

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

**Condensed unaudited consolidated interim financial information
For the three month period ended 31 Mar 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 three month period ended 31 Mar 2015

		Three months ended 31 Mar 2015 US\$'000	Three months ended 31 Mar 2014 US\$'000
	Notes		
Revenue	7	85,233	89,356
Direct costs		(53,789)	(50,024)
GROSS PROFIT		31,444	39,332
Administrative expenses		(9,038)	(10,510)
Impairment losses on trade receivables	13	(75)	(867)
Other income		87	129
Other non-operating expenses		-	-
PROFIT BEFORE FINANCE COSTS AND INCOME TAX		22,418	28,084
Finance costs	8	(15,773)	(14,411)
Finance income	8	504	327
Finance cost - net		(15,269)	(14,084)
PROFIT BEFORE INCOME TAX		7,149	14,000
Income tax expense	9	(6,061)	(4,768)
PROFIT FOR THE YEAR		1,088	9,232
OTHER COMPREHENSIVE INCOME			
Changes to cash flow hedges	9	-	(359)
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		-	(359)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		1,088	8,873
Income (Loss) attributable to:			
Owners		(4,422)	4,428
Non-controlling interest		5,510	4,804
INCOME (LOSS) FOR THE YEAR		1,088	9,232
Total comprehensive income (loss) attributable to:			
Owners		(4,422)	4,069
Non-controlling interest		5,510	4,804
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		1,088	8,873

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

Condensed unaudited consolidated interim statement of financial position as at 31 Mar 2015

		Three months ended 31 Mar 2015 US\$'000	Year ended 31 Dec 2014 US\$'000
ASSETS	<i>Notes</i>		
Non-current assets			
Property, plant and equipment	10	1,311,824	1,314,556
Intangible assets and goodwill	11	26,692	26,688
Long-term receivables and prepayments	13	888	888
Deferred tax asset		2,568	2,568
		1,341,972	1,344,700
Current assets			
Inventories	12	4,555	4,314
Accounts receivable and prepayments	13	107,883	112,594
Due from related parties	21	16,580	17,203
Bank balances and cash	14	79,374	63,414
		208,392	197,525
TOTAL ASSETS		1,550,364	1,542,225
EQUITY AND LIABILITIES			
Equity			
Share capital	15	284,720	284,720
Share premium		46,796	46,796
Statutory reserve		38	38
Retained earnings		198,926	203,348
Total equity attributable to equity holders of the Company		530,480	534,902
Non-controlling interest		139,955	134,445
Total equity		670,435	669,347
Non-current liabilities			
Term loans	17	621,919	628,163
Loan due to holding company	18	78,000	78,000
Employees' end of service benefits	19	4,175	4,079
Accounts payable and accruals	20	1,413	1,485
Fair value of derivatives		71	-
		705,578	711,727
Current liabilities			
Accounts payable and accruals	20	65,404	54,287
Term loans	17	56,922	56,709
Loan due to holding company	18	28,000	28,000
Due to related parties	21	2,212	604
Income tax payable	9	20,505	20,192
Fair value of derivatives		1,308	1,359
		174,351	161,151
Total liabilities		879,929	872,878
TOTAL EQUITY AND LIABILITIES		1,550,364	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 three month period ended 31 Mar 2015

	Three months ended 31 Mar 2015 US\$'000	Three months ended 31 Mar 2014 US\$'000
Profit (loss) before income tax	7,149	14,000
Adjustments to reconcile profit (loss) before tax to net cash flows:		
Fair value changes of derivative financial instruments	20	(240)
Impairment loss on trade accounts receivables	75	867
Provision for employees end of service benefits	174	198
Loss (profit) on sale of property, plant and equipment	-	-
Finance income	(504)	(87)
Finance costs	15,753	14,411
Depreciation and amortisation	17,031	14,693
Amortisation of Mobilisation costs	522	2,569
Working capital adjustments:		
Inventories	(241)	(230)
Accounts receivables, prepayments and other assets	5,030	(965)
Accounts payable, accruals and other liabilities	1,604	(2,579)
Due from/to related parties	583	(243)
Net cash from operations	47,196	42,394
OPERATING ACTIVITIES		
Income tax paid	(5,748)	(3,243)
Interest paid	(3,493)	(5,015)
End of service benefits paid	(78)	(70)
Net cash flows generated from operating activities	37,877	34,066
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(14,421)	(148,656)
Advance paid for vessels	-	(88)
Payments for intangible assets	(23)	-
Net movement in restricted cash	-	-
Net cash flows generated from (used) in investing activities	(14,444)	(148,744)
FINANCING ACTIVITIES		
Loans borrowed	2,884	-
Loans paid	(10,357)	(10,853)
Dividend paid to Owner	-	(20,000)
Net cash flows generated from financing activities	(7,473)	(30,853)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	15,960	(145,531)
Cash and cash equivalents at 1 January	63,414	158,297
CASH AND CASH EQUIVALENTS AT 31 MAR	79,374	12,766

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

Condensed unaudited consolidated interim statement of changes in equity for the three month period ended 31 Mar 2015

	Share capital US\$'000	Share premium US\$'000	Statutory reserve US\$'000	Hedging reserve US\$'000	Retained earnings US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
Balance at 1 January 2015	284,720	46,796	38	-	203,348	534,902	134,445	669,347
Profit for the period	-	-	-	-	(4,422)	(4,422)	5,510	1,088
Net changes in fair value of cash flow hedges	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(4,422)	(4,422)	5,510	1,088
Balance at 31 Mar 2015	284,720	46,796	38		198,926	530,480	139,955	670,435
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 three months period ended 31 Mar 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 three month period ended 31 Mar 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 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 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 three months period ended 31 Mar 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 31 Mar 2015

Derivative financial instruments

	Total US\$'000	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Cost US\$'000
Derivative financial instruments	<u>1,379</u>	<u>-</u>	<u>1,379</u>	<u>-</u>	<u>-</u>

At 31 December 2014

(Audited)

Derivative financial instruments

Derivative financial instruments	<u>1,359</u>	<u>-</u>	<u>1,359</u>	<u>-</u>	<u>-</u>
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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 three months period ended 31 Mar 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:

	Three months ended 31 Mar 2015 US\$'000	Year ended 31 Dec 2014 US\$'000 (Audited)
Non-current	699,919	706,163
Current	84,922	84,709
	784,841	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
- 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.

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

Notes to the condensed unaudited consolidated interim financial information for the three months period ended 31 Mar 2015 (continued)

The following table presents segmental information about these businesses:

Three months ended 31 Mar 2015	MENA US\$'000	Global US\$'000	Caspian US\$'000	Corporate US\$'000	Eliminations US\$'000	Total US\$'000
Revenue	18,916	12,752	53,565	-	-	85,233
Direct costs	(12,206)	(14,699)	(26,728)	-	(156)	(53,789)
Gross profit/segment results	6,710	(1,947)	26,837	-	(156)	31,444
Administrative expenses	(2,244)	(1,881)	(3,956)	(957)	-	(9,038)
Impairment loss on accounts receivable	(25)	(50)	-	-	-	(75)
Other income	12	62	13	-	-	87
Finance cost, net	(1,816)	(3,697)	(7,706)	(2,050)	-	(15,269)
Profit before income tax	2,637	(7,513)	15,188	(3,007)	(156)	7,149
Income tax expense	(888)	(1,320)	(4,453)	600	-	(6,061)
Profit for the period	1,749	(8,833)	10,735	(2,407)	(156)	1,088

Three months ended 31 Mar 2014	MENA US\$'000	Global US\$'000	Caspian US\$'000	Corporate US\$'000	Eliminations US\$'000	Total US\$'000
Revenue	22,094	16,233	51,674	-	(645)	89,356
Direct costs	(12,349)	(10,963)	(27,203)	-	491	(50,024)
Gross profit/segment results	9,745	5,270	24,471	-	(154)	39,332
Administrative expenses	(2,422)	(1,101)	(4,035)	(2,952)	-	(10,510)
Impairment loss on accounts receivable	-	(867)	-	-	-	(867)
Other income	-	20	109	-	-	129
Finance cost, net	(1,997)	(2,326)	(8,253)	(1,508)	-	(14,084)
Profit before income tax	5,326	996	12,292	(4,460)	(154)	14,000
Income tax expense	(976)	(586)	(3,357)	151	-	(4,768)
Profit for the period	4,350	410	8,935	(4,309)	(154)	9,232

7 REVENUE

Charter and other revenues from marine vessels
Income from mobilization of marine vessels
Sale of marine vessels

Three months ended 31 Mar 2015 US\$'000	Three months ended 31 Mar 2014 US\$'000
83,089	86,249
2,144	3,107
-	-
85,233	89,356

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

Notes to the condensed unaudited consolidated interim financial information for the three months period ended 31 Mar 2015 (continued)

8 FINANCE INCOME AND COSTS

	Three months ended 31 Mar 2015 US\$'000	Three months ended 31 Mar 2014 US\$'000
Recognised in profit or loss		
Interest expense	15,753	14,111
Exchange loss	-	300
Fair value changes of derivative financial instruments	20	-
Finance cost	15,773	14,411
Exchange gain (net)	504	-
Fair value changes of derivative financial instruments	-	240
Interest income	-	87
Finance income	504	327
Recognized in other comprehensive income		
Gain/ (loss) changes in the fair value of cash flow hedges	-	(359)

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	6,061	4,768
Income tax payable	20,505	20,192

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 2015	3,958	13,243	1,594,784	840	64,962	1,677,787
Additions	-	55	9,674	-	5,073	14,802
Transfer	-	-	18,137	-	(18,137)	-
Disposals / write offs	-	-	-	-	-	-
At 31 Mar 2015	3,958	13,298	1,622,595	840	51,898	1,692,589
Depreciation:						
At 1 January 2015	754	10,002	351,717	758	-	363,231
Charge for the year	40	315	16,632	25	-	17,012
Mobilisation charge for the year	-	-	522	-	-	522
Relating to disposals/write offs	-	-	-	-	-	-
At 31 Mar 2015	794	10,317	368,871	783	-	380,765
Net carrying amount						
At 31 Mar 2015	3,164	2,981	1,253,724	57	51,898	1,311,824

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

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

Notes to the condensed unaudited consolidated interim financial information for the three months period ended 31 Mar 2015 (continued)

During the three months ended March 2014, the Group has capitalized borrowing cost amounting to US\$ 156 thousand (3 months ended Mar 2014: US\$ 2,316 thousand). Borrowing costs were capitalised at the weighted average rate of 9.2%.

The depreciation charge has been allocated as follows:

	Three months ended 31 Mar 2015 US\$'000	Year ended 31 Dec 2014 US\$'000 (Audited)
Direct costs	16,774	60,643
Administrative expenses	238	904
	17,012	61,547

11 INTANGIBLE ASSETS AND GOODWILL

	Mar 2015			Dec 2014		
	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	514	26,688	26,174	592	26,766
Additions	-	23	23	-	-	-
Amortization	-	(19)	(19)	-	(78)	(78)
At 31 Mar/31 December	26,174	518	26,692	26,174	514	26,688
Cost (gross carrying amount)	26,174	1,970	28,144	26,174	1,947	28,121
Accumulated amortization	-	(1,452)	(1,452)	-	(1,433)	(1,433)
Net carrying amount	26,174	518	26,692	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 three individual cash-generating units for impairment testing as follows:

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

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

Notes to the condensed unaudited consolidated interim financial information for the three months period ended 31 Mar 2015 (continued)

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

	Three months ended 31 Mar 2015 US\$'000	Year ended 31 Dec 2014 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 2014.

12 INVENTORIES

	Three months ended 31 Mar 2015 US\$'000	Year ended 31 Dec 2014 US\$'000 (Audited)
Stores, spares and consumables	4,555	4,314
Provision for slow moving inventories	-	-
	4,555	4,314

13 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	Three months ended 31 Mar 2015 US\$'000	Year ended 31 Dec 2014 US\$'000 (Audited)
Trade accounts receivable	82,208	86,450
Allowance for impairment of receivable	(8,743)	(8,668)
	73,465	77,782
Deferred mobilisation costs	4,640	6,317
Advance to suppliers	4,686	4,845
Value added tax (VAT) recoverable	2,149	1,619
Prepaid expenses	2,307	2,551
Retention receivable	3,025	2,776
Receivable from Non-controlling interests	12,700	12,700
Other receivables	5,799	4,892
	108,771	113,482
Less: Non-current portion of deferred mobilisation costs	(888)	(888)
	107,883	112,594

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

Notes to the condensed unaudited consolidated interim financial information for the three months period ended 31 Mar 2015 (continued)

At 31 Mar 2015, trade receivables with a nominal value of US\$ 8,743 thousand (31 December 2014: US\$ 8,668 thousand) were impaired. Movement in the allowance for impairment of receivables were as follows:

	Three months ended 31 Mar 2015 US\$'000	Year ended 31 Dec 2014 US\$'000 (Audited)
At 1 January	8,668	4,892
Charge for the year	75	4,528
Amounts written off	-	(1,495)
Transfer	-	743
At the end of the period/year	8,743	8,668

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

	Three months ended 31 Mar 2015 US\$'000	Year ended 31 Dec 2014 US\$'000 (Audited)
MENA	12,446	14,988
Caspian	52,053	46,373
Others	8,966	16,421
At the end of the period/year	73,465	77,782

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

		Neither past due nor impaired US\$'000	Past due but not impaired				
			<30 days US\$'000	30-60 days US\$'000	60-90 days US\$'000	90-120 days US\$'000	>120 days US\$'000
2015	73,465	54,796	8,984	2,914	4,075	149	2,547
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.

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

Notes to the condensed unaudited consolidated interim financial information for the three months period ended 31 Mar 2015 (continued)

14 CASH AND CASH EQUIVALENTS

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

	Three months ended 31 Mar 2015 US\$'000	Year ended 31 Dec 2014 US\$'000 (Audited)
Cash at bank		
- Deposits under lien (refer (i) below)	13,000	13,000
- Current accounts	66,309	50,232
	79,309	63,232
Cash in hand	65	182
Cash and bank balances	79,374	63,414
Less: Deposits under lien	(13,000)	(13,000)
Cash and cash equivalents	66,374	50,414

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

15 SHARE CAPITAL

	Three months ended 31 Mar 2015 US\$'000	Year ended 31 Dec 2014 US\$'000 (Audited)
Authorised		
400,000,000 shares of US\$1 each (2014: 400,000,000 shares of US\$ 1 each)	400,000	400,000
Issued and fully paid		
284,719,616 shares of US\$ 1 each (2014: 284,719,616 shares of US\$ 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.

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

Notes to the condensed unaudited consolidated interim financial information for the three months period ended 31 Mar 2015 (continued)

17 TERM LOANS

	Three months ended 31 Mar 2015 US\$'000	Year ended 31 Dec 2014 US\$'000 (Audited)
\$350M 8.625% Senior Notes due 2018	340,777	340,249
Term loan, at LIBOR plus 4.00% p.a. repayable by August 2017	123,551	129,824
Term loan at LIBOR plus 3.5% p.a. repayable by June 2020	44,016	45,610
Term loan at LIBOR plus 3.75% p.a. repayable by June 2018	103,727	100,596
Term loan at LIBOR plus 2.65% p.a. repayable by July 2022	15,489	16,600
Term loan at LIBOR plus 3.95% p.a. repayable by Oct 2017	8,423	8,811
Term loan at LIBOR plus 3.95% p.a. repayable by May 2018	8,320	8,671
Term loan at 5.75% p.a. repayable by Oct 2017	14,538	14,511
Term loan at LIBOR plus 3.75% p.a. repayable by Oct 2016	20,000	20,000
Current portion	678,841	684,872
	(56,922)	(56,709)
Non-current portion	621,919	628,163

The term loans are repayable as follows:

	Three months ended 31 Mar 2015 US\$'000	Year ended 31 Dec 2014 US\$'000 (Audited)
Due within one year	56,922	56,709
Due between two to five years	606,688	608,908
Due after five years	15,231	19,255
	678,841	684,872

18 LOAN DUE TO ULTIMATE HOLDING COMPANY

	Three months ended 31 Mar 2015 US\$'000	Year ended 31 Dec 2014 US\$'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 portion	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.

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

Notes to the condensed unaudited consolidated interim financial information for the three months period ended 31 Mar 2015 (continued)

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:

	Three months ended 31 Mar 2015 US\$'000	Year ended 31 Dec 2014 US\$'000 (Audited)
Provision as at 1 January	4,079	3,072
Provided during the period	174	1,345
End of service benefits paid	(78)	(338)
Provision as at 31 Mar/ 31 Dec	4,175	4,079

20 ACCOUNTS PAYABLE AND ACCRUALS

	Three months ended 31 Mar 2015 US\$'000	Year ended 31 Dec 2014 US\$'000 (Audited)
<i>Current</i>		
Trade accounts payables	11,200	13,234
Accrued expenses	31,834	26,069
Deferred income	6,065	6,440
Interest payable	15,608	6,989
Other payables	697	1,555
	65,404	54,287
<i>Non-current</i>		
Deferred income	1,413	1,485

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

Notes to the condensed unaudited consolidated interim financial information for the three months period ended 31 Mar 2015 (continued)

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.

	Three months ended 31 Mar 2015 US\$'000	Year ended 31 Dec 2014 US\$'000 (Audited)
Due from related parties		
Directors	-	1
Topaz Engineering Ltd	16,309	16,922
Tawoos	-	9
Topaz Energy and Marine PLC,UK	271	271
	16,580	17,203
Due to related parties		
Renaissance Services SAOG ("the Ultimate Holding Company")	2,204	604
Tawoos	8	-
	2,212	604

22 CONTINGENCIES AND CLAIMS

Contingent liabilities

	Three months ended 31 Mar 2015 US\$'000	Year ended 31 Dec 2014 US\$'000 (Audited)
Letters of credit	-	-
Letters of guarantee	21,465	26,562
	21,465	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

	Three months ended 31 Mar 2015 US\$'000	Year ended 31 Dec 2014 US\$'000 (Audited)
Capital expenditure commitment:		
Purchase of marine vessels	23,750	25,540
	23,750	25,540