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

Condensed unaudited consolidated interim financial information
For the six month period ended 30 Jun 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 six month period ended 30 Jun 2015

	Notes	**Six months ended 30 Jun 2015 US$'000**	Six months ended 30 Jun 2014 US$'000
Revenue	7	**175,370**	185,231
Direct costs		**(108,375)**	(102,082)
GROSS PROFIT		**66,995**	83,149
Administrative expenses		**(18,339)**	(20,621)
Impairment losses on trade receivables	13	**(2,245)**	(1,894)
Other income		**87**	269
Other non-operating expenses		**-**	-
PROFIT BEFORE FINANCE COSTS AND INCOME TAX		**46,498**	60,903
Finance costs	8	**(39,041)**	(29,923)
Finance income	8	**711**	680
Finance cost - net		**(38,330)**	(29,243)
PROFIT BEFORE INCOME TAX		**8,168**	31,660
Income tax expense	9	**(11,228)**	(9,773)
PROFIT FOR THE YEAR		**(3,060)**	21,887
OTHER COMPREHENSIVE INCOME			
Changes to cash flow hedges	8	**-**	(109)
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		**-**	(109)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		**(3,060)**	21,778
Income (Loss) attributable to:			
Owners		**(11,340)**	12,706
Non-controlling interest		**8,280**	9,181
INCOME (LOSS) FOR THE YEAR		**(3,060)**	21,887
Total comprehensive income (loss) attributable to:			
Owners		**(11,340)**	12,597
Non-controlling interest		**8,280**	9,181
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		**(3,060)**	21,778

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

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

	Notes	Six months ended 30 Jun 2015 US$'000	Year ended 31 Dec 2014 US$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	10	**1,308,597**	1,314,556
Intangible assets and goodwill	11	**26,878**	26,688
Long-term receivables and prepayments	13	**2,550**	888
Deferred tax asset		**2,568**	2,568
		1,340,593	1,344,700
Current assets			
Inventories	12	**3,680**	4,314
Accounts receivable and prepayments	13	**121,514**	112,594
Due from related parties	21	**16,642**	17,203
Bank balances and cash	14	**41,571**	63,414
		183,407	197,525
TOTAL ASSETS		**1,524,000**	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		**170,008**	203,348
Total equity attributable to equity holders of the Company		**501,562**	534,902
Non-controlling interest		**142,725**	134,445
Total equity		**644,287**	669,347
Non-current liabilities			
Term loans	17	**654,503**	628,163
Loan due to holding company	18	**78,000**	78,000
Employees' end of service benefits	19	**4,251**	4,079
Accounts payable and accruals	20	**1,340**	1,485
Fair value of derivatives		**140**	-
		738,234	711,727
Current liabilities			
Accounts payable and accruals	20	**60,485**	54,287
Term loans	17	**30,000**	56,709
Loan due to holding company	18	**28,000**	28,000
Due to related parties	21	**1,062**	604
Income tax payable	9	**20,967**	20,192
Fair value of derivatives		**965**	1,359
		141,479	161,151
Total liabilities		**879,713**	872,878
TOTAL EQUITY AND LIABILITIES		**1,524,000**	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 six month period ended 30 Jun 2015

	Six months ended 30 Jun 2015	Six months ended 30 Jun 2014
	US$'000	US$'000
Profit (loss) before income tax	**8,153**	31,660
Adjustments to reconcile profit (loss) before tax to net cash flows:		
Fair value changes of derivative financial instruments	**(254)**	(593)
Impairment loss on trade accounts receivables	**245**	1,894
Provision for employees end of service benefits	**250**	871
Finance income	**(457)**	(87)
Finance costs	**39,041**	29,923
Depreciation and amortisation	**34,281**	30,317
Amortisation of Mobilisation costs	**1,598**	5,400
Working capital adjustments:		
Inventories	**634**	501
Accounts receivables, prepayments and other assets	**(8,840)**	(3,810)
Accounts payable, accruals and other liabilities	**5,102**	4,981
Due from/to related parties	**1,038**	(404)
Net cash from operations	**80,791**	100,653
OPERATING ACTIVITIES		
Income tax paid	**(10,453)**	(7,689)
Interest paid	**(26,698)**	(30,247)
End of service benefits paid	**(78)**	(70)
Net cash flows generated from operating activities	**43,562**	62,647
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(29,410)**	(192,908)
Advance paid for vessels	**-**	(1,115)
Payments for intangible assets	**(229)**	-
Change in Long term receivables	**(2,550)**	-
Net movement in restricted cash	**13,000**	(2,000)
Net cash flows generated from (used) in investing activities	**(19,189)**	(196,023)
FINANCING ACTIVITIES		
Loans borrowed	**345,884**	54,841
Loans paid	**(357,100)**	(28,399)
Dividend paid to Owner	**(22,000)**	(20,000)
Net cash flows generated from financing activities	**(33,216)**	6,442
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(8,843)**	(126,934)
Cash and cash equivalents at 1 January	**50,414**	158,297
CASH AND CASH EQUIVALENTS AT 30 JUNE	**41,571**	31,363

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

Condensed unaudited consolidated interim statement of changes in equity for the six month period ended 30 Jun 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	**-**	**-**	**-**	**-**	**(11,340)**	**(11,340)**	**8,280**	**(3,060)**
Net changes in fair value of cash flow hedges	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(11,340)**	**(11,340)**	**8,280**	**(3,060)**
Transactions with the Owners								
Dividend paid to shareholders					**(22,000)**	**(22,000)**	**-**	**(22,000)**
Balance at 30 Jun 2015	**284,720**	**46,796**	**38**		**170,008**	**501,562**	**142,725**	**644,287**
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

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 informtion 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.

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 Liquity 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 Jun 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	1,105	-	1,105	-	-
At 31 December 2014 (Audited) **Derivative financial instruments**					
Derivative financial instruments	1,359	-	1,359	-	-

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 (including loan due to holding company) are as follows:

	Six months ended 30 Jun 2015 US$'000	Year ended 31 Dec 2014 US$'000 (Audited)
Non-current	**732,503**	706,163
Current	**58,000**	84,709
	790,503	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.

The following table presents segmental information about these businesses:

Six months ended 30 Jun 2015	Caspian US$'000	MENA US$'000	Africa US$'000	Subsea US$'000	Corporate US$'000	Eliminations US$'000	Total US$'000
Revenue	111,872	38,687	12,655	12,156	-	-	175,370
Direct costs	(55,487)	(26,155)	(16,806)	(9,426)	-	(501)	(108,375)
Gross profit/segment results	56,385	12,532	(4,151)	2,730	-	(501)	66,995
Administrative expenses	(6,756)	(3,977)	(2,363)	(846)	(4,397)	-	(18,339)
Impairment loss on accounts receivable	(63)	(82)	(100)	-	(2,000)	-	(2,245)
Other income	13	12	62	-	-	-	87
Finance cost, net	(18,606)	(5,564)	(5,032)	(3,060)	(6,068)	-	(38,330)
Profit before income tax	30,973	2,921	(11,584)	(1,176)	(12,465)	(501)	8,168
Income tax expense	(6,922)	(1,817)	(2,489)	-			(11,228)
Profit for the period	24,051	1,104	(14,073)	(1,176)	(12,465)	(501)	(3,060)

Six months ended 30 Jun 2014	Caspian US$'000	MENA US$'000	Africa US$'000	Subsea US$'000	Corporate US$'000	Eliminations US$'000	Total US$'000
Revenue	106,755	43,169	14,939	21,783	-	(1,415)	185,231
Direct costs	(54,353)	(25,144)	(12,262)	(11,424)	-	1,101	(102,082)
Gross profit/segment results	52,402	18,025	2,677	10,359	-	(314)	83,149
Administrative expenses	(7,600)	(4,682)	(2,374)	-	(5,965)	-	(20,621)
Impairment loss on accounts receivable	-	(162)	(1,732)	-	-	-	(1,894)
Other income	170	-	80	-	19	-	269
Finance cost, net	(16,827)	(3,925)	(2,952)	(2,527)	(3,012)	-	(29,243)
Profit before income tax	28,145	9,256	(4,301)	7,832	(8,958)	(314)	31,660
Income tax expense	(6,675)	(2,031)	(1,132)	(86)	151	-	(9,773)
Profit for the period	21,470	7,225	(5,433)	7,746	(8,807)	(314)	21,887

7 REVENUE

	Six months ended 30 Jun 2015 US$'000	Six months ended 30 Jun 2014 US$'000
Charter and other revenues from marine vessels	**170,474**	178,806
Income from mobilization of marine vessels	**4,896**	6,425
Sale of marine vessels	**-**	-
	175,370	185,231

8 FINANCE INCOME AND COSTS

	Six months ended 30 Jun 2015 US$'000	Six months ended 30 Jun 2014 US$'000
Recognised in profit or loss		
Interest expense	**39,041**	29,486
Exchange loss	**-**	437
Fair value changes of derivative financial instruments	**-**	-
Finance cost	**39,041**	29,923
Exchange gain (net)	**457**	-
Fair value changes of derivative financial instruments	**254**	593
Interest income	**-**	87
Finance income	**711**	680
Recognized in other comprehensive income		
Gain/ (loss) changes in the fair value of cash flow hedges	**-**	(109)

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:

	Six months ended 30 Jun 2015 US$'000	Year ended 31 Dec 2014 US$'000 (Audited)
Tax expense	**11,228**	9,773
Income tax payable	**20,967**	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	-	391	22,759	-	6,731	29,881
Transfer	-	-	45,278	-	(45,278)	-
Disposals / write offs	-	-	-	-	-	-
At 30 Jun 2015	3,958	13,634	1,662,821	840	26,415	1,707,668
Depreciation:						
At 1 January 2015	754	10,002	351,717	758	-	363,231
Charge for the year	80	380	33,737	45	-	34,242
Mobilisation charge for the year	-	-	1,598	-	-	1,598
Relating to disposals/write offs	-	-	-	-	-	-
At 30 Jun 2015	834	10,382	387,052	803	-	399,071
Net carrying amount						
At 30 Jun 2015	**3,124**	**3,252**	**1,275,769**	**37**	**26,415**	**1,308,597**

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

During the six months ended June 2015, the Group has capitalized borrowing cost amounting to US$ 210 thousand (6 months ended Jun 2014: US$ 3,589 thousand). Borrowing costs were capitalised at the weighted average rate of 4.5%. (2014: 9.2%)

The depreciation charge has been allocated as follows:

	Six months ended 30 Jun 2015 US$'000	Year ended 31 Dec 2014 US$'000 (Audited)
Direct costs	**33,737**	60,643
Administrative expenses	**505**	904
	34,242	61,547

11 INTANGIBLE ASSETS AND GOODWILL

	Jun 2015			Dec 2014 (Audited)		
	Goodwill US$'000	Computer Software US$'000	Total US$'000	Goodwill US$'000	Computer Software US$'000	Total US$'000
At 1 January	**26,174**	**514**	**26,688**	26,174	592	26,766
Additions	**-**	**229**	**229**	**-**	**-**	**-**
Amortization	**-**	**(39)**	**(39)**	**-**	(78)	(78)

At 30 Jun/31 December	**26,174**	**704**	**26,878**	26,174	514	26,688
Cost (gross carrying amount)	**26,174**	**2,176**	**28,350**	26,174	1,947	28,121
Accumulated amortization	**-**	**(1,472)**	**(1,472)**	**-**	(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:

a) goodwill arising from the acquisition of BUE Marine Limited with effect from 1 July 2005.
b) 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:

	Six months ended 30 Jun 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

	Six months ended 30 Jun 2015 US$'000	Year ended 31 Dec 2014 US$'000 (Audited)
Stores, spares and consumables	**3,680**	4,314
Provision for slow moving inventories	**-**	-
	3,680	4,314

13 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	Six months ended 30 Jun 2015 US$'000	Year ended 31 Dec 2014 US$'000 (Audited)
Trade accounts receivable	**94,652**	86,450
Allowance for impairment of receivable	**(10,871)**	(8,668)
	83,781	77,782
Deferred mobilisation costs	**4,915**	6,317
Advance to suppliers	**7,555**	4,845
Value added tax (VAT) recoverable	**1,188**	1,619
Prepaid expenses	**4,332**	2,551
Retention receivable	**3,504**	2,776
Receivable from Non-controlling interests	**12,700**	12,700
Other receivables	**6,089**	4,892
	124,064	113,482
Less: Non-current portion of deferred mobilisation costs	**(2,550)**	(888)
	121,514	112,594

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

	Six months ended 30 Jun 2015 US$'000	Year ended 31 Dec 2014 US$'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

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

	Six months ended 30 Jun 2015 US$'000	Year ended 31 Dec 2014 US$'000 (Audited)
MENA	**15,837**	14,988
Caspian	**61,613**	46,373
Others	**6,331**	16,421
At the end of the period/year	**83,781**	77,782

As at 30 Jun 2015 and 31 Dec 2014, 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
2015	**83,781**	58,041	10,085	3,406	6,426	246	5,577
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:

	Six months ended 30 Jun 2015 US$'000	Year ended 31 Dec 2014 US$'000 (Audited)
Cash at bank		
- Deposits under lien (refer (i) below)	**-**	13,000
- Current accounts	**41,460**	50,232
	41,460	63,232
Cash in hand	**111**	182
Cash and bank balances	**41,571**	63,414
Less: Deposits under lien	**-**	(13,000)
Cash and cash equivalents	**41,571**	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

	Six months ended 30 Jun 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.

17 TERM LOANS

	Six months ended 30 Jun 2015 US$'000	Year ended 31 Dec 2014 US$'000 (Audited)
$350M 8.625% Senior Notes due 2018	**341,321**	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	**343,182**	-
	684,503	684,872
Current portion	**(30,000)**	(56,709)
Non-current portion	**654,503**	628,163

The term loans are repayable as follows:

	Six months ended 30 Jun 2015 US$'000	Year ended 31 Dec 2014 US$'000 (Audited)
Due within one year	**30,000**	56,709
Due between two to five years	**470,000**	608,908
Due after five years	**184,503**	19,255
	684,503	684,872

18 LOAN DUE TO ULTIMATE HOLDING COMPANY

	Six months ended 30 June 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.

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:

	Six months ended 30 Jun 2015 US$'000	Year ended 31 Dec 2014 US$'000 (Audited)
Provision as at 1 January	**4,079**	3,072
Provided during the period	**250**	1,345
End of service benefits paid	**(78)**	(338)
Provision as at 30 Jun / 31 Dec	**4,251**	4,079

20 ACCOUNTS PAYABLE AND ACCRUALS

	Six months ended 30 Jun 2015 US$'000	Year ended 31 Dec 2014 US$'000 (Audited)
Current		
Trade accounts payables	12,767	13,234
Accrued expenses	31,624	26,069
Deferred income	6,609	6,440
Interest payable	7,445	6,989
Other payables	2,040	1,555
	60,485	54,287
Non-current		
Deferred income	**1,340**	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.

	Six months ended 30 Jun 2015 US$'000	Year ended 31 Dec 2014 US$'000 (Audited)
Due from related parties		
Directors		1
Topaz Engineering Ltd	**16,609**	16,922
Tawoos	**33**	9
Topaz Energy and Marine PLC,UK	**-**	271
	16,642	17,203
Due to related parties		
Rennaissance Services SAOG ("the Ultimate Holding Company")	**1,055**	604
Tawoos	**7**	-
	1,062	604

22 CONTINGENCIES AND CLAIMS

Contingent liabilities

	Six months ended 30 Jun 2015 US$'000	Year ended 31 Dec 2014 US$'000 (Audited)
Letters of credit	**-**	-
Letters of guarantee	**21,212**	26,562
	21,212	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

	Six months ended 30 Jun 2015 US$'000	Year ended 31 Dec 2014 US$'000 (Audited)
Capital expenditure commitment:		
Purchase of marine vessels	**24,000**	25,540
	24,000	25,540