

CEGAL GROUP AS

Annual Report 2015

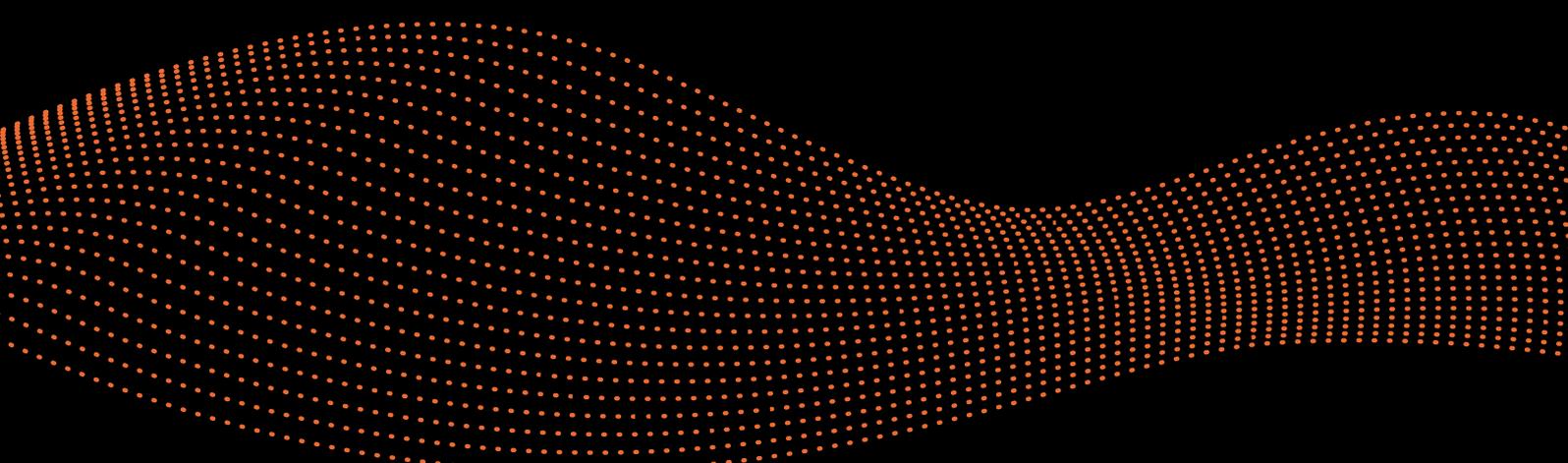
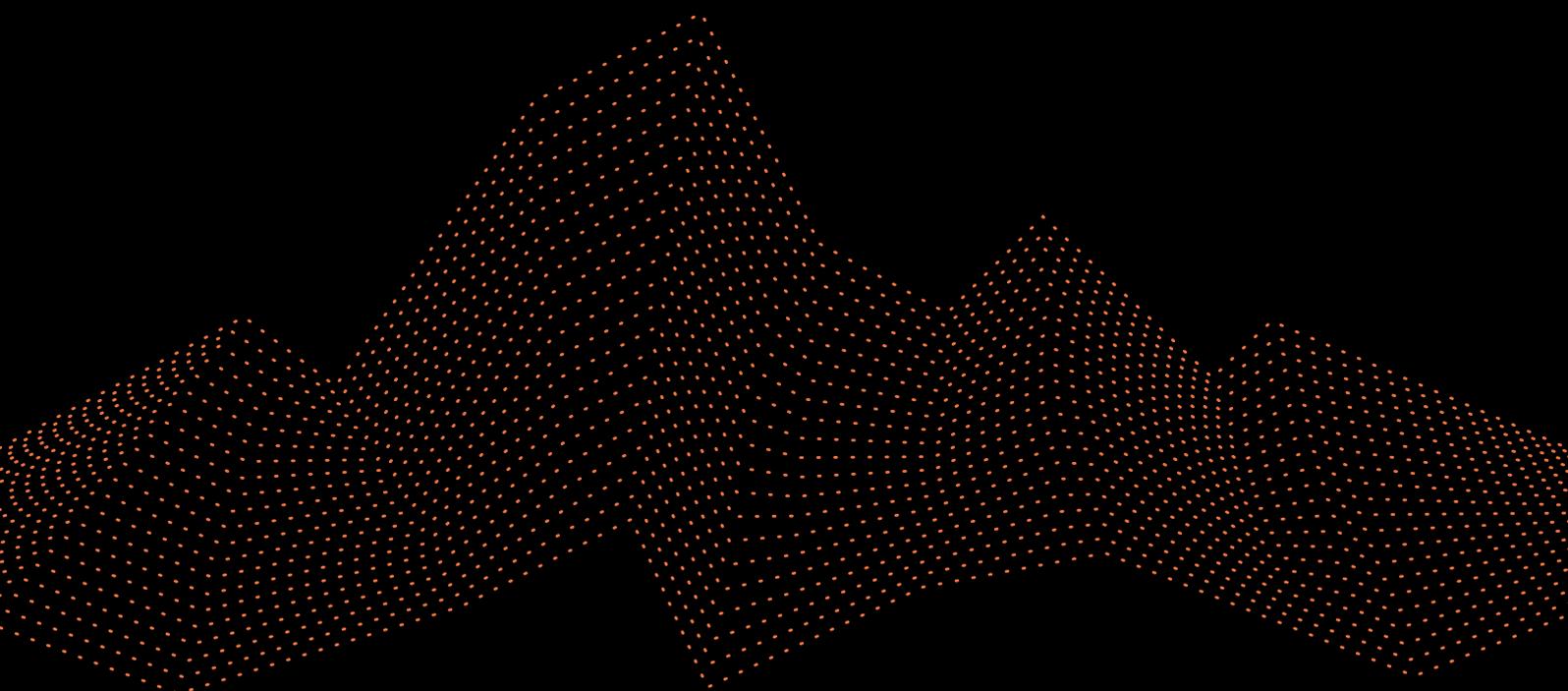


TABLE OF CONTENTS

LETTER FROM CEO	3
BOARD OF DIRECTORS REPORT	4
GROUP ANNUAL ACCOUNTS	8
COMPANY ANNUAL ACCOUNTS	24
AUDITOR'S REPORT	36



LETTER FROM THE CEO

Even though the economic environment for companies operating within the oil and gas sector was challenging in 2015, Cegal has managed to achieve growth in both revenue and EBITDA. I am pleased with this result, as it underlines yet again that Cegal, above all, delivers valuable products, software and services to our customers.

We are starting to see the results of our increased focus on the E&P sector, new products and international expansion. We are building a growth and performance culture characterized by strong employee engagement, teamwork, and the drive for operational excellence and accountability for results. This is making us more agile, entrepreneurial and innovative.

Financials

Revenue grew by 21 % (0.5 % on a proforma basis) and our EBITDA grew by 4.8 % (1.6 % on a proforma basis). I am pleased with these results for the year and that 2015 was a year of good performance despite challenges in the market environment.

In previous years, the underlying growth on existing customer base in combination with new customers coming in, led to annual growth close to 40 %. That being said, our business model is based on delivering scalable and recurring products and services to our customers, and to enable them to easily scale costs up or down depending on number of employees/ users, required services, projects etc. We also experience price pressure on commodified services, in particular in Norway.

Considering all of this, 2015 shows resilience, and I believe Cegal is well positioned for increased growth when the market improves. Further, to add uniqueness to our offering and to fuel additional future growth, we have made significant investments during 2015. We have strengthened our organization with additional management resources, continued and increased our investment in new and existing product lines and increased our footprint in the UK. These

investments have created an even better platform for growth, with higher profit potential.

Acquisition of Escape Business Technologies

Our vision is to become the most innovative provider of IT services and Geoscience Solutions to the global oil and gas industry. Through the merger with Blueback Reservoir in 2014, we established international presence and geoscience products and skills on top of our IT offering. However, our combined offering was only available in Norway, and a first step in building a truly global offering was to increase our footprint in the UK through the acquisition of Escape Business Technologies Ltd. Through the integration of Escape with our existing geoscience business, we are able to offer a full-range of services to this key market. We believe that a significant part of our future growth, also from delivery of cloud / Saas services, will be from the UK market and that additional international expansion will follow.

Meeting the needs of the oil and gas industry

While remaining cautious about the short-term macro-economic outlook, we are committed to improving our financial performance. In light of the mega-trends and challenges the oil and gas industry is facing, we are also confident in our chosen strategic direction with increased focus on domain skills and international expansion.

I would also like to take this opportunity to thank our customers for the interest you have shown in our solutions and services, our shareholders for the confidence placed in Cegal's future development, and the entire Cegal organization for your dedication to reaching our common goals.

Best regards,



Svein Torgersen
CEO



BOARD OF DIRECTORS' REPORT CEGAL GROUP AS

SCOPE OF BUSINESS

Cegal's mission is to be the most innovative provider of IT services and geoscience solutions to the global oil and gas industry. Cegal Group AS is the parent company of Cegal AS and Cegal Geoscience AS.

Cegal Group AS and the main office is located in Stavanger, Norway. The group has locations in Stavanger, Oslo, London, Aberdeen, Thurso, Houston, Calgary and Dubai. In 2015, Cegal (through Cegal Ltd, a subsidiary of Cegal Geoscience AS) acquired Escape Business Technologies Ltd with offices in Aberdeen and Thurso. This acquisition increased Cegal's footprint in the UK.

BUSINESS SEGMENTS

Cloud

Cegal's cloud based solutions provides high performance IT systems and customized software solutions to more than 14,000 end users. We support more than 800 applications, and our 24/7 support center offers a single point of contact for all IT related questions. We have customized our offering for the oil and gas industry, in particular with respect to advanced geoscience applications and critical on/offshore operations. Cegal supports all main exploration and production applications based on best practices. In 2015, cloud including cloud services represented 66 % of our revenues. Recurring cloud revenue represents c. 70 % of total cloud revenues.

Software

Cegal develops and sells software to extend, improve and speed up workflows within geology, geophysics, reservoir engineering and data management. In addition,

we offer development of high quality customized software solutions. In 2015, software products and services represented 21 % of revenues.

Geoscience consulting

Cegal offers highly experienced on-site consultants and expert geomodelers. In 2015, geoscience consulting represented 6 % of our revenues.

Other

Mainly add-on sales of hardware and other software to IT cloud customers. In 2015, other revenue represented 7 % of our revenues.

STATEMENT OF INCOME

Operating Revenue

Actual turnover in the group was NOK 564.7 million in 2015 compared to NOK 466.7 million in 2014, representing an increase of 21 %. The increase in revenue is partly explained by the acquisition of Escape Business Technologies with effect from October 1st 2015, and partly with the full year effect of the Blueback Reservoir acquisition in September 1st 2014. Proforma 2015 revenues including acquired companies were NOK 586.6 million compared to NOK 583.6 million in 2014, representing 0.5 % increase.

Operating Result (EBITDA)

The group's earnings before interest, tax, depreciation and amortization (EBITDA) was in 2015 NOK 83.2 million, representing growth of 4.8 % compared to 2014. Proforma group EBITDA ended at NOK 88.2 million, up 1.6 % from the year before.

Depreciations

Depreciations were NOK 101.7 million compared to NOK 63.6 million last year. The full year effect of Blueback Reservoir group acquisition and the acquisition of Escape Business Technologies Ltd accounts for most of the increase.

Net financial items and profit before and after tax

Net financial items amounted to NOK -13.9 million compared to NOK -6.0 million in 2014. Earnings before tax was NOK -32.3 million compared to NOK 9.8 million in 2014. Tax was NOK -2.5 million resulting in a net profit of -29.7 million.

Cash flow and financial positions

Total cash flow from operations for the group was NOK 53.7 million. The difference between profit before tax and cash flow from operations is due to taxes, depreciation and changes in working capital.

The cash flow from investment activity was NOK -63.9 million and was affected by payments related to the acquisition of Escape Business Technologies (c. NOK -34 million) in addition to purchase of new IT equipment / programs (c. NOK -6.3 million) and development of new software products and solutions (c. NOK -23.6 million).

Cash flow from financing activities was NOK -25.4 million. As at 31 December 2015, the group had bank deposits totaling NOK 43.2 million plus unused bank overdraft facilities of NOK 30 million. Cegal has complied with all loan covenants during 2015.

The Group's current assets amounted to 34.0 % of total assets per. 31 December 2015. Total assets at the end of the year NOK 554.4 million. The equity ratio was 28.6 %.

GOING CONCERN

In accordance with the Accounting Act (Regnskapsloven) § 3-3a it is confirmed that the going concern assumption is present. This assumption is based on profit forecasts for 2016 and its long-term strategic prognosis. The Group is in a healthy financial position.

Although Cegal is weighted with a majority of revenue in the oil and gas sector, our business model has proven robust even in tough times. We see the cost focus in the oil sector as a growth opportunity as we offer products and services that will enable our customers to find more oil and operate more cost effectively.

RISK FACTORS

Market risk

The group has exposure to currency and interest rate risk. Currency risk includes risk from contractual purchase or sale denominated in foreign currencies, in addition to foreign investments and future cash flow from these investments. This currency risk is reduced by having parts of the cost base in foreign currencies as well.

The group also has exposure to changes in interest rates, as the group's long-term interest-bearing debt has floating interest rates, while other interest-bearing debt mainly have fixed interest rates. This risk has been reduced through an interest swap agreement.

Credit risk

The loss on receivables has historically been low, and the risk of losses on receivables is considered limited. The risk could increase in light of the decline in oil price, which could put some of the group's customers in a position with financial difficulties. This implies that the focus on credit risk is increased.

Liquidity risk

Cegal generated positive cash flow from operations in 2015, and held liquid assets of NOK 43.2 million at the close of the year, as well as having access to bank overdraft facilities of NOK 30 million. The group considers its liquidity as good, and its exposure to liquidity risk is considered to be limited.

Cegal has a bond loan of NOK 225 million that is to be repaid in June 2017. The company has started a process to identify and evaluate alternatives for refinancing, and is optimistic that such a process will be completed before loan maturation.

WORK ENVIRONMENT

Sick leave in the Group was approximately 3.8 % in 2015. During the course of the year, it has not occurred or been reported serious workplace accidents, which resulted in significant damage or injuries. The working environment is good, and improvements are being continuously evaluated and implemented.

EQUALITY

The Board of Cegal Group AS consists of eight male

members. At the end of 2015, the group consisted of a total of 341 employees, including 49 women and 292 men. The goal is to be a workplace where there is full gender equality. The Board and management are aware of the societal expectations on measures to promote gender.

DISCRIMINATION

The Anti-Discrimination Act is to promote equality, ensure equal opportunities and rights and prevent discrimination based on ethnicity, national origin, ancestry, color, language, religion and belief. The Group works actively, purposefully and systematically to promote the purpose within our business. The activities include recruitment, pay and working conditions, promotion, development and protection against harassment. The Group aims to be a workplace where there is no discrimination on grounds of disability. The group works actively and purposefully to design and facilitate the physical conditions so that the different functions can be used by as many people as possible. For employees or applicants with disabilities, individual arrangements are made with regards to workplaces and work tasks.

ENVIRONMENT

The operations do not affect the external environment beyond the normal for the company business.

EVENTS AFTER THE YEAR-END CLOSING OF THE ACCOUNTS

No significant events after the balance sheet date.

FUTURE OUTLOOK

With continued low and highly uncertain oil prices, Cegal's main market is expected to be challenging with increased cost focus and reduced capital expenditure in key customer segments. Although our core offering has proved resilient to changes in market climate and Cegal has a balanced portfolio of blue chip customers, our customers' cost reduction focus is expected to impact parts of Cegal's business. Cegal therefore has a strong and continuous focus on cost efficiency to increase future competitiveness and growth opportunities.

Our investment in new products and services is expected to remain high in the years to come. Hence, providing additional growth opportunities and increased uniqueness. Also, our recent acquisition of Escape Business Technologies Ltd in UK is together

with our existing geoscience skills expected to contribute to increase our market share in the UK.

Based on the current demand from our customers, a focused organization, new unique products and a strong order backlog, the company expects some growth, increased profitability and positive cash flow going forward.

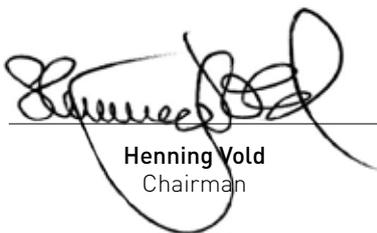
NET PROFIT AND ALLOCATIONS

The Board proposes the following allocation of loss for Cegal Group AS:

Transferred to other equity	NOK	- 6 320 928
Total allocation	NOK	- 6 320 928

No dividend is proposed in respect of the 2015 financial year.

Stavanger, 21st April 2016



Henning Vold
Chairman



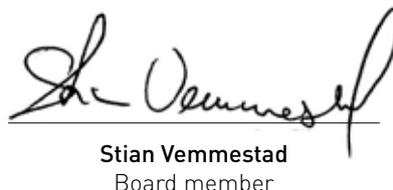
Arne Kristoffer Norborg
Board member



Per-Ola Baalerud
Board member



Frank Garneng
Board member



Stian Vemmestad
Board member



Rodney Leon Hall
Board member



Arve Osmundsen
Board member



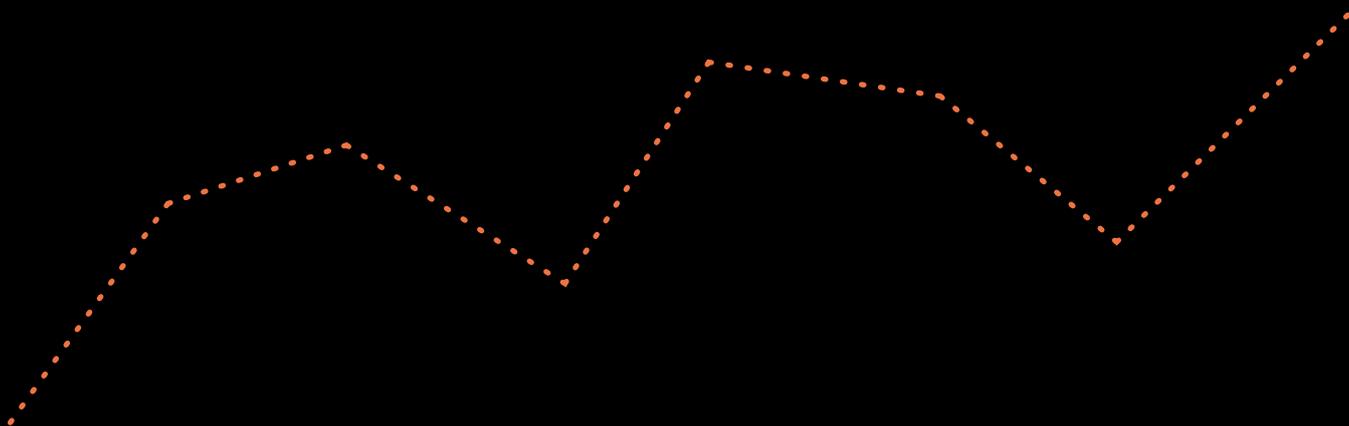
Olivier Peyret
Board member



Svein Torgersen
CEO

GROUP ANNUAL ACCOUNTS 2015

- Income statement
- Statement of financial position (balance)
- Statement of cash flow
- Notes



CEGAL GROUP AS
Amount in NOK thousands

INCOME STATEMENT	NOTE	2015	2014
Revenue			
Sales revenue	14,15	564 729	466 658
Total revenue		564 729	466 658
Operating expenses			
Cost of sale		150 306	140 994
Payroll expenses	6	271 754	196 421
Depreciation	2, 3	101 660	63 619
Other operating expenses	5, 6	59 424	49 843
Total operating expenses		583 144	450 878
Operating profit		-18 415	15 781
Financial income and expenses			
Other financial income		14 520	9 085
Interest expenses		19 395	11 110
Other financial expenses		8 982	3 934
Net financial items		-13 857	-5 959
Profit before tax		-32 272	9 822
Tax on ordinary result	7	-2 541	8 230
Net profit or loss for the year		-29 731	1 592

CEGAL GROUP AS
Amount in NOK thousands

STATEMENT OF FINANCIAL POSITION (BALANCE) AS OF 31 DECEMBER	NOTE	2015	2014
Assets			
Intangible assets			
Goodwill	2	214 914	203 968
Software	2	85 058	89 770
Total intangible assets		299 972	293 738
Tangible assets			
Servers, office furniture, etc	3	63 231	64 789
Total tangible assets		63 231	64 789
Financial assets			
Other receivables		2 266	1 853
Total financial assets		2 266	1 853
Total fixed assets		365 469	360 381
Receivables			
Trade receivables		126 999	127 429
Other receivables		20 823	14 423
Total accounts receivable		147 822	141 852
Cash and cash equivalents	4	43 176	78 830
Total current assets		190 998	220 682
Total assets		556 466	581 063

CEGAL GROUP AS
Amount in NOK thousands

STATEMENT OF FINANCIAL POSITION (BALANCE) AS OF 31 DECEMBER	NOTE	2015	2014
Equity and liabilities			
Paid-in capital			
Share capital	9, 11	1 258	1 246
Share premium reserve	9	139 714	134 536
Own shares	9	-5	-20
Total paid-in capital		140 967	135 762
Retained earnings			
Other equity	9	17 456	38 743
Total retained earnings		17 456	38 743
Total equity		158 424	174 505
Provisions			
Deferred tax	7	5 024	10 608
Total provisions		5 024	10 608
Long term liabilities			
Bonds	8	223 279	222 131
Other long-term liabilities	10	21 765	28 870
Total long term liabilities		245 044	251 001
Current liabilities			
Liabilities to financial institutions	8	0	1 854
Trade creditors		23 769	32 794
Public duties payable		32 759	32 333
Tax payable	7	4 211	4 119
Other short-term liabilities	10	87 235	73 848
Total current liabilities		147 974	144 948
Total liabilities		398 043	406 558
Total equity and liabilities		556 466	581 063

CEGAL GROUP AS
Amount in NOK thousands

CASH FLOW STATEMENT – FOR THE YEAR ENDED 31 DECEMBER	2015	2014
Profit/(loss) before tax	-32 272	9 822
Taxed paid	-4 672	-8 952
Depreciation	101 660	63 619
Changes in trade receivable	430	-64 490
Changes in payable	-9 024	5 982
Changes in other current balance sheet items	-2 462	29 219
Net cash flow from operating activities	53 659	35 200
Proceeds from sale of tangible fixed assets	852	96
Purchase of tangible and intangible assets	-30 703	-19 153
Acquisition of group companies	-34 071	-48 479
Net cash flow from investing activities	-63 922	-67 536
Proceeds from issuance of long term debt	0	221 625
Repayment of long term loans to financial institutions	0	-37 000
Repayment of short term loans to financial institutions	0	-16 000
Increase/(decrease) short term loan to financial institutions	-1 854	1 854
Payment financial lease	-36 686	-25 787
Payment of dividend	0	-54 923
Sale/(purchase) own shares	7 959	-10 285
Issue of share capital	5 190	0
Net cash flow from financing activities	-25 391	79 484
Net change in cash and cash equivalents	-35 654	47 148
Cash and cash equivalents 01.01	78 830	31 682
Cash and cash equivalents 31.12	43 176	78 830

NOTES TO THE GROUP ACCOUNTS 2015

NOTE 1 ACCOUNTING PRINCIPLES

The annual report is prepared according to the Norwegian Accounting Act 1998 and generally accepted accounting principles.

BASIS FOR CONSOLIDATION

The consolidated financial statements comprise of the following entities:

- Cegal Group AS
- Cegal AS
- Cegal Geoscience AS
- Cegal LTD
- Cegal LCC
- Cegal Geoscience INC
- Cegal FZ LCC
- Escape Business Technologies LTD

Subsidiaries are companies in which the Group has a controlling interest. A controlling interest is normally achieved when the Group owns more than 50 % of the shares in the company and is also in the position to exercise control over the company. The consolidated accounts are prepared such that the group of companies are presented as a single economic entity. Intercompany transactions have been eliminated from the consolidated accounts. The consolidated accounts are prepared according to the same accounting principles.

Acquired subsidiaries are reported in the annual accounts on the basis of the parent company's acquisition cost. The acquisition cost is identified by attributing fair values to the separable net assets acquired. Surplus value or values below the fair value of separable net assets are reported in the balance sheet as goodwill or negative goodwill. Goodwill is amortized linearly through the profit and loss account over its expected useful economic life. Subsidiaries are consolidated in the accounts when a controlling interest is achieved until it no longer applies.

SALES REVENUE

Revenue from services is recognized at execution. Revenue from sale of goods is recognized at transfer of risk and control.

Licence fee related to software are recognized as revenue when the software is delivered. A delivery has taken place when the risk and control related to the software in all significant aspects have been transferred to the customer.

Maintenance revenue is recognized on a straight line basis over the maintenance period.

BALANCE SHEET CLASSIFICATION

Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long term creditors.

Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value.

Fixed assets are valued by the cost of acquisition, in the case of non-incidentual reduction in value the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value.

TANGIBLE ASSETS

Tangible assets are capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

INTANGIBLE ASSETS

Intangible assets are goodwill and software. Software is identifiable and is controlled by the company. An intangible asset is capitalized providing that a future economic benefit associated with development of the intangible asset can be established and costs can be measured reliably. The intangible assets are depreci-

ated over the estimated useful economic life. If carrying value of an intangible asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

TRADE AND OTHER RECEIVABLES

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments.

INCOME TAX

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated using the tax percentage in the country the subsidiary is in, on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balance out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

LONG TERM DEBT

Cost related to acquiring long term debt are capitalized and depreciated over the loan period.

LEASING / LEASES

Leases where the company assumes all the risks and rewards associated with ownership of the asset are financial leases. At the inception of the lease, finance leases are recognized at the lower of their fair value and the present value of the minimum lease payments, minus accumulated depreciation and impairment losses. When calculating the lease agreement's present value the implicit interest cost in the lease is used. Direct costs associated with the lease are included in the asset cost.

Leases where substantially all the risks and rewards associated with ownership of the asset is not acquired by the Company are classified as operating leases. Lease payments are classified as operating costs and expensed as incurred over the contract period.

CASH FLOW STATEMENT

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term highly liquid placement with original maturities of three months or less.

CEGAL GROUP AS
Amount in NOK thousands

NOTE 2 INTANGIBLE ASSETS

	SOFTWARE	GOODWILL	TOTAL
Acquisition cost at 01.01	101 081	272 980	374 061
Additions	24 003	0	24 003
Additions acquisition	0	38 646	38 646
Translation effect	0	524	524
Acquisition cost 31.12.	125 084	312 150	437 234
Acc. amortization at 01.01.	-11 312	-69 038	-80 350
Translation effect	0	17	17
Amortization for the year	-28 714	-28 215	-56 929
Net carrying amount at 31.12.	85 058	214 914	299 972
Useful economic life	3-5 years	10 years	
Amortization plan	Linear	Linear	

Goodwill relates to the acquisition of subsidiaries Cegal AS, Unitron AS, Escape Business Technologies LTD and Cegal Geoscience AS with subsidiaries. Cegal AS was acquired in 2011. Unitron AS was acquired in 2012 and merged into Cegal AS. Cegal Geoscience AS with subsidiaries was acquired in 2014. Escape Business Technologies LTD was acquired in 2015.

Useful economic life of 10 years for goodwill is based on the expected period where one will expect to get a return on unidentifiable assets on the date of acquisition.

CEGAL GROUP AS
Amount in NOK thousands

NOTE 3 TANGIBLE ASSETS

	FINANCIAL LEASING	TANGIBLE ASSETS	TOTAL
Acquisition cost at 01.01	100 832	62 467	163 299
Additions	35 285	6 700	41 985
Additions acquisitions	0	1 555	1 555
Disposals	-795	-19	-814
Acquisition cost 31.12.	135 322	70 703	206 025
Acc. depreciation 01.01.	-52 522	-45 988	-98 510
Translation differences	0	445	445
Depreciation for the year	-36 198	-8 532	-44 729
Net carrying amount at 31.12.	46 603	16 628	63 231
Useful economic life	2 - 5 years	2 - 5 years	
Amortization plan	Linear	Linear	

NOTE 4 BANK DEPOSIT

The cash and deposits for the Group includes restricted funds of NOK 8 176 related to employee taxes as of 31 December 2015.

The Group has bank guarantees of NOK 18 140.

The Group has an unused bank overdraft facility of NOK 30 000. Accounts receivable, inventory and fixed assets in Cegal Group, Cegal AS and Cegal Geoscience AS are pledged as security for the bank overdraft facility. The security is limited to NOK 210 000.

The Cegal Group companies in Norway are organized in a group account structure where Cegal Group AS is the owner of the group accounts.

NOTE 5 OPERATING LEASE AGREEMENTS

The Group has of 31 December 2015 the following operating leasing agreements:

	2015
Facilities	16 979
Transportation, inventory, computer equipment	2 255
Total	19 234

Information about capital leasing, see note 10.

CEGAL GROUP AS
Amount in NOK thousands

NOTE 6 WAGE COSTS, NUMBER OF EMPLOYEES, REMUNERATION, LOANS TO EMPLOYEES AND AUDITOR'S FEE

WAGE COSTS	2015	2014
Salaries	241 789	166 911
Payroll tax	33 318	23 350
Pension costs	7 220	5 193
Other payments	13 057	12 747
Capitalized development cost	-23 630	-11 930
Total	271 754	196 421
The total number of employees in the company during the year:	309	224

MANAGEMENT REMUNERATION

	General manager	General Board of Directors remuneration
Salary	1 278	300
Pension cost	48	
Other payments	19	

The general manager is employed in Cegal Group AS. There are no agreements regarding severance pay.

The Group is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). The Group's pension scheme meets the requirements of that law. The Group has a defined contribution plan.

AUDITOR REMUNERATION HAS BEEN DIVIDED AS FOLLOWS

	2015
Audit remuneration	506
Other services	241

VAT is not included in the figures of auditor's remuneration.

CEGAL GROUP AS
Amount in NOK thousands

NOTE 7 TAXES

SPECIFICATION OF TOTAL TAX COST	2015	2014
Total Payable tax	2 845	4 616
Correction previous years	0	57
Effect change of tax rate	- 435	0
Translation effect	391	0
Changes in deferred taxes	- 5 344	3 557
Total tax cost for the year	- 2 541	8 230

SPECIFICATION OF BASE OF PAYABLE TAXES	2015	2014
Net income before tax	- 32 272	9 822
Permanent differences	29 241	23 275
Changes in temporary differences	12 711	-4 846
Tax base pre loss carry forward	9 680	28 250
Tax loss carry forward	10 514	0
Used previous year's tax loss carry forward	- 4 299	-9 481
Base for payable tax	15 895	18 769

SPECIFICATION OF BASE FOR DEFERRED TAX BENEFIT	2015	2014
Assets	29 121	38 442
Leasing	-2 027	-1 720
Long term debt	1 721	2 869
Other	- 1 512	-300
Loss carry forward	- 18 038	- 12 008
Temporary differences	9 265	31 851
Loss carry forward not recognized **	10 704	7 709
Basis for deferred tax	19 969	39 290
Deferred tax	5 024	10 608

** Loss carry forward not recognized for 2015 relates to Cegal FZ LCC and Cegal Canada.

CEGAL GROUP AS
Amount in NOK thousands

RECONCILIATION EFFECTIVE TAX RATE	2015	2014
Expected income taxes, statutory rate 27 %	- 8 714	2 652
Correction previous years	0	57
Effect different tax rates	- 360	-763
Effect change of tax rate	- 436	0
Translation effect	391	0
Change not booked deferred tax assets	-1 319	0
Permanent differences	7 895	6 284
Total tax cost	-2 541	8 230

NOTE 8 LIABILITIES

REPAYMENT SCHEDULE LONG TERM LIABILITIES	2015	2014
Within one year	0	0
Between one and five years*	225 000	225 000
Total	225 000	225 000

* Cost related to acquiring the long term debt are capitalized and amortized over the loan period. Capitalized costs that amounts to NOK 1 721 is classified as a reduction of bond loan.

There is security given for bond loan per 31. December 2015. The bond loan matures September 2017.

CEGAL GROUP AS
Amount in NOK thousands

NOTE 9 EQUITY

EQUITY FOR 2015:	SHARE CAPITAL	OWN SHARES	SHARE PREMIUM RESERVE	OTHER EQUITY	TOTAL
Owners equity 01.01.	1 246	-20	134 536	38 743	174 505
Profit for the year	0	0	0	- 29 731	- 29 731
Share capital increase	12	0	5 178	0	5 190
Purchase/sale of own shares	0	15	0	7 944	7 959
Currency translation differences	0	0	0	-500	-500
Owners equity 31.12.	1 258	-5	139 714	17 457	158 424

EQUITY FOR 2014:	SHARE CAPITAL	OWN SHARES	SHARE PREMIUM RESERVE	OTHER EQUITY	TOTAL
Owners equity 01.01.	1 038	0	74 750	48 818	124 606
Profit for the year	0	0	0	1 592	1 592
Share capital increase	208	0	114 709	0	114 917
Purchase/sale of own shares	0	-20	0	-10 266	-10 285
Extraordinary dividend	0	0	-54 923	0	-54 923
Currency translation differences	0	0	0	-1401	-1 401
Owners equity 31.12.	1 246	-20	134 536	38 743	174 505

NOTE 10 FINANCIAL LEASE

REPAYMENT SCHEDULE	2015
Within one year	27 416
Between one and five years	21 213
Total	48 629

CEGAL GROUP AS
Amount in NOK thousands

NOTE 11 EQUITY AND SHAREHOLDER INFORMATION

SHARE CAPITAL:	NUMBER OF SHARES	FACE VALUE	NOMINAL VALUE
A-shares	12 390 433	0,09 kr	1 115
B-shares	1 587 017	0,09 kr	143
Total	13 977 450		1 258

MAIN SHAREHOLDERS PER 31.12:	A-SHARES	B-SHARES	OWNERSHIP SHARE
Norvestor V LP	7 174 193	72 466	51,85 %
ST Innovation AS	529 041	132 260	4,73 %
Garneng Kapital AS	386 209	106 819	3,53 %
John Nygård	260 802	65 201	2,33 %
Dag Ydstebø	260 802	65 201	2,33 %
Sveiung Røge	260 802	65 201	2,33 %
Pagoda AS	229 134	62 371	2,09 %
Fivel Holding AS	224 771	61 639	2,05 %
Paleonor AS	193 677	56 419	1,79 %
Reservoir Dimensions ApS	173 812	42 778	1,55 %
Total	9 693 243	730 354	74,8 %
Other	2 697 190	856 663	25,2 %
Total number of shares	12 390 433	1 587 017	100,00 %

A-shares and B-shares have equal voting.

CEGAL GROUP AS
Amount in NOK thousands

NOTE 12 RELATED PARTY TRANSACTIONS

Cegal Group AS has in 2015 bought consulting services for NOK 1 624 from Wellwork Innovation AS. Board member Stian Vemmestad is general manager for Wellwork Innovation and owns 33 % of the shares in the company. The consulting service was related to financial services and success fee for the acquisition of Escape Business Technologies LTD.

NOTE 13 FINANCIAL INSTRUMENTS

Cegal Group AS has an interest swap agreement from floating interest to fixed interest for an amount of NOK 21 000 per 31.12.15. The fixed interest is 3,12 % and the interest swap has a market value of NOK 313 per 31.12.15 that is not booked in the balance sheet.

NOTE 14 SALES REVENUE BY GEOGRAPHICAL MARKET AND AREA OF OPERATION

MARKET	2015	2014
Cloud	265 468	244 815
Cloud services	107 560	104 830
Hardware/Software	35 453	30 876
Software Products	89 496	55 565
Software Solutions	30 556	6 875
Geoscience consulting	32 423	15 790
Other revenues	3 773	7 907
Total Sales	564 729	446 658

DISTRIBUTED BY AREA OF OPERATION	2015	2014
Norway	478 847	420 304
USA	30 572	16 053
Europe	45 635	26 641
Others	9 675	3 661
Total Sales	564 729	446 658

CEGAL GROUP AS
Amount in NOK thousands

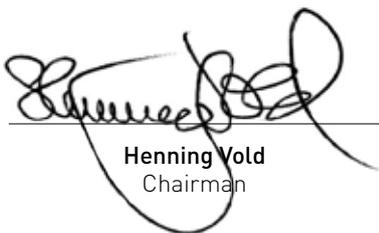
NOTE 15 ACQUISITION AND PRO FORMA INFORMATION

Cegal Group AS acquired Escape Business Technologies Ltd with effect from 30 September 2015.

Pro form number below shows the revenue as if the acquisition of Escape Business Technologies Ltd was carried out as of 1 January 2015. Pro form number for 2014 shows the revenue from the Blueback Reservoir acquisition was carried out as of 1 January 2014. Pro form numbers are not audited.

REVENUE	2015	2014
Total revenue	586 589	583 586

Stavanger, 21st April 2016



Henning Vold
Chairman



Arne Kristoffer Norborg
Board member



Per-Ola Baalerud
Board member



Frank Garneng
Board member



Stian Vemmestad
Board member



Rodney Leon Hall
Board member



Arve Osmundsen
Board member



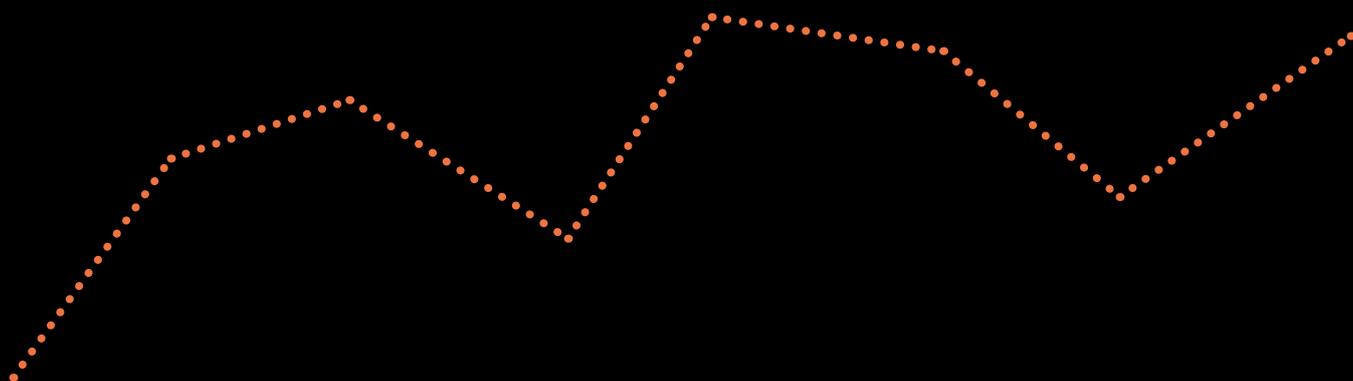
Olivier Peyret
Board member



Svein Torgersen
CEO

COMPANY ANNUAL ACCOUNTS 2015

- The company income statement
- The company balance sheet
- Company cash flow statement
- Notes



CEGAL GROUP AS
Amounts in NOK

Income statement 1 January – 31 December	NOTE	2015	2014
Operating expenses			
Payroll expenses	2	8 513 307	2 683 558
Depreciation of tangible and intangible fixed assets		54 454	0
Other operating expenses	2	5 857 791	5 118 777
Total operating expenses		14 425 552	7 802 335
Operating result		-14 425 552	-7 802 335
Financial income and expenses			
Income from investments in subsidiaries and associated companies		16 533 786	20 277 882
Interest income from group companies		6 582 387	268 151
Other financial income		2 198 633	980 491
Other financial expenses	3	19 387 964	10 865 657
Net financial items		5 926 842	10 660 867
Ordinary result before tax		-8 498 710	2 858 532
Tax on ordinary result	8	-2 177 782	774 563
Net profit or loss for the year		-6 320 928	2 083 969
Allocated as follows			
Transferred to other equity	7	-6 320 928	2 083 969

CEGAL GROUP AS
Company balance sheet as of 31 December

Amounts in NOK	NOTE	2015	2014
Fixed assets			
Intangible assets			
Deferred tax asset	8	1 403 219	0
Total intangible assets		1 403 219	0
Tangible assets			
Fixtures and fittings, tools, office machinery etc.		177 302	0
Total tangible assets		177 302	0
Financial assets			
Investments in subsidiaries	6	209 371 836	209 371 836
Other receivables	4	167 004 706	120 972 048
Total financial assets		376 376 542	330 343 884
Total fixed assets		377 957 063	330 343 884
Current assets			
Receivables			
Other receivables	4	52 460 450	32 244 829
Total accounts receivable		52 460 450	32 244 829
Cash and cash equivalents	5	24 138 237	49 696 457
Total current assets		76 598 687	81 941 286
Total assets		454 555 750	412 285 170

CEGAL GROUP AS
Company balance sheet as of 31 December

Amounts in NOK	NOTE	2015	2014
Equity			
Paid-in capital			
Share capital	7, 9	1 257 971	1 245 874
Own shares	7	-4 629	-19 534
Share premium reserve	7	139 713 959	134 535 999
Total paid-in capital		140 967 301	135 762 339
Retained earnings			
Other equity	7	49 639 764	48 016 498
Total retained earnings		49 639 764	48 016 498
Total equity		190 607 065	183 778 837
Liabilities			
Provisions			
Deferred tax liability	8	0	774 563
Total provisions		0	774 563
Other long-term liabilities			
Bonds	3	223 278 750	222 131 250
Total other long term liabilities		223 278 750	222 131 250
Current liabilities			
Trade creditors	4	295 917	895 434
Public duties payable	5	568 451	375 892
Other short-term liabilities	4	39 805 567	4 329 194
Total current liabilities		40 669 935	5 600 520
Total liabilities		236 948 685	228 506 333
Total equity and liabilities		454 555 750	412 285 170

CEGAL GROUP AS
Company cash flow statement 1 January – 31 December

Amounts in NOK	2015	2014
Cash flow from operating activities		
Result before tax	-8 498 710	2 858 532
Received payment for dividend	20 277 882	25 000 000
Recognized dividend from subsidiaries	-16 533 786	-20 277 882
Depreciation and amortisation	54 454	0
Change account payables	-599 517	798 114
Changes in other current balance sheet items	-1 731 183	3 328 770
Net cash flow from operating activities	-7 030 860	11 707 534
Cash flow from investing activities		
Purchase of tangible fixed assets	-231 756	0
Purchase of investments	0	-57 887 175
Net change in intercompany loan	-31 444 759	-7 764 480
Net cash flow from investing activities	-31 676 515	-65 651 655
Cash flow from financing activities		
Proceeds from issuance of long term debt	0	221 625 000
Repayment of long term loans	0	-37 000 000
Repayment of short term loans	0	-16 000 000
Issue of share capital	5 190 057	0
Purchase/sale of own shares	7 959 098	-10 285 452
Dividends paid	0	-54 922 732
Net cash flow from financing activities	13 149 155	103 416 816
Net change in cash and cash equivalents	-25 558 220	49 472 695
Cash and cash equivalents at 01.01	49 696 457	223 762
Cash and cash equivalents at 31.12	24 138 237	49 696 457

NOTES TO THE COMPANY ACCOUNTS

NOTE 1 ACCOUNTING PRINCIPLES

The annual report is prepared according to the Norwegian Accounting Act 1998 and generally accepted accounting principles for small companies.

Subsidiaries and investment in associate

Subsidiaries and investments in associate are valued by the cost method in the company accounts. The investment is valued as cost of acquiring shares in the subsidiary, providing that write down is not required. Write down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write down are no longer present.

Dividends and other distributions are recognized in the same year as appropriated in the subsidiary accounts. If dividends exceed withheld profits after acquisition, the exceeding amount represents reimbursement of invested capital, and the distribution will be subtracted from the value of the acquisition in the balance sheet.

Balance sheet classification

Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long term creditors.

Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value.

Fixed assets are valued by the cost of acquisition, in the case of non incidental reduction in value the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value.

Trade and other receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated

on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

Income tax

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 28 percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balance out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

To what extent group contribution not is registered in the profit and loss, the tax effect of group contribution is posted directly against the investment in the balance.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term highly liquid placement with original maturities of three months or less.

Group bank account arrangement

Cegal Group AS has established a group bank account structure. The entities included in the arrangement are jointly liable for liabilities in the account arrangement.

Subsidiaries overdraft and deposits are classified as group receivables or liabilities. In the parent company, deposits/ overdrafts from the group bank accounts are classified as bank deposits or bank overdrafts depending on financial status.

CEGAL GROUP AS
Amounts in NOK

NOTE 2 WAGE COSTS, NUMBER OF EMPLOYEES, REMUNERATION, LOANS TO EMPLOYEES AND AUDITOR'S FEE

WAGE COSTS	2015	2014
Salaries	7 272 586	1 425 734
Payroll tax	949 939	180 499
Pension costs	244 848	0
Other payments	45 934	1 077 325
Total	8 513 307	2 683 558

The average number of employees	5	1
---------------------------------	---	---

MANAGEMENT REMUNERATION	General manager	Board of Directors
Salary	1 278 019	300 000
Pension expenses	47 518	0
Other remuneration	19 981	0

There are no agreements regarding severance pay.

The company is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). The company's pension scheme meets the requirements of that law. The company has a defined contribution plan.

AUDITOR REMUNERATION HAS BEEN DIVIDED AS FOLLOWS

	2015
Audit remuneration	155 000
Other services	184 000
Total	339 000

VAT is not included in the figures of auditor's remuneration.

CEGAL GROUP AS
Amounts in NOK

NOTE 3 LONG TERM LIABILITIES

	2015	2014
Maturity 1 > 5 years*	225 000 000	225 000 000

* Cost related to acquiring the long term debt are capitalized and amortized over the loan period. Capitalized costs amounts to NOK 1 721 250 is classified as a reduction of bond loan.

NOTE 4 INTERCOMPANY BALANCE GROUP COMPANY AND ASSOCIATE

RECEIVABLES	2015	2014
Other long term receivables	167 004 707	120 972 048
Other receivables	51 990 495	35 664 695
Total	218 995 202	156 636 743

PAYABLES	2015	2014
Other short term payables	4 853 518	4 192 509
Accounts payable	19 651	0
Liability related to cash pool	33 555 751	0
Total	38 428 920	4 192 509

CEGAL GROUP AS
Amounts in NOK

NOTE 5 BANK DEPOSIT

2015

Restricted cash deposits 325 579

The Cegal Group companies in Norway are organized in a group account structure, where as Cegal Group AS is the owner of the group account. As of 31.12 there is a net receivable of 23 812 661. The Group has an unused overdraft possibility facility of NOK 30 000 000.

The Cegal Group has pledged accounts receivable, inventory and fixed assets in Cegal Group AS, Cegal AS and Cegal Geoscience AS as security for the bank overdraft facility. The security is limited to NOK 210 000 000.

NOTE 6 INVESTMENT IN SUBSIDIARIES AND ASSOCIATE

COMPANY	ACQUISITION YEAR	LOCATION	SHARE OWNERS	NET PROFIT 2015	EQUITY 31.12	BOOK VALUE 31.12
Cegal AS	2011	Stavanger	100 %	22 941 043	24 392 099	151 484 660
Cegal Geoscience AS	2014	Stavanger	100 %	4 010 532	51 128 700	57 887 176
Total				26 951 575	75 520 799	209 371 836

NOTE 7 OWNERS EQUITY

	SHARE CAPITAL	OWN SHARES	SHARE PREMIUM RESERVE	OTHER EQUITY	TOTAL
Owners equity 01.01.	1 245 874	-19 534	134 535 999	48 016 499	183 778 838
Profit for the year	0	0	0	-6 320 928	-6 320 928
Share capital increase	12 097	0	5 177 960	0	5 190 057
Purchase/sale of own shares	0	14 905	0	7 944 193	7 959 098
Owners equity 31.12.	1 257 971	-4 629	139 713 959	49 639 764	190 607 065

CEGAL GROUP AS
Amounts in NOK

NOTE 8 INCOME TAXES

INCOME TAX EXPENSES	2015	2014
This years tax effect of change in tax rate	112 258	
Change in deferred tax	-2 290 040	774 563
Total income tax expense	-2 177 782	774 563
TAX BASE ESTIMATION	2015	2014
Ordinary result before tax	-8 498 710	2 858 532
Permanent differences	17 082	10 218
Change temporary differences	1 147 500	-2 868 750
Tax base	-7 334 128	0
TEMPORARY DIFFERENCES OUTLINED	2015	2014
Long term debt	1 721 250	2 868 750
Loss carried forward	-7 334 128	0
Total temporary differences	-5 612 878	2 868 750
Deferred income tax liability (25 % this year, 27 % last year)	-1 403 220	774 562
EFFECTIVE TAX RATE	2015	
Expected income taxes, statutory tax rate 27 %	-2 294 652	
Permanent differences (27 %)	4 612	
This years tax effect of change in tax rate	112 258	
Income tax expense	-2 177 782	

CEGAL GROUP AS
Amounts in NOK

NOTE 9 SHARE CAPITAL AND SHAREHOLDER INFORMATION

SHARE CAPITAL:	NUMBER OF SHARES	FACE VALUE	NOMINAL VALUE
A-aksjer	12 390 433	0,09 kr	1 115 139
B-aksjer	1 587 017	0,09 kr	142 832
Total	13 977 450		1 257 971

MAIN SHAREHOLDERS PER 31.12:	A-SHARES	B-SHARES	OWNERSHIP SHARE
Norvestor V LP	7 174 193	72 466	51,85 %
ST Innovation AS	529 041	132 260	4,73 %
Garneng Kapital AS	386 209	106 819	3,53 %
John Nygård	260 802	65 201	2,33 %
Dag Ydstebø	260 802	65 201	2,33 %
Sveiung Rage	260 802	65 201	2,33 %
Pagoda AS	229 134	62 371	2,09 %
Fivel Holding AS	224 771	61 639	2,05 %
Paleonor AS	193 677	56 419	1,79 %
Reservoir Dimensions ApS	173 812	42 778	1,55 %
Total	9 693 243	730 354	74,8 %
Other	2 697 190	856 663	25,2 %
Total number of shares	12 390 433	1 587 017	100,00 %

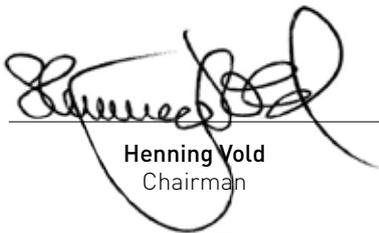
A-shares and B-shares have equal voting.

CEGAL GROUP AS
 Amounts in NOK

NOTE 10 OTHER FINANCIAL INSTRUMENTS

Cegal Group AS has an interest swap agreement from floating interest to fixed interest for an amount of NOK 21 000 per 31.12.15. The fixed interest is 3,12 % and the interest swap has a market value of NOK 313 per 31.12.15 that is not booked in the balance sheet.

Stavanger, 21st April 2016



Henning Vold
 Chairman



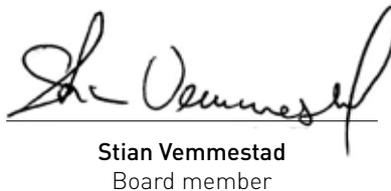
Arne Kristoffer Norborg
 Board member



Per-Ola Baalerud
 Board member



Frank Garneng
 Board member



Stian Vemmestad
 Board member



Rodney Leon Hall
 Board member



Arve Osmundsen
 Board member

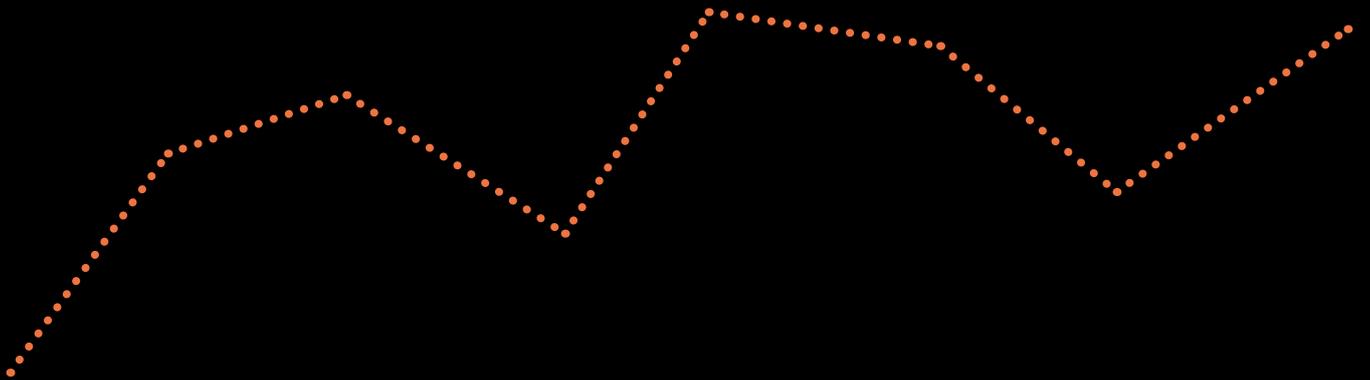


Olivier Peyret
 Board member



Svein Torgersen
 CEO

AUDITOR'S REPORT





Statsautoriserte revisorer
Ernst & Young AS

Vassbotnen 11a Forus, NO-4313 Sandnes
Postboks 8015, NO-4068 Stavanger

Foretaksregisteret: NO 976 389 387 MVA
Tlf: + 47 51 70 66 00
Fax: + 47 51 70 66 01
www.ey.no
Medlemmer av den norske revisorforening

To the Annual Shareholders' Meeting of
Cegal Group AS

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of Cegal Group AS, comprising the financial statements for the Parent Company and the Group. The financial statements for the Parent Company and the Group comprise the balance sheet as at 31 December 2015, the statements of income and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

The Board of Directors' and Managing Director's responsibility for the financial statements

The Board of Directors and Managing Director are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as the Board of Directors and Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements for the Parent Company and the Group.



Opinion

In our opinion, the financial statements of Cegal Group AS have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Parent Company and the Group as at 31 December 2015 and their financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report concerning the financial statements, the going concern assumption and the proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the Board of Directors and Managing Director have fulfilled their duty to ensure that the Company's accounting information is properly recorded and documented as required by law and generally accepted bookkeeping practice in Norway.

Stavanger, 21 April 2016

ERNST & YOUNG AS



Jan Kvalvik
State Authorised Public Accountant (Norway)

CEGAL

www.cegal.com

T: +47 52 04 00 00

