



**GOLDEN
ENERGY
OFFSHORE**



**Golden Energy Offshore Services AS
1st Half 2019 report**

Results

Golden Energy Offshore Services AS (the Group) was incorporated 16 December 2013 and acquired the vessels Energy Scout and Energy Swan 30 May 2014. In May 2019 The Group acquired the two newbuilds Energy Empress and Energy Duchess after a successful equity raise. The Group conducts shipping offshore business and the place of business is Ålesund Norway.

The Group's revenues for the first half year 2019 was NOK 34 491 336 whereby NOK 18 725 408 originates from Energy Scout's operations in the West coast of Africa segment and NOK 15 765 928 originates from the operations in the North Sea segment. The operating result before depreciations and write offs ended on NOK 5 057 885 against NOK -46 403 same period in 2018.

Net financing was positive with NOK 4 647 969 due to adjustment of exchange rate on the new financing of the two new builds.

The Group's result before tax per Q2 2019 is a surplus of NOK 2 015 676. This is suggested moved to equity. Booked equity per 30.06.2019 is NOK 307 225 039 against 269 718 079 at year end 2018. This give an equity ratio of 53 %.

Cash flow from operational activities for per Q2 2019 is NOK 25 706 947 and NOK -326 526 312 is from investing activities related to the new builds. Cash flow from financing activities is NOK 288 225 367. To achieve a high 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 possible acquisition of new vessels

The Group owns four platform supply vessels (PSV's) (the "Vessels") which are operated and managed by Golden Energy Offshore Management AS in Ålesund, Norway. Energy Swan, Energy Empress and Energy Duchess currently operates in the North Sea, and Energy Scout currently operates outside of Nigeria in Africa.

30.04.2019, the Group 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 Group took delivery of Energy Empress on 11.05.2019 and Energy Duchess 27.05.2019. 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 is presumably among the youngest vessels available in the market and will be so for a long time. This is a major step for the Company to create additional shareholder value.

Financing and Liquidity

The take out finance of the two new builds is a hybrid hire purchase agreement where two separate BIMCO Barecon 2017 have been entered into with a duration of three years with the Group 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.

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

Market and future prospective

The activity in the Company's market is gradually increasing. The oil companies' investments have increased and the demand for the Company's vessels are increasing.

The Company's continuing focus on environmental friendly operations through energy efficiency programs and other measures are important factors in the competitive market. All the Company's vessels are employed for the most part of H2 2019. Energy Empress and Energy Duchess were introduced to the N-sea spot market following their arrival after their positioning voyage from the Chinese yard. These vessels have been welcomed by charterers and have had a good utilization, as previously reported they will be employed for the remaining part of 2019. The vessel Energy Swan has a long-term contract that expires 30. November 2019 (but with options for continuing employment for the charterers). Energy Scout is also committed employed in west coast of Africa for the remainder of 2019.

The market has not fully recovered and many vessels were reactivated during the summer competing with the Company's vessels. The Company expects that rates will decrease during the winter season. However, the Company continue its positive view for the market conditions generally improving towards the next summer season. The previous measures taken by the Company should enable the Company to take advantage of any improvement in the market.

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. Additional investments in the Energy Empress and Energy Duchess are also considered, positioning them for work in the renewables sectors. Downpayment on the bareboat charters for Energy Empress and Energy Duchess at each anniversary from delivery may also require additional equity.

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. The Company believes that a broader shareholder group and increased market cap will increase investor interests in the Company's shares and thereby increase both value and liquidity in the shares.

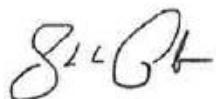
The company and its shareholders

Pr 30.06.2019 the company had 90 shareholders and the company's share capital was NOK 35 415 872 divided by 35 415 872 shares, each with a nominal value of NOK 1.

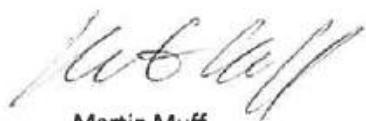
Statement from the Board and CEO

We hereby confirm that the semi-annual report for the period 01.January 2019 to 30. June 2019 to the best of our knowledge is prepared in accordance with IAS 34. The 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, 30.09.2019



Sten Gustafson
Chairman of the Board



Martin Muff
Member of the Board

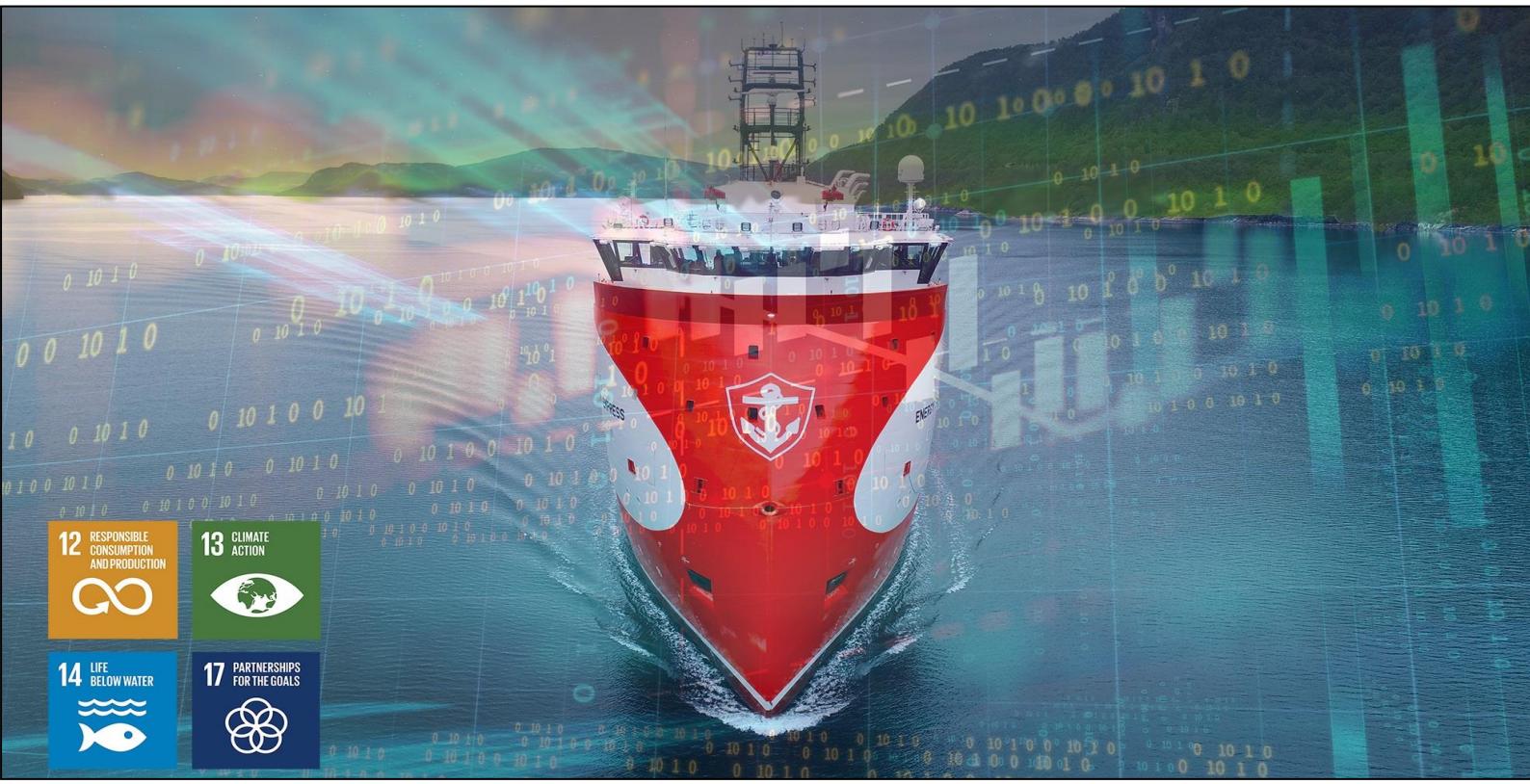


Per Ivar Fagervoll
CEO/Member of the Board



PROFIT AND LOSS ACCOUNT

		01.01.2019 - 30.06.2019	01.01.2018 - 30.06.2018	2018
NOK	Note			
Freight income		34 491 336	28 986 806	61 160 828
Total income		34 491 336	28 986 806	61 160 828
Operating expenses vessels		-24 869 493	-22 338 803	-46 549 118
Other operating expenses		-4 563 959	-6 694 406	-11 993 101
Operating result before depreciations		5 057 885	-46 403	2 618 609
Depreciation	3	-7 690 178	-5 585 972	-12 277 744
Write down		0	0	-16 992 188
Operating result	2	-2 632 293	-5 632 375	-26 651 323
Interest income		2 985	14 749	26 978
Financial income		0	101 330 862	101 330 862
Currency gain/loss		6 451 334	-33 854	855 106
Other interest charges	4	-1 806 350	0	0
Net Financial Items		4 647 969	101 311 757	102 212 945
Profit before tax		2 015 676	95 679 382	75 561 622
RESULT FOR THE YEAR		2 015 676	95 679 382	75 561 622
TOTAL COMPREHENSIVE INCOME		2 015 676	95 679 382	75 561 622
Earnings per share		0,06	4,76	3,35



BALANCE SHEET

NOK	Note	Pr 30.06.2019	Pr 30.06.2018	Pr 31.12.2018
NON-CURRENT ASSETS				
Tangible fixed assets	3	542 470 508	226 826 786	223 634 373
Total non-current assets		542 470 508	226 826 786	223 634 373
Total fixed assets		542 470 508	226 826 786	223 634 373
CURRENT ASSETS				
Stocks		1 731 403	526 173	663 091
Account receivables		21 374 846	21 408 154	21 217 687
Receivables		12 557 164	14 953 606	11 455 918
Bank deposits		2 494 024	26 232 590	15 292 641
Total current assets		38 157 437	63 120 524	48 629 337
TOTAL ASSETS		580 627 944	289 947 309	272 263 710
EQUITY AND LIABILITIES				
Equity				
Share capital		35 415 872	24 476 053	24 926 516
Share premium		194 576 331	165 992 763	167 922 331
Other equity		77 232 836	97 896 366	76 869 231
Total Equity		307 225 039	288 365 182	269 718 079
Liabilities				
Long term debt	4	220 317 322	0	0
Total long-term debt		220 317 322	0	0
Current liabilities				
Current portion of long-term debt	4	31 722 149	0	0
Trade debt		21 363 434	1 582 127	2 175 751
Other current liabilities		0	0	369 880
Total current liabilities		53 085 583	1 582 127	2 545 631
Total liabilities		273 402 905	1 582 127	2 545 631
TOTAL EQUITY AND LIABILITIES		580 627 944	289 947 309	272 263 710

CASH FLOW

		01.01.2019 - 30.06.2019	01.01.2018 - 30.06.2018	2018
NOK	Note			
Result before tax		3 140 336	95 679 382	75 561 622
Depreciation and write downs	4	6 565 518	5 585 972	29 269 932
Change in short-term receivables/payables		15 581 464	-2 859 349	1 655 393
Interest expenses	6	1 806 350	0	0
Gain on conversion of debt		0	-101 330 862	-101 330 862
Change in other accruals		-1 386 720	222 926	-216 633
Net cash flow from operations	A	25 706 947	-2 701 932	4 939 452
Investments	4	-326 526 312	-6 317 769	-26 809 316
Net cash flow from investments	B	-326 526 312	-6 317 769	-26 809 316
Paid interests		-526 848	0	0
Long-term debt		258 069 080	0	0
Repayment debt		-105 370	0	0
Exchange rate adjustment loan		-5 924 241	0	0
Capital increase	16	36 712 746	0	1 936 991
Net cash flow from financing	C	288 225 367	0	1 936 991
Effect of changes in foreign exchange rates cash	D	-204 619	-18 371	-45 147
Net change in cash and cash equivalents	A+B+C+D	-12 798 617	-9 038 071	-19 978 020
Cash and cash equivalents at 01.01.		15 292 641	35 270 661	35 270 661
Cash as per balancedate		2 494 024	26 232 590	15 292 641

STATEMENT OF CHANGES IN EQUITY

NOK	Note	Share Capital	Share premium	Retained Earnings	Total Equity
Equity 01.01.2019		24 926 516	167 922 331	76 869 232	269 718 079
Annual result		0	0	2 015 676	2 015 676
Equity Contribution		10 489 356	26 223 390	0	36 712 746
Share issue costs		0	0	-909 375	-909 375
Share option expense		0	430 610	0	430 610
Equity 30.06.2019		35 415 872	194 576 331	77 232 836	307 225 039

NOTE 1 – GENERAL

Golden Energy Offshore Services AS (the “Group”) is operating within the shipping business area and currently owns four offshore service vessels (PSVs). The Group was incorporated at the end of 2013, the head office is located in Aalesund and the all of the Group’s shares are listed on Oslo Stock Exchange. The quarterly report is prepared in accordance with the same accounting principles as the last annual accounts and according to IAS 34 Interim financial reporting.

NOTE 2 – SEGMENT

The Group owns four vessels and the segments are divided into where the vessels operate geographically.

Freight income per geographical area	01.01.2019 - 30.06.2019		01.01.2018 - 30.06.2018	2018
North Sea	15 765 928		13 635 212	29 362 070
West Coast of Africa	18 725 408		15 351 594	31 798 759
Total operating revenue	34 491 336		28 986 806	61 160 828

Operating result per geographical area

North Sea	1 891 097	2 485 179	2 333 347
West Coast of Africa	6 801 369	588 513	8 128 603
Administration	-3 634 581	-3 120 095	-7 843 341
Operating result before depreciations	5 057 885	-46 403	2 618 609
Depreciation	-7 690 178	-5 585 972	-12 277 744
Write down	0	0	-16 992 188
Operating result	-2 632 292	-5 632 375	-26 651 323

NOTE 3 – FIXED ASSETS

NOK	Vessels	Docking	Ships under construction		Total
			0	0	
Balance 01.01.2018	226 094 989		0	0	226 094 989
Additions	0	3 804 983	23 004 333	0	26 809 316
Depreciations	11 171 944	1 105 800	0	0	12 277 744
Write off	16 992 188	0	0	0	16 992 188
Balance 01.01.2019	197 930 857	2 699 183		0	223 634 373
Additions	349 530 645	0	-23 004 333	0	326 526 312
Depreciations	6 340 586	1 349 591	0	0	7 690 178
Write off	0	0	0	0	0
Balance 30.06.2019	541 120 916	1 349 592		0	542 470 508

The Vessels are depreciated linearly to a residual value when the vessels reach 30 years. Costs for acquiring the vessels are already included in the acquisition cost for each vessel. Accrued and estimated docking expenses are depreciated over 60 months until the next docking.

NOTE 4 – LONG TERM DEBT

The hybrid hire purchase agreement for the acquisition of Energy Empress and Energy Duchess is a 3 year bareboat hire agreement with a purchase obligation at the end of the period. Part of the bareboat hire is considered down payments towards the balance purchase price and the outstanding balance is classified as long term debt with the exception of the first year instalments which are classified as short term debt. Based on the current utilization rate, short term debt is expected to be off-set by payable charter hire.

Long term debt	220 317 322
Current portion of long term debt	31 722 149
TOTAL	252 039 471

NOTE 5 – SHARES & STOCKOWNERS

The share capital pr 30.06.2019 is NOK 35 415 872. It consists of 35 415 872 shares at NOK 1. On the General meeting one share has one right to vote. Below is table of the 20 top shareholders.

#	Golden Energy Offshore (GEOS-ME)	Country	Type	# of shares	% of total
1	GEMSCO AS	Norway	Company	6 235 033	17,61 %
2	State Street Bank and Trust Comp	United States	Nominee	5 172 617	14,61 %
3	AB HIGH INCOME FUND, INC.	United States	Company	3 360 247	9,49 %
4	AB GLOBAL BOND FUND, INC	United States	Company	3 089 816	8,72 %
5	GOLDEN ENERGY OFFSHORE AS	Norway	Company	2 447 606	6,91 %
6	K11 INVESTOR AS	Norway	Company	1 573 403	4,44 %
7	PENSJONSORDNINGEN	Norway	Company	1 504 278	4,25 %
8	State Street Bank and Trust Comp	United States	Nominee	1 497 659	4,23 %
9	GOLDEN ENERGY OFFSHORE MANAGEMENT	Norway	Company	1 311 576	3,70 %
10	ROALD HOLDING AS	Norway	Company	962 256	2,72 %
11	TAJ HOLDING AS	Norway	Company	962 256	2,72 %
12	ALLIANCEBERNSTEIN GLOBAL HIGH	United States	Company	916 212	2,59 %
13	IMAGINE CAPITAL AS	Norway	Company	793 464	2,24 %
14	AB UNCONSTRAINED BOND FUND, INC.	United States	Company	757 891	2,14 %
15	EIKA KREDITT	Norway	Company	645 900	1,82 %
16	INGE HARALD BERG	Norway	Private Investor	592 451	1,67 %
17	PER IVAR FAGERVOLL	Norway	Private Investor	536 666	1,52 %
18	KEWA INVEST AS	Norway	Company	336 789	0,95 %
19	EIKA BALANSERT	Norway	Company	304 262	0,86 %
20	Alstad Invest AS	Norway	Company	300 000	0,85 %
Total top 20				33 300 382	94,03 %
Other				2 115 490	5,97 %
Total stock				35 415 872	100,00 %

