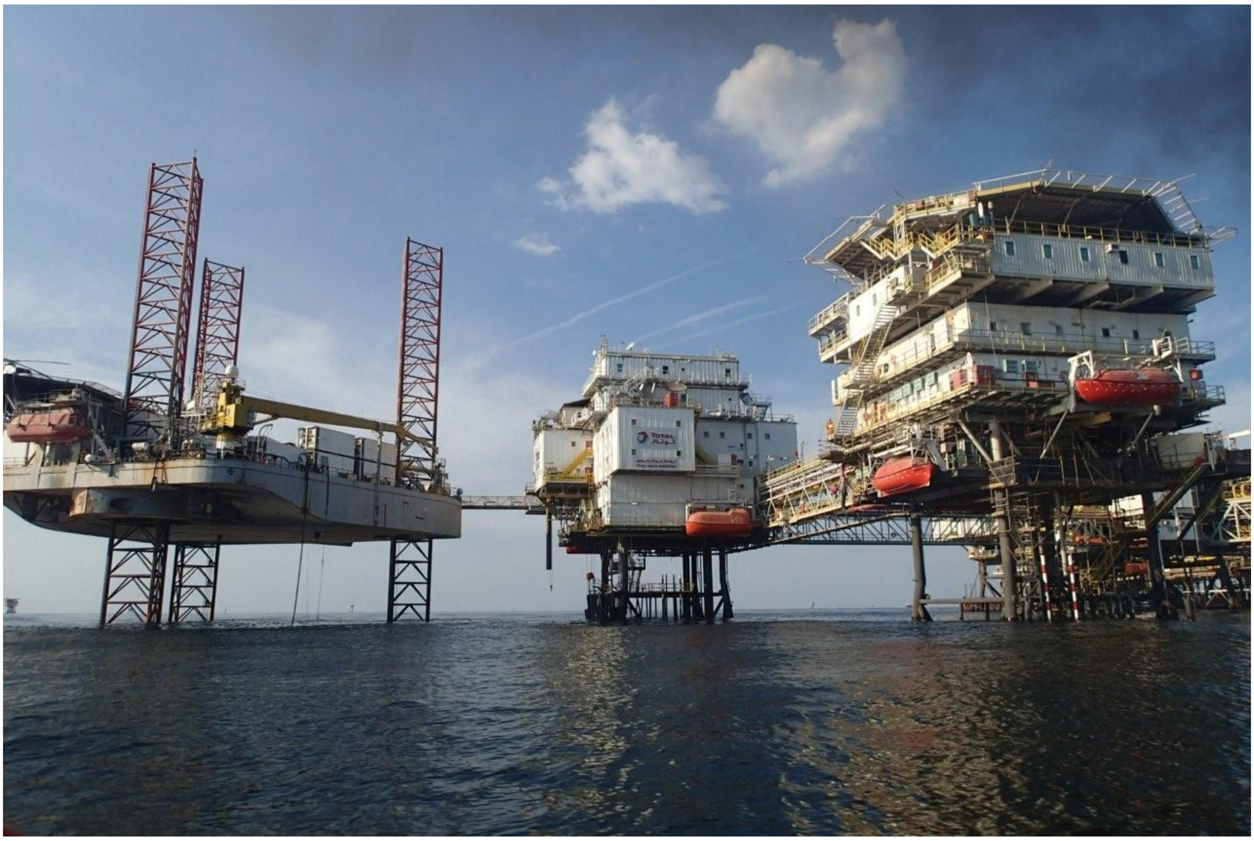

Interim report Q3 2015

AQUALIS

THIRD QUARTER 2015 FINANCIAL REPORT

Highlights Q3 2015

- Total revenues of USD 9.5m in the third quarter of 2015 (USD 11.3m Q3 2014). Revenue trend in reported USD significantly influenced by strengthening USD vs most “oil related” local currencies
- EBIT of negative USD 1.4m in Q3 2015 (negative USD 1.0m Q3 2014)
- Profit after tax of negative USD 1.5m (negative USD 1.2m Q3 2014)
- Order back-log of USD 15.1m as of end Sept 2015 (USD 21.9 as end of Sept 2014). The backlog remains unchanged from end of Q2 2015
- Cash and cash equivalents of USD 18.6m at end of third quarter; no interest-bearing debt
- The Company had 236 employees* as of end September 2015, compared to 230* as end of June 2015
- Continued high investment in growth and regional expansion with three new offices opened in Q3. 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 but also an annual hiatus with respect to the Middle East marine operations during the adverse conditions associated with the SW Monsoon season
- Aqualis anticipates to gain continued activity/growth for operations in the O&G industry (mainly rig-moving and marine / DP). The market for new investments (which drives our engineering) in O&G is becoming increasingly challenging. Aqualis will therefore focus on operations and niche engineering including upgrades, modification and conversion of existing assets
- The offshore wind market continues to maintain positive movement for Aqualis
- Brazil, and increasingly the Americas as a whole, remains a challenging market
- Signed MoU to acquire 49.9 percent stake in Adler Solar
- Aqualis continues to evaluate 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 Q3**	2014 Q3	2015 YTD	2014 FY*
Total revenues and other income	**9,5**	11,3	32,2	33,3
Operating profit (EBIT)	**-1,4**	-1,0	-0,9	-1,9
Operating profit (EBIT) adjusted**	**-1,4**	-1,0	-0,9	-0,7
Profit after taxes	**-1,5**	-1,2	-0,5	-0,3
Profit after taxes adjusted**	**-1,5**	-1,2	-0,5	1,1
Cash & cash equivalents	**18,6**	21,4	18,6	21,8
Number of outstanding shares (thousands)	**43 506**	43 191	43 191	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 THIRD 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.

In September 2015 Aqualis ASA announced the intention to take a 49.9% stake in Adler Solar, a German company specialising in the provision of engineering consultancy and testing services for all lifecycle phases of PV plants and PV modules. Adler Solar is a leader in this field. Headquartered in Bremen with a portfolio of service centre offices throughout Germany and a branch office in Japan, the company is well positioned to expand globally. This deal is expected to be finalised in Q4 2015.

Through this acquisition Aqualis ASA will achieve its original strategy of becoming an “Energy Consultant” and will operate under three different brands: Aqualis Offshore, Offshore Wind Consultants and Adler Solar. 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. Adler Solar focusses on solar engineering consultancy within the German market.

Operations

During Q3 2015 the Company has completed its next phase of global expansion, opening offices in South Korea (Busan), Malaysia (Kuala Lumpur) and Germany (Hamburg). Aqualis ASA now trades through 19 offices in 14 countries (excluding Adler Solar).

The continued low price of oil has maintained an increasingly negative sentiment into the O&G market. Whilst day to day production continues, numerous offshore projects and asset investments have been put on hold or cancelled. New engineering opportunities relating to the latter are limited.

In Q3 2015 we have continued with our strategy to gradually shift focus onto supporting our Clients with their day to day offshore operations as new investment related opportunities weaken.

Aqualis Group has continued to be supported by existing and new Clients in Q3 2015 as we aim to gain market share from our competitors and continue to seek out new opportunities. The market for new large engineering opportunities remains weak and the Company is taking steps improve operating cost efficiencies.

Good opportunities remain within the wind sector for OWC, our offshore renewables arm, which has maintained strong work utilisations, revenues and bottom line performance in spite of the recent withdrawal of government subsidies and cancellation of projects in UK sector.

At the end of September 2015 the Company had 236 employees (full time equivalents) up from 230 at the end of the previous quarter. The slight increase is mainly related to an increase of staff in our Korean and China offices. Continued expansion of our work force will remain selective as we are now confident that any immediate staff requirements can quickly be realised given the apparent extensive availability of quality staff that has resulted from the current downturn. *Note - Adler Solar headcount figures have not been included within the above.*

During Q4 2015 we expect to consolidate our recent fast-paced footprint growth and focus on developing opportunities through already established offices. Emerging markets offer us the most likelihood of upside.

In Q3 2015 we have maintained our excellent personnel safety record with no lost time incidents (LTI's) during the quarter.

<u>Oil and Gas</u>

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

- Provision of marine representatives to attend on behalf of a major offshore contractor on their marine spreads offshore Saudi Arabia
- FMEA audits, on behalf of a major Korean shipyard, of some new build shuttle tankers
- MWS services to a major European jack up rig owning company for the dry transportation of a jack unit to China
- Detailed engineering design work for some new build landing craft on behalf of a ME shipyard
- A construction monitoring contract for a new build liftboat project in China
- Reactivation of two previous contracts that had previously been withdrawn providing engineering consultancy services associated with the construction of 3 FPSO units for deployment offshore Brazil on behalf of two Brazilian clients

Construction monitoring projects in Asia Pacific continue to perform strongly. The China office is currently manning up for the commencement of the new liftboat Project for Mekkers Offshore.

Jack up rig moving operations, which are still predominantly based in the Middle East, went into a slowdown phase, as expected, due to the adverse weather conditions associated with the SW monsoon in the Indian Ocean. Other rig moving operations continued in Asia Pacific, North Sea, and West Africa. In Mexico operations are taking a longer time to come to fruition than we had initially expected partially driven, we believe, by Pemex budgets. We are still bullish on our outlook in this business line, in spite of falling rig day rates and lower utilisations, and we believe we offer solid all round services through our local marine staff, and from our geotechnical and structural engineering departments in London. The latter have won a string of site specific engineering contracts from international O&G and offshore renewables clients. We continue to develop our DP business line across all regions.

Engineering performance remains weak due to lack of larger projects and a fundamental shift in market direction. Aqualis is therefore focusing on all opportunities including conversion and upgrades of existing assets and smaller engineering assignments.

Our Transportation and Installation (T&I) team continue to see good opportunities and recently attended offshore Malaysia, in a marine supervisory capacity, for one floatover Project.

Market sentiment in Brazil remains very weak. As yet there are few indications of market stabilisation being noted, whilst the market restructuring is underway, and we have thus taken measures to downsize our Rio office.

Renewables

Offshore Wind Consultants, our specialist provider of consultancy services to the offshore renewables industry, has continued to perform solidly throughout Q3 2015 even though some of the government subsidies have been withdrawn.

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

- Provision of geotechnical consultancy services to a major European utility company associated with investigation into cable burial
- Provision of geotechnical consultancy into the site investigation project for the Horns 3 windfarm

The new Hamburg office successfully opened in August 2015 to service the needs of our German renewables customers with their ongoing projects.

Outlook

At the end of the third quarter Group backlog from fixed contracts stood at approx. USD 15.1m unchanged on end Q2 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 the Middle Eastern markets are expected to remain buoyant, especially marine related, and we are gaining upside in KSA through the winning of new project support contracts. Qatar has made good progress and we remain confident of upside. Asian Pacific opportunities remain and prospects for all our AP offices (Singapore, Shanghai and Busan) look solid.

European offices have maintained a steady inflow of short term engineering and offshore marine operations work in Q3 and we expect that trend to continue.

Outlook for the Americas remains soft for the remainder of 2015 not only in Brazil but also increasingly in North America. We continue to expect these markets to be challenging for the foreseeable future.

In summary we remain pleased with our recent network expansion which now gives us true global capability. We will continue to recruit experienced staff to further enhance the reputation of our company as we aim to maintain our organic growth path. However, we expect that we will continuously have to adapt our business approach to the changing market conditions, especially in the oil and gas market. During the past months, we have gradually shifted our focus away from the new build segment towards the less volatile market for supporting clients on day-to-day offshore operations, with primary focus on operations and niche engineering including upgrades, modification and conversion of existing assets. We expect to make similar strategic adaptations in the coming months.

In addition to continued organic growth we continue to monitor possible structural / add-on opportunities to enhance shareholder value.

FINANCIAL REVIEW FOR THE THIRD QUARTER 2015

Revenues

Aqualis recorded total revenues of USD 9.5 million in the third quarter 2015. The revenue was USD 11.3 million the third quarter last year.

Operating expenses

Total operating expenses were USD 10.9 million in the third quarter, compared to USD 12.2 million in the third quarter last year.

Net financials

Net financial loss in third quarter was approx. USD 0.03 million. In third quarter last year, the net finance was negative USD 0.1 million.

Profit / loss

Aqualis incurred a net profit of negative USD 1.5 million for the third quarter 2015. The net profit of the third quarter last year was negative USD 1.2 million.

Cash flow

Aqualis had a negative net cash flow of approx. USD 2 million for the third quarter 2015. In third quarter 2014 net cash flow was USD 17.9 million. The net cash in third quarter 2014 was related to proceeds from share issue and contribution in kind.

Financial position

Aqualis had total assets of USD 47.9 million as of 30 September 2015, and USD 51.3 million at year end 2014.

Cash and cash equivalents amounted to USD 18.6 million as of 30 September 2015. Cash and cash equivalents amounted to USD 21.4 million at third quarter 2014.

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

Oslo, 27 October 2015

The Board of Directors of
Aqualis ASA

Condensed interim Financial Statements
THIRD QUARTER 2015

Statement of Comprehensive Income

(USD '000)	Note	**2015 Q3**	2014 Q3	2015 YTD	2014* FY
Operating revenues	7	**9 511**	11 253	32 243	33 303
Other income		**-**	-	-	-
Total revenues and other income		**9 511**	11 253	32 243	33 303
Payroll and payroll related costs	6	**5 840**	5 437	17 641	18 563
Depreciation, amortisation and impairment		**129**	223	526	900
Other operating costs		**4 964**	6 563	14 995	15 788
Total operating expenses	7	**10 933**	12 223	33 162	35 251
Operating profit (EBIT)		**-1 422**	-970	-918	-1 948
Finance income		**56**	52	94	120
Finance costs		**2**	123	12	205
Net currency exhange gain/-loss	4	**-23**	-59	617	1 994
Profit before taxes		-1 391	-1 100	-219	-39
Taxes		**71**	87	250	211
Profit after taxes		**-1 462**	**-1 187**	-469	-250
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Currency translation differences		**-3 026**	-1 246	-6 041	-8 834
Income tax effect		**-**	-	-	-
Total comprehensive income for the period		**-4 488**	-2 433	-6 510	-9 084
Total comprehensive income for the year, net of tax attributable to:					
Equity holders of the parent company		**-4 488**	-2 433	-6 510	-9 084
Non-controlling interests		**-**	-	-	-
Total		**-4 488**	-2 433	-6 510	-9 084
Earnings per share (USD): basic and diluted		**-0,03**	**n/a**	**-0,01**	-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
THIRD QUARTER 2015

Statement of Financial Position

(USD '000)	Note	30.09.2015	31.12.2014
ASSETS			
Non-current assets			
Equipment		**443**	629
Intangible assets	13	**18 687**	20 710
Total non-current assets		**19 130**	21 339
Current assets			
Trade receivables		**6 349**	5 229
Other receivables		**3 811**	2 990
Cash & cash equivalents	4	**18 611**	21 790
Total current assets		**28 771**	30 009
Total assets		**47 901**	51 348
EQUITY AND LIABILITIES			
Equity			
Share capital	5	**705**	702
Share premium		**47 344**	47 058
Other paid in capital		**393**	178
Retained earnings		**-7 851**	-3 491
Total equity		**40 591**	44 447
Non-current liabilities			
Other long-term liabilities		**-**	-
Total non-current liabilities		**-**	-
Current liabilities			
Trade payables		**402**	1 227
Other current liabilities		**6 908**	5 674
Total current liabilities		**7 310**	
Total liabilities		**7 309**	6 901
Total equity and liabilities		**47 901**	51 348

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Condensed interim Financial Statements
THIRD QUARTER 2015

Cash Flow Statement

(USD '000)	Note	2015 Q3	2014 Q3	2015 YTD	2014 FY
Cash flow from operating activities					
Profit before taxes		**-1 391**	-1 100	-219	-39
Non-cash adjustment to reconcile profit before taxes to cash flow:					
Estimated value of employee share options		**40**	105	215	178
Depreciation, amortisation and impairment		**129**	223	526	900
Changes in working capital:					
Changes in trade receivables and trade creditors		**621**	-739	-1 945	-2 497
Changes in deferred income					
Changes in other accruals		**-**	492	413	1 570
Effects related to aqcquisition of subsidiaries		**-**	-	-	2 147
Effects related to currency unrealized		**-1 443**	-38	-2 109	-2 050
Net cash flow from operating activities		**-2 044**	-1 057	-3 119	208
Cash flow from investing activities					
Purchase of equipment	**7**	**-96**	-282	-287	-691
Acquisition of subsidiaries, net of cash	**12**	**-**	-	-	1 997
Net cash flow from investing activities		**-96**	-282	-287	1 306
Cash flow from financing activities					
Proceeds from share issue	**4**	**290**	10 475	290	10 642
Proceed from contribution in kind		**-**	8 857	-	8 857
Net cash flow from financing activities		**290**	19 332	290	19 499
Net change in cash and cash equivalents		**-1 850**	17 993	-3 116	21 014
Cash and cash equivalents beginning period		**20 397**	3 403	21 790	838
Net foreign exhange difference		**64**	-31	-62	-62
Cash and cash equivalents end period		18 611	21 365	18 611	21 790

Condensed interim Financial Statements
THIRD 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 translation difference		-	-	-	2 149	2 149
Foreign currency translation reserve		-	-	-	-6 041	-6 041
Profit after taxes		-	-	-	-469	-469
Share-based payment	6	-	-	215	-	215
Issue of shares		4	286	-	-	290
Equity as at 30.09.2015		**706**	**47 344**	**393**	**-7 852**	**40 591**

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)	**30.09.2015**	**30.09.2014**
Cash at banks	**18 611**	21 365
Total	**18 611**	21 365

Distributed in following currency:	**Local Currency**	**USD**
USD	11 392	11 392
GBP	338	514
EUR	26	29
NOK	47 426	5 550
AED	302	82
BHD	2	4
BRL	145	36
MXN	682	40
CNY	1 640	258
SGD	799	562
QR	201	55
KWR	105 689	89
Total USD		**18 611**

Note 5: Share capital

	Number of shares (thousands)	Share capital (USD 000's)
At 1 January 2015	**43 191**	**702**
Issue of share capital July 2015	315	4
At 30 September 2015	**43 506**	**706**

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

Note 6: Share options

	01.01-30.09.15			
	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 0.04m in the third 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)	Q3 2015		Q3 2014*		2015 YTD		2014 FY*	
	Marine & Offshore	Total	Marine & Offshore	Total	Marine & Offshore	Total	Marine & Offshore	Total
Revenues								
Norway	1 606	1 606	2 611	2 611	6 398	6 398	6 836	6 836
Singapore	3 359	3 359	3 766	3 766	10 252	10 252	11 309	11 309
UAE	2 655	2 655	2 486	2 486	9 993	9 993	8 322	8 322
USA	755	755	1 700	1 700	2 851	2 851	3 746	3 746
Brazil	307	307	851	851	1 249	1 249	2 796	2 796
UK	1 205	1 205	964	964	3 569	3 569	2 015	2 015
China	217	217	16	16	427	427	51	51
Mexico	483	483	-	-	1 336	1 336	32	32
Qatar	13	13	-	-	13	13	-	-
Germany	10	10	-	-	10	10	-	-
Elimination	-1 099	-1 099	-1 141	-1 141	-3 855	-3 855	-1 803	-1 803
Total revenue	**9 511**	**9 511**	**11 253**	**11 253**	**32 243**	**32 243**	**33 303**	**33 303**
Operating profit (EBIT)								
Norway	74	74	272	272	982	982	164	164
Singapore	323	323	916	916	1 497	1 497	2 453	2 453
UAE	-423	-423	315	315	-123	-123	509	509
USA	-147	-147	320	320	-169	-169	547	547
Brazil	-160	-160	-32	-32	-381	-381	-86	-86
UK	-85	-85	55	55	-60	-60	129	129
China	-56	-56	-276	-276	-210	-210	-418	-418
Mexico	38	38	-59	-59	98	98	-84	-84
Qatar	-104	-104	-	-	-143	-143	-	-
Germany	-22	-22	-	-	-22	-22	-	-
Korea	-46	-46	-	-	-46	-46	-	-
Central cost	-772	-772	-2 280	-2 280	-1 607	-1 607	-4 535	-4 535
Elimination	-42	-42	-201	-201	-734	-734	-626	-626
Total operating profit (EBIT)	**-1 422**	**-1 422**	**-970**	**-970**	**-918**	**-918**	**-1 948**	**-1 948**
EBITDA	-1 293	-1 293	-747	-747	-392	-392	-1 048	-1 048
Depreciation and amortisation	-129	-129	-223	-223	-526	-526	-900	-900
Operating profit/loss (EBIT)	**-1 422**	**-1 422**	**-970**	**-970**	**-918**	**-918**	**-1 948**	**-1 948**
Capex	**96**	**70**	**282**	**282**	**287**	**287**	**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 third 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

In September 2015 Aqualis ASA announced the intention to take a 49.9% stake in Adler Solar, a German company specialising in the provision of engineering consultancy and testing services for all lifecycle phases of PV plants and PV modules. Adler Solar is a leader in this field. Headquartered in Bremen with a portfolio of service centre offices throughout Germany and a branch office in Japan, the company is well positioned to expand globally. This deal is expected to be finalised in Q4 2015.

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 third 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 third 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 %
Aqualis Offshore Korea Youhanheosa*	Korea	Marine & Offshore	100 %	100 %
OWC (Aqualis) GmbH*	Germany	Marine & Offshore	100 %	100 %

*New subsidiary established in Q3 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				-3 523
Intangible assets 30.09.2015	**15 198**	**5 359**	**1 653**	**18 687**

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.

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