

Topaz Energy and Marine Limited and its subsidiaries

**Condensed unaudited consolidated interim financial information
For the nine month period ended 30 September 2014**

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Topaz Energy and Marine Limited and its subsidiaries

Condensed unaudited consolidated interim statement of comprehensive income for the nine month period ended 30 September 2014

	Notes	Nine months ended 30 Sep 2014 USD'000	Nine months ended 30 Sep 2013 USD'000
Revenue	7	288,703	284,170
Direct costs		(157,858)	(175,748)
GROSS PROFIT		130,845	108,422
Administrative expenses		(30,882)	(25,899)
Impairment losses on trade receivables	13	(2,898)	(4,460)
Other income		383	1,890
Other non-operating expenses		-	-
PROFIT BEFORE FINANCE COSTS AND INCOME TAX		97,448	79,953
Finance costs	8	(46,983)	(30,392)
Finance income	8	1,491	898
Finance cost - net		(45,492)	(29,494)
PROFIT BEFORE INCOME TAX		51,956	50,459
Income tax expense	9	(15,482)	(14,179)
PROFIT FOR THE YEAR		36,474	36,280
OTHER COMPREHENSIVE INCOME			
Changes to cash flow hedges	9	114	854
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		-	854
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		36,588	37,134
Income (Loss) attributable to:			
Owners		22,325	23,720
Non-controlling interest		14,149	12,560
INCOME (LOSS) FOR THE YEAR		36,474	36,280
Total comprehensive income (loss) attributable to:			
Owners		22,439	24,574
Non-controlling interest		14,149	12,560
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		36,588	37,134

Topaz Energy and Marine Limited and its subsidiaries

Condensed unaudited consolidated interim statement of financial position as at 30 September 2014

		Nine months ended 30 Sep 2014 US\$'000	Year ended Dec 2013 US\$'000
ASSETS	<i>Notes</i>		
Non-current assets			
Property, plant and equipment	10	1,265,765	1,121,815
Intangible assets and goodwill	11	26,708	26,766
Long-term receivables and prepayments	13	1,284	7,546
Deferred tax asset		2,256	2,104
		1,296,013	1,158,231
Current assets			
Inventories	12	11,199	4,178
Accounts receivable and prepayments	13	115,883	107,433
Due from related parties	21	17,109	17,098
Bank balances and cash	14	50,373	169,297
		194,564	298,006
TOTAL ASSETS		1,490,577	1,456,237
EQUITY AND LIABILITIES			
Equity			
Share capital	15	256,818	256,818
Statutory reserve		38	38
Hedging reserve	16	272	158
Retained earnings		193,552	191,227
Total equity attributable to equity holders of the Company		450,680	448,241
Non-controlling interest		128,620	92,673
Total equity		579,300	540,914
Non-current liabilities			
Term loans	17	631,169	619,753
Loan due to holding company	18	106,000	106,000
Employees' end of service benefits	19	3,937	3,072
Accounts payable and accruals	20	3,450	4,190
Fair value of derivatives		412	726
		744,968	733,741
Current liabilities			
Accounts payable and accruals	20	62,368	84,947
Bank overdraft	14	-	-
Term loans	17	53,346	51,136
Loan due to holding company	18	28,000	28,000
Due to related parties	21	2,958	1,045
Income tax payable	9	18,039	14,567
Fair value of derivatives		1,598	1,887
		166,309	181,582
Total liabilities		911,277	915,323
TOTAL EQUITY AND LIABILITIES		1,490,577	1,456,237

Topaz Energy and Marine Limited and its subsidiaries

Condensed unaudited consolidated interim statement of cash flows for the nine month period ended 30 September 2014

	Nine months ended 30 Sep 2014 US\$'000	Nine months ended 30 Sep 2013 US\$'000
Profit (loss) before income tax	51,956	50,459
Adjustments to reconcile profit (loss) before tax to net cash flows:		
Fair value changes of derivative financial instruments	-	(758)
Impairment loss on trade accounts receivables	2,898	4,460
Provision for employees end of service benefits	1,129	757
Loss (profit) on sale of property, plant and equipment	(200)	(1,570)
Finance income	-	(140)
Finance costs	45,492	30,392
Depreciation and amortisation	46,721	42,788
Amortisation of Mobilisation costs	8,039	7,490
Working capital adjustments:		
Inventories	929	3,719
Accounts receivables, prepayments and other assets	1,816	(22,324)
Accounts payable, accruals and other liabilities	(1,288)	(5,694)
Due from/to related parties	(342)	(2,475)
Net cash from operations	157,151	107,104
OPERATING ACTIVITIES		
Income tax paid	(12,161)	(10,846)
Interest paid	(34,715)	(27,378)
End of service benefits paid	(264)	(249)
Net cash flows generated from operating activities	110,011	68,631
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(227,303)	(46,133)
Advance paid for vessels	-	(10,197)
Payments for intangible assets	-	-
Proceeds from disposal of property, plant and equipment	200	7,188
Change in LT receivable	-	-
Net movement in restricted cash	-	(2,030)
	-	-
Net cash flows generated from (used) in investing activities	(227,103)	(51,172)
FINANCING ACTIVITIES		
Loans borrowed	58,183	144,305
Loans paid	(49,015)	(122,857)
Loan from Holding company - Renaissance	-	-
Repayment of loan due to holding company	(20,000)	(32,784)
Dividend paid to Owner	-	-
Dividend paid to non-controlling interests	-	-
Funds introduced by minority interests	9,000	-
Net cash flows generated from financing activities	(1,832)	(1,336)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(118,924)	16,123
Cash and cash equivalents at 1 January	169,297	15,096
CASH AND CASH EQUIVALENTS AT 30 SEP	50,373	31,219

Topaz Energy and Marine Limited and its subsidiaries

Condensed unaudited consolidated interim statement of changes in equity for the nine month period ended 30 September 2014

	<i>Share capital USD' 000</i>	<i>Statutory reserve USD' 000</i>	<i>Hedging reserve USD' 000</i>	<i>Retained earnings USD' 000</i>	<i>Total USD' 000</i>	<i>Non- controlling interests USD' 000</i>	<i>Total equity USD' 000</i>
Balance at 1 January 2014	256,818	38	158	191,227	448,241	92,673	540,914
Profit for the period	-	-	-	22,325	22,325	14,149	36,474
Net changes in fair value of cash flow hedges	-	-	114	-	114	-	114
Total comprehensive income for the period	-	-	114	22,325	22,439	14,149	36,588
Transactions with the Owners							
Dividend paid	-	-	-	(20,000)	(20,000)	-	(20,000)
Equity contribution	-	-	-	-	-	21,798	21,798
Total transactions with the Owners	-	-	-	(20,000)	(20,000)	21,798	1,798
Balance at 30 Sep 2014	<u>256,818</u>	<u>38</u>	<u>272</u>	<u>193,552</u>	<u>450,680</u>	<u>128,620</u>	<u>579,300</u>
Balance at 1 January 2013	256,818	38	(2,118)	165,664	420,402	73,449	493,851
Profit for the period	-	-	-	25,563	25,563	19,224	44,787
Net changes in fair value of cash flow hedges	-	-	2,276	-	2,276	-	2,276
Total comprehensive income for the period	-	-	2,276	25,563	27,839	19,224	47,063
Balance at 31 Dec 2013	<u>256,818</u>	<u>38</u>	<u>158</u>	<u>191,227</u>	<u>448,241</u>	<u>92,673</u>	<u>540,914</u>

Topaz Energy and Marine Limited and its subsidiaries

Notes to the condensed consolidated interim financial information for the nine months period ended 30 September 2014 (continued)

1 GENERAL INFORMATION

Topaz Energy and Marine Limited (earlier Nico Middle East Limited) ("the Company") is a limited liability company incorporated in Bermuda. The Company is a wholly owned subsidiary of Topaz Energy and Marine Limited ("the Holding Company"), an Offshore company registered in the Jebel Ali Free Zone. The address of the registered office of the Company is P.O. Box 1022, Clarendon House, Church Street - West, Hamilton HM DX, Bermuda. The ultimate holding company is Renaissance Services SAOG, ("the Ultimate Holding Company") a joint stock company incorporated in the Sultanate of Oman.

The condensed consolidated interim financial information for the nine month period ended 30 September 2014 ("the interim financial information") comprises the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The principal activities of the Group are ship management and operations of marine vessels on charter primarily to the oil and gas industry.

2 BASIS OF PREPARATION

The interim financial information has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB").

The interim financial information has been presented in United States Dollars (US\$), which is the functional currency of the Company and the presentation currency of the Group. All values are rounded to the nearest thousand (US\$ '000') except as otherwise indicated.

The interim financial information does not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2013, which have been prepared in accordance with International Financial Reporting Standards (IFRSs).

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of interim financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2013.

4 ESTIMATES

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual consolidated financial statements for the year ended 31 December 2013.

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk) credit risk and liquidity risk.

The interim financial information do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2013.

There have been no changes in the risk management department or any risk management policies since the year end.

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2014 (continued)**

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

5.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities. The main characteristics of the term loans provided to the Group are described in Note 17 and 18.

5.3 Fair value estimation

Financial instruments comprise financial assets and financial liabilities.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Total US\$'000	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Cost US\$'000
At 30 September 2014					
Derivative financial instruments					
Derivative financial instruments	2,010	-	2,010	-	-
At 31 December 2013 (Audited)					
Derivative financial instruments					
Derivative financial instruments	2,613	-	2,613	-	-

There were no transfers between Levels 1 and 2 during the period.

5.4 Fair value of financial assets and liabilities measured at amortized costs

The fair value of borrowings are as follows:

	Nine months ended 30 Sep 2014 US\$'000	Year ended 31 Dec 2013 US\$'000 (Audited)
Non-current	631,169	619,753
Current	53,346	51,136
	684,515	670,889

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Trade and other receivable
- Cash and cash equivalents (excluding bank overdrafts)
- Trade and other payables

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2014 (continued)**

6 SEGMENT INFORMATION

Management has determined the operating segments based on the information reviewed by chief operating decision-maker for the purposes of allocating resources and assessing performance. The Group operates under three primary geographical segments. The geographic segments are organised and managed separately according to the nature of the services provided, with each segment representing a strategic operating unit that offers different services.

Geographic segments

For management purposes, the Group is currently organised into three major geographic segments. These segments are the basis on which the Group reports its primary segmental information. These are:

- MENA
- Global
- Caspian

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit after income tax, as included in the internal management reports that are reviewed by the chief operating decision-maker. Segment profit is used to measure performance as management believes that such information is most relevant in evaluating the results of certain segments relative to other entities that operate within these geographic segments.

The following table presents segmental information about these businesses:

Nine months ended 30 Sep 2014	MENA US\$'000	Global US\$'000	Caspian US\$'000	Corporate US\$'000	Eliminations US\$'000	Total US\$'000
Revenue	63,334	60,588	167,023	-	(2,242)	288,703
Direct costs	(37,815)	(39,116)	(82,700)	-	1,773	(157,858)
Gross profit/segment results	25,519	21,472	84,323	-	(469)	130,845
Administrative expenses	(7,022)	(3,944)	(11,798)	(8,118)	-	(30,882)
Impairment loss on accounts receivable	(176)	(2,722)	-	-	-	(2,898)
Other income	15	116	218	34	-	383
Finance cost, net	(5,784)	(9,317)	(25,690)	(4,701)	-	(45,492)
Profit before income tax	12,552	5,606	47,053	(12,785)	(469)	51,957
Income tax expense	(2,941)	(2,110)	(10,583)	152	-	(15,482)
Profit for the period	9,610	3,496	36,470	(12,633)	(469)	36,474

Topaz Energy and Marine Limited and its subsidiaries

Notes to the condensed consolidated interim financial information for the nine months period ended 30 September 2014 (continued)

6 SEGMENT INFORMATION (continued)

Nine months ended 30 Sep 2013	MENA US\$'000	Global US\$'000	Caspian US\$'000	Corporate US\$'000	Eliminations US\$'000	Total US\$'000
Revenue	71,794	42,553	171,971	-	(2,148)	284,170
Direct costs	(43,615)	(33,231)	(100,566)	-	1,670	(175,742)
Gross profit/segment results	28,179	9,322	71,405	-	(478)	108,428
Administrative expenses	(7,100)	(2,421)	(10,320)	(6,445)	-	(26,286)
Impairment loss on accounts receivable	(474)	(3,604)	-	-	-	(4,078)
Other income	565	1,020	305	-	-	1,890
Finance cost, net	(7,662)	(4660)	(10,478)	(6,695)	-	(29,495)
Profit before income tax	13,508	(343)	50,912	(13,140)	(478)	50,459
Income tax expense	(2,936)	(1,010)	(10,233)	-	-	(14,179)
Profit for the period	10,572	(1,353)	40,679	(13,140)	(478)	36,280

7 REVENUE

	Nine months ended 30 Sep 2014 US\$'000	Nine months ended 30 Sep 2013 US\$'000
Charter and other revenues from marine vessels	279,770	272,698
Income from mobilization of marine vessels	8,733	5,272
Sale of marine vessels	200	6,200
	288,703	284,170

8 FINANCE INCOME AND COSTS

	Nine months ended 30 Sep 2014 US\$'000	Nine months ended 30 Sep 2013 US\$'000
Recognised in profit or loss		
Interest expense	46,134	30,162
Exchange loss	849	230
Finance cost	46,983	30,392
Exchange gain	371	140
Fair value changes of derivative financial instruments	1,033	758
Interest income	87	-
Finance income	1,491	898
Recognized in other comprehensive income		
Gain/ (loss) changes in the fair value of cash flow hedges	114	854

Topaz Energy and Marine Limited and its subsidiaries

Notes to the condensed consolidated interim financial information for the nine months period ended 30 September 2014 (continued)

9 INCOME TAX

Tax expense relates to corporation tax payable on the profits earned by certain Group entities which operate in taxable jurisdictions, as follows:

Tax expense	15,482	14,179
Income tax payable	18,039	15,646

The Group's consolidated effective tax rate is 30% for nine months ended Sep2014 (Sep 2013: 28%).

10 PROPERTY, PLANT AND EQUIPMENT

	Buildings US\$'000	Plant, machinery furniture, fixtures and office equipment US\$'000	Marine vessels US\$'000	Motor vehicles US\$'000	Capital work in progress US\$'000	Total US\$'000
Cost:						
At 1 January 2014	3,958	14,255	1,320,462	791	87,154	1,426,620
Additions	-	-	107,778	-	92,564	200,342
Transfer	-	-	117,271	-	(117,271)	-
Disposals / write offs	-	-	(826)	-	-	(826)
Transfer to current assets	-	-	(11,850)	-	-	(11,850)
At 30 Sep 2014	3,958	14,255	1,532,835	791	62,447	1,614,286
Depreciation:						
At 1 January 2014	595	10,940	292,571	699	-	304,805
Charge for the year	120	578	45,923	43	-	46,664
Mobilisation charge for the year	-	-	1,778	-	-	1,778
Relating to disposals/write offs	-	-	(826)	-	-	(826)
Transfer to current assets	-	-	(3,900)	-	-	(3,900)
At 30 Sep 2014	715	11,518	335,546	742	-	348,521
Net carrying amount						
At 30 Sep 2014	3,243	2,737	1,197,289	49	62,447	1,265,765

Capital work in progress includes costs incurred for construction of marine vessels.

During the nine months ended September 2014, the Group has capitalized borrowing cost amounting to US\$ 3,615 thousand (Dec 2013: US\$ 2,217 thousand). Borrowing costs were capitalised at the weighted average rate of 9.2%.

The depreciation charge has been allocated as follows:

	Nine months ended 30 Sep 2014 US\$'000	Year ended 31 Dec 2013 US\$'000 (Audited)
Direct costs	45,923	54,770
Administrative expenses	741	916
	46,664	55,686

Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2014 (continued)

11 INTANGIBLE ASSETS AND GOODWILL

	Sep 2014			Dec 2013		
	Computer			(Audited) Computer		
	Goodwill US\$'000	Software US\$'000	Total US\$'000	Goodwill US\$'000	Software US\$'000	Total US\$'000
At 1 January	26,174	592	26,766	26,174	672	26,846
Additions	-	-	-	-	-	-
Amortization	-	(58)	(60)	-	(80)	(80)
At 30 Sep/31 December	26,174	534	26,708	26,174	592	26,766
Cost (gross carrying amount)	26,174	1,947	28,121	26,174	1,947	28,121
Accumulated amortization	-	(1,413)	(1,413)	-	(1,355)	(1,355)
Net carrying amount	26,174	534	26,708	26,174	592	26,766

Amortization of intangible assets has been allocated to administrative expenses in the condensed interim statement of comprehensive income.

Goodwill comprises of the following:

- goodwill arising from the acquisition of BUE Marine Limited with effect from 1 July 2005.
- goodwill arising from the acquisition of Doha Marine Services WLL with effect from 8 May 2008.

Goodwill has been allocated to three individual cash-generating units for impairment testing as follows:

- BUE Marine cash-generating unit;
- Doha Marine Services cash generating unit.

Carrying amount of goodwill allocated to each of the cash-generating units is as follows:

	Nine months ended 30 Sep 2014 US\$'000	Year ended 31 Dec 2013 US\$'000 (Audited)
BUE Marine Limited Unit	18,383	18,383
Doha Marine Services Unit	7,791	7,791
	26,174	26,174

The recoverable amount of each cash-generating unit is determined based on a value in use calculation, using cash flow projections based on financial budgets approved by senior management. The date of the last impairment testing was 31 December 2013.

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Notes to the condensed consolidated interim financial information for the nine months period ended 30 September 2014 (continued)

12 INVENTORIES

	Nine months ended 30 Sep 2014 US\$'000	Year ended 31 Dec 2013 US\$'000 (Audited)
Stores, spares and consumables	3,351	4,280
Marine vessels held for sale	7,950	
Provision for slow moving inventories	(102)	(102)
	11,199	4,178

Movement in the provision for slow moving inventories were as follows:

At 1 January	102	550
Charge for the year	-	-
Written off during the period	-	(550)
Less: Transfer from related party	-	102
At the end of period/year	102	102

13 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	Nine months ended 30 Sep 2014 US\$'000	Year ended 31 Dec 2013 US\$'000 (Audited)
Trade accounts receivable	88,698	85,219
Allowance for impairment of receivable	(7,977)	(4,892)
	80,721	80,327
Deferred mobilisation costs	7,370	14,901
Advance to suppliers	2,287	1,944
Value added tax (VAT) recoverable	3,139	5,265
Prepaid expenses	3,557	2,941
Retention receivable	2,050	3,028
Receivable from joint venture partner	12,700	-
Other receivables	5,343	6,573
	117,167	114,979
Less: Non-current portion of deferred mobilisation costs	(1,284)	(7,546)
	115,883	107,433

Topaz Energy and Marine Limited and its subsidiaries

Notes to the condensed consolidated interim financial information for the nine months period ended 30 September 2014 (continued)

13 ACCOUNTS RECEIVABLE AND PREPAYMENTS (continued)

At 30 Sep 2014, trade receivables with a nominal value of US\$ 7,977 thousand (31 December 2013: US\$ 4,892 thousand) were impaired. Movement in the allowance for impairment of receivables were as follows:

	Nine months ended 30 Sep 2014 US\$'000	Year ended 31 Dec 2013 US\$'000 (Audited)
At 1 January	4,892	4,705
Charge for the year	2,898	4,839
Amounts written off	(740)	(4,652)
Transfer from other provision	927	(4,652)
At the end of the period/year	7,977	4,892

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Nine months ended 30 Sep 2014 US\$'000	Year ended 31 Dec 2013 US\$'000 (Audited)
MENA	13,311	13,847
Caspian	49,465	56,609
Others	17,945	9,871
At the end of the period/year	80,721	80,327

As at 30 Sep 2014 and 31 Dec 2013, the ageing of unimpaired trade receivables is as follows:

		Past due but not impaired					
		Neither past due nor impaired US\$'000	<30 days US\$'000	30-60 days US\$'000	60-90 days US\$'000	90-120 days US\$'000	>120 days US\$'000
2014	80,721	59,565	9,564	7,697	1,207	990	1,698
2013	80,327	56,763	6,199	3,639	1,954	1,498	10,274

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables and the vast majority are, therefore, unsecured.

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2014 (continued)**

14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the condensed interim statement of cash flows include the following:

	Nine months ended 30 Sep 2014 US\$'000	Year ended 31 Dec 2013 US\$'000 (Audited)
Cash at bank		
- Deposits under lien (refer (i) below)	13,000	11,000
- Current accounts	37,047	158,188
	50,047	169,188
Cash in hand	326	109
Bank overdraft	50,373	169,297
		-
Cash and bank balances	50,373	169,297
Less: Deposits under lien	(13,000)	(11,000)
Cash and cash equivalents	37,373	158,297

- (i) These represent deposits with a commercial bank held under lien against term loans obtained by the Group. (Note 17)

15 SHARE CAPITAL

	Nine months ended 30 Sep 2014 US\$'000	Year ended 31 Dec 2013 US\$'000 (Audited)
Authorised		
400,000,000 shares of US\$ 1 each (2013: 400,000,000 shares of US\$ 1 each)	400,000	400,000
Issued and fully paid		
256,817,094 shares of US\$ 1 each (2013: 256,817,094 shares of US\$ 1 each)	256,818	256,818

16 HEDGING RESERVE

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet affected the condensed consolidated interim statement of comprehensive income.

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2014 (continued)**

17 TERM LOANS

	Nine months ended 30 Sep 2014 US\$'000	Year ended 31 Dec 2013 US\$'000 (Audited)
\$350M 8.625% Senior Notes due 2018	339,721	338,244
Term loan, at LIBOR plus 4.00% p.a. repayable by August 2017	143,298	162,595
Term loan at LIBOR plus 3.5% p.a. repayable by June 2020	47,190	51,933
Term loan at LIBOR plus 3.75% p.a. repayable by June 2018	103,640	61,526
Term loan at LIBOR plus 2.65% p.a. repayable by July 2022	16,530	18,668
Term loan at LIBOR plus 3.95% p.a. repayable by Oct 2017	9,199	10,359
Term loan at LIBOR plus 3.95% p.a. repayable by May 2018	9,020	10,303
Term loan at 5.75% p.a. repayable by Oct 2017	15,917	17,261
	684,515	670,889
Current portion	(53,346)	(51,136)
Non-current portion	631,169	619,753

The term loans are repayable as follows:

	Nine months ended 30 Sep 2014 US\$'000	Year ended 31 Dec 2013 US\$'000 (Audited)
Due within one year	53,346	51,136
Due between two to five years	556,897	594,680
Due after five years	20,926	25,073
	631,169	670,889

The borrowing arrangements include undertakings to comply with various covenants like senior interest cover, current ratio, EBITDA to finance cost, net debt to EBITDA ratio, tangible debt to net worth ratio and equity ratio including an undertaking to maintain a minimum tangible net worth which shall not be less than US\$ 350 million until 31 December 2013 and thereafter it shall be the greater of US\$ 450 million or 35% of total assets.

Topaz Energy and Marine Limited and its subsidiaries

Notes to the condensed consolidated interim financial information for the nine months period ended 30 September 2014 (continued)

18 LOAN DUE TO ULTIMATE HOLDING COMPANY

	Nine months ended 30 Sep 2014 US\$'000	Year ended 31 Dec 2013 US\$'000 (Audited)
Term loan at 7% p.a. repayable by November 2019 (refer (i) below)	30,000	-
Term loan at 8.50% p.a. repayable by September 2017 (refer (ii) below)	104,000	-
	134,000	134,000
Current portion	(28,000)	(28,000)
Non-current portion	106,000	106,000

- (i) This represents loan obtained from the Ultimate holding company in 2012 for the purpose of financing acquisition of certain vessels and working capital requirements.
- (ii) This represents a subordinated loan payable in four equal installments of USD 26 million, starting from November 2014 carrying mark up at the rate of 8.5% p.a. compounded on a quarterly basis.

19 EMPLOYEES' END OF SERVICE BENEFITS

The Group provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. This is an unfunded defined benefit scheme.

Principal actuarial assumptions at the reporting date are as follows:

- Normal retirement age : 60-65 years
- Mortality, withdrawal and retirement: 5% turnover rate. Due to the nature of the benefit, which is a lump sum payable on exit due to any cause, a combined single decrement rate has been used for maturity, withdrawal and retirement.
- Discount rate: 5.25% p.a.
- Salary increases: 3% - 5% p.a.

Movement in the provision is recognised in the condensed interim statement of financial position is as follows:

	Nine months ended 30 Sep 2014 US\$'000	Year ended 31 Dec 2013 US\$'000 (Audited)
Provision as at 1 January	3,072	2,593
Provided during the period	1,129	870
End of service benefits paid	(264)	(442)
Transfer to a related party	-	51
Provision as at 30 Sep/ 31 Dec	3,937	3,072

Topaz Energy and Marine Limited and its subsidiaries

Notes to the condensed consolidated interim financial information for the nine months period ended 30 September 2014 (continued)

20 ACCOUNTS PAYABLE AND ACCRUALS

	Nine months ended 30 Sep 2014 US\$'000	Year ended 31 Dec 2013 US\$'000 (Audited)
<i>Current</i>		
Trade accounts payables	11,958	44,577
Accrued expenses	27,859	26,065
Deferred income	5,501	6,251
Interest payable	15,493	6,974
Other payables	1,557	1,080
	62,368	84,947
<i>Non-current</i>		
Deferred income	3,457	4,190

21 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent associated companies, major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

	Nine months ended 30 Sep 2014 US\$'000	Year ended 31 Dec 2013 US\$'000 (Audited)
Due from related parties		
Directors	21	72
Topaz Engineering Ltd	17,005	16,943
Topaz Energy and Marine PLC,UK	83	83
	17,109	17,098
Due to related parties		
Renaissance Services SAOG ("the Ultimate Holding Company")	2,958	750
Others	-	295
	2,958	1,045

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2014 (continued)**

22 CONTINGENCIES AND CLAIMS

Contingent liabilities

	Nine months ended 30 Sep 2014 US\$'000	Year ended 31 Dec 2013 US\$'000 (Audited)
Letters of credit	-	1,011
Letters of guarantee	20,792	16,854
	20,792	17,865

These are non-cash banking instruments like bid bond, performance bond, refund guarantee, retention bonds, etc, which are issued by banks on behalf of group companies to customers / suppliers under the non-funded working capital lines with the banks. These lines are secured by the corporate guarantee from various group entities. The amounts are payable only in the event when certain terms of contracts with customers / suppliers are not met.

23 COMMITMENTS

	Nine months ended 30 Sep 2014 US\$'000	Year ended 31 Dec 2013 US\$'000 (Audited)
Capital expenditure commitment:		
Purchase of marine vessels	43,000	134,592
	43,000	134,592