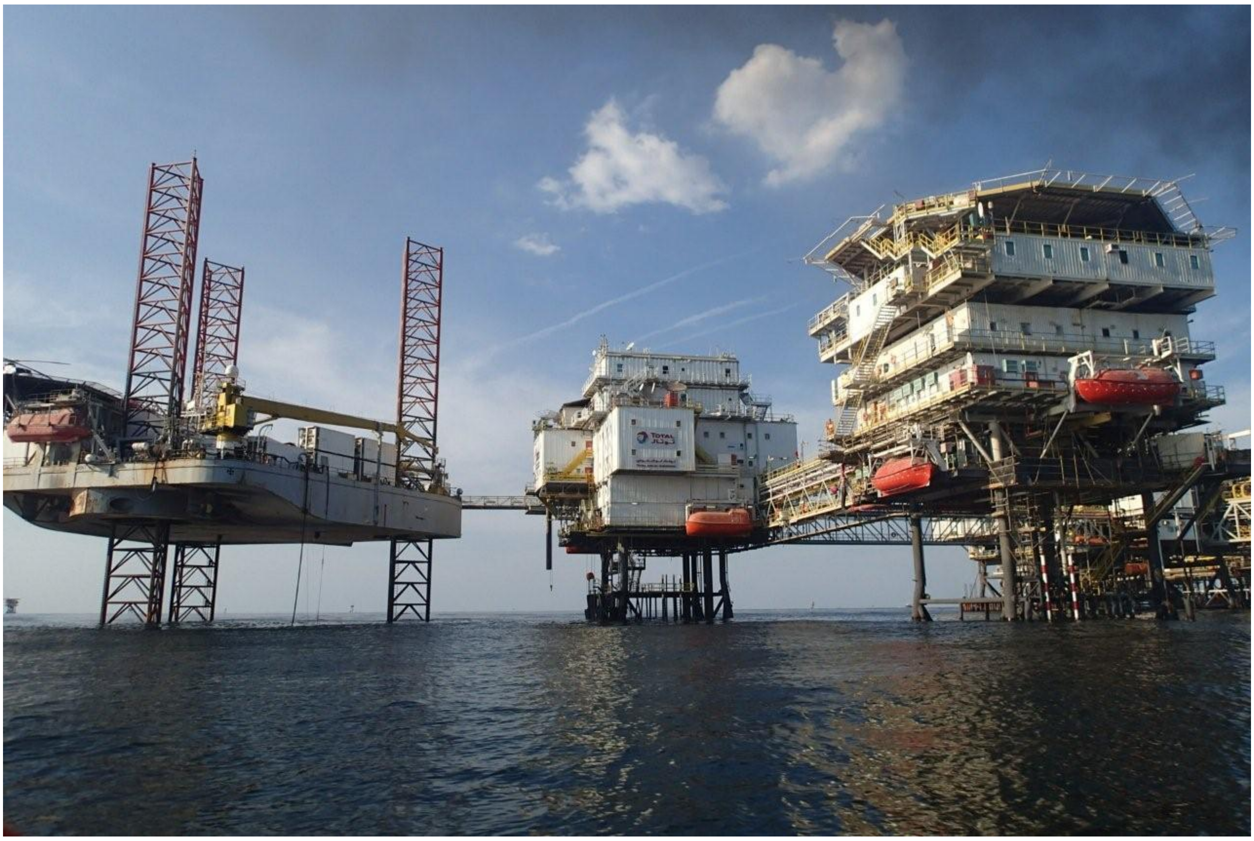

Interim report Q2 2015

AQUALIS

SECOND QUARTER 2015 FINANCIAL REPORT

Highlights Q2 2015

- Total revenues of USD 11.4m in the second quarter of 2015 (USD 6.9m Q2 2014). Revenue growth in reported USD significantly influenced by strengthening USD v.s. most “oil related” local currencies.
- EBIT of USD 0.0m in Q2 2015 (USD 0.3m Q2 2014)
- Profit after tax of negative USD 0.4m (USD 0.2m Q2 2014). Profit after tax includes unrealized foreign exchange loss of USD 0.4m
- Order back-log of USD 15.1m as of end June 2015 (USD 21.0 as end of June 2014)
- Cash and cash equivalents of USD 20.4m at end of second quarter; no interest-bearing debt
- The Company had 230 employees* as of end June 2015, compared to 222* as end of March 2015
- Continued high investment in growth and regional expansion with two new offices opening in Q2 and 3 more in to be incorporated and opened Q3 2015. Most of the cost associated with new offices and growth of workforce are expensed and not capitalized
- Multiple contract awards during the quarter across business lines
- Aqualis see good activity/growth for operation in the O&G industry (mainly rig-moving and marine / DP). A more challenging market for new investments in O&G. Aqualis will therefore focus on operations and niche engineering including upgrades, modification and conversion of existing assets
- The offshore wind market continues to be growth market for the Company
- Brazil a very challenging market as the asset market is dominated by Petrobras. International oil companies expected to gain market share longer term and this would reduce dependence on Petrobras
- Aqualis is evaluating several acquisitions/M&A targets that both could complement the geographical network and expand the service the company is offering to its clients

** Includes contractors on 100% utilization equivalent basis*

Key figures

(USD '000)	**2015 Q2**	2014 Q2	2015 H1	2014 H1	2014 FY*
Total revenues and other income	**11,4**	6,9	22,7	11,5	33,3
Operating profit (EBIT)	**0,0**	0,3	0,5	-0,1	-1,9
Operating profit (EBIT) adjusted**	**0,0**	0,3	0,5	-0,1	-0,7
Profit after taxes	**-0,4**	0,2	1,0	0,0	-0,3
Profit after taxes adjusted**	**-0,4**	0,2	1,0	0,0	1,1
Cash & cash equivalents	**20,4**	3,4	20,4	3,4	21,8
Number of outstanding shares (thousands)	**43 191**	n/a	43 191	n/a	43 191

** due to change in accounting principles, travel costs are included both in revenues and other operating cost. There is no change in EBIT compared to actual reported in 2014.*

*** adjusted by one-off costs in Aqualis ASA of 1.4m in third quarter 2014, relating to corporate restructuring and listing*

OPERATIONAL UPDATE FOR THE SECOND QUARTER 2015

About Aqualis ASA

Aqualis ASA is a public company that, through its subsidiaries, offers marine and engineering consultancy services to the offshore oil, gas and renewable sectors globally.

Aqualis ASA continues to operate under two different brands: Aqualis Offshore and Offshore Wind Consultants. Aqualis Offshore is a specialized offshore marine and engineering consultancy firm, focusing on the shallow and deep-water offshore segments of the oil and gas industry. Offshore Wind Consultants is a globally focused consultancy providing independent consultancy services to the offshore renewables industry.

Operations

During Q2 2015 we have again aggressively expanded our footprint and opened 2 new offices in Scotland (Aberdeen) and Qatar (Doha). Aqualis will open 3 new offices in 3q in South Korea (Busan), Malaysia (Kuala Lumpur) and Germany (Hamburg). In each case these offices have been opened as a direct result of new opportunities being identified. We therefore end the quarter with 16 offices in 11 countries (with an additional three formally opening in Q3).

Q2 2015 strategy has been aimed at continuing to gradually change focus onto supporting Clients day to day offshore operations as new investment related opportunities weaken.

The recent fall in the price of oil to recent lows has increasingly introduced a negative sentiment into the O&G market. Most pronounced being within new areas of asset investment which has resulted in numerous projects being cancelled or delayed. However in spite of this the Aqualis Group has continued to be well supported by existing and new Clients in Q2 2015 as we gradually gain more market share from our competitors and continue to seek out new opportunities.

The renewables sector remains strong for us and OWC, our renewables arm, has maintained strong work utilisations, revenues and bottom line growth. The drive to opening of our new Hamburg office is mainly driven by opportunities in the German renewables market.

At the end of June 2015 the Company had 230 employees (full time equivalents) up from 222 at the end of the previous quarter. Expansion of our work force remains selective. In Q2 there has again been a noticeable increase in good quality staff available on the market. We have continued to recruit those in whom we see potential for specific and opportunistic business line enhancement with the ultimate aim of enhancing shareholder value when the market turns.

Strategy remains to become a major provider of specialized offshore marine and engineering consultancy services to the offshore oil & gas and renewables industries world-wide.

Going forward we expect to consolidate our recent fast footprint growth and develop opportunities within those countries.

In Q2 2015 we have maintained our excellent personnel safety record with no lost time incidents (LTI's) during the quarter.

Oil and Gas

During the quarter the Company entered into a number of new O&G contracts globally including:

- Undertaking pre-engineering work for a European customer associated with a floatover project in Europe
- Project management services to an Indonesian mining company for an up and coming second phase of pipetrailing and replacement
- Large FMEA audits on 3 accommodation units in a Chinese shipyard
- Re-award of annual DP trials of 4 shuttle tankers in South America
- A call-out contract from another major global rig owner for site specific location approvals for a fleet of semi-submersible and jack up drilling units
- MWS services to a major jack up rig owning company for the dry transportation of several units
- MWS services to a logistics operator for the dry transportation of oil barges from China to Nigeria
- Supervision of a floatover installation offshore Malaysia for a major EPIC contractor
- Attendance for offload of a jack up drilling rig in Vietnam on behalf of the transportation contractor

Construction monitoring projects in Asia Pacific continue to perform strongly and we are expectant of extending this service to new opportunities in Q3 2015.

Jack up rig moving operations continued to be very strong particularly in Middle East and India. The company won a new rig moving call out contract with a major US based jack up owner for operations in ME and India. Elsewhere rig moving operations have been maintained in Asia Pacific, North Sea, West Africa and Mexico. In spite of negativity in this market over future charter rates and utilisations, the Company’s immediate outlook still appears healthy in this business line and is well supported by our geotechnical and structural engineering departments in London. Our DP business line remains strong in Middle East and Asia Pacific regions. In Houston we have set up a new DP capability and expect to expand that business line within the Americas region.

Engineering performance remains weak due to lack of larger projects. Aqualis is therefore focusing more on conversion and upgrades of existing assets and smaller engineering assignments.

Our Transportation and Installation (T&I) teams have undertaken or are undertaking various feasibility studies. Good opportunities have been identified which we are actively marketing and we recently won offshore marine supervisory work in Malaysia for one Project.

Market sentiment in Brazil remains very weak. Following the Petrobras scandals, and is of concern for the rest of 2015. As yet there are few indications of market stabilisation being noted whilst the market restructure is underway.

Renewables

Offshore Wind Consultants, our specialist provider of consultancy services to the offshore renewables industry, has continued to perform solidly throughout Q2 2015.

OWC entered into a number of new offshore renewable contracts and have expanded scopes of work in some existing offshore projects including:

- Provision of offshore marine representation to a major European power utility company for the 2nd phase of their offshore project
- Further additional consultancy support to both a significant German power utility company and also a UK based utility

The new Hamburg office, which will formally open in August 2015, has primarily been opened to service the needs of our German renewables customers with their ongoing projects. We will use this location as the focal point from which to market new business.

Outlook

At the end of the second quarter Group backlog from fixed contracts stood at approx. USD 15.1m representing a 12% reduction on end of Q1 2015. Increasingly, following a reduction in new O&G investments, revenues are being derived from operational call out contracts such as marine operations, DP and MWS which per definition do not get included in our backlog figures. The pipeline of work expected from call out contracts continues to look solid.

On the positive side Mexico offers good potential and is starting to be realised. The Middle Eastern markets remain buoyant, especially marine related, and we are expecting upside in KSA and Qatar. Asian Pacific opportunities remain and prospects for our Shanghai office look solid. The new office in South Korea will be mainly focused on servicing DP operations at the various shipyards and has already started to attract new work.

Outlook for the Americas remains soft, excluding Mexico, with Brazil likely to remain weak for the remainder of 2015 following the fall-out from the Petrobras corruption scandals. We continue to expect this market to be challenging for the foreseeable future.

For guidance revenues expected in Q3 2015 will be down slightly as a result of the effects of the seasonal conditions associated with the SW monsoon offshore India which precludes any rig moving operations. Rig moving still remains one of the largest business line revenue earners in the company.

In summary we are pleased with our recent network expansion which should offer us additional opportunities going forward and we also continue to focus on winning market share from our competitors. We will continue to recruit experienced staff to further enhance the reputation of our company as we aim to continue our organic growth path.

In addition to continued organic growth we will continue to monitor structural / add-on opportunities if we believe they will add shareholder value.

FINANCIAL REVIEW FOR THE SECOND QUARTER AND 1H 2015

Revenues

Aqualis recorded total revenues of USD 11.4 million in the second quarter 2015. The revenue was USD 6.9 million the second quarter last year.

The total revenues H1 2015 were USD 22.7 million compared to USD 11.5 million H1 last year.

Operating expenses

Total operating expenses were USD 11.4 million in the second quarter, compared to USD 6.6 million in the second quarter last year.

Total operating expenses were USD 22.2 million in H1 2015, compared to USD 11.6 million in H1 last year.

Net financials

Net financial loss in second quarter was approx. USD 0.4 million of which mainly consisted of unrealized foreign exchange loss related to USD bank account in Aqualis ASA. In second quarter last year, the net finance was USD 0.0 million.

Net financial gain in H1 2015 was approx. USD 0.7 million of which mainly consisted of unrealized foreign exchange gain related to USD bank account in Aqualis ASA. In H1 last year, the net finance was USD 0.2 million.

Profit / loss

Aqualis incurred a net profit of negative USD 0.4 million for the second quarter 2015. Net profit includes loss from unrealized foreign exchange movements of approx. USD 0.4 million. The net profit of the second quarter last year was USD 0.2 million.

The net profit was approx. USD 1 million for the H1 2015. Net profit includes gain from unrealized foreign exchange movements of approx. USD 0.6 million. The net profit of the H1 last year was USD 0.0 million.

Cash flow

Aqualis had a negative net cash flow of USD 0.3 million for the second quarter 2015. In second quarter 2014 net cash flow was USD 3.7 million. The positive cash flow in Q2 2014 was due to acquisitions of subsidiaries.

Aqualis had a negative net cash flow of USD 1.3 million for the H1 2015. In H1 2014 net cash flow was USD 2.6 million. The positive cash flow in H1 2014 was due to acquisitions in Q2 2014.

Financial position

Aqualis had total assets of USD 51.7 million as of 30 June 2015, and USD 51.3 million at year end 2014.

Cash and cash equivalents amounted to USD 20.4 million as of 30 June 2015. Cash and cash equivalents amounted to USD 3.4 million at second quarter 2014.

The Group had no interest bearing debt at 30 June 2015.

Oslo, 26 August 2015

The Board of Directors of
Aqualis ASA

Condensed interim Financial Statements
SECOND QUARTER 2015

Statement of Comprehensive Income

(USD '000)	Note	2015 Q2	2014 Q2	2015 H1	2014 H1	2014* FY
Operating revenues	7	**11 373**	6 804	22 732	11 438	33 303
Other income		**-**	50	-	50	-
Total revenues and other income		**11 373**	6 854	22 732	11 488	33 303
Payroll and payroll related costs	6	**5 840**	3 872	11 801	6 920	18 563
Depreciation, amortisation and impairment		**150**	209	397	409	900
Other operating costs		**5 404**	2 479	10 031	4 247	15 788
Total operating expenses	7	**11 394**	6 560	22 229	11 576	35 251
Operating profit (EBIT)		**-21**	294	503	-88	-1 948
Finance income		**27**	-	38	81	120
Finance costs		**8**	-	10	-	205
Net unrealized foreign exchange effect	4	**-390**	-27	640	116	1 994
Profit before taxes		-392	321	1 171	109	-39
Taxes		**38**	112	178	143	211
Profit after taxes		**-430**	**209**	993	-34	-250
Other comprehensive income						
Other comprehensive income to be reclassified to profit or loss in subsequent periods						
Currency translation differences		**1 182**	-717	-3 015	-227	-8 834
Income tax effect		**-**	-	-	-	-
Total comprehensive income for the period		**752**	-508	-2 022	-261	-9 084
Total comprehensive income for the year, net of tax attributable to:						
Equity holders of the parent company		**752**	-508	-2 022	-493	-9 084
Non-controlling interests		**-**	-	-	-	-
Total		**752**	-508	-2 022	-493	-9 084
Earnings per share (USD): basic and diluted		**-0,01**	**n/a**	**0,02**	**n/a**	-0,01

** due to change in accounting principles, travel costs are included both in revenues and other operating cost. There is no change in EBIT compared to actual reported in 2014.*

Condensed interim Financial Statements
SECOND QUARTER 2015

Statement of Financial Position

(USD '000)	Note	31.06.2015	31.12.2014
ASSETS			
Non-current assets			
Equipment		**474**	629
Intangible assets	13	**19 554**	20 710
Total non-current assets		**20 028**	21 339
Current assets			
Trade receivables		**7 888**	5 229
Other receivables		**3 357**	2 990
Cash & cash equivalents	4	**20 397**	21 790
Total current assets		**31 642**	30 009
Total assets		**51 670**	51 348
EQUITY AND LIABILITIES			
Equity			
Share capital	5	**702**	702
Share premium		**47 058**	47 058
Other paid in capital		**257**	178
Retained earnings		**-4 107**	-3 491
Total equity		**43 911**	44 447
Non-current liabilities			
Other long-term liabilities		**-**	-
Total non-current liabilities		**-**	-
Current liabilities			
Trade payables		**1 320**	1 227
Other current liabilities		**6 439**	5 674
Total current liabilities		**7 759**	
Total liabilities		**7 759**	6 901
Total equity and liabilities		**51 670**	51 348

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Condensed interim Financial Statements
SECOND QUARTER 2015

Cash Flow Statement

(USD '000)	Note	**2015 Q2**	2014 Q2	2015 H1	2014 H1	2014 FY
Cash flow from operating activities						
Profit before taxes		**-392**	321	1 171	109	-39
Non-cash adjustment to reconcile profit before taxes to cash flow:			-			
Estimated value of employee share options		**119**	-	175	-	178
Depreciation, amortisation and impairment		**150**	209	397	409	900
Changes in working capital:			-			
Changes in trade receivables and trade creditors		**147**	-2 622	-2 566	-3 260	-2 497
Changes in deferred income			-			
Changes in other accruals		**-658**	1 448	398	1 448	1 570
Effects related to aqcquisition of subsidiaries		**-**	2 166	-	2 147	2 147
Effects related to currency unrealized		**390**	112	-640	-120	-2 050
Net cash flow from operating activities		**-244**	1 634	-1 065	733	208
Cash flow from investing activities						
Purchase of equipment	**7**	**-70**	-138	-201	-301	-691
Acquisition of subsidiaries, net of cash	**12**	**-**	1 997	-	1 997	1 997
Net cash flow from investing activities		**-70**	1 859	-201	1 696	1 306
Cash flow from financing activities						
Proceeds from share issue		**-**	167	-	167	10 642
Proceed from contribution in kind		**-**	-	-	-	8 857
Net cash flow from financing activities		**-**	167	-	167	19 499
Net change in cash and cash equivalents		**-314**	3 660	-1 266	2 596	21 014
Cash and cash equivalents beginning period		**20 534**	-213	21 790	838	838
Net foreign exhange difference		**177**	-44	-126	-31	-62
Cash and cash equivalents end period		20 397	3 403	20 397	3 403	21 790

Condensed interim Financial Statements
SECOND QUARTER 2015

Statement of Changes in Equity

		Attributable to equity holders of the parent				
(USD '000)	Note	Share capital	Share premium	Other paid in capital	Retained earnings	Total equity
Equity as at 01.01.2015	5	**702**	**47 058**	**178**	**-3 491**	**44 447**
Currency trancalation difference		-	-	-	1 311	1 311
Foreign currency translatioin reserve		-	-	-	-3 015	-3 015
Profit after taxes		-	-	-	993	993
Share-based payment	6	-	-	175	-	175
Equity as at 30.06.2015		**702**	**47 058**	**353**	**-4 202**	**43 911**

Notes to the interim Financial Statements

Note 1: Basis of presentation

The financial information is prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”), and according to the group accounting principles as described in this report.

Group continuity

The Aqualis ASA Group was established when the owners of Weifa ASA established Aqualis ASA as a fully owned subsidiary and transferred the offshore business from Weifa ASA to this new company. The transfer of business within the group did not result in any change of economic substance and is therefore not considered a business combination. Accordingly, the consolidated interim financial statements of Aqualis ASA are a continuation of the group values transferred from Weifa ASA in the spin-off of the marine and offshore business.

Weifa ASA transferred 100 percent of the shares in the subsidiaries Aqualis Offshore Ltd, Tristein AS and Offshore Wind Consultants Ltd to Aqualis ASA on 24 July 2014. The ownership of the subsidiaries and the related excess values from the acquisitions of the subsidiaries are consequently continued in the group interim financial statement of Aqualis ASA.

Aqualis ASA was subsequently listed on OSE under ticker AQUA.

Note 2: Summary of significant accounting policies

2.1 Consolidation principles

The financial statements comprise Aqualis ASA and companies in which Aqualis ASA has a controlling interest. An investor controls an investee when the investor have the power over the investee, has exposure or rights to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect the amount of the investor’s returns. Non-controlling interest are included in the company’s equity.

The purchase method is applied when accounting for business combinations. Companies which have been bought or sold during the year are included in the consolidated financial statements from the date when control is achieved and until the date when control ceases.

Inter-company transactions and inter-company balances, including internal profits and unrealised gains and losses, are eliminated in full on consolidation.

2.2 Segment reporting

The company has organised its activities into one operating segment which is Marine and Offshore, and the internal reporting provided to the Board of Directors of Aqualis ASA, which is the company’s chief decision maker, is in accordance with this structure.

2.3 Foreign currency translation

The statement of financial position of subsidiaries, with a different functional currency than the group's reporting currency USD, are translated at the exchange rate prevailing at the end of the reporting period, while the statements of comprehensive income are translated at the transaction exchange rate. The monthly average exchange rates are used as an approximation of the transaction exchange rate. Exchange differences are recognised in other comprehensive income ("OCI"). When investments in foreign subsidiaries are sold, the accumulated translation differences relating to the subsidiary attributable to the equity holders of the parent are recognised in the consolidated statement of profit and loss.

Transactions and balances

Foreign currency transactions are translated into the functional currency of the group's entities using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the consolidated statement of profit and loss. Monetary assets and liabilities are translated at the closing rate at the reporting date.

Any goodwill arising on the acquisition of a foreign entity, and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition, are treated as assets and liabilities of the foreign operation and translated at the closing rate at the reporting date.

2.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

In first quarter 2015 Aqualis Group changed the treatment of traveling costs. The travel costs are now included in revenues and operating costs, in order to match the total revenues paid by customers. Previously only the net travel costs were included in the revenues.

Rendering of services

The operations mainly consist of engineering and marine consultancy work. Consequently, revenue recognition is based on hourly/daily rates and actual registered hours when the service is delivered. Revenue is recognised when it is probable that transactions will generate future economic benefits that will flow to the company and revenue can be reliably estimated. Services rendered on fixed price contracts are recognised by reference to the stage of completion. Stage of completion is measured by reference to labour hours incurred to date as a percentage of the total estimated labour hours for each contract. For projects expected to generate a loss, the full estimated loss is recorded as cost immediately. When contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered. When services are performed by an indeterminate number of acts over a specified period of time, revenue is recognised on a straight-line basis over the specified period.

2.5 Income tax

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and taxation authority.

2.6 Balance sheet classification

Assets and liabilities are presented in statement of financial position on current/non-current classification. An asset is current when it is expected to be realised or intended to sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current. A liability is current when it is expected to settle in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

2.7 Equipment

Equipment is mainly made up of equipment acquired to render services, and consists of office related equipment as software, computer hardware, furniture and other.

Equipment are stated at cost, net of accumulated-depreciation and/or accumulated impairment losses, if any. Such cost includes expenditures that are directly attributable to the acquisition of the items. Costs accrued for major replacements and upgrades to equipment are added to cost if it is probable that the costs will generate future economic benefits and if the costs can be reliably measured. All other repairs and maintenance are charged to the income statement when incurred. Depreciation is calculated on a straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

Equipment: 2-5 years

The residual values, useful lives and methods of depreciation of production and lab equipment and other equipment are reviewed at each financial year end and adjusted, if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of an asset's net sales value and its value in use.

An item of equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

2.8 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line-basis over the period of the lease.

2.9 Intangible assets

Intangible assets with a finite useful life will be amortised on a straight-line basis over the estimated useful life of the asset. The fair value of the intangible assets will be estimated when there is an indication that the net book value of the intangible asset is higher than the fair value or when the need for impairment losses in previous periods no longer exists.

Intangible assets with an indefinite useful life will not be subject to amortisation and will be tested annually for impairment.

Goodwill

Goodwill represents the excess of cost of an acquisition over the fair value of the company's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on the acquisition of subsidiaries is included within intangible assets.

Goodwill that arises on the acquisition of subsidiaries is allocated to cash generating units (CGUs).

Goodwill is measured at cost (residual) less accumulated impairment losses. Goodwill is tested for impairment at least annually, or when there are indications of impairment. Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

When an operation within a CGU or company of CGUs is disposed of, to which goodwill has been allocated, a portion of the goodwill is included in the carrying amount of the operation disposed of when determining the gain of loss on disposal. The portion of the goodwill allocated is measured based on the relative values of the operation disposed of and the portion of the

CGU retained at the date of the partial disposal, unless it can be demonstrated that another method better reflects the goodwill associated with the operation disposed of. The same principle is used for allocation of goodwill when the company reorganises its businesses.

2.10 Employee benefits

a) Pension

The company currently has defined contribution plans only. For defined contribution plans, contributions are paid to pension insurance plans and charged to profit and loss in the period to which the contributions relate. Once the contributions have been paid, there are no further payment obligations.

b) Share-based compensation

Shared based compensation for key personnel is measured at fair value at the date of the grant. The share-based compensation is settled in stocks. The fair value of the issued options is expensed over the vesting period which in this case is over the agreed-upon future service time. The cost of the employee share-based transaction is expensed over the average vesting period. The value of the issued options of the transactions that are settled with equity instruments (settled with the company’s own shares) is recognised as salary and personnel cost in profit and loss and in other paid-in capital. Social security tax on options is recorded as a liability and is recognised over the estimated vesting period.

2.11 Provisions and contingent liabilities

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, and it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of the money and the risks specific to the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.12 Events after the balance sheet date

New information on the company's positions at the balance sheet date is taken into account in the annual financial statements. Events after the balance sheet date that do not affect the company's position at the balance sheet date, but which will affect the company's position in the future, are stated if significant.

Note 3: Critical accounting estimates and judgements in terms of accounting policies

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

3.1 Critical accounting estimates and assumptions

Assumptions and estimates are based on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the entity. Such changes are reflected in the assumptions when they occur. The items affected by estimates in Aqualis ASA Group accounts includes valuation of goodwill, purchase price allocations related to acquisitions and assessment of value of trade receivables.

Note 4: Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents are comprised of the following:

(USD 000's)	**30.06.2015**	**30.06.2014**
Cash at banks	**20 397**	3 403
Total	**20 397**	3 403

Distributed in following currency:	**Local Currency**	**USD**
NOK	49 987	6 350
USD	12 546	12 546
EUR	75	84
BRL	890	285
AED	207	56
GBP	232	365
SGD	631	469
BHD	1	3
MXN	2 154	137
QR	201	55
CNY	294	47
Total USD		**20 397**

There is an unrealized currency effect relatetd to the USD account in Norway and in Singapore of USD -0.4m in the second quarter of 2015.

Note 5: Share capital

	Number of shares (thousands)	Share capital (USD 000's)
At 1 January 2015	**43 191**	**702**
At 30 June 2015	**43 191**	**702**

Each share has a par value of NOK 0.10 per share.

Note 6: Share options

	01.01-30.06.15			
	Number of options	**WAEP (NOK)**	**Number of options**	**WAEP (NOK)**
Outstanding at the beginning of the year	-	-	-	-
Granted	750 000	8,91	-	-
Exercised [1]	-		-	-
Forfeited	-	-	-	-
Expired	-	-	-	-
Outstanding at the end of period	**750 000**	**8,91**	**-**	**-**
Exercisable at the end of period	**-**	**-**	**-**	**-**

Share options issued to key personnel in Tristein AS and Offshore Wind Consultants Ltd at Weifa ASAs (former Aqualis ASA) acquisition of Tristein AS and Offshore Wind Consultants Ltd have been transferred to Aqualis ASA. The exercise prices are adjusted according to the option agreements (from NOK 3.00 to NOK 8.91), in line with OSE derivatives regulations, in order to reflect the restructuring that has taken place.

The fair value of the issued options is calculated using the Black & Scholes option pricing model using an annualised volatility (0.51) in the underlying share, duration of the option (2 and 3 years), risk free rate (0,77 and 1.52), price of the share at grant date and strike price of the options (3.00). In addition there has been an extension to the lifetime of the Share options issued to Offshore Wind Consultants Ltd. This has been incorporated to the expenses as an incremental value calculated at modification date.

Employee options are expensed with USD 0.1m in the second quarter 2015.

Note 7: Segment information

Aqualis Offshore has one operating segment, which are services to the marine and offshore sector. This is the only business segment used for internal reporting. The table below shows revenues and profits in different geographical areas.

(USD '000)	Q2 2015		Q2 2014*		2015 H1		2014 H1		2014 FY*	
	Marine & Offshore	Total	Marine & Offshore	Total	Marine & Offshore	Total	Marine & Offshore	Total	Marine & Offshore	Total
Revenues										
Norway	2 184	2 184	1 518	1 518	4 793	4 793	2 204	2 204	6 836	6 836
Singapore	3 404	3 404	3 036	3 036	6 893	6 893	4 666	4 666	11 309	11 309
UAE	3 631	3 631	1 632	1 632	7 337	7 337	3 220	3 220	8 322	8 322
USA	1 121	1 121	679	679	2 097	2 097	1 126	1 126	3 746	3 746
Brazil	503	503	618	618	942	942	1 401	1 401	2 796	2 796
UK	985	985	26	26	2 364	2 364	28	28	2 015	2 015
China	150	150	-	-	211	211	-	-	51	51
Mexico	687	687	-	-	853	853	-	-	32	32
Qatar	0	-	-	-	-	-	-	-	-	-
Elimination	-1 292	-1 292	-705	-705	-2 758	-2 758	-1 207	-1 207	-1 803	-1 803
Total revenue	**11 373**	**11 373**	**6 804**	**6 804**	**22 732**	**22 732**	**11 438**	**11 438**	**33 303**	**33 303**
Operating profit (EBIT)										
Norway	218	218	333	333	1 078	1 078	142	142	164	164
Singapore	682	682	760	760	1 422	1 422	937	937	2 453	2 453
UAE	252	252	91	91	583	583	154	154	509	509
USA	-29	-29	83	83	54	54	52	52	547	547
Brazil	-50	-50	-175	-175	-221	-221	-19	-19	-86	-86
UK	-32	-32	-6	-6	99	99	-13	-13	129	129
China	-69	-69	-	-	-155	-155	-	-	-418	-418
Mexico	73	73	-	-	60	60	-	-	-84	-84
Qatar	-39	-39	-	-	-39	-39	-	-	-	-
Central cost	-907	-907	-696	-696	-1 682	-1 682	-1 248	-1 248	-4 535	-4 535
Elimination	-120	-120	-96	-96	-696	-696	-93	-93	-626	-626
Total operating profit (EBIT)	**-21**	**-21**	**294**	**294**	**503**	**503**	**-88**	**-88**	**-1 948**	**-1 948**
EBITDA	129	129	503	503	900	900	321	321	-1 048	-1 048
Depreciation and amortisation	-150	-150	-209	-209	-397	-397	-409	-409	-900	-900
Operating profit/loss (EBIT)	**-21**	**-21**	**294**	**294**	**503**	**503**	**-88**	**-88**	**-1 948**	**-1 948**
Capex	**70**	**70**	**138**	**138**	**201**	**201**	**301**	**301**	**691**	**691**

** due to change in accounting principles, travel costs are included both in revenues and other operating cost. There is no change in EBIT compared to actual reported in 2014.*

Note 8: Risk

The Group's principal financial liabilities comprise trade and other payables, and the Group has no borrowings at the end of first quarter 2015. The Group has trade and other receivables, and cash and cash equivalents. The main risks arising from the Group's financial instruments are interest rate risk, credit risk, foreign currency risk and liquidity risk. The Group's senior management oversees the management of these risks, which is being reviewed by the Board of Directors.

Interest rate risk

The Group's exposure to the risk of changes to market interest rates relates primarily to the Group's cash deposits. For cash deposits interest rate changes will only have an immaterial impact on the Group's financial statements.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.

Customer credit risk is managed by each subsidiary in the Group, subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed on an individual basis, and outstanding customer receivables are regularly monitored. The requirement for an impairment is analysed at each reporting date on an individual basis for major customers.

Liquidity risk

Liquidity risk is the potential loss arising from the Group's inability to meet its contractual obligations when due. The Group monitors its risk to a shortage of funds using cash flow forecasts. The Group is in a build-up phase and currently the strategy is to fund the growth of the business through existing cash reserves and if needed, by raising additional equity capital. Based on the current cash position, the Group assesses the liquidity risk to be low.

Note 9: Significant events and transactions after balance sheet date

There have been no significant events or transactions after balance sheet date.

Note 10: Impairment

There have been no indications of new instances of value impairment the second quarter of 2015. In line with adopted principles, the Group carries out impairment tests for all goodwill in the fourth quarter, but any indications of a fall in the value of assets outside this period will be followed up immediately.

Note 11: Related parties

Related party relationships are those involving control, joint control or significant influence. Related parties are in a position to enter into transactions with the company that would not be undertaken between unrelated parties. All transactions within the group have been based on arm's length principle.

The balance sheet includes no receivables and payables resulting from transactions with parties of significant influence.

There were no significant transactions with related parties in second quarter of 2015.

Note 12: List of subsidiaries

The following subsidiaries are included in the consolidated financial statements:

Company	Country of incorporation	Main operations	Ownership interest 2015	Voting power 2015
Aqualis Offshore Ltd.	UK	Marine & Offshore	100 %	100 %
Aqualis Offshore UK Ltd.	UK	Marine & Offshore	100 %	100 %
Aqualis Offshore Pte. Ltd	Singapore	Marine & Offshore	100 %	100 %
Aqualis Offshore Marine Services LLC	UAE	Marine & Offshore	49 %	100 %
Aqualis Offshore, Inc.	US	Marine & Offshore	100 %	100 %
Aqualis Offshore Servicos Ltda	Brazil	Marine & Offshore	100 %	100 %
Aqualis Offshore AS	Norway	Marine & Offshore	100 %	100 %
Aqualis Offshore S. de R.L. de C.V.	Mexico	Marine & Offshore	100 %	100 %
Aqualis Offshore Marine Consulting (Shanghai) Co.,Ltd.	China	Marine & Offshore	100 %	100 %
Offshore Wind Consultants Ltd.	UK	Marine & Offshore	100 %	100 %
Aqualis Offshore LLC*	Qatar	Marine & Offshore	49 %	100 %

*New subsidiary established in Q2 2015

Note 13: Intangible assets

Intangible assets	AO Ltd	Tristein AS	OWC Ltd	Total
Aqualis Offshore	15 198			15 198
Tristein AS		5 879		5 879
Offshore Wind Consultants Ltd			1 653	1 653
Termination on customer contract		-520		-520
Translation adjustments				-2 656
Intangible assets 30.06.2015	15 198	5 359	1 653	19 554

Aqualis ASA purchased Tristein AS in 2014, and related to the purchase there was an added value to a customer contract.
This customer contract was terminated and the cash compensation was received in January 2015.
This payment will not be recognized in the profit and loss, since the added value of the contract was taken into account at the time of the aqusiation.

RESPONSIBILITY STATEMENT

Related We confirm that, to the best of our knowledge, the condensed set of financial statements for the first half year of 2015, which has been prepared in accordance with IAS 34 Interim Financial Statement, gives a true and fair view of the Company's assets, liabilities, financial position and results of operations, and that the interim management report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

Oslo, 26 August 2015

Glen Ole Rødland Chairman of the Board	Reuben Segal Board member	Yvonne L. Sandvold Board member
Martin Nes Board member	Synne Syrrist Board member	Davis Wells CEO

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