NOK	2018	2017
Statutory audit	170 000	200 125
Tax consultancy	5 000	3 928
Other services	168 300	60 053
Total fee for auditor	343 300	264 106

NOTE 12 –GOVERNMENT GRANTS

The Group meets the criteria for the Norwegian net wage refund scheme which exists to secure Norwegian maritime competence and recruitment of Norwegian sailors. It is Golden Energy Offshore Management AS that handles the applications for the refund scheme but it is Golden Energy Offshore Services that get the benefits. The Group has received NOK 5 331 581 as refund as of 31.12.2018. In 2017 the amount was NOK 5 236 334

NOTE 13 –CURRENT RECEIVABLES

NOK	Pr 31.12.2018	Pr 31.12.2017
Pre paid expenses	8 992 154	6 196 479
Net wage refund	882 305	884 035
Norwegian Maritime Competance	-31 000	-32 000
Refundable VAT	1 612 459	2 407 480
Insurance settlement Energy Scout	0	4 650 388
Total	**11 455 918**	**14 106 382**

NOTE 14–SHARES & STOCKOWNERS

The share capital pr 31.12.2018 is NOK 24 926 516. It consists of 24 926 516 shares at NOK 1. On the General meeting one share has one right to vote. The Chief Executive Officer has an indirect and direct ownership of 1,89 % in the Group per 31.12.2018.

NOTE 15 – GROUP COMPANIES

The Group consist of the following companies:

Company	Role	Owned by	%	Result	Equity
Golden Energy Offshore Services AS	Parent				
Energy Swan AS	Subsidiary	Golden Energy Offshore Services AS	100 %	-9 900	98 981 296
Energy Scout AS	Subsidiary	Golden Energy Offshore Services AS	100 %	-9 900	41 378 944

All companies have registered offices in Ålesund.

NOTE 16–SHARE BASED REMUNERATION

The annual meeting approved 3 000 000 subscription rights on 31.05.2018 which are issued to directors and key employees. This gives them the right to acquire up to a certain maximum amount of shares in the Company at a fixed strike price of NOK 4,30 or if a private placement is carried out the strike price will be set to the price of shares applied in such private placement. The options can be exercised over a period of 3 years and they are non-tradeable and conditional upon the participants being employed at the vesting date. As of 31.12.2018, the Company has recognized NOK 647 595 in cost related to the options. This does not affect total equity. Under the stock option programme, 450 463 stock options were exercised by ten option holders in 2018 – at an exercise price of NOK 4,30 per share. Total amount was NOK 1 936 991 as capital increase.

NOTE 17–EARNINGS PER SHARE

Earnings per share is calculated by dividing the annual profit allocated to the Group´s shareholders by a weighted average of total shares. For 2017 and 2018 all of the profit is allocated to the shareholders.

NOK	**2018**	**2017**
Number of Shares	24 926 516	2 447 606
Weighted average of total issued shares	22 532 935	2 447 606
Earnings per share	3,35	0,91

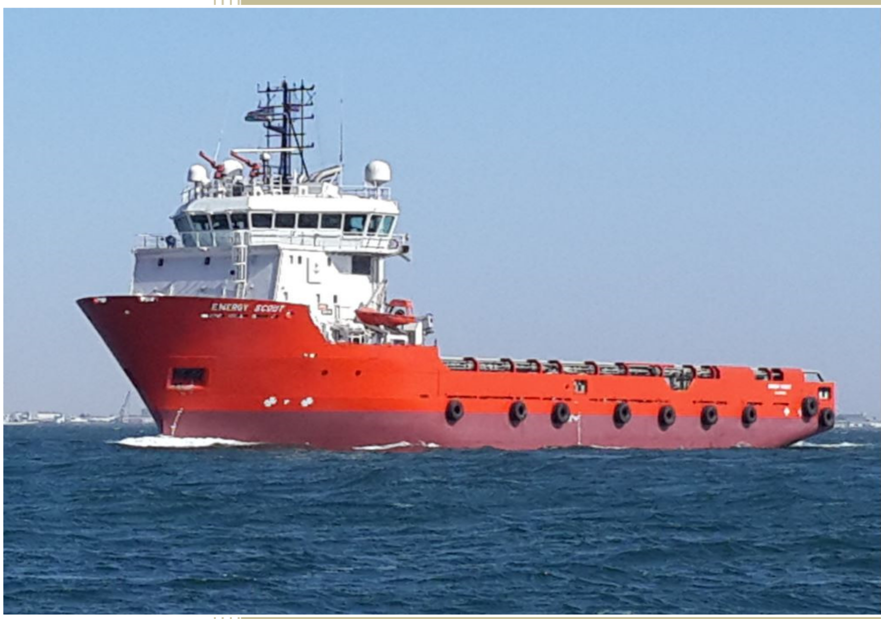
NOTE 18–EVENTS AFTER THE BALANCE SHEET DATE

On 30.04.2019 an extraordinary general meeting approved a capital increase of NOK 36 712 746. Following the registration of the new shares in the Norwegian Register of Business Enterprises the Group's share capital is NOK 35 415 872 divided by 35 415 872 shares each at the nominal amount of NOK 1.

The Group has purchased two newly incorporated subsidiaries for the acquisition of the two newly built vessels: Energy Empress and Energy Duchess. Two BIMCO Barecon 2017 agreements have been entered into with the yard, where a part of the charter hire paid is considered as down payment of the balance purchase price. The rest of the charter hire is considered as interest payment. The period of the bareboat is three years. In addition to the down payments under the Barecon agreements, extraordinary down payments of the purchase price will be paid 1 and 2 years after the commencement date of the charter period. At expiry of the charter periods, the balance purchase price (50% of purchase price) is payable. Both vessels was delivered in May 2019.

2018

Golden Energy Offshore Services AS



PARENT ACCOUNTS 2018

PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

NOK	Note	**2018**	**2017**
Freight income	2	61 160 828	86 835 902
Total income		**61 160 828**	**86 835 902**
Operating expenses vessels		-46 549 118	-44 456 480
Other operating expenses	11	-11 973 301	-8 794 997
Operating result before depreciations	2	**2 638 409**	**33 584 425**
Depreciation	4	-12 277 744	-15 903 288
Write down	4	-16 992 188	0
Operating result		**-26 631 523**	**17 681 137**
Interest income		26 978	19 825
Financial income	5	101 330 862	0
Currency gain/loss		855 106	-1 381 245
Other interest charges		0	-14 102 733
Net Financial Items	6	**102 212 945**	**-15 464 153**
Profit before tax		**75 581 422**	**2 216 984**
RESULT FOR THE YEAR		**75 581 422**	**2 216 984**
TOTAL COMPREHENSIVE INCOME		**75 581 422**	**2 216 984**
Earnings per share	17	3,35	0,91

BALANCE SHEET

NOK	Note	Pr 31.12.2018	Pr 31.12.2017
NON-CURRENT ASSETS			
Tangible fixed assets	3,4	23 004 333	226 094 989
Total non-current assets		**23 004 333**	**226 094 989**
Investments in subsidiaries	18	140 410 040	0
Total Financial fixed assets		**140 410 040**	**0**
Total fixed assets		**163 414 373**	**226 094 989**
Current Assets			
Stocks		0	483 040
Account receivables	8	21 217 687	18 561 589
Receivables	14	72 418 809	14 106 382
Bank deposits	9	15 232 641	35 270 661
Total current assets		**108 869 137**	**68 421 672**
TOTAL ASSETS		**272 283 510**	**294 516 661**
EQUITY AND LIABILITIES			
Equity			
Share capital	15	24 926 516	291 280 000
Share premium		167 922 331	188 934
Other equity		76 889 031	-217 941 303
Total Equity		**269 737 879**	**73 527 631**
Liabilities			
Current liabilites			
Current portion of long-term debt	5,7	0	220 284 476
Trade debt	7	2 175 751	704 554
Other current liabilities	7	369 880	0
Total current liabilities		**2 545 631**	**220 989 030**
Total liabilities		**2 545 631**	**220 989 030**
TOTAL EQUITY AND LIABILITIES		**272 283 510**	**294 516 661**

Aalesund, 31.05.2019

Sten Gustafson	Martin Muff	Per Ivar Fagervoll
Chairman of the Board	Member of the Board	CEO/Member of the Board

CASH FLOW

NOK	Note	**2018**	**2017**
Result before tax		75 581 422	2 216 984
Depreciation and write downs	4	29 269 932	15 903 288
Change in short-term receivables/payables		1 605 593	9 471 125
Interest expenses	6	0	11 076 176
Gain on conversion of debt		-101 330 862	0
Change in other accruals		-246 633	3 008 720
Net cash flow from operations	A	**4 879 452**	**41 676 292**
Investments	4	-26 809 316	0
Net cash flow from investments	B	**-26 809 316**	**0**
Paid interests		0	-12 973 070
Capital increase	16	1 936 991	0
Net cash flow from financing	C	**1 936 991**	**-12 973 070**
Effect of changes in foreign exchange rates	D	-45 147	17 837
Net change in cash and cash equivalents	A+B+C+D	-20 038 020	28 721 059
Cash and cash equivalents at 01.01.		35 270 661	6 549 602
Cash as per balancedate		**15 232 641**	**35 270 661**

STATEMENT OF CHANGES IN EQUITY

NOK	Note	**Share Capital**	**Share premium**	**Retained Earnings**	**Total Equity**
Equity 01.01.2018		291 280 000	188 934	-217 941 303	73 527 631
Annual result		0	0	75 581 422	75 581 422
Equity Contribution		450 463	1 486 528	0	1 936 991
Conversion of debt	5	22 028 447	96 925 167	0	118 953 614
Capital decrease	5	-288 832 394	68 674 107	220 158 287	0
Share issue costs		0	0	-909 375	-909 375
Share option expense		0	647 595	0	647 595
Equity 31.12.2018		**24 926 516**	**167 922 331**	**76 889 032**	**269 737 879**
Equity 01.01.2017		291 280 000	188 934	-220 158 287	71 310 647
Annual result		0	0	2 216 984	2 216 984
Equity 31.12.2017		**291 280 000**	**188 934**	**-217 941 303**	**73 527 631**

NOTES

NOTE 1 – GENERAL

Golden Energy Offshore Services AS (the "Company") is operating within the shipping business area and currently owns 2 offshore service vessels (PSVs) that were acquired 30.05.2014. The Company was incorporated 16.12.2013, as a part of the Golden Energy Offshore Group, the head office is located in Aalesund and the Company shares are listed on Mercur market on Oslo Stock Exchange. The listing was completed on 05.04.2018. On 31.12.2018 the Company sold both its vessels to two 100 % owned subsidiaries.

1.1 Basis for preparation of the annual report

The annual report is prepared in accordance with the International Financial Reporting Standards (IFRS) which are adopted by the EU and associated interpretations that apply for fiscal years starting 01.01.2018, and which meet the Norwegian disclosure requirements from the accounting legislation.

The financial statements were approved for publishing by the Board on 31.05.2019.

1.2 Functional and presentation currency

Functional currency of the Company is Norwegian kroner (NOK). Transactions in foreign currencies are converted to the functional currency using the exchange rate at the transaction time. At the end of each reporting period the monetary items in foreign currency are converted using the closing rate, non-monetary items are measured at historic cost converted at the time of the transaction. Non-monetary items in foreign currency that are being measured at fair value are converted using the applicable exchange rates at the time when the fair values was determined. Changes in foreign exchange rates are booked continuously during the accounting period.

1.3 Use of estimates and assessment of accounting principles when creating the accounts.

The Management has to some degree used estimates and assumptions that have influenced assets, debt, revenue, costs and information on potential obligations. Future events may result in a change of these estimates. The estimates and assumptions are continuously assessed, and are based on best judgment and historical experience. Changes in accounting estimates are booked in the period of which they arise. If the changes affect future periods, the effects are distributed over present and future periods.

1.4 Principles for revenue recognition

Revenue for the company relates primarily to charterparties of the vessels. The agreed upon rate is recognised over time on a straight line basis, and in accordance with the rates in the contract for various type of work (including stand-by and fully operational rates). The rate includes both an implicit lease revenue for the vessel and additional service components such as crew. The service component, if separated, would also be recognised over time on a straight line basis. Therefore a split between lease and service revenues has not been made.

1.5 Operational segments

The Company identifies its reportable segments and discloses segment information under IFRS 8 Operating Segments which requires the Company to identify its segments according to the organization and reporting structure used by management. Operating segments are components of a business that are evaluated regularly by the Chief Executive Officer (chief operating decision maker) for the purpose of assessing performance and allocating resources. For further inforamation please see note 2.

1.6 Taxes
The Company is subject to the Norwegian rules for tonnage taxation, which means that there is no taxation of the net operating result. The tonnage taxation requires that the Group has to relate to detailed regulations regarding allowance of activities and assets. Any voluntarily or forced exit from the taxation scheme would result in an ordinary taxation of the net operating result. Net finance result is taxed on an ordinary basis according to the tonnage tax rules. It is not accrued for any deferred taxes.

1.7 Ships, docking and depreciations
Vessels are measured at acquisition cost with accumulated depreciations and write-offs deducted. When vessels are sold or disposed, the value in the balance sheet is deducted and the potential loss or profit is allocated to net income.

The vessel values are decomposed into vessel and docking. The Company's vessels are depreciated over a defined remaining working life with a presumed residual value of the vessels at the end of the working life. Remaining working life was estimated on the date of acquisition of the vessels based on the Company's intentions to own the vessels until they reach 30 years of age. The residual value is based on an estimate of what the vessels can be sold for after its remaining working life. The estimate is based on the Golden Energy Offshore Group previous experience from selling 30-year-old vessels. The estimate for residual value is assessed annually and any changes are booked as change in estimate.

Ordinary maintenance is allocated to the net operating result in the same period as it is conducted, while expenses related to dockings are recognized in the balance sheet and charged as an expense linearly over the period until the next scheduled docking. The period between dockings for both Vessels is set to 30 months based on the maintenance program and class requirements for the Vessels. Expenses are booked as depreciations.

If any events or circumstances show an indication that booked value of the vessels cannot be recovered, the booked value is analyzed for impairment. If the indications are confirmed and the booked value is higher than the recoverable amount, then the vessel is written off to the recoverable amount. Each vessel is evaluated individually. The recoverable amount is defined as the highest of net sale price and value in use. Value in use is derived by estimating future cash flows that the vessel is generating and discounting it to net present value using an after-tax interest that reflects the value and risks associated with the vessel. Former write-offs are reversed if the estimates used to determine the recoverable amount is changed. Reversal is however limited to what the booked value would have been if the write-off were not conducted in the first place.

1.8 Government grants
Government grants are booked when reasonable probability exists that the Company fulfills the terms necessary to receive the grants and that they will be received. The Company is eligible for the Norwegian net wage refund scheme and the refund is booked against the expense it is meant to cover.

1.9 Financial instruments
The Company's financial instruments by initial recognition are classified in accordance with IFRS 9. After initial recognition, loans and receivables and financial obligations are measured at amortized cost by effective interest method. When calculating the effective interest, cash flows and all contractual matters regarding the financial instruments are taken into consideration. The calculation

includes all fees between the parties of the contract as an integrated part of the effective interest and transaction expenses. The amortization of the period is included as financial expense in the profit or loss statement.

Accounts receivable and other short-term receivables, plus cash and cash-equivalents measured at fair value at amortized cost . A financial asset is impaired using the expected credit loss 3-stage model (ECL) or the practical expedient of lifetime ECL for accounts receivable in accordance with IFRS 9. Further details regarding the financial intruments are given in note 6 and 7.

1.10 Stocks
Stocks consists mainly of bunkers and lubricating oil onboard the vessels. The stocks are valued at cost price. If the booked value is higher than the market value, the stocks are written off to market value.

1.11 Cash & cash equivalents
Cash includes cash in hand and bank deposits. Cash equivalents are short term liquid investments that immediately can be converted to cash by a known amount, and maximal maturity is 3 months. Funds that are originally locked for more than 3 months are not included in cash and cash equivalents.

1.12 Debt & Equity
Financial instruments are classified as debt or equity in accordance with the underlying economic reality.

Interests, dividends, profit and loss related to a financial instrument classified as debt, will be presented as loss or profit. Distribution to owners of financial instruments that are classified as equity will be booked directly toequity.Transaction expenses directly related to an equity transaction are booked directly to equity.

1.13 Accruals
An accrual is booked when the Company has an obligation (legal or self-imposed) as a consequence of a previous event, it is probable (more likely than not) that an economic settlement will happen as a consequence of this obligation and the size of the amount can be measured reliably. If the effect is material the accrual is calculated by discounting of expected cash flows using a discount rate pretax, which reflects the market's pricing of the timed value of cash, and, if relevant, risks specifically associated with the obligation.

1.14 Events after the balance sheet date
New information after the balance sheet date regarding the Company's financial position on the balance date has been taken into account in the annual report. Events after the balance sheet date that do not affect the Company's financial position on the balance date, but will affect the financial position in the future have been described if found material.

1.15 Changes in accounting principles and note information
Except for the changes noted below, it is the same accounting principles as last year that has been used for this year.

IFRS 9 - Financial Instruments
The Company has adopted IFRS 9 "Financial instruments" as of 01.01.2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. The new standard sets out new requirements

for the accounting of financial instruments in the areas of classification, impairment and hedge accounting.
The Company applied the modified retrospective method when implementing IFRS 9 "Financial Instruments". The changes in classification and measurement requirements did not have a significant impact on the Company's financial statements.

IFRS 15 – Revenues from contracts with Customers
The Company has adopted IFRS 15 “Revenue from Contracts with Customers” as of 01.01.2018. IFRS 15 replaces IAS 18 “Revenue” and IAS 11 “Construction Contracts”. The new standard establishes a new set of principles that shall be applied to report information about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

IFRS 15 was adopted by the Company using the modified retrospective transition method without any material implementation effect to the consolidated statement of financial position and statement of changes in equity. All revenue derives from T/C contracts, which contain both a lease and a service element. IFRS 15 only affects the service element, as the recognition of revenue from lease agreements is governed by IAS 17 Leases (IFRS 16 Leases when effective). Revenue from both the IFRS 15 service element and the lease element is recognized over time. All service and leasing elements have the same accounting treatment under IFRS 15 as with the previous standards.

1.16 Warrants for employees
Warrants are booked at time where an employee is awarded it. The warrant is booked at an amount equivalent to fair value directly towards equity. Fair value has been calculated by independent third party.

1.17 New accounting standards with future effective date
Accounting standards and interpretations that are approved up to the date of completion of these accounts, but where the effective date is forward in time is listed below. The intention of the Company is to implement the relevant changes on the effective date, assuming that the EU approves the changes before completion of the financial report.

IFRS 16 – Leases
IFRS 16 Leases replaces the existing IFRS standard for leasing agreements, IAS 17. IFRS 16 gives principles for calculation, measuring, presentation and information regarding lease agreements for both parties in a leasing agreement(both the lessee and the lessor). The new standard demands that the lessee calculates assets and obligations for the most leasing agreements and this is a material change from todays principles. For the lessor IFRS 16 continues with the existing principles of IAS 17. According to IFRS 16 a lessor shall continue to classify its lease agreements as either operational or financial leases.. The standard is effective from January 1st 2019 and shall be implemented either by full retrospective or modified retrospective method.

It is the managements preliminary view that implementation of IFRS 16 will have no effects on the financial statements, simply because the Company has no leasing agreements as a lessee..

Other published standards and interpretations with effective date in the future is not relevant for the Company and will not affect the accounts.

1.18 Investments in subsidiaries
Investments in subsidiarys are booked by the cost method. The investments are written off to real value if the loss of value is considered permanent.

NOTE 2 – SEGMENT

The operating segments are determined based on where the vessels Energy Swan and Energy Scout have been operating geographically in 2018. Energy Swan has operated on fixed contracts in the North Sea , whereas Energy Scout has worked on short-term contracts within the West Coast of Africa. Both vessels provide shipping services in both geographical regions.

Segment performance is reported to the chief operating decision maker and evaluated based on two measures: total operating revenue and operating result before depreciations.

The Company has earned revenue from two different customers in 2018.

NOK		
Freight income per geographical area	**2018**	**2017**
North Sea	29 362 070	52 179 675
West Coast of Africa	31 798 759	34 656 227
Total operating revenue	**61 160 828**	**86 835 902**

NOK		
Operating result per geographical area		
North Sea	2 333 347	25 578 503
West Coast of Africa	8 128 603	11 258 524
Administration	-7 823 540	-3 252 602
Operating result before depreciations	**2 638 409**	**33 584 425**
Depreciation	-12 277 744	-15 903 288
Write down	-16 992 188	0
Operating result	**-26 631 523**	**17 681 137**

The lease portion of the contracts are included in the revenue above. The right to use the vessels will about be within the range of 30-70 % of the contract value.

NOTE 3 – ESTIMATE UNCERTAINTY & DISCRETIONARY ASSESSMENT

When preparing the annual accounts, the Company’s management has used estimates based on best judgment and assumptions that are considered realistic. It is a probability that situations or changes in market conditions occur, which can lead to changes in estimates, and affect the Company’s assets, debt, equity and profit.

The Company’s most material accounting estimates are related to write-offs of fixed assets.

The most critical estimate related to impairment of fixed assets is the future cash flows given the market situation at current date. For further information see note 4.

NOTE 4 – FIXED ASSETS

NOK	Vessels	Docking	Ships under construction	Total
Balance 01.01.2017	**237 252 669**	**4 745 608**	**0**	**241 998 277**
Depreciations	11 157 680	4 745 608	0	15 903 288
Balance 01.01.2018	**226 094 989**	**0**	**0**	**226 094 989**
Additions	0	3 804 983	23 004 333	26 809 316
Depreciations	11 171 944	1 105 800	0	12 277 744
Write off	16 992 188	0	0	16 992 188
Sale of assets	197 930 857	2 699 183	0	200 630 040
Balance 31.12.2018	**0**	**0**	**23 004 333**	**23 004 333**

The Vessels are depreciated linearly to a residual value when the vessels reach 30 years. The residual value is NOK 15 million for Energy Swan and NOK 10 million for Energy Scout. Costs for acquiring the vessels are already included in the acquisition cost for both vessels. Accrued and estimated docking expenses for the vessels are depreciated over 5 years until the next docking.

In 2018 the Company has paid instalments and incurred expenses in relation to two newbuilt vessels that are to be delivered in 2019. Total aquisition cost will be derived upon delivery and depreciation will not be booked until the vessels have been delivered.

Because of the development of the market outlook and the uncertainty of the vessels' future income, an impairment test has been conducted according to IAS 36. As a result of the completed analysis, an impairment of 16,9 MNOK has been recognized in 2018. The Company has conducted a value in use calculation for each vessel where estimated cash flows before finance expenses are used in addition to obtain valuations from 2 independent shipbrokers.

The value in use calculation is based on net present value of the future cash flows that the Company estimates during the remaining economical lifetime of the vessels. A discount rate after tax (WACC) has been used as the discount factor. The Company has used a WACC of 8,4 %, which is based on the Company's and equivalent comparable companies' demand for return on capital. Other material assumptions in the estimated cash flows are: inflation rate, order reserve, utilization, OPEX, CAPEX, charter rates and exchange rates of foreign currencies.

There is a large uncertainty regarding the assumptions used in the model. Both vessels are on contract when these statements are presented and for revenues the fixed contract rates are used. Options are not considered. After expiry of contract the Company uses a low spot-rate that increases gradually the next 3 years. The rate that is used is materially lower than what the vessels have earned historically the last 5 years. After these 3 years a "steady state" rate is assumed with an annual growth of 2,5 % which is equivalent to the same target as the government has plaved for the growth in the monetary policy. In the entire period a utilization of 90 % is assumed. This is also lower than the actual historical utilization for both vessels the last 5 years.

OPEX is in the value in use calculation based on the vessels budgets, approved by the Board. A class renewal in 2020 for both vessels is also used in the model.

Because of the uncertainty regarding the assumptions in the model, sensitivity analyses on the value in use calculation has been made. This analysis shows what the impairment of the vessels would have been if other assumptions were used. If both vessel revenues are reduced by 10 % there would have been an impairment of the vessel Energy Swan of MNOK 12 and for Energy Scout MNOK 27. If the WACC was 1 % higher, the impairment of Energy Swan would have been MNOK 2 and additional MNOK 3 for Energy Scout.

On 31.12.2018 Energy Swan and Energy Scout was sold to each new 100 % owned subsidiarys of Golden Energy Offshore Services AS. The sale was done according to booked values and hence no financial gain or loss was incurred

NOTE 5 – INTEREST BEARING DEBT

On 19.12.2017 a bondholders meeting was held, in which the Company got 95,42 % votes in favor for its proposal to convert all outstanding bonds to equity. The conversion of debt into equity was completed in early 2018. When equity instruments issued to a creditor to extinguish a financial liability are recognized, the Company shall measure them at the fair value of the equity instruments. The difference between the carrying amount of the financial liability extinguished, and the consideration paid, shall be recognized in profit or loss. This is in accordance with paragraph 3.3.3. of IFRS 9. The Company has used a share price of NOK 5,40 in order to calculate the the implicit value. With 22 028 447 new shares issued this gives an implicit value of NOK 118 953 614. The profit is then derived as follows:

Bond issue before conversion	220 284 476
Implicit value new shares	-118 953 614
PROFIT	**101 330 862**

NOTE 6 – FINANCIAL ITEMS

NOK	**2018**	**2017**
Exchange gains	2 142 656	2 788 292
Exchange losses	-1 287 550	-4 169 537
Profit conversion of bond debt	101 330 862	0
Interest expenses	0	-11 076 176
Amortized cost	0	-3 026 557
Other financial revenues	26 978	19 825
Net financial items	**102 212 945**	**-15 464 153**

NOTE 7 – FINANCIAL INSTRUMENTS

Financial risk

The Company has financial instruments such as accounts receivables, trade debt and similar debts related to the ordinary running of the Company.
Routines for risk management have been adopted by the Board of Directors and are conducted in cooperation with each department.

The most important financial risks that the Company is exposed to are related to interest risk, liquidity risk and credit risk.

1) Credit risk
The Company is mainly exposed to credit risk associated with accounts receivable. The main counterparts are mainly major oil companies and the maximum exposure to credit risk is the same as accounts receivable(MNOK 21,2). Accounts receivable are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company. The credit risk has increased as a consequence of the reduced activities in the oil industry, but is expected to be limited. The Company has procedures to monitor and collect receivables. For charter parties where the Company is dependent upon a local intermediate agent, which is typical for operations in West Africa, the Company always seeks to have a “quiet enjoyment letter” agreement depending on what is achievable in today’s market. This gives the Company an opportunity to collect its receivables directly from the end user if the local partner should face problems to settle their debt. Continuous accruals for loss are done if deemed necessary and is decided on a corporate level .The Company has not guaranteed for any third party debt.

2) Interest risk
The Company has converted all bond debt to equity as described in note 5. This means that the Company is not affected by any interest rate level currently.

3) Foreign currency risk
The Company has ordinary bank deposits in USD, as well as accounts receivable per 31.12.2018.

The following table shows the sensitivity of the Companys profit or loss before tax due to changes in USD + / - 10%. All other variables remain unchanged.

Increase/decrease in USD:			Effect on result before tax
+ / - 10%	2018	+ / -	2 270 489

Increase/decrease in USD:			Effect on result before tax
+ / - 10%	2017	+ / -	1 884 333

4) Liquidity risk / Going concern
Liquidity risk is the risk that the Company will not be in a position to meet all its financial obligations as they fall due. The strategy for managing liquidity risk is to have sufficient liquid cash at any time in order to settle the financial obligations at due date, both under normal and extraordinary circumstances, without risking unacceptable losses or loss of reputation. The following table shows an overview of the maturity structure of the Company’s financial obligations, based on undiscounted contractual payments. In cases where the counterparty can demand settlement prior to due date, the amount is stated in the earliest period which the amount can be demanded settled by the counterparty. If any obligations can be demanded settled immediately it is included in the first column(less than 1 year).

NOK	**Remaining period**				
31.12.2018	less 1 year	1 year	2 years	3 years or more	Total
Financial obligations					
Trade debt	2 175 751	0	0	0	2 175 751
Total:	**2 175 751**	**0**	**0**	**0**	**2 175 751**

NOK	Remaining period				
31.12.2017	less 1 year	1 year	2 years	3 years or more	Total
Financial obligations					
Trade debt	704 554	0	0	0	704 554
Total:	**704 554**	**0**	**0**	**0**	**704 554**

There is no planned dockings until the year 2020, which again significantly strengthens the liquidity.

Other current liabilities are accrued legal expenses related to 2018.

NOTE 8 – ACCOUNTS RECEIVABLES

NOK	Pr 31.12.2018	Not due	0-30 days	30-60 days	> 60 days
Accounts receivables	**21 217 687**	4 964 077	4 941 547	2 560 593	8 751 471

Of the account receivables pr 31.12.2018 the following consists of USD: USD 1 833 948,- (NOK 15 934 257). No loss allowance booked in 2018.

NOK	Pr 31.12.2017	Not due	0-30 days	30-60 days	> 60 days
Accounts receivables	**18 561 589**	5 006 755	2 080 517	2 275 254	9 199 063

Of the account receivables pr 31.12.2017 the following consists of USD: USD 1 974 487,- (NOK 16 200 665). No loss allowance nooked in 2017.

NOTE 9 – BANK DEPOSIT
The Company has no restricted bank deposits.

NOTE 10 –TAX
Golden Energy Offshore Services AS is subject to the Norwegian tonnage tax rules. Tax payable is based on the taxable financial result only in accordance with these rules. This years taxable income is positive with NOK 293 719 against -3 120 691 in 2017 and the Company has per 31.12.2018 NOK 6 104 255 in financial loss that is carried forward. Tax for the Company will mainly arise in the event of foreign operations involving local taxation.

NOTE 11 – OTHER OPERATING EXPENSES

NOK	2018	2017
Management fee	4 800 000	4 800 000
Guarantee expenses	18 700	18 700
Audit fee	323 500	264 106
Legal fees	5 403 332	2 125 299
Accrued loss of receivables	86 026	-223 378
Other	1 341 743	1 810 270
Total other operating expenses	**11 973 301**	**8 794 997**

*Audit fee consists of the following:

NOK	2018	2017
Statutory audit	170 000	200 125
Tax consultancy	5 000	3 928
Other services	148 500	60 053
Total fee for auditor	323 500	264 106

NOTE 12 –GOVERNMENT GRANTS
The Company meets the criteria for the Norwegian net wage refund scheme which exists to secure Norwegian maritime competence and recruitment of Norwegian sailors. It is Golden Energy Offshore Management AS that handles the applications for the refund scheme but it is Golden Energy Offshore Services that get the benefits. The Company has received NOK 5 331 581 as refund as of 31.12.2018. In 2017 the amount was NOK 5 236 334.

NOTE 13 – TRANSACTIONS WITH RELATED PARTIES
Energy Swan and Energy Scout was on 31.12.2018 sold to Energy Swan AS and Energy Scout AS respectively. This is two 100 % owned subsidiaries of Golden Energy Offshore Services AS. As of 31.12.2018 a receivable of NOK 42 480 000 exists toward Energy Swan AS and NOK 17 830 000 towards Energy Scout AS.

NOTE 14 –CURRENT RECEIVABLES

NOK	Pr 31.12.2018	Pr 31.12.2017
Pre paid expenses	9 645 045	6 196 479
Net wage refund	882 305	884 035
Norwegian Maritime Competance	-31 000	-32 000
Refundable VAT	1 612 459	2 407 480
Insurance settlement Energy Scout	0	4 650 388
Energy Swan AS	42 480 000	0
Energy Scout AS	17 830 000	0
Total	**72 418 809**	**14 106 382**

NOTE 15–SHARES & STOCKOWNERS
The share capital pr 31.12.2018 is NOK 24 926 516. It consists of 24 926 516 shares at NOK 1. On the General meeting one share has one right to vote. The Chief Executive Officer has an indirect and direct ownership of 1,89 % in the company per 31.12.2018. Below is table of the 20 top shareholders.

#	Golden Energy Offshore (GEOS-ME)	Country	Type	# of shares	% of total
1	STATE STREET BANK AND TRUST COMP	United States	Nominee	3 367 895	13,51 %
2	AB HIGH INCOME FUND, INC.	United States	Company	3 360 247	13,48 %
3	AB GLOBAL BOND FUND, INC	United States	Company	3 089 816	12,40 %
4	GOLDEN ENERGY OFFSHORE AS	Norw ay	Company	2 447 606	9,82 %
5	GEMSCO AS	Norw ay	Company	1 863 603	7,48 %
6	STATE STREET BANK AND TRUST COMP	United States	Nominee	1 497 659	6,01 %
7	PENSJONSORDNINGEN	Norw ay	Company	1 058 481	4,25 %
8	ROALD HOLDING AS	Norw ay	Company	962 256	3,86 %
9	TAJ HOLDING AS	Norw ay	Company	962 256	3,86 %
10	ALLIANCEBERNSTEIN GLOBAL HIGH	United States	Company	916 212	3,68 %
11	IMAGINE CAPITAL AS	Norw ay	Company	793 464	3,18 %
12	AB UNCONSTRAINED BOND FUND, INC.	United States	Company	757 891	3,04 %
13	EIKA KREDITT	Norw ay	Company	454 805	1,82 %
14	BERG INGE HARALD	Norw ay	Private investor	392 451	1,57 %
15	KEWA INVEST AS	Norw ay	Company	336 789	1,35 %
16	EIKA BALANSERT	Norw ay	Company	266 666	1,07 %
17	FAGERVOLL PER IVAR	Norw ay	Private investor	214 243	0,86 %
18	ALSTAD INVEST AS	Norw ay	Company	203 823	0,82 %
19	FORSMO MAGNE	Norw ay	Private investor	192 451	0,77 %
20	GADD HOLDING AS	Norw ay	Company	192 451	0,77 %
	Total top 20			**23 331 065**	**93,60 %**
	Other			1 595 451	6,40 %
	Total stock			**24 926 516**	**100,00 %**

NOTE 16–SHARE BASED REMUNERATION

The annual meeting approved 3 000 000 subscription rights on 31.05.2018 which are issued to Directors and Key employees. This gives them the right to acquire up to a certain maximum amount of shares in the Company at a fixed strike price of NOK 4,30 or if a private placement is carried out the strike price will be set to the price of shares applied in such private placement. The options can be exercised over a period of 3 years and they are non-tradeable and conditional upon the participants being employed at the vesting date. As of 31.12.2018, the Company has recognized NOK 647 595 in cost related to the options. This does not affect the total equity. Under the stock option programme, 450 463 stock options were exercised by ten option holders in 2018 – at an exercise price of NOK 4,30 per share. Total amount was NOK 1 936 991 as capital increase.

NOTE 17–EARNINGS PER SHARE

Earnings per share is calculated by dividing the annual profit allocated to the Company´s shareholders by a weighted average of total shares. For 2017 and 2018 all of the profit is allocated to the shareholders.

NOK	**2018**	**2017**
Number of Shares	24 926 516	2 447 606
Weighted average of total issued shares	22 532 935	2 447 606
Earnings per share	3,35	0,91

NOTE 18–SHARES IN SUBSIDIARIES

Subsidiary	Place of business	Share	Purchase price	Balance sheet value	Company equity 31.12.2018	Company Profit 2018
Energy Swan AS	Ålesund	100 %	45 000	99 006 196	98 981 296	-9 900
Energy Scout AS	Ålesund	100 %	45 000	41 403 844	41 378 944	-9 900

NOTE 19–EVENTS AFTER THE BALANCE SHEET DATE

On 30.04.2019 an extraordinary general meeting approved a capital increase of NOK 36 712 746. Following the registration of the new shares in the Norwegian Register of Business Enterprises the Company's share capital is NOK 35 415 872 divided by 35 415 872 shares each at the nominal amount of NOK 1.

The Company has purchased two newly incorporated subsidiaries for the acquisition of the two newly built vessels: Energy Empress and Energy Duchess. Two BIMCO Barecon 2017 agreements have been entered into with the yard, where a part of the charter hire paid is considered as down payment of the balance purchase price. The rest of the charter hire is considered as interest payment. The period of the bareboat is three years. In addition to the down payments under the Barecon agreements, extraordinary down payments of the purchase price will be paid 1 and 2 years after the commencement date of the charter period. At expiry of the charter periods, the balance purchase price (50% of purchase price) is payable. Both vessels was delivered in May 2019.

To the General Meeting of Golden Energy Offshore Services AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Golden Energy Offshore Services AS, which comprise:

- The financial statements of the parent company Golden Energy Offshore Services AS (the Company), which comprise the balance sheet as at 31 December 2018, the profit or loss and other comprehensive income, statement of changes in equity and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Golden Energy Offshore Services AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2018, the profit or loss and other comprehensive income, statement of changes in equity and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 Company and the Group as required by laws and regulations, 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.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to https://revisorforeningen.no/revisjonsberetninger

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

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

Ålesund, 31 May 2019
PricewaterhouseCoopers AS

Nils Robert Stokke
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.