

Nico Middle East Limited and its subsidiaries

**Condensed unaudited consolidated interim financial information
For the nine month period ended 30 Sep 2013**

Nico Middle East Limited and its subsidiaries

Condensed unaudited consolidated interim financial information

For the nine month period ended 30 Sep 2013

	Pages
Condensed consolidated interim statement of comprehensive income	3
Condensed consolidated interim statement of financial position	4
Condensed consolidated interim statement of cash flows	5
Condensed consolidated interim statement of changes in equity	6
Notes to the condensed consolidated interim financial information	7-21

Nico Middle East Limited and its subsidiaries

Condensed unaudited consolidated interim statement of comprehensive income for the nine month period ended 30 Sep 2013

		9 months ended 30-Sep-13 USD'000	9 months ended 30-Sep-12 USD'000
	Notes		
Revenue	7	284,170	223,254
Direct costs		(175,748)	(137,110)
GROSS PROFIT		108,422	86,144
Administrative expenses		(25,899)	(23,780)
Impairment losses on trade receivables	13	(4,460)	(756)
Other income		1,890	285
Other non-operating expenses		-	-
PROFIT BEFORE FINANCE COSTS AND INCOME TAX		79,953	61,893
Finance costs	8	(30,392)	(28,033)
Finance income	8	898	2,167
Finance cost - net		(29,494)	(25,866)
PROFIT BEFORE INCOME TAX		50,459	36,027
Income tax expense	9	(14,179)	(10,079)
PROFIT FOR THE YEAR		36,280	25,948
OTHER COMPREHENSIVE INCOME			
Changes to cash flow hedges	9	854	(299)
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		854	(299)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		37,134	25,649
Income (Loss) attributable to:			
Owners		23,720	17,118
Non-controlling interest		12,560	8,830
INCOME (LOSS) FOR THE YEAR		36,280	25,948
Total comprehensive income (loss) attributable to:			
Owners		24,574	16,819
Non-controlling interest		12,560	8,830
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		37,134	25,649

Nico Middle East Limited and its subsidiaries

Condensed unaudited consolidated interim statement of financial position as at 30 Sep 2013

		Sep-13 USD'000	Dec-12 USD'000
ASSETS	<i>Notes</i>		
Non-current assets			
Property, plant and equipment	10	982,764	980,193
Intangible assets and goodwill	11	26,785	26,846
Long-term receivables and prepayments	13	9,516	21,904
Deferred tax asset		4,770	4,770
		1,023,835	1,033,713
Current assets			
Inventories	12	3,762	8,045
Accounts receivable and prepayments	13	125,674	90,881
Due from related parties	21	17,449	19,340
Bank balances and cash	14	45,249	32,942
		192,134	151,208
TOTAL ASSETS		1,215,969	1,184,921
EQUITY AND LIABILITIES			
Equity			
Share capital	15	256,818	256,818
Statutory reserve		38	38
Hedging reserve	16	(1,264)	(2,118)
Retained earnings		189,384	165,664
Total equity attributable to equity holders of the Company		444,976	420,402
Non-controlling interest		86,009	73,449
Total equity		530,985	493,851
Non-current liabilities			
Term loans	17	394,737	352,545
Loan due to holding company	18	134,000	161,360
Employees' end of service benefits	19	3,101	2,593
Accounts payable and accruals	20	3,621	5,818
Fair value of derivatives		1,028	2,102
		536,487	524,418
Current liabilities			
Accounts payable and accruals	20	53,971	54,195
Bank overdraft	14	-	5,846
Term loans	17	73,136	82,204
Loan due to holding company	18	-	5,424
Due to related parties	21	3,805	2,795
Income tax payable	9	15,646	12,313
Fair value of derivatives		1,939	3,875
		148,497	166,652
Total liabilities		684,984	691,070
TOTAL EQUITY AND LIABILITIES		1,215,969	1,184,921

Nico Middle East Limited and its subsidiaries

Condensed unaudited consolidated interim statement of cash flows for the nine month period ended 30 Sep 2013

	9 months Sep-13 USD'000	9 months Sep-12 USD'000
Profit (loss) before income tax	50,459	36,027
Adjustments to reconcile profit (loss) before tax to net cash flows:		
Fair value changes of derivative financial instruments	(758)	(2,167)
Impairment loss on trade accounts receivables	4,460	756
Provision for employees end of service benefits	757	487
Loss (profit) on sale of property, plant and equipment	(1,570)	-
Finance income	(140)	-
Finance costs	30,392	28,033
Depreciation and amortisation	42,788	39,964
Amortisation of Mobilisation costs	7,490	-
Working capital adjustments:		
Inventories	3,719	(436)
Accounts receivables, prepayments and other assets	(22,324)	(25,922)
Accounts payable, accruals and other liabilities	(5,694)	26,016
Due from/to related parties	(2,475)	(13,205)
Net cash from operations	107,104	89,553
OPERATING ACTIVITIES		
Income tax paid	(10,846)	(8,269)
Interest paid	(27,378)	(30,379)
End of service benefits paid	(249)	(222)
Net cash flows generated from operating activities	68,631	50,683
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(46,133)	(95,962)
Advance paid for vessels	(10,197)	(5,582)
Payments for intangible assets		
Proceeds from disposal of property, plant and equipment	7,188	221
Change in LT receivable		203
Interest received		
Net movement in restricted cash	(2,030)	(3,000)
Net cash flows generated from (used) in investing activities	(51,172)	(104,120)
FINANCING ACTIVITIES		
Loans borrowed	144,305	274,043
Loans paid	(112,857)	(240,668)
Loan from Holding company - Renaissance	-	24,400
Repayment of loan due to holding company	(32,784)	(2,000)
Dividend paid to Owner	-	
Dividend paid to non-controlling interests	-	
Net cash flows generated from financing activities	(1,336)	55,775
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	16,123	2,338
Cash and cash equivalents at 1 January	15,096	22,658
CASH AND CASH EQUIVALENTS AT 30 SEP	31,219	24,996

Nico Middle East Limited and its subsidiaries

Condensed unaudited consolidated interim statement of changes in equity for the nine month period ended 30 Sep 2013

	<i>Attributable to equity holders of the Company</i>						<i>Non-controlling interests</i>	<i>Total equity</i>
	<i>Share capital</i>	<i>Statutory reserve</i>	<i>Hedging reserve</i>	<i>Translation reserve</i>	<i>Retained earnings</i>	<i>Total</i>		
	<i>USD' 000</i>	<i>USD' 000</i>	<i>USD' 000</i>	<i>USD' 000</i>	<i>USD' 000</i>	<i>USD' 000</i>	<i>USD' 000</i>	<i>USD' 000</i>
Balance at 1 January 2012	241,818	38	(4,832)	895	141,031	378,950	65,606	444,556
Profit for the period	-	-	-	-	17,118	17,118	8,830	25,948
Net changes in fair value of cash flow hedges	-	-	(299)	-	-	(299)	-	(299)
Total comprehensive income for the period	-	-	(299)	-	17,118	16,819	8,830	25,649
Balance at 30 Sep 2012	<u>241,818</u>	<u>38</u>	<u>(5,131)</u>	<u>895</u>	<u>158,149</u>	<u>395,769</u>	<u>74,436</u>	<u>470,205</u>
Balance at 1 January 2013	256,818	38	(2,118)	-	165,664	420,402	73,449	493,851
Profit for the period	-	-	-	-	23,720	23,720	12,560	36,280
Net changes in fair value of cash flow hedges	-	-	854	-	-	854	-	854
Total comprehensive income for the period	-	-	854	-	23,720	24,574	12,560	37,134
Balance at 30 Sep 2013	<u>256,818</u>	<u>38</u>	<u>(1,264)</u>	<u>-</u>	<u>189,384</u>	<u>444,976</u>	<u>86,009</u>	<u>530,985</u>

Nico Middle East Limited and its subsidiaries

Notes to the condensed unaudited consolidated interim financial information for the nine months period ended 30 Sep 2013 (continued)

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 nine month period ended 30 Sep 2013 ("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 2012, 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 2012 except for the following revised IFRSs that have been adopted in these interim financial information.

- IAS 19 (revised) 'Employee benefits'. IAS 19 (revised) amends the accounting for employment benefits;
- IFRS 10, 'Consolidated financial statements'. Under IFRS 10, subsidiaries are all entities (including structured entities) over which the group has control;
- IFRS 11, 'Joint arrangements'. Under IFRS 11 Investments in joint arrangements are classified either as joint operations or joint ventures, depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement; and
- IFRS 13, 'Fair value measurement' – IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs.

The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

**Notes to the condensed unaudited consolidated interim financial information
for the nine months period ended 30 Sep 2013 (continued)**

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 2012.

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 2012.

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 18 and 19.

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 USD'000	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Cost USD'000
At 30 Sep 2013					
Derivative financial instruments					
Derivative financial instruments	2,967	-	2,967	-	-
	<u>2,967</u>	<u>-</u>	<u>2,967</u>	<u>-</u>	<u>-</u>
At 31 December 2012 (Audited)					
Derivative financial instruments					
Derivative financial instruments	5,977	-	5,977	-	-
	<u>5,977</u>	<u>-</u>	<u>5,977</u>	<u>-</u>	<u>-</u>

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

**Notes to the condensed unaudited consolidated interim financial information
for the nine months period ended 30 Sep 2013 (continued)**

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

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

The fair value of borrowings are as follows:

	30 Sep 2013 USD '000	31 Dec 2012 USD '000 (Audited)
Non-current	394,737	352,545
Current	73,136	82,204
	467,873	434,749

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.

Nico Middle East Limited and its subsidiaries

Notes to the condensed unaudited consolidated interim financial information for the nine months period ended 30 Sep 2013 (continued)

6 SEGMENT INFORMATION (continued)

The following table presents segmental information about these businesses:

Nine months ended 30 Sep 2013	MENA USD'000	Global USD'000	Caspian USD'000	Corporate USD'000	Eliminations USD'000	Total USD'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)	(4,660)	(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

Nine months ended 30 Sep 2012	MENA USD'000	Global USD'000	Caspian USD'000	Corporate USD'000	Elimination s USD'000	Total USD'000
Revenue	58,233	43,859	123,683	-	(2,521)	223,254
Direct costs	(37,709)	(29,894)	(71,530)	-	2,023	(137,110)
Gross profit/segment results	20,524	13,965	52,153	-	(498)	86,144
Administrative expenses	(4,558)	(3,525)	(10,344)	(5,353)	-	(23,780)
Impairment loss on accounts receivable	(606)	-	(150)	-	-	(756)
Other income	279	-	6	-	-	285
Finance cost, net	(6,282)	(2,651)	(10,524)	(6,409)	-	(25,866)
Profit before income tax	9,357	7,789	31,141	(11,762)	(498)	36,027
Income tax expense	(2,191)	(1,098)	(6,791)	-	-	(10,080)
Profit for the period	7,166	6,691	24,350	(11,762)	(434)	25,947

Nico Middle East Limited and its subsidiaries

Notes to the condensed unaudited consolidated interim financial information for the nine months period ended 30 Sep 2013 (continued)

7 REVENUE

	Nine months ended 30 Sep 2013 USD '000	Nine months ended 30 Sep 2012 USD '000
Charter and other revenues from marine vessels	272,698	220,604
Income from mobilization of marine vessels	5,272	2,350
Sale of marine vessels	6,200	300
	<u>284,170</u>	<u>223,254</u>

8 FINANCE INCOME AND COSTS

	Nine months ended 30 Sep 2013 USD '000	Nine months ended 30 Sep 2012 USD '000
Recognised in profit or loss		
Interest expense	30,162	27,689
Exchange loss	230	344
	<u>30,392</u>	<u>28,033</u>
Finance cost		
Exchange gain	140	-
Fair value changes of derivative financial instruments	758	2,167
	<u>898</u>	<u>2,167</u>
Finance income		
Recognized in other comprehensive income		
Gain/ (loss) changes in the fair value of cash flow hedges	854	(299)

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	14,179	10,079
Income tax payable	15,646	12,313

The Group's consolidated effective tax rate is 28% for 2013 (2012: 33%).

Nico Middle East Limited and its subsidiaries

Notes to the condensed unaudited consolidated interim financial information for the nine months period ended 30 Sep 2013 (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 2013	3,760	13,196	1,184,202	950	28,033	1,230,141
Additions	-	612	17,006	-	28,515	46,133
Transfer from related party	323	(191)	6,323	-	(1,862)	4,593
Transfer from current assets	-	-	1,935	-	-	1,935
Disposals / write offs	-	-	(26,356)	-	-	(26,356)
At 30 Sep 2013	4,083	13,617	1,183,110	950	54,686	1,256,446
Depreciation:						
At 1 January 2013	336	9,501	239,161	950	-	249,948
Charge for the year	228	457	42,048	-	-	42,733
Mobilisation charge for the year	-	-	2,302	-	-	2,302
Relating to disposals/write offs	-	-	(20,736)	-	-	(20,736)
Transfer to current assets	-	-	(565)	-	-	(565)
At 30 Sep 2013	564	9,958	262,210	950	-	273,682
Net carrying amount						
At 30 Sep 2013	3,519	3,659	920,900	-	54,686	982,764

Capital work in progress includes costs incurred for construction of marine vessels by a related party.

Transfer from current assets represent capitalization of advances given for the acquisition of vessels.

The depreciation charge has been allocated as follows:

	Nine months ended 30 Sep 2013 USD '000	Year ended 31 Dec 2012 USD '000 (Audited)
Direct costs	42,048	52,919
Administrative expenses	685	976
	42,733	53,895

Notes to the condensed consolidated interim financial information
for the nine months period ended 30 Sep 2013 (continued)

11 INTANGIBLE ASSETS AND GOODWILL

	2013			2012		
	Goodwill	Computer	Total	(Audited)	Computer	Total
	USD'000	software	USD'000	Goodwill	software	USD'000
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
At 1 January	26,174	672	26,846	26,848	474	27,322
Additions	-	-	-	-	248	248
Amortization	-	(61)	(61)	-	(50)	(50)
Less: transfer to related party	-	-	-	(674)	-	(674)
At 30 Sep/31 December	26,174	611	26,785	26,174	672	26,846
Cost (gross carrying amount)	26,174	1,947	28,121	26,848	1,947	28,795
Accumulated amortization	-	(1,336)	(1,336)	-	(1,275)	(1,275)
Less: transfer to related party	-	-	-	(674)	-	(674)
Net carrying amount	26,174	611	26,785	26,174	672	26,846

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:

	30 Sep 2013 USD '000	31 Dec 2012 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 2012.

Notes to the condensed consolidated interim financial information
for the nine months period ended 30 Sep 2013 (continued)

12 INVENTORIES

	30 Sep 2013 USD '000	31 December 2012 USD '000 (Audited)
Stores, spares and consumables	3,870	5,613
Marine vessel held for sale	-	2,982
Provision for slow moving inventories	(108)	(550)
	3,869	8,045

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

At 1 January	550	2,356
Charge for the year	-	436
Written off during the period	(442)	(2,242)
At the end of period/year	108	550

13 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	30 Sep 2013 USD '000	31 Dec 2012 USD '000 (Audited)
Trade accounts receivable	90,229	65,904
Allowance for impairment of receivable	(8,076)	(4,705)
	82,153	61,199
Deferred mobilisation costs	18,879	22,602
Advance to suppliers	14,555	5,642
Value added tax (VAT) recoverable	6,455	8,485
Prepaid expenses	1,879	2,186
Advance withholding tax	1,485	-
Other receivables	9,784	12,671
	135,190	112,785
Less: Non-current portion of deferred mobilisation costs	(9,516)	(14,464)
	125,674	98,321

Advances to suppliers includes an amount of USD 10 million towards the acquisition of marine vessels expected to be finalised within 12 months from the reporting date.

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 Sep 2013 (continued)**

13 ACCOUNTS RECEIVABLE AND PREPAYMENTS (continued)

At 30 Sep 2013, trade receivables with a nominal value of USD 8,076 thousand (31 December 2012: USD 4,705 thousand) were impaired. Movement in the allowance for impairment of receivables were as follows:

	30 Sep 2013 USD '000	31 Dec 2012 USD '000 (Audited)
At 1 January	4,705	7,317
Charge for the year	4,460	1,735
Amounts written off	(1,089)	(161)
Less: transfer to related party	-	(4,186)
At the end of the period/year	8,076	4,705

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

	30 Sep 2013 USD '000	31 Dec 2012 USD '000 (Audited)
MENA	19,467	13,026
Caspian	53,821	23,826
Others	8,865	24,347
At the end of the period/year	82,153	61,199

As at 30 Sep and 31 December, 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
2013	82,153	54,491	13,928	3,954	1,185	1,013	7,582
2012	61,199	46,001	8,932	2,753	1,905	747	861

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 Sep 2013 (continued)**

14 CASH AND CASH EQUIVALENTS

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

	30 Sep 2013 USD '000	31 Dec 2012 USD '000 (Audited)
Cash at bank		
- Deposits under lien (refer (i) below)	14,030	12,000
- Current accounts	31,097	20,237
	45,127	32,237
Cash in hand	122	705
	45,249	32,942
Bank overdraft (refer to (ii) below)	-	(5,846)
	45,249	27,096
	30 Sep 2013 USD '000	31 Dec 2012 USD '000
Cash and bank balances	45,249	27,096
Less: Deposits under lien	(14,030)	(12,000)
Cash and cash equivalents	31,219	15,096

- (i) These represent deposits with a commercial bank held under lien against term loans obtained by the Group. (Note 18)
- (ii) Undrawn overdraft facilities amounting to USD 10 million is secured by mortgages over certain vessels.

Notes to the condensed consolidated interim financial information
for the nine months period ended 30 Sep 2013 (continued)

15 SHARE CAPITAL

	30 Sep 2013 USD '000	31 Dec 2012 USD '000 (Audited)
<i>Authorised</i>		
400,000,000 shares of USD 1 each (2012: 400,000,000 shares of USD 1 each)	400,000	400,000
	<u> </u>	<u> </u>
<i>Issued and fully paid</i>		
256,817,094 shares of USD 1 each (2012: 256,817,094 shares of USD 1 each)	256,818	256,818
	<u> </u>	<u> </u>

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 Sep 2013 (continued)

17 TERM LOANS

	30 Sep 2013 USD '000	31 Dec 2012 USD '000 (Audited)
Term loan, at LIBOR plus 4.00% p.a. repayable by August 2017	168,980	171,816
Term loan at LIBOR plus 3.5% p.a. repayable by June 2020	53,489	-
Term loan at LIBOR plus 3.75% p.a. repayable by June 2018	61,401	-
Term loan at LIBOR plus 4% p.a. repayable by July 2017	43,267	51,236
Term loan, at LIBOR plus 2.88% p.a. repayable by July 2017	37,451	41,463
Term loan at LIBOR plus 2.50% p.a. repayable by March 2018	26,864	30,055
Term loan, at LIBOR plus 2.65% p.a. repayable by July 2022	18,591	20,558
Term loan at 5.75% p.a. repayable by October 2017	18,663	19,436
Term loan, at LIBOR plus 0.35% p.a. repayable by December 2016	11,102	14,234
Term loan, at LIBOR plus 3.95% p.a. repayable by May 2018	10,885	9,189
Term loan, at LIBOR plus 3.95% p.a. repayable by October 2017	10,745	12,668
Term loan, at 5.90% p.a. repayable by September 2015	-	7,282
Term loan, at LIBOR plus 0.75% p.a. repayable by June 2015	-	3,125
Term loan, at LIBOR plus 0.75% p.a. repayable by December 2014	-	2,813
Term loan, at LIBOR plus 0.75% p.a. repayable by July 2015	1,435	2,153
Term loan, at LIBOR plus 3.75% p.a. repayable by December 2013	-	943
Term loan, at LIBOR plus 1% p.a. repayable by July 2013	-	915
Term loan, at EIBOR plus 3.50% p.a. repayable by April 2014	-	2,866
Term loan, at LIBOR plus 5% p.a. repayable by September 2016	-	4,981
Term loan, at LIBOR plus 4.25% p.a. repayable by November 2016	-	23,916
Term loan, at LIBOR plus 1.10% p.a. repayable by June 2015	-	5,100
Short term loan at SCB treasury plus 3.45% p.a. repayable by February 2013	5,000	10,000
	467,873	434,749
Current portion	(73,136)	(82,204)
Non-current portion	394,737	352,545

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 Sep 2013 (continued)**

17 TERM LOANS (continued)

The term loans are repayable as follows:

	30 Sep 2013 USD '000	31 Dec 2012 USD '000 (Audited)
Due within one year	73,136	82,204
Due between two to five years	364,772	330,433
Due after five years	29,965	22,112
	467,873	434,749

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.

18 LOAN DUE TO ULTIMATE HOLDING COMPANY

	30 Sep 2013 USD '000	31 Dec 2012 USD '000 (Audited)
Term loan at 7.25% p.a. repayable by October 2013	-	3,184
Term loan at 7% p.a. repayable by November 2019 (refer (i) below)	30,000	49,600
Term loan at 8.50% p.a. repayable by September 2017 (refer (ii) below)	104,000	104,000
Term loan at 6.75% p.a. repayable by January 2014	-	10,000
	134,000	166,784
Current portion	-	(5,424)
Non-current portion	134,000	161,360

- (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.

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 Sep 2013 (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: 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 2013 USD '000	Year ended 31 Dec 2012 USD '000 (Audited)
Provision as at 1 January	2,593	10,315
Provided during the period	757	1,401
End of service benefits paid	(249)	(408)
Transfer to a related party	-	(8,912)
Other movements	-	197
Provision as at 30 Sep/ 31 Dec	<u>3,101</u>	<u>2,593</u>

20 ACCOUNTS PAYABLE AND ACCRUALS

	30 Sep 2013 USD '000	31 Dec 2012 USD '000 (Audited)
<i>Current</i>		
Trade accounts payables	12,018	23,462
Accrued expenses	30,551	20,567
Deferred income	6,949	5,390
Other payables	4,453	4,776
	<u>53,971</u>	<u>54,195</u>
<i>Non-current</i>		
Deferred income	<u>3,621</u>	<u>5,818</u>

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 Sep 2013 (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.

	30 Sep 2013 USD '000	31 Dec 2012 USD '000 (Audited)
Due from related parties		
Directors	62	65
Topaz Engineering Ltd	17,387	19,275
	17,449	19,340
Due to related parties		
Renaissance Services SAOG ("the Ultimate Holding Company")	3,491	2,371
Others	314	424
	3,805	2,795

22 CONTINGENCIES AND CLAIMS

Contingent liabilities

	30 Sep 2013 USD '000	31 Dec 2012 USD '000 (Audited)
Letters of credit	1,121	1,011
Letters of guarantee	13,021	12,735
	14,142	13,746

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

	30 Sep 2013 USD '000	31 Dec 2012 USD '000 (Audited)
Capital expenditure commitment:		
Purchase of marine vessels	140,000	-
Purchase of other property, plant and equipment	-	-
	140,000	-