ANNUAL REPORT 2014
Petroleum Services Group AS

Org number. 986 922 113

Company overview and operations
Petroleum Services Group AS is today a pure holding company. On 19 July 2014 Petroleum Services Group AS together with Petco Invest AS and Petco II Invest AS entered into a share purchase agreement for the sale of 100% of the shares in AGR Holdings AS to AGR Bidco AS. The sale was closed on 1 September 2014. After the sales of AGR Holdings AS the Group consist of the E&P business in Israel and a Branch in AbuDhabi. The Group's main operations are based in Straume outside Bergen.

Overview of the development and results
Turnover for the Group decreased from NOK 40 772 thousand in 2013 to NOK 2 243 thousand in 2014. Operating profit for the Group was negative NOK 27 639 thousand compared to negative NOK 11 439 thousand in 2013. Net profit from continued operations for the financial year 2014 was negative NOK 50 057 thousand compared to negative NOK 21 448 thousand in 2013. Profit for the year including discontinued operation was NOK 548 672 thousand compared to NOK 80 711 thousand in 2013.

Financial risk
The level of activity for the Group has been low in 2014 since the majority of the operations were sold and therefor the total financial risk is considered to be low.

Parent Company
Petroleum Services Group AS is the parent company and its main activity is to act as the owner of the shares in its subsidiaries.
The operating result in 2014 was negative NOK 26 777 thousand compared to negative NOK 4 219 thousand in 2013. The net result in 2014 was NOK 530 683 thousand compared to NOK 37 584 thousand in 2013. The increase was mainly due to the sales of AGR Holdings AS.

Forsknings- og utviklingsaktiviteter
There was no research and development or significant investment in the company in 2014.

Continued Operations
The Board has considered the factors above in relation to continued operations and concluded that in accordance with the Accounting Act §3-3a, we confirm that the financial statements have been prepared under the asumption of a going concern.

Working environment
There was no employees in the Group at the end of 2014..

Gender Equality
As of 31 December 2014 the Board of Petroleum Services Group AS had 3 Board Members of which 1 was women.
Based on an assessment of the number of employees and job categories the Board has not found it necessary to implements specific actions with regard to equality.

Environmental Reporting
All AGR activities that effect the environment are managed by means of well-established systems and processes in order to identify and eliminate or reduce any negative impact, and to ensure, as a minimum, compliance with legislation and regulations set out by the authorities. The environmental aspects of the activities are identified and managed.

Annual Result and Allocations
The Board believes that the accounts give a true and fair view of the assets and liabilities, financial position and results for 2014.

There are no events after the closing that are of importance for the evaluation of the financial statements.

The Board proposes the following allocations of the Group's result for the financial year:

Profit for the year	NOK	548 672 thousand
Non-controlling interests' share of profit for the year	NOK	1 817 thousand
Total Profit allocated to retained earning	NOK	546 855 thousand

The parent company's distributable equity at 31.12.2014 was:

Profit for the year	NOK	530 683 thousand
Dividend proposed	NOK	858 919 thousand
Total Profit allocated to retained earning	NOK	(328 216) thousand

Straume, 19.06.2015

Pål Stampe
Chairman of the Board

Kai André Stæger-Holst
Board Member

Maria Tallaksen
Board Member

Stian Tuv
CEO

Consolidated Income Statement

GROUP			In NOK 1 000
		Year ended 31 December	
Continuing operations	**Note**	**2014**	**2013**
Revenue	4,20	969	9 222
Other operating revenue	4,20	1 273	31 550
Total operating revenue		**2 243**	**40 772**
Goods and consumables used	20	1 245	11 862
Payroll expenses	16	15 965	21 439
Depreciation, amortisation and impairments	5,6	895	4 357
Other operating expenses	16,18,20	11 777	14 553
Total operating expenses		**29 882**	**52 211**
Operating profit		**(27 639)**	**(11 439)**
Financial income	19	30 766	41 761
Financial expenses	19	17 866	43 217
Share of loss of an associate	7,19	823	4 333
Net financial items		**12 077**	**(5 789)**
Profit (loss) before income tax		**(15 562)**	**(17 228)**
Income tax expense	13	34 495	4 220
Profit (loss) from continued operations		**(50 057)**	**(21 448)**
Profit after tax from discontinued operations	23	42 490	102 159
Gain from sale of discontinued operation	23	556 239	-
Profit (loss) for the year		**548 672**	**80 711**
Non-controlling interests' share of profit (loss) for the year		1 817	4 354
Profit attributable to equity holders		546 855	87 915
		548 672	**92 269**

Consolidated statement of comprehensive income

Statement of comprehensive income	Twelve months ended 31 December	
	2014	2013
Profit for the period	548 672	80 711
Other comprehensive income		
Other comprehensive income to be reclasified to profit or loss in subsequent periodes:		
Currency translation differences	1 940	1 044
Currency translation differences discontinued operations	5 357	5 960
Net other comprehensive income to be reclasified to profit or loss in subsequent periodes	7 297	7 004
Other comprehensive income not to be reclasified to profit or loss in subsequent periodes:		
Re-measurement gains (losses) on defined benefit plans	-	6 325
Income tax effect	-	(1 771)
Net other comprehensive income not to be reclasified to profit or loss in subsequent periodes	-	4 554
Total comprehensive income for the period	555 969	92 269
Profit(loss) attributable to:		
- owners of the company	554 152	87 915
- non-controlling interest	1 817	4 354
	555 969	92 269

Consolidated statement of financial position

GROUP			In NOK 1 000
		As at 31 December	
	Note	2014	2013
Assets			
Deferred tax assets	13	-	72 006
Other intangibles	5	-	17 435
Goodwill	5	-	621 019
Intangible assets		**-**	**710 461**
Machinery and operating equipment	6	98	15 016
Tangible fixed assets		**98**	**15 016**
Investment in an assosiate	7	1 824	2 648
Other fixed assets		957	38 604
Financial fixed assets		**2 781**	**41 251**
Total non current assets		**2 879**	**766 728**
Inventories		**-**	**123**
Trade receivables	8	811	372 574
Other receivables	9	8 805	59 825
Receivables		**9 615**	**432 400**
Financial assets at fair value		-	103
Cash and cash equivalents	10	**73 635**	**125 106**
Current assets		**83 250**	**557 731**
Total assets		**86 130**	**1 324 459**

Consolidated statement of financial position

GROUP			In NOK 1 000
		As at 31 December	
	Note	2014	2013
Equity and liabilities			
Share capital	11	1 242	139 051
Total paid-in equity		**1 242**	**139 051**
Retained earnings		57 634	313 861
Non-controlling interest in equity		673	25 588
Total equity		**59 548**	**478 500**
Pension liabilities		-	1 861
Deferred tax	13	-	9 595
Provisions		-	357
Bond loan	14	-	524 642
Total non-current liabilities		**-**	**536 455**
Trade payables		2 526	152 814
Tax payable	13	-	12 904
VAT payable and other taxes payable		154	30 874
Other current liabilities	15,22	23 902	112 911
Total current liabilities		**26 582**	**309 504**
Total liabilities		**26 582**	**845 959**
Total equity and liabilities		**86 130**	**1 324 459**

Oslo, 19.06.2015

Pål Stampe
Chairman of the Board

Kai André Stæger-Holst
Board Member

Maria Tallaksen
Board Member

Stian Tuv
CEO

Consolidated Statement of changes in Equity

GROUP — **In NOK 1 000**

	Share capital	Total paid-in equity	Translation effects	Retained earnings	Total Group	Non-controlling intrests	Total equity
Opening balance 01.01.14	**139 051**	**139 051**	**4 906**	**308 955**	**452 912**	**25 588**	**478 500**
Decrease in share capital from cash deposit	(137 809)	(137 809)		46 729	(91 080)		(91 080)
Dividend payment		-		(858 920)	(858 920)		(858 920)
Capital contribution, Non-controlling interest		-		1 817	1 817	(26 738)	(24 921)
					-		-
Total other equity movements 2014	**(137 809)**	**(137 809)**	**-**	**(810 374)**	**(948 183)**	**(26 738)**	**(974 921)**
Profit for the period		-		546 855	546 855	1 817	548 672
Other comprehensive income		-	7 297		7 297		7 297
Total recognised other comprehensive for 2014	**-**	**-**	**7 297**	**546 855**	**554 152**	**1 817**	**555 969**
Adjustment to equity for 2014	**(137 809)**	**(137 809)**	**7 297**	**(263 519)**	**(394 031)**	**(24 921)**	**(418 952)**
Closing balance 31.12.14	**1 242**	**1 242**	**12 203**	**45 436**	**58 881**	**667**	**59 548**

Consolidated statement of cash flow

GROUP			In NOK 1 000
		Year ended 31 December	
	Note	2014	2013
Operating activities			
Profit/(loss) before taxes from continuing operations		(15 562)	135 429
Profit before taxes from discontinued operations	23	607 956	(2 627)
Profit before tax		**592 394**	**132 802**
Non-cash adjustments to reconcile profit before tax to net cash flows			
Depreciation,amortisation and impairment of tangible assets	5,6	895	19 467
Loss/(gain) on disposal of property, plant and equipment	5,6	-	-
Loss/(gain) on disposal of discontinued operations		(556 239)	-
Finance income	19	(30 766)	(187 568)
Finance costs	19	18 689	207 264
Other operating income		-	-
Share of profit from assosiated	7	823	-
1) Working capital adjustments:			
Decrease in trade and other receivables and prepayments		21 506	2 339
Increase in inventory		-	(12)
Decrease (increase) in trade and other payables		(27 615)	(259 175)
Decrease(increase) in other provisions		22 204	(1 102)
		41 891	**(85 985)**
Interest received		12 596	6 034
Income tax paid		-	(9 801)
Net cash flow from operational activities		**54 487**	**(89 752)**
Investing activities			
Proceeds from sale of property, plant and equipment and intangible assets		-	-
Capital expenditure for property, plant and equipment and intangible assets	5,6	(101)	(10 531)
Net outflow from acquisition of subsidiary		-	(2 700)
Net inflow from sale of subsidiary, net of cash disposed		806 519	-
Net cash flows used in investing activities		**806 418**	**(13 231)**
Financing activities			
Proceeds from borrowings		-	570 000
Repayment of borrowings	14	-	(539 843)
Decrease in long term receivables		37 623	
Interest paid		-	(76 488)
Repayment of capital to shareholders		(91 080)	-
Dividends paid to equity holders of the parent		(858 919)	-
Net cash flow from (used) in financing activities		**(912 376)**	**(46 331)**
Net increase in cash and cash equivalents		(51 471)	(149 314)
Net foreign exchange differences		-	1 737
Cash and cash equivalents at start of period	10	125 106	272 683
Cash and cash equivalents at end of period	10	**73 635**	**125 106**

1) Amounts are exclusive discontinued operations

1 ACCOUNTING PRINCIPLES

Fundamental Policies
Petroleum Services Group AS ('the Company') and its subsidiaries (together 'the Group'), is today a pure holding company consisting of Petroleum Services Holdings AS, a Branch in AbuDhabi and 44 % of Petrica Energy AS. All activity of supplying services and technology to the oil and gas offshore industry followed the sold part of the Group. The Group's main operations are based at Straume outside Bergen, with an offices in AbuDhabi.

The address of its registered office is Smålonane 16, 5353 Straume

On 19 July 2014 Petroleum Services Group AS together with Petco Invest AS and Petco II Invest AS entered into a share purchase agreement for the sale of 100% of the shares in AGR Holdings AS to AGR Bidco AS. Closing date for the transation was 1 September 2014.

Petroleum Services Group AS was de-listed from Oslo Stock Exchange at the 31 December 2014.

The Group consolidated financial statements were authorised for issue by the board of directors on 19 June 2015.

Summary of significant accounting policies
The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements have been prepared in accordance with the Norwegian Accounting Act, Norwegian Generally Accepted Accepted Accounting Practice (NGAAP) and the regulations for "Forenklet IFRS (2014)"

The Group's financial statements have been prepared under the historical cost convention, with exception of certain items: Financial assets and financial liabilities (including derivative instruments), which are reflected at fair value through profit or loss.

The financial year follows the calendar year. Income statement items are classified by nature.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

Consolidation principles
a) Subsidiaries
Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquisition either at fair value or at the non-controlling interest's proportionate share of the acquired net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquisition and the acquisition-date fair value of any previous equity interest in the acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(b) Transactions and non-controlling interests
The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(c) Associates
Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

The primary reporting segment is business segment and the secondary reporting segment is geographical segment. Segment revenues and costs constitute the Group's operating revenue and operating costs that can be directly classified as activities in the segments. Segment assets and liabilities are balance sheet items that can be directly related to the segment activity. Segment revenue and costs include transactions between the different segments (Group-internal transactions). Geographical segment information is presented and is specified if the region's accumulated external revenues and assets exceed 10 % of total revenue/assets for the regions as a whole. Secondary segment information that fails to satisfy the requirement for specified reporting is presented as other revenues. Transactions between segments are made on arm's length terms.

ACCOUNTING PRINCIPLES

Functional currency and presentation currency
(a) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Norwegian Kroner ('NOK'), which is the company's functional and presentation currency.

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or expense'. All other foreign exchange gains and losses are presented in the income statement.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the available-for-sale reserve in equity.

(c) Group companies
The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(1) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(2) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(3) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Classification of assets and liabilities
Assets are classified as current assets when:
- the asset is a part of the unit's service cycle and is expected to be realised or used during the course of the unit's normal production period;
- the asset is held for trading purposes and is expected to be realised within 12 months of balance sheet date;
- the asset is cash or cash equivalent

All other assets are classified as non-current.

Liabilities are classified as current liabilities when:
- the liability is a part of the unit's service range, and is expected to be settled during the course of normal production period;
- the liability is kept for trading purposes;
- settlement has been agreed within 12 months after balance sheet date;
- the unit does not have an unconditional right to postpone settlement of the liability until at least 12 months after balance sheet date;

All other liabilities are classified as non-current.

1 ACCOUNTING PRINCIPLES

Property, plant and equipment
Property, plant and equipment, are valued at cost less accumulated depreciation and write-downs. When assets are sold or divested, cost and accumulated depreciation are reversed in the financial statements, and any loss or gain on the disposal is recognised in the income statement.

The cost of property, plant and equipment comprises the purchase price, including duties/taxes and direct acquisition costs linked to making the asset fit for use. Expenses accrued after the asset has been taken into use, such as repairs and maintenance, are normally recognised in the income statement. In cases where increased earnings can be demonstrated as a result of repairs/maintenance, the expenditure on this will be recognised in the balance sheet as additions to property, plant and equipment.

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:
- Machinery 5-10 years
- Vehicles 3-5 years
- Furniture, fittings and equipment 3-8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Assets under construction are classified as property, plant and equipment. Assets under construction are not depreciated until the asset has been taken into use.

The write-down requirement for fixed assets is assessed if there are indications of impairment. If the carrying amount of an asset is higher than the recoverable amount, a write-down is recognised in the income statement. The recoverable amount is the higher of fair value less expected costs to sell and value in use.

Fair value less expected costs to sell is the amount which can be obtained if the asset is sold to an independent third party, less costs to sell. Recoverable amounts are determined separately for all assets, but – if impossible – recoverable amount is calculated together with the unit to which the asset belongs.

Write-downs which have been recognised in the income statement in previous periods are reversed if there is information to suggest that the write-down no longer exists. However, no reversal is made if the carrying amount is higher than it would have been if normal depreciation had been used.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating revenue' in the income statement.

Intangible assets
(a) Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination.

(b) Trademarks and licences
Separately acquired trademarks and licences are shown at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of 15 to 20 years.

(c)Contractual customer relationships
Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationship (3-8 years)

(d) Computer software
Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (3-4 years).

Costs associated with maintaining computer software are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that are probable to generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised over their estimated useful lives (3-4years).

(e) Research and development
Expenses relating to research are recognised in the income statement when they are incurred. Expenses relating to development are recognised in the income statement when they are incurred unless the following criteria are met in full:

- ability to measure reliably the expenditure attributable to the intangible asset during its development;
- the technical feasibility of completing the intangible asset so that it will be available for use or sale, has been demonstrated;
- the intention and ability to complete the intangible asset and sell it or use it in the company's operations has been demonstrated;
- the intangible asset will generate probable future economic benefits; and
- availability of sufficient technical, financial and other resources for completing the project are present.

When all the above criteria are met, the costs relating to development start to be recognised in the balance sheet. Costs that have been charged as expenses in previous accounting periods are not recognised in the balance sheet.

Recognised development costs are depreciated on a straight-line basis over the estimated useful life of the asset (5-8 years). The recoverable amount of the development costs will be estimated when there is an indication of impairment or that the need for previous periods' impairment losses no longer exists and should be reversed to the original cost.

Intangible assets, cont.

(f) Other intangible assets
Acquired technology, licenses and customer relationships are capitalised and carried at cost less accumulated amortisation.
Amortisation is calculated using the straight-line method over their estimated useful lives.

Impairment of non-financial assets
Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

1 ACCOUNTING PRINCIPLES

Non-current assets (or disposal groups) held for sale
Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

Financial assets
The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(b) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and cash and cash equivalents in the balance sheet

(c) Available-for-sale financial assets
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss is initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement.

Impairment of financial assets
The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
  (i) adverse changes in the payment status of borrowers in the portfolio;
  (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Group first assesses whether objective evidence of impairment exists.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

Impairment of financial assets, cont.
If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

Derivative financial instruments and hedging activities
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group does not use hedge accounting according to IAS 39, and all financial derivatives are thus posted at fair value where changes in values are accounted for in the income statement.

Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges purchases of raw materials

Obsolete inventories have been fully recognised as impairment losses.

Trade receivables
Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as noncurrent assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Discounting occurs only if the receivable are significant.

Cash and cash equivalents
Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

The cash and cash equivalent amount in the cash flow statement includes overdraft facilities.

1 ACCOUNTING PRINCIPLES

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

Where any Group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

Trade payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Discounting occurs only if the payable are significant

Borrowings
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Current and deferred income tax
The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity, respectively

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Employee benefits
(a) Pension obligations
Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies, determined by periodic actuarial calculations. The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or present value of the defined benefit obligation at the end of the previous reporting period, are charged or credited to income over the employees' expected average remaining working lives.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Termination benefits
Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to their present value.

(c) Bonus plans
The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

1 ACCOUNTING PRINCIPLES

Provisions
Provisions are recognised when, and only when, the company has a present liability (legal or constructive) as a result of events that have taken place, it is probable that a financial outflow will take place as a result of this liability, and that the size of the amount can be estimated reliably. Provisions are reviewed on each balance sheet date and their level reflects the best estimate of the liability. When the effect of time is insignificant, the provisions will be equal to the size of the expense necessary to be free of the liability. When the effect of time is significant, the provisions will be the present value of future payments to cover the liability. Any increase in the provisions due to time is presented as interest costs.

Contingent liabilities
Contingent liabilities are defined as:
(i) possible obligations resulting from past events whose existence depends on future events;
(ii) obligations that are not recognised because it is not probable that they will lead to an outflow of resources; and
(iii) obligations that cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the annual financial statements, apart from contingent liabilities which are acquired through the acquisition of an entity. Significant contingent liabilities are disclosed, with the exception of contingent liabilities where the probability of the liability occurring is remote.

Contingent liabilities acquired upon the purchase of operations are recognised at fair value even if the liability is not probable. The assessment of probability and fair value is subject to constant review. Changes in the fair value are recognised in the income statement.

A contingent asset is not recognised in the annual financial statement unless deemed virtually certain to give rise to an inflow, but are disclosed where it is deemed probable that a benefit will accrue to the Group.

Revenue recognition
Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the group.

Revenue includes only the gross inflows of economic benefits received and receivable by the entity on its own account. Amounts collected on behalf of third parties such as sales taxes, goods and services taxes and value added taxes are not economic benefits which flow to the entity and do not result in increases in equity. Therefore, they are excluded from revenue. Similarly, when an agency relationship, the gross inflows of economic benefits include amounts collected on behalf of the principal and which do not result in increases in equity for the entity. The amounts collected on behalf of the principal are not revenue. Instead, revenue is the amount of commission.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The Group's operations mainly consist of services related to personnel and equipment hire. Consequently, the revenue recognition is based on daily/monthly rates and actual registered hours. Revenue is recognised when it is probable that transactions will generate future economic benefits that will flow to the company and the revenue amount can be reliably estimated. Revenues from the sale of goods are recognised in the income statement once delivery has taken place, the risk has been transferred and the company has established a receivable due by customer.

Revenues relating to projects are recognised in the income statement in line with the project's progress and when the project's results can be reliably estimated. Level of completion is calculated as an incurred cost's percentage of anticipated total cost. For projects expected to generate a loss, the full estimated loss is recorded as cost immediately.

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Public grants
Grants received are classified as either income grants or investment grants. Income grants are accounted for together with the income as reduction of the costs to which it relates. Investment grants are posted as a pre-tax figure by recording the asset at gross acquisition cost and the asset is depreciated over its usful life. The grant is treated as deferred income, and is accounted for as an adjustment entry for depreciations in line with the depreciation period.

Other grants
The Group receives grants from some of its collaborating partners to develop new technology. The grant is treated as deferred income, and is accounted for as an adjustment entry for depreciations in line with the depreciation period.

Leases
Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Earnings per share
Earnings per share are calculated by the majority's share of the result for the period being divided by a time-weighted average of ordinary shares for the period.

Events after date of balance sheet
New information on the company's positions at the balance sheet date is taken into account in the annual financial statements. Events after the balance sheet date that do not affect the company's position at the balance sheet date but which will affect the company's position in the future are disclosed if significant.

Cash Flow Statement
The cash flow statement presents the accumulated cash flow for operational, investment and financial activities. The statement outlines the effect each activity has on liquid assets. The cash flow statement has been prepared in line with the indirect model.

Discontinued operations.
If a significant part of the Group's operations is divested or a decision has been made to divest it, this business is presented as "Discontinued operations" on a separate line of the income statement and the balance sheet. As a result, all the other figures presented are exclusive of the discontinued operations. The comparative figures in the income statement are restated and presented on a single line with the discontinued operations. Comparative figures in the balance sheet are not correspondingly restated.

Notes to the accounts

2 Financial risk management

Following the sale of the Petroleum Services business, there is little activity and thus the exposure to risk is minimal.

3 Critical accounting estimates and judgements

The preparation of consolidated financial statements in accordance with IFRSs and applying the chosen accounting policies requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, and the disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that require material adjustment to the carrying amount of the asset or liability affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The accounting policies applied by Petroleum Services Group in which judgements, estimates and assumptions may significantly differ from actual results are addressed below.

Impairment of non-current assets
The Group accounts for the impairment of non-current assets in accordance with IAS 36 Impairment of Assets. Under IAS 36 TheGroup are required to assess the conditions that could cause an asset to become impairment at least annually, and to perform a recoverability test for potentially impaired assets held by the entity. Impairment exists when the carrying value of an assets or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less cost to sell and its value to use.

Directly observable market prices rarely exist for the Groups' assets, however, fair value may be estimated based on recent observed transactions on comparable assets, bids or other discussions of potential transaction involving the asset, or internal models used by the Group for transactions involving the same type of assets. The value in use calculation is based on a discounted cash flow model. The cash flow are derived from budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. Such estimate are subjects to a number of assumptions including the useful lives of assets, replacement costs and the timing and amounts of certain future cash flows, which may be dependent on future prices, future activity, currency rates, and a suitable discount rate in order to calculate present value. While the Group believe that the assumptions are appropriate, such amounts estimated could differ materially from what will actually occur in the future. Refer to note 6 for disclosure of fixed assets.

4 Operating revenues

In NOK 1 000

Operating revenue comprises:	2014	2013
Sale of goods	-	-
Sale of services	969	9 222
Total revenue	**969**	**9 222**
Profit from sale of fixed assets	-	-
Other sales	1 273	31 550
Total other operating revenue	**1 273**	**31 550**
Total operating revenue	**2 243**	**40 772**

5 Intangible assets

In NOK 1 000

2014	Goodwill	Acquired patents development projects	Self-developed patents development project	Total
Historical cost 01.01.14	621 019	241 566	25 320	887 905
Additions				-
Disposals				-
Disposal discontinued operations	(627 719)	(241 566)	(25 320)	(894 605)
Conversion variances	6 700			6 700
Historical cost 31.12.14	-	-	-	-
Accumulated amortisation 01.01.14	-	182 902	3 814	186 716
Amortisation of the year				-
Disposals amortisation during the year				-
Disposal discontinued operations		(182 902)	(3 814)	(186 716)
Conversion variances				-
Amortisation 31.12.14	-	-	-	-
Accumulated impairments 01.01.14	-	48 688	14 047	62 735
Impairments/reversals for the year				-
Disposals amortisation during the year				-
Disposals discontinued operations		(48 688)	(14 047)	(62 735)
Conversion variances				-
Accumulated impairments 31.12.14	-	-	-	-
Book value 31.12.14	-	-	-	-
Amortisation rates		2.5 - 5 years	5 years	
Amortisation method		Linear	Linear	

Self developed assets are started amortized when they are fully developed.

Notes to the accounts

6	Fixed assets	In NOK 1 000

2014	Machinery and operating equipment	Total
Historical cost 01.01.14	81 505	81 505
Additions	101	101
Disposals	(2 723)	(2 723)
Disposals discontinued operations	(72 213)	(72 213)
Conversion variances	609	609
Historical cost 31.12.14	**7 279**	**7 279**
Accumulated deprecation 01.01.14	58 875	58 875
Depreciation of the year	895	895
Disposals depreciation during the year	(1 602)	(1 602)
Disposals discontinued operations	(51 569)	(51 569)
Conversion variances	582	582
Accumulated depreciations 31.12.14	**7 181**	**7 181**
Accumulated impairments 01.01.14	7 614	7 614
Disposals discontinued operations	(7 614)	(7 614)
Disposals impairment during the year	-	-
Accumulated impairments 31.12.14	**-**	**-**
Book value 31.12.14	**98**	**98**
Depreciation rates	3 - 8 years	
Depreciation method	Linear	

7	Investments in Group entities and an assosiate

Company	Head Office	Owner	Interest/	voting share 2013
AGR Australia Pty Ltd	Perth - Australia	AGR Group Holdings Ltd	-	100 %
AGR Canada Inc	Houston-USA	AGR Group Americas Inc	-	100 %
AGR CannSeal AS	Fjell - Norway	AGR Group ASA	-	95 %
AGR Central Asia AS	Oslo - Norway	AGR Petroleum Services AS	-	100 %
AGR Consultancy Services AS	Stavanger - Norway	AGR Petroleum Services AS	-	100 %
AGR Consultancy Solutions Ltd	Aberdeen - UK	AGR Group Holdings Ltd	-	100 %
AGR F.J Brown Inc	Houston-USA	AGR Group Americas Inc	-	100 %
AGR Facilities Solutions AS	Oslo - Norway	AGR Petroleum Services AS	-	80 %
AGR Group Americas Inc	Houston-USA	AGR Petroleum Services Holdings AS	-	100 %
AGR Group Holdings Ltd	Aberdeen - UK	AGR Petroleum Services Holdings AS	-	100 %
AGR Group Mexico Inc	Houston-USA	AGR Group Americas Inc	-	100 %
AGR Group Mexico S de R.L de C.	Houston-USA	AGR Group Mexico Inc	-	100 %
AGR Petroleum (ME) Ltd	Dubai - United Arab Emirates	AGR Group Holdings Ltd	-	100 %
AGR Petroleum Services AS	Oslo - Norway	AGR Petroleum Services Holdings AS	-	100 %
Petroleum Services Holdings AS	Oslo - Norway	AGR Group ASA	100 %	92.6%
AGR Petroleum Services Inc	Houston-USA	AGR Group Americas Inc	-	100 %
AGR Reservoir Evaluation Services	Aberdeen - UK	AGR Petroleum Services AS	-	100 %
AGR Solution Systems Ltd	Aberdeen - UK	AGR Group Holdings Ltd	-	100 %
AGR Steinsvik AS	Stavanger - Norway	AGR Petroleum Services Holdings AS	-	80 %
AGR Well Management Ltd	Aberdeen - UK	AGR Group Holdings Ltd	-	100 %
Altinex Inc	Houston-USA	AGR Petroleum Services Holdings AS	-	100 %
Teredo AS	Oslo - Norway	AGR Petroleum Services AS	-	100 %
Tracs Consult LLC	Moscow - Russia	Tracs International Consultancy Ltd	-	100 %
Tracs International Consultancy Ltc	Aberdeen - UK	AGR Group Holdings Ltd	-	100 %
Tracs International Training Ltd	Aberdeen - UK	Tracs International Consultancy Ltd	-	100 %
Well Design Online AS	Oslo - Norway	AGR Petroleum Services Holdings AS	-	56 %

Notes to the accounts

7 Investment in an assosiate — In NOK 1 000

The Group has a 44% interest in Petrica Energy AS, which is involved in activities in Israel and elsewhere, acting as an Operator with minority stakes in the oilfields. Petrica Energy AS was a fully owned subsidiary until August 2013 when 56 % of the shares in the company was sold. After the sale Petroleum Services Holdings AS lost controll and Petrica Energy AS has been deconsolidated. From the transaction date Petrica Energy has been accounted for after equity methode.

Petrica Energy AS is a private entity that is not listed on any public exchange. The following table illustrates the summarised financial information of the Group's investement in Petrica Energy AS:

Share of the associate's statement of financial position:	2014	2013
Current assets	6 535	1 395
Non current assets	557	2 009
Current liabilities	(5 268)	(756)
Non-current liabilities	-	-
Equity	**1 824**	**2 648**

Share of the associate's revenue and profit:	2014	2013
Revenue	4 945	343
Loss	(823)	(4 333)
Carrying amount of the investment	**1 824**	**2 648**

8 Trade receivables — In NOK 1 000

	2014	2013
Trade debtors at nominal value	811	385 959
Revenues not invoiced	-	38 535
Provisions for bad debt	-	(51 919)
Trade receivables 31.12.	**811**	**372 574**

9 Other current receivables — In NOK 1 000

	2014	2013
Other taxes receivables	56	21 926
Advanced payments to suppliers	-	2 881
Overseas witholding taxes	-	-
Advanced payments employees	-	451
Other prepaid expenses	52	14 079
Other current assets	8 697	20 488
Other current receivables 31.12.	**8 805**	**59 825**

10 Cash and cash equivalents — In NOK 1 000

	2014	2013
Cash	16	42
Bank deposits	73 619	125 064
Cash and cash equivalents 31.12.	**73 635**	**125 106**
Of which is restricted deposits*	**33 688**	**1 211**
Unused overdraft facilities 31.12.		**85 940**

On 19 July 2014 Petroleum Services Group AS together with Petco Invest AS and Petco II Invest AS entered into a share purchase agreement for the sale of 100 % of the shares in AGR Holdings AS to AGR Bidco AS. The sale was closed on 1 September 2014 and TNOK 33 540 of the purchase price was transferred to an escrow account of which TNOK 23 757 will be released following settlement of a dispute between AGR, Antrim and Awilco. The remaining escrow amount of TNOK 9 693 covers the Seller's potential liabilities under the share purchase agreement and will be released pursuant to the terms of the escrow agreement.
TNOK 118 of the restricted deposits per 31.12.2014 and TNOK 1 211 per 31.12.2013 is deducted employee tax due within 3 months.

Notes to the accounts

11 Share Capital and Shareholder Information

Following the sale of AGR Holdings AS the Extraordinary General Meeting held the 4 November 2014 decided a reduction of the share capital by TNOK 137 809 from TNOK 139 051 to TNOK 1 242 by reducing the par value of each share with NOK 1.11 from NOK 1.12 to NOK 0.01. TNOK 91 080 tf the amount of reduction was distributed to the Company's shareholders. TNOK 46 729 of the amount of reduction was allocated to a fund. The company has one share class, and all shares have equal voting and dividend rights.

Shareholders in Petroleum Services Group AS with a minimum of 1% share of ownership, were at 31 December 2014 as follows:

Shareholders at 31 December 2014	Number of shares	Equity interest
Altor Oil Service Invest AS	90 308 128	72.7%
Tigerstaden AS	11 422 266	9.2 %
Hortulan AS	3 500 000	2.8 %
Hemaca AS	3 062 759	2.5 %
Skulstad, Svein Magne	1 250 000	1.0 %
Total shareholders with equity interest > 1,0 %	**109 543 153**	**88.2 %**
Total other shareholders	14 609 240	11.8 %
Total	**124 152 393**	**100.0 %**

12 Share capital and premium — In NOK 1 000

	Number of shares (thousands)	Ordinary shares	Total
01.01.14	**124 152**	**139 051**	**139 051**
Share capital decrease	-	(137 809)	(137 809)
			-
31.12.14	**124 152**	**1 242**	**1 242**

13 Tax — In NOK 1 001

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

	2014	2013
Current income tax expense Norway	-	-
Current income tax expense abroad	-	-
Adjustment of current income tax of prior years	-	1 420
Changes in deferred tax Norway	34 495	10 588
Change in deferred tax abroad	-	-
Tax effect from Group contribution	-	(7 788)
Income tax expense (from continuing operations)	**34 495**	**4 220**
Reconciliation of tax payable		
Tax payable in profit and loss account adjusted for Group contribution	-	11 450
Prepaid tax	-	12 783
Credit deduction, international	-	(7 399)
Tax, international	-	1 164
Opening balance, tax from 2012 not paid in 2011	-	1 040
Corrections previous years	-	(6 133)
Tax payable in balance sheet	**-**	**12 904**
Reconciliation of nominal and effective tax rate		
Pre-tax result	(15 562)	(17 228)
Applicable tax with tax rate 28 %	**(4 202)**	**(4 824)**
Variance, actual and expected income tax expense	**38 697**	**9 044**

Notes to the accounts

13	Tax (continues)	In NOK 1 000

Explanation of why actual tax cost deviates from expected tax cost	2 014	2 013
Tax effect from non-deductible costs	6 144	321
Tax effect from non-taxable income	(3 026)	(10 504)
Utilisation of previously unrecognised tax losses	-	-
Tax losses for which no deferred income tax asset was recognised	34 873	-
Re-measurement of deferred tax - change in the tax rate	-	1 278
International tax rate deviates from Norwegian tax rate	-	-
Charge of deferred tax asset	-	-
Adjustment of current income tax of prior years	706	17 949
Variance compared to applicable tax rate	**38 697**	**9 044**

Change in book value of deferred tax		
Balance sheet value at 01.01.	(62 411)	(109 039)
Currency conversion	-	(1 633)
Charged to income in the period	34 495	32 400
Corrections previous years	-	(548)
Tax effect from Group Contribution	-	7 788
Acquisition of Subsidiary	-	2 720
Disposal of Petroleum Services	27 916	5 901
Balance sheet value 31.12.	**-**	**(62 411)**
Deferred tax assets as of 31.12.	-	72 006
Deferred tax liability as of 31.12.	-	9 595
Balance sheet value	**-**	**(62 411)**

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable.
After the sales of the Petroleum Services business, the Group does not have any significant activity in Norway and as of today the losses to be carried forward is not expected to be used.

Deferred tax

Below is a specification of temporary differences between accounting and tax values, as well as calculation of deferred tax / tax advantage at the end of the financial year.

Basis for deferred tax	2 014	2013	Movment
Receivables	-	(2 158)	2 158
Other current balance sheet items	-	(55 319)	55 319
Amount linked to current balance sheet items	**-**	**(57 477)**	**57 477**
Fixed assets and intangible assets	(1 074)	2 701	(3 775)
Long term receivables	(5 156)	(360)	(4 796)
Pensions	-	(1 861)	1 861
Profit and loss account	-	3 312	(3 312)
Loss carried forward	(128 086)	(154 749)	26 663
Amount linked to long-term balance sheet items	**(134 316)**	**(150 957)**	**16 641**
Total basis for deferred tax assets	**(134 316)**	**(208 434)**	**74 118**

14	Interest bearing debt	In NOK 1 000

Overview of long-term interest bearing debt	2014	2013
Long-term interest bearing debt	-	550 000
Capitalised arrangement fee deducted	-	(25 358)
Total long-term interest bearing debt	**-**	**524 642**

Following the sale of AGR Holdings AS the loans are settled.

Guaranteed liabilities	2014	2013
Long-term and Short-term interest bearing debt	-	-
Total guaranteed liabilities	-	-
Average interest rate NOK loans	**0,00 %**	**8,02 %**

Notes to the accounts

15	Other current liabilities		In NOK 1 000

	2014	2013
Holiday pay and wages due	-	54 463
Advances from customers	-	4 553
Incurred interest cost	-	6 785
Accrued grants received for R&D	-	-
Other creditors	17 285	7 699
Accrued costs	5 517	33 274
Market value of financial instruments	-	-
Other current liabilities	1 099	6 136
Current liabilities	**23 901**	**112 911**

Other Creditors is a liability to AGR Petroleum Services ME Ltd. Also see note 22.

16	Wages, fees, number of employees etc.		In NOK 1 000

	2014	2013
Wages	13 855	19 505
Employers' social security contributions	2 039	1 829
Pension costs	-	-
Other remunerations	-	105
Capitalised wages	71	-
Total	**15 965**	**21 439**
Average number of man-labour years	2	9

As of 31 December 2014 there were no employees in the Group.

Accumulated expenses for wages, pension premiums and other remuneration to managing director and members of the parent company's board

2014

Management Directors (MD):	Wages	Pension premiums	Other remuneration	Total
Chief Executive Offiser	7 967	-	-	7 967
The board				
Eivind Reiten	675	-	-	675
Thomas Nilsson	350	-	-	350
Mari Tjømøe	313	-	-	313
Total board	**1 338**	**-**	**-**	**1 338**

Sverre Skogen, former CEO for the Group resigned from his position in March 2012. In accordance with his employment contract he receives salary during his termination period plus twelve months severance pay. In 2014 this amounted to NOK 655 thousand.

Bonus disclosed for 2014 is the amount paid in 2014 based on performance achieved in 2013. Bonus disclosed for 2013 is the amount paid in 2013 based on performance achieved in 2012.

Per 31.12.14 and per 31.12.13 there are no loans or guarantees to the Group CEO or to members of the board. No related parties to these have loans or guarantees from the Group.

Specification of auditor's fee excl. VAT	2014	2013
Fees for audit of annual accounts	502	2 607
Fees for other attestation services	40	-
Fees for tax-related services	-	638
Fees for other services*	681	648
Total	**1 223**	**3 893**

* Fees for other services includes due diligence service and various technical assistance.

Notes to the accounts

17 Provisions

Per 31.12.2014 the Group did not have any provisions.

On 19 July 2014 Petroleum Services Group AS together with Petco Invest AS and Petco II Invest AS entered into a share purchase agreement for the sale of 100 % of the shares in AGR Holdings AS to AGR Bidco AS. The sale was closed on 1 September 2014 and TNOK 33 540 of the purchase price was transferred to an escrow account of which TNOK 23 757 will be released following settlement of a dispute between AGR, Antrim and Awilco. The remaining escrow amount of TNOK 9 693 covers the Seller's potential liabilities under the share purchase agreement and will be released pursuant to the terms of the escrow agreement.

18 Leasing costs — In NOK 1 000

The Group has entered into the following operating lease agreements for tangible assets not recognised in the balance sheet, but expensed as incurred:

	2014	2013
Land, buildings and permanent property	312	29 507
Apartments	-	1 277
Machinery and operating equipment	-	1 306
Total	**312**	**32 091**

The Group has entered into lease agreements for premises in Abu Dhabi and Israel.Per 31 December the agreements are terminated.The Group has not entered into non-cancellable operating leases.

19 Financial income and expences — In NOK 1 000

	2014	2013
Interest income	13 150	12 735
Currency gain	13 685	28 190
Other financial income	3 932	836
Financial income	**30 766**	**41 761**
Interest expense	(554)	(1 013)
Currency loss	(16 683)	(34 141)
Other financial expense	(629)	(8 062)
Financial expences	**(17 866)**	**(43 216)**
Share of loss of an associate	**(823)**	**(4 333)**
Net financial items	**12 077**	**(5 789)**

20 Related parties — In NOK 1 000

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Other related parties	Other income	
	2014	2013
Sales to Petroleum Services Companies	351	24 881
Total	**351**	**24 881**

Other related parties	Purchase of goods / other operating costs	
	2014	2013
Altor Equity Partners AS	267	102
Altor Equity Partners AB	-	1
Purchase from Petroleum Services companies	3 108	3 683
Total	**3 375**	**3 786**

All transactions with related parties are carried out at market prices in connection with ordinary business transactions. There is not given or received any guarantees related to transaction with related parties in 2014 or 2013. There is not recognised any provision for doubtful debts related to the amount of outstanding balances, and there is not recognised any expense during 2014 or 2013 in respect of bad or doubtful debts due from related parties.

Notes to the accounts

21 Contingencies

Reference is made to Petroleum Services Group AS 2013 Annual Report, note 31 where a dispute between Awilco Drilling plc, Antrim Energy Inc and Petroleum Services Group AS is described. When AGR Holdings AS and it's subsidiaries were sold to AGR Bidco in 2014, Petroleum Services Group AS guarantied for the outcome of the dispute and money was placed on escrow.
The dispute was settled in 2015. The net cash effect for Petroleum Services Group AS was a release from escrow of TNOK 19 230,. In addition, Petroleum Services Group AS has taken over a claim against First Oil due 31 December 2015 in the amount of USD 1 125 000.

22 Events after the balance sheet date

The Abu Dhabi Branch of Petroleum Services Group AS has shown lack of financial performance in the past, and the ongoing business activities of the branch was funded by AGR Petroleum (ME) Ltd until Petroleum Services Group AS divested its petroleum services activity (including AGR Petroleum (ME) Ltd) on 1 September 2014 to AGR Bidco AS. The lack of financial performance makes the branch unable to service its debt obligations towards AGR Petroleum (ME) Ltd and as such the accrued debt should have been discharged prior to the sales transaction. However the debt was formally not discharged and therefore AGR attempt to issue a debt forgiveness letter in 2015.

23 Discontinued operations — In NOK 1 000

AGR Holdings AS was sold the 1 September 2014. The results from AGR Holdings AS and its subsidiaries are included in discontinued operation in the periode January to August in the income statement for 2014.

Petroleum Services Group AS was demerged 7 August 2013 whereby Drilling Services was de-listed from Oslo Stock Exchange. Up to the completion of the demerger, the drilling segment is presented as discontinued operation. The demerger is accounted for using the merger method. This means that the demerger has not been accointed for as a transaction, but a capital decrease based on book values, and there are no profit and loss effect of the demerger.

The result from EDS Group AS and AGR Holdings AS and its subsidiaries are included in discontinued operations in the income statement for 2013.

Analysis of the result of discontinued operations	**2014**	**2013**
External operating revenues	945 865	1 616 673
Project and other operating expenses	(844 837)	(1 399 863)
EBITDA	**101 028**	**216 810**
Depreciation and amortisation	(9 220)	(60 982)
Operating profit(loss)	**91 808**	**155 828**
Net financial items	(40 091)	(9 134)
Share of profit of associated companies	-	3 336
Operating profit(loss) before tax	**51 717**	**150 029**
Tax	(9 227)	(47 870)
Profit after tax from discontinued operations	**42 490**	**102 159**