

Topaz Energy and Marine Limited (formerly Nico Middle East Limited) and its subsidiaries

**Condensed unaudited consolidated interim financial information
For the nine month period ended 30 Sep 2015**

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Topaz Energy and Marine Limited (formerly Nico Middle East Limited) and its subsidiaries

Condensed unaudited consolidated interim statement of comprehensive income for the nine month period ended 30 Sep 2015

		Nine months ended 30 Sep 2015 USD'000	Nine months ended 30 Sep 2014 USD'000
	<i>Notes</i>		
Revenue	7	274,223	288,703
Direct costs		(166,914)	(157,858)
GROSS PROFIT		107,309	130,845
Administrative expenses		(28,726)	(30,882)
Impairment losses on trade receivables	13	(2,245)	(2,898)
Other income		93	383
Other non-operating expenses		-	-
PROFIT BEFORE FINANCE COSTS AND INCOME TAX		76,431	97,488
Finance costs	8	(55,073)	(46,983)
Finance income	8	598	1,491
Finance cost - net		(54,475)	(45,492)
PROFIT BEFORE INCOME TAX		21,956	51,956
Income tax expense	9	(16,125)	(15,482)
PROFIT FOR THE YEAR		5,831	36,474
OTHER COMPREHENSIVE INCOME			
Changes to cash flow hedges	8	-	114
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		-	114
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		5,831	36,588
Income (Loss) attributable to:			
Owners		(8,344)	22,325
Non-controlling interest		14,175	14,149
INCOME (LOSS) FOR THE YEAR		5,831	36,474
Total comprehensive income (loss) attributable to:			
Owners		(8,344)	22,439
Non-controlling interest		14,175	14,149
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		5,831	36,588

Topaz Energy and Marine Limited (formerly Nico Middle East Limited) and its subsidiaries

Condensed unaudited consolidated interim statement of financial position as at 30 Sep 2015

		Nine months ended 30 Sep 2015 USD'000	Year ended 31 Dec 2014 USD'000 (Audited)
ASSETS	<i>Notes</i>		
Non-current assets			
Property, plant and equipment	10	1,299,446	1,314,556
Intangible assets and goodwill	11	26,878	26,688
Long-term prepayments		2,601	888
Deferred tax asset		2,568	2,568
		1,331,493	1,344,700
Current assets			
Inventories	12	4,439	4,314
Accounts receivable and prepayments	13	129,614	112,594
Due from related parties	21	16,557	17,203
Bank balances and cash	14	49,505	63,414
		200,115	197,525
TOTAL ASSETS		1,531,608	1,542,225
EQUITY AND LIABILITIES			
Equity			
Share capital	15	284,720	284,720
Share premium	15	46,796	46,796
Statutory reserve	15	38	38
Retained earnings	15	173,004	203,348
Total equity attributable to equity holders of the Company	15	504,558	534,902
Non-controlling interest	15	148,620	134,445
Total equity		653,178	669,347
Non-current liabilities			
Term loans	17	647,905	628,163
Loan due to holding company	18	78,000	78,000
Employees' end of service benefits	19	3,901	4,079
Accounts payable and accruals	20	1,420	1,485
		731,226	711,727
Current liabilities			
Accounts payable and accruals	20	65,431	54,287
Term loans	17	30,000	56,709
Loan due to holding company	18	28,000	28,000
Due to related parties	21	2,231	604
Income tax payable	9	21,542	20,192
Fair value of derivatives		-	1,359
		147,204	161,151
Total liabilities		878,430	872,878
TOTAL EQUITY AND LIABILITIES		1,531,608	1,542,225

Topaz Energy and Marine Limited (formerly Nico Middle East Limited) and its subsidiaries

Condensed unaudited consolidated interim statement of cash flows for the nine month period ended 30 Sep 2015

	Nine months ended 30 Sep 2015 USD'000	Nine months ended 30 Sep 2014 USD'000
Profit (loss) before income tax	21,956	51,956
Adjustments to reconcile profit (loss) before tax to net cash flows:		
Impairment loss on trade accounts receivables	2,245	2,898
Provision for employees end of service benefits	250	1,129
Loss (profit) on sale of property, plant and equipment	-	(200)
Finance income	(598)	(1,491)
Finance costs	55,073	46,983
Depreciation and amortisation	53,035	46,721
Amortisation of Mobilisation costs	2,415	8,039
Marine vessels sold during the year	3,609	
Working capital adjustments:		
Inventories	(125)	929
Accounts receivables, prepayments and other assets	(19,406)	1,817
Accounts payable, accruals and other liabilities	993	(1,288)
Due from/to related parties	1,032	(342)
Net cash from operations	120,479	157,151
OPERATING ACTIVITIES		
Income tax paid	(14,775)	(12,161)
Interest paid	(32,207)	(34,715)
End of service benefits paid	(428)	(264)
Net cash flows generated from operating activities	73,069	110,011
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(43,410)	(227,303)
Proceeds from disposal of property, plant & equipment		200
Payments for intangible assets	(241)	-
Change in Long term receivables	(2,601)	-
Net movement in restricted cash	13,000	-
Net cash flows generated from (used) in investing activities	(33,252)	(227,103)
FINANCING ACTIVITIES		
Loans borrowed	345,884	58,183
Loans paid	(364,600)	(49,105)
Dividend paid to Owner	(22,000)	(20,000)
Funds introduced by minority interest	-	9,000
Net cash flows generated from financing activities	(40,716)	(1,832)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(899)	(118,924)
Cash and cash equivalents at 1 January	50,414	169,297
CASH AND CASH EQUIVALENTS AT 30 SEP	49,515	50,373

Topaz Energy and Marine Limited (formerly Nico Middle East Limited) and its subsidiaries

Condensed unaudited consolidated interim statement of changes in equity for the nine month period ended 30 Sep 2015

	<i>Share capital USD'000</i>	<i>Share premium 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 2015	284,720	46,796	38	-	203,348	534,902	134,445	669,347
Profit for the period	-	-	-	-	(8,344)	(8,344)	14,175	5,831
Net changes in fair value of cash flow hedges	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(8,344)	(8,344)	14,175	5,831
Transactions with the Owners								
Dividend paid to shareholders					(22,000)	(22,000)	-	(22,000)
Balance at 30 Sep 2015	284,720	46,796	38		173,004	504,558	148,620	653,178
Balance at 1 January 2014	256,818	-	38	158	191,227	448,241	92,673	540,914
Profit for the period	-	-	-	-	32,121	32,121	19,975	52,096
Net changes in fair value of cash flow hedges	-	-	-	(158)	-	(158)	-	(158)
Total comprehensive income for the period	-	-	-	(158)	32,121	31,963	19,975	51,938
Transactions with the Owners				-				
Additional capital introduced	27,902	46,796	-	-	-	74,698	21,797	96,495
Dividend paid to holding company	-	-	-	-	(20,000)	(20,000)	-	(20,000)
Total transactions with the Owners	27,902	46,796	-	-	(20,000)	54,698	21,797	76,495
Balance at 31 Dec 2014	284,720	46,796	38	-	203,348	534,902	134,445	669,347

Topaz Energy and Marine Limited (formerly Nico Middle East Limited) and its subsidiaries

Notes to the condensed unaudited consolidated interim financial information for the nine months period ended 30 Sep 2015

1 GENERAL INFORMATION

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 six month period ended 30 Jun 2015 ("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 (USD), which is the functional currency of the Company and the presentation currency of the Group. All values are rounded to the nearest thousand (USD '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 2014, 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 2014.

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 2014.

Topaz Energy and Marine Limited (formerly Nico Middle East Limited) and its subsidiaries

Notes to the condensed unaudited consolidated interim financial information for the nine months period ended 30 Sep 2015 (continued)

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 2014.

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

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).

At 30 Sep 2015

Derivative financial instruments

	Total USD'000	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Cost USD'000
Derivative financial instruments	-	-	-	-	-

At 31 December 2014

(Audited) Derivative financial instruments

Derivative financial instruments	1,359	-	1,359	-	-
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There were no transfers between Levels 1 and 2 during the period.

Topaz Energy and Marine Limited (formerly Nico Middle East Limited) and its subsidiaries

Notes to the condensed unaudited consolidated interim financial information for the nine months period ended 30 Sep 2015 (continued)

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

The fair value of borrowings (including loan due to holding company) are as follows:

	Nine months ended 30 Sep 2015 USD'000	Year ended 31 Dec 2014 USD'000 (Audited)
Non-current	725,905	706,163
Current	58,000	84,709
	783,905	790,872

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

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
- Caspian
- Africa
- Subsea

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.

Topaz Energy and Marine Limited (formerly Nico Middle East Limited) and its subsidiaries

Notes to the condensed unaudited consolidated interim financial information for the nine months period ended 30 Sep 2015 (continued)

The following table presents segmental information about these businesses:

Nine months ended 30 Sep 2015	Caspian USD'000	MENA USD'000	Africa USD'000	Subsea USD'000	Corporate USD'000	Eliminations USD'000	Total USD'000
Revenue	173,424	64,846	21,836	14,117	-	-	274,223
Direct costs	(84,319)	(43,190)	(27,170)	(10,435)	-	(1,800)	(166,914)
Gross profit/segment results	89,105	21,656	(5,334)	3,682	-	(1,800)	107,309
Administrative expenses	(10,254)	(6,079)	(3,986)	(1,032)	(7,375)	-	(28,726)
Impairment loss on accounts receivable	(63)	(82)	(100)	-	(2,000)	-	(2,245)
Other income	19	12	62	-	-	-	93
Finance cost, net	(25,497)	(7,396)	(7,620)	(3,325)	(10,637)	-	(54,475)
Profit before income tax	53,310	8,111	(16,978)	(675)	(20,012)	(1,800)	21,956
Income tax expense	(10,017)	(2,824)	(3,284)	-	-	-	(16,125)
Profit for the period	43,293	5,287	(20,262)	(675)	(20,012)	(1,800)	(5,831)

Nine months ended 30 Sep 2014	Caspian USD'000	MENA USD'000	Africa USD'000	Subsea USD'000	Corporate USD'000	Eliminations USD'000	Total USD'000
Revenue	167,023	63,334	26,573	34,015	-	(2,242)	288,703
Direct costs	(82,700)	(37,815)	(21,496)	(17,620)	-	1,773	(157,858)
Gross profit/segment results	84,323	25,519	5,077	16,395	-	(469)	130,845
Administrative expenses	(11,789)	(7,022)	(3,944)	-	(8,127)	-	(30,882)
Impairment loss on accounts receivable	-	(176)	(2,722)	-	-	-	(2,898)
Other income	218	15	116	-	34	-	383
Finance cost, net	(25,691)	(5,784)	(5,549)	(3,767)	(4,701)	-	(45,492)
Profit before income tax	47,061	12,552	(7,022)	12,628	(12,794)	(469)	51,956
Income tax expense	(10,583)	(2,941)	(2,024)	(86)	152	-	(15,482)
Profit for the period	36,478	9,611	(9,046)	12,542	(12,642)	(469)	36,474

Topaz Energy and Marine Limited (formerly Nico Middle East Limited) and its subsidiaries

Notes to the condensed unaudited consolidated interim financial information for the nine months period ended 30 Sep 2015 (continued)

7 REVENUE

	Nine months ended 30 Sep 2015 USD'000	Nine months ended 30 Sep 2014 USD'000
Charter and other revenues from marine vessels	267,166	279,770
Income from mobilization of marine vessels	7,057	8,733
Sale of marine vessels	-	200
	274,223	288,703

8 FINANCE INCOME AND COSTS

	Nine months ended 30 Sep 2015 USD'000	Nine months ended 30 Sep 2014 USD'000
Recognised in profit or loss		
Interest expense	55,073	46,134
Exchange loss	-	849
Fair value changes of derivative financial instruments	-	-
Finance cost	55,073	46,983
Exchange gain (net)	239	371
Fair value changes of derivative financial instruments	359	1,033
Interest income	-	87
Finance income	598	1,491
Recognized in other comprehensive income		
Gain/ (loss) changes in the fair value of cash flow hedges	-	114

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:

	Nine months ended 30 Sep 2015 USD'000	Year ended 31 Dec 2014 USD'000 (Audited)
Tax expense	16,125	15,482
Income tax payable	21,542	20,192

Topaz Energy and Marine Limited (formerly Nico Middle East Limited) and its subsidiaries

Notes to the condensed unaudited consolidated interim financial information for the nine months period ended 30 Sep 2015 (continued)

10 PROPERTY, PLANT AND EQUIPMENT

	Buildings USD'000	Plant, machinery furniture, fixtures and office equipment USD'000	Marine vessels USD'000	Motor vehicles USD'000	Capital work in progress USD'000	Total USD'000
Cost:						
At 1 January 2015	3,958	13,243	1,594,784	840	64,962	1,677,787
Additions	-	593	33,369	-	9,933	43,895
Transfer	-	-	45,278	-	(45,278)	-
Disposals / write offs	-	-	(4,722)	-	-	(4,722)
At 30 Jun 2015	3,958	13,836	1,668,709	840	29,617	1,716,960
Depreciation:						
At 1 January 2015	754	10,002	351,717	758	-	363,231
Charge for the year	120	599	52,195	68	-	52,982
Mobilisation charge for the year	-	-	2,415	-	-	2,415
Relating to disposals/write offs	-	-	(1,114)	-	-	(1,114)
At 30 Jun 2015	874	10,601	405,213	826	-	417,514
Net carrying amount						
At 30 Sep 2015	3,084	3,235	1,263,496	14	29,617	1,299,446

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

During the nine months ended September 2015, the Group has capitalized borrowing cost amounting to USD 210 thousand (9 months ended Sep 2014: USD 3,615 thousand). Borrowing costs were capitalised at the weighted average rate of 4.5%. (2014: 9.2%)

The depreciation charge has been allocated as follows:

	Nine months ended 30 Sep 2015 USD'000	Year ended 31 Dec 2014 USD'000 (Audited)
Direct costs	52,195	60,643
Administrative expenses	787	904
	52,982	61,547

Topaz Energy and Marine Limited (formerly Nico Middle East Limited) and its subsidiaries

Notes to the condensed unaudited consolidated interim financial information for the nine months period ended 30 Sep 2015 (continued)

11 INTANGIBLE ASSETS AND GOODWILL

	Sep 2015			Dec 2014		
				(Audited)		
	Goodwill	Computer	Total	Goodwill	Software	Total
	USD'000	Software	USD'000	USD'000	USD'000	USD'000
At 1 January	26,174	514	26,688	26,174	592	26,766
Additions	-	243	243	-	-	-
Amortization	-	(53)	(53)	-	(78)	(78)
At 30 Sep/31 December	26,174	704	26,878	26,174	514	26,688
Cost (gross carrying amount)	26,174	2,190	28,364	26,174	1,947	28,121
Accumulated amortization	-	(1,486)	(1,486)	-	(1,433)	(1,433)
Net carrying amount	26,174	704	26,878	26,174	514	26,688

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 two 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 2015 USD'000	Year ended 31 Dec 2014 USD'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 2014.

Topaz Energy and Marine Limited (formerly Nico Middle East Limited) and its subsidiaries

Notes to the condensed unaudited consolidated interim financial information for the nine months period ended 30 Sep 2015 (continued)

12 INVENTORIES

	Nine months ended 30 Sep 2015 USD'000	Year ended 31 Dec 2014 USD'000 (Audited)
Stores, spares and consumables	4,439	4,314
Provision for slow moving inventories	-	-
	4,439	4,314

13 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	Nine months ended 30 Sep 2015 USD'000	Year ended 31 Dec 2014 USD'000 (Audited)
Trade accounts receivable	108,974	86,450
Allowance for impairment of receivable	(10,871)	(8,668)
	98,103	77,782
Deferred mobilisation costs	-	6,317
Advance to suppliers	4,446	4,845
Value added tax (VAT) recoverable	-	1,619
Prepaid expenses	3,910	2,551
Retention receivable	3,203	2,776
Receivable from Non-controlling interests	12,700	12,700
Other receivables	7,252	4,892
	129,614	113,482
Less: Non-current portion of deferred mobilisation costs	-	(888)
	129,614	112,594

At 30 Sep 2015, trade receivables with a nominal value of USD 10,871 thousand (31 December 2014: USD 8,668 thousand) were impaired. Movement in the allowance for impairment of receivables were as follows:

	Nine months ended 30 Sep 2015 USD'000	Year ended 31 Dec 2014 USD'000 (Audited)
At 1 January	8,668	4,892
Charge for the year	2,245	4,528
Amounts written off	(42)	(1,495)
Transfer	-	743
At the end of the period/year	10,871	8,668

Topaz Energy and Marine Limited (formerly Nico Middle East Limited) and its subsidiaries

Notes to the condensed unaudited consolidated interim financial information for the nine months period ended 30 Sep 2015 (continued)

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

	Nine months ended 30 Sep 2015 USD'000	Year ended 31 Dec 2014 USD'000 (Audited)
MENA	21,875	14,988
Caspian	71,285	46,373
Others	4,943	16,421
At the end of the period/year	98,103	77,782

As at 30 Sep 2015 and 31 Dec 2014, the ageing of unimpaired trade receivables is as follows:

		Neither past due nor impaired USD'000	Past due but not impaired				
			<30 days USD'000	30-60 days USD'000	60-90 days USD'000	90-120 days USD'000	>120 days USD'000
2015	98,103	68,076	13,488	7,022	3,442	3,037	3,038
2014	77,782	56,140	10,359	3,614	1,778	508	5,383

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.

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 2015 USD'000	Year ended 31 Dec 2014 USD'000 (Audited)
Cash at bank		
- Deposits under lien (refer (i) below)	-	13,000
- Current accounts	49,428	50,232
	49,428	63,232
Cash in hand	77	182
Cash and bank balances	49,505	63,414
Less: Deposits under lien	-	(13,000)
Cash and cash equivalents	49,505	50,414

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

Topaz Energy and Marine Limited (formerly Nico Middle East Limited) and its subsidiaries

Notes to the condensed unaudited consolidated interim financial information for the nine months period ended 30 Sep 2015 (continued)

15 SHARE CAPITAL

	Nine months ended 30 Sep 2015 USD'000	Year ended 31 Dec 2014 USD'000 (Audited)
Authorised		
400,000,000 shares of USD 1 each (2014: 400,000,000 shares of USD 1 each)	400,000	400,000
Issued and fully paid		
284,719,616 shares of USD 1 each (2014: 284,719,616 shares of USD 1 each)	284,720	284,720

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.

17 TERM LOANS

	Nine months ended 30 Sep 2015 USD'000	Year ended 31 Dec 2014 USD'000 (Audited)
USD350M 8.625% Senior Notes due 2018	341,884	340,249
Term loan, at LIBOR plus 4.00% p.a. repayable by August 2017	-	129,824
Term loan at LIBOR plus 3.5% p.a repayable by June 2020	-	45,610
Term loan at LIBOR plus 3.75% p.a. repayable by June 2018	-	100,596
Term loan at LIBOR plus 2.65% p.a. repayable by July 2022	-	16,600
Term loan at LIBOR plus 3.95% p.a. repayable by Oct 2017	-	8,811
Term loan at LIBOR plus 3.95% p.a. repayable by May 2018	-	8,671
Term loan at 5.75% p.a. repayable by Oct 2017	-	14,511
Term loan at LIBOR plus 3.75% p.a. repayable by Oct 2016	-	20,000
Term loan at LIBOR plus 2.75% p.a. repayable by Apr 2022	336,021	-
	677,905	684,872
Current portion	(30,000)	(56,709)
Non-current portion	647,905	628,163

The term loans are repayable as follows:

	Nine months ended 30 Sep 2015 USD'000	Year ended 31 Dec 2014 USD'000 (Audited)
Due within one year	30,000	56,709
Due between two to five years	460,408	608,908
Due after five years	187,497	19,255
	677,905	684,872

Topaz Energy and Marine Limited (formerly Nico Middle East Limited) and its subsidiaries

Notes to the condensed unaudited consolidated interim financial information for the nine months period ended 30 Sep 2015 (continued)

18 LOAN DUE TO ULTIMATE HOLDING COMPANY

	Nine months ended 30 Sep 2015 USD'000	Year ended 31 Dec 2014 USD'000 (Audited)
Term loan at 7% p.a. repayable by November 2019 (refer (i) below)	28,000	28,000
Term loan at 8.50% p.a. repayable by September 2017 (refer (ii) below)	78,000	78,000
	106,000	106,000
Current portion	(28,000)	(28,000)
Non-current position	78,000	78,000

- (i) This represents loan obtained from the Ultimate holding company for the purpose of financing acquisition of certain vessels and is subordinated to other indebtedness.
- (ii) This represents a subordinated loan payable in four equal installments of USD 26 million, started from November 2014.

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: 4.27% 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 2015 USD'000	Year ended 31 Dec 2014 USD'000 (Audited)
Provision as at 1 January	4,079	3,072
Provided during the period	250	1,345
End of service benefits paid	(428)	(338)
Provision as at 30 Sep / 31 Dec	3,901	4,079

Topaz Energy and Marine Limited (formerly Nico Middle East Limited) and its subsidiaries

Notes to the condensed unaudited consolidated interim financial information for the nine months period ended 30 Sep 2015 (continued)

20 ACCOUNTS PAYABLE AND ACCRUALS

	Nine months ended 30 Sep 2015 USD'000	Year ended 31 Dec 2014 USD'000 (Audited)
<i>Current</i>		
Trade accounts payables	10,795	13,234
Accrued expenses	34,506	26,069
Deferred income	2,317	6,440
Interest payable	15,713	6,989
Other payables	2,100	1,555
	65,431	54,287
<i>Non-current</i>		
Deferred income	1,420	1,485

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 2015 USD'000	Year ended 31 Dec 2014 USD'000 (Audited)
Due from related parties		
Directors		1
Topaz Engineering Ltd	16,483	16,922
Tawoos	74	9
Topaz Energy and Marine PLC,UK	-	271
	16,557	17,203
Due to related parties		
Renaissance Services SAOG ("the Ultimate Holding Company")	2,224	604
Tawoos	7	-
	2,231	604

Topaz Energy and Marine Limited (formerly Nico Middle East Limited) and its subsidiaries

Notes to the condensed unaudited consolidated interim financial information for the nine months period ended 30 Sep 2015 (continued)

22 CONTINGENCIES AND CLAIMS

Contingent liabilities

	Nine months ended 30 Sep 2015 USD'000	Year ended 31 Dec 2014 USD'000 (Audited)
Letters of credit	-	-
Letters of guarantee	22,224	26,562
	22,224	26,562

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 2015 USD'000	Year ended 31 Dec 2014 USD'000 (Audited)
Capital expenditure commitment: Purchase of marine vessels	137,000	25,540
	137,000	25,540