AQUALIS ASA

ANNUAL REPORT 2015

KEY FINANCIAL FIGURES

Key figures from P&L (USD 1 000)

	2015	2014
Total revenues	40 998	33 303
Payroll and payroll related costs	(23 717)	(18 563)
Other operating costs	(17 965)	(15 788)
Profit/(loss) after taxes	(2 198)	(250)

Key figures from the balance sheet (USD 1 000)

Cash and cash equivalent	14 864	21 790
Non current liabilities	587	-
Total assets	46 194	51 363
Total equity	37 662	44 447

Share data

Earnings per share (USD)	(0.05)	(0.01)
Number of shares outstanding as at 31.12	43 505 737	43 190 544
Number of employee share options outstanding 31.12	750 000	750 000
Share price at 31.12 (NOK)	3.87	7.55

Financial calendar 2016

EVENT	DATE
First quarter results	26 April
Annual General Meeting	20 May
Second quarter results	25 August
Third quarter results	27 October

Ticker symbol

Oslo Børs	AQUA
Reuters	AQUA:OL
Bloomberg	AQUA:NO

Letter from the Chairman

CHALLENGING AND EXCITING YEAR FOR AQUALIS

Dear fellow shareholders.

The past year has been eventful, challenging and exciting for an oil and gas dependent company like Aqualis. Cyclicality and change are "normal" in the oil and gas market. Some people like to drive on the "dull" straight highways, others like the curvy narrow roads with more challenges for the driver, where you need to work the gears and use the brake and accelerator for every turn. The management and Boards of Directors at oil service companies should be the "Highway 1" type of drivers/decision makers in order to prosper long term.

According to Fearnleys Securities approximately 40% of the world offshore drilling fleet is idle in Q1 2016. In addition, the order book totals 22% of the existing fleet. The good news is that part of the order book will never be delivered and that scrapping has increased and will increase further during the next 2-3 years. The key question is whether the market has now "normalized" after a 10 year long exceptional boom, or whether we are at the bottom of a cyclical downturn and we should expect a rebound. The answer to this question is probably yes on both questions.

The market is closer to a steady state after a period of high "monopoly rent" in the industry, but we are at or close to a cyclical low in a new "normalized" market. We will probably hit the oil price trough of this cycle during 2016 and 2017, and I expect that the next oil price peak will be lower than the last peak in 2013. Due to existing contract backlog for subsea, drilling and other late cyclical oil service niches, the earnings and cash flow for the oil service industry is expected to reach trough levels some time during the 2017-2019 period.

The fleet of drilling rigs, OSV, Subsea vessels and other equipment has been regenerated over the last 10 years. With an expected life of 25-30 years, I do not expect to see another similar investment upcycle (compared to the 2004-2014 boom) for offshore assets until mid 2030's. The oil and gas industry is well supplied with offshore steel for years to come.

Why do I expect the next peak to be lower/shorter than the previous peak? We have to understand the roots of the 10 year boom from 2004 to 2013. The oil price was low (10-20 USD/barrel in real prices) and relatively stable during a 40 years period from 1930 until the first of the oil price crises in 1973. Initially the oil price more than doubled in 1973 (to about USD 50 per barrel in real prices) before the second oil price shock in 1979 when the oil price again doubled, peaking at 100 USD/barrels (real prices) as a result of close to full capacity utilization in the oil industry, OPEC action and war in the Middle East. The high prices led to huge investments in new capacity and 10 good years for oil companies and oil service companies. Oil demand was more or less flat during this 10 year period (1974-1984), but OPEC regulated the market and reduced its production from 30 mbd in 1973 to 16 mbd in 1985. In other words; OPEC let the non-OPEC producers increase their production capacity by about 14-15m barrels while OPEC reduced its own low cost production to let higher cost production gain market share. In 1985 the OPEC "kindness" and the windfall gain to high cost producers stopped. OPEC had close to 40-50% spare capacity (Saudi Arabia had 70% idle capacity in early 1985) and the organization of oil producers gradually increased its production over the next 13-15 years. In 1997 OPEC's production was again back to about 30 mbd (the same level as in 1973 before the oil price shocks of the 70's). OPEC at, or close to, full capacity and the growth in the BRIC countries, China especially, were the key factors contributing to the second 10 year boom for oil and oil service from 2004-2014.

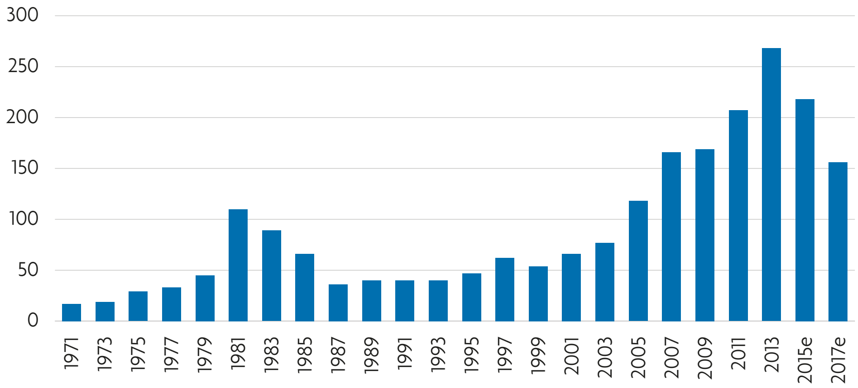
The market is closer to a steady state after a period of high "monopoly rent" in the industry, but we are at or close to a cyclical low in a new "normalized" market. We will probably hit the oil price trough of this cycle during 2016 and 2017.

Glen Rødland
Chairman of the Board

When Deng Xiaoping became the leader of China in 1978, the Chinese oil consumption was 1.8 mbd. In 2015 the Chinese oil consumption was 11.2 mbd - a 5% annual growth over 37 years. There are at least two new potential "Chinas" in the world. Africa and India both have populations of about 1.2-1.3 bn and both continents/subcontinents have current consumption of about 3.8 mbd (equal to China's consumption in 1996). The growth potential is significant. Global demand growth is critically dependent on the developing world as oil consumption already peaked for the mature economies (OECD) in 1979 at 44 mbd and fell to a low of 36.5 mbd in 1983. In 2014 the OECD consumption was 45 mbd about the same level as 35 years earlier. As I discussed in the Chairman's Statement in last year's annual report, many observers (especially the environmental lobbyists) believe, or hope, that the current downturn is a structural decline for oil and gas. I am still convinced that this is a cyclical downturn, although a larger downturn than normal due to the long duration of the boom (10 years) and the investment overhang from decisions made before 2015.

The oil price increase, starting in 2004, lead to an investment boom in the E&P industry (see graph) similar, in real terms, to the 1974-1984 boom. Again the oil industry has over-invested and has excess capacity of everything including oil production capability. On paper the spare capacity of today's oil industry is much smaller than in 1985 and less visible than the idle installed capacity of OPEC back then. Today the spare capacity is the shale oil in the US where industry has developed the technology and ability to increase production with 1-1.5m barrels per day if the economics support shale oil investments/production. In 2014 the US oil production increased by 1.2m barrels. Today's "spare capacity" is less visible than in 1985 and to become available, oil price has to move to a level where investment in shale oil is profitable. The breakeven for shale continues to fall and is probably today in the range of 40-60 USD/barrel, dependent on region and producer. The shale oil industry can relatively easily increase its production in response to higher prices. The International Energy Agency (IEA) and U.S. Energy Information Administration (EIA) forecast US shale oil production to fall by

Offshore E&P spend (USDbn)



Source: Fearnley Securities

400,000-700,000 barrels per day in 2016. Furthermore, according to IEA, an oil price above USD 50 per barrel would increase drilling again in the US. Despite the expected fall in shale oil production in 2016, conventional oil production is expected to continue to increase due to investment decisions/projects sanctioned in 2012-2014 period that are still not yet completed. Changing the direction of the oil industry is like turning a very large crude carrier (VLCC). The oversupply situation in the oil market is expected to reverse in 2017, but the oil price might change (increase) faster based on expectations. To conclude; in 1985 the marginal cost of the spare capacity was very low, probably USD 5 per barrel or less to activate. The marginal cost (full cost as new investments need to be fulfilled) today of the easily available oil is probably USD 50 per barrel (shale). In addition, due to the financial damage the oil recession has led to, new financing, both debt and equity, would probably not be available in significant volumes before we see stable and high profitability for the marginal/spare capacity in 1-2 years.

Based on the above discussion of the fundamentals, my view is that the oil industry and the oil service industry should prepare for a new "normal" oil price of about USD 40-60 per barrel. Aqualis is preparing for this new normal. Actually I see clear signs that the whole oil industry is about to become adjusted to the new normal. Breakeven of investment projects is dropping significantly and we see projects sanctioned today that were shelved at an oil price of USD 100 per barrel.

Aqualis continued the growth path during the first half of 2015. We opened 6 new offices and increased our number of full time equivalent employees (including subcontractors) to a peak of 248 in October 2015. The Board and management realized too late the significant negative shift in Aqualis traditional oil and gas market during the summer of 2015. This lead to a significant over-capacity (low utilization) of staff and a loss in the second half of 2015. The business model of Aqualis is flexible and we should have read the signs from the market better and reduced our capacity more decisively earlier. Since we did not step on the "brakes" before the curve we need to brake even harder in 4q15 and first half 2016. Our clear goal is to adjust the capacity and cost level to match our customers reduced activity and to be cash positive for 2016.

Aqualis' strategy is to continue to be a growth company, but we need to pause, grow more slowly or grow in alternative markets for the next 1 – 2 years. If my analysis above is right, we should be able to step on the accelerator in the oil and gas market again some time in 2017 or 2018.

In 2014 Aqualis acquired Offshore Wind Consultants (OWC) based in London and in 2015 we acquired 49,9% of ADLER Solar Service based in Bremen in Germany with an option to increase the ownership to 60% at the same valuation. These two acquisitions have turned Aqualis from an Oil and Gas consultancy to an Energy Consultancy. In total Aqualis today has about 120 people working with the offshore wind and solar industry (including 100% of ADLER Solar) and about 200 people working with the oil and gas industry. We expect both OWC and ADLER Solar to expand and to be profitable in 2016.

I see several synergies between our oil and gas, offshore wind and solar energy consultancy. Firstly, our key customers are energy producers, utilities, finance institutions and the insurance industry. The customer groups are partly overlapping for the three segments. Secondly, Aqualis can utilize its world-wide network to grow its renewable business. In 2015, OWC opened its first office outside the UK in Hamburg, Germany and ADLER Solar opened its first office outside Germany in Japan (a 50/50 JV with a local solar park EPC provider). Further, during first quarter 2016 ADLER Solar has established its UK activity and is now sharing office with Aqualis and OWC in central London. Thirdly, the three businesses are currently relatively small to be a global business on a stand alone basis. Therefore, sharing HQ functions such as CFO, treasury, legal, HR and access to financing through the stock listing is very valuable to all three businesses. Finally, the three businesses have more or less the same business model with comparable KPI's where the most important are utilization (billable hours) of staff, rates per day/hour and forward sales. It could also be argued that the fact that renewables and oil & gas often have different business cycles should over time lead to a more stable income and margin for Aqualis.

The current adjustment to the new normal in the oil industry requires that the service industry work its way through at least three phases; first adjustment of capacity (layup, scrapping and reduction of employees), second repair of the balance sheets of the industry (reduced debt and new equity) and third and finally consolidation. A 10 year boom for the service industry has led to a fragmentation and overcapacity. The offshore marine consultancy and engineering industry entered phase one during 2015, but due to long term drilling contracts and work related to stacking and scrapping of rigs, the market held up well during first part of 2015. The capacity adjustments of the industry will continue also into 2016. Since the industry is relatively capital light, only the companies with high debt and buy-out financing will need to repair the balance sheet. Aqualis has a healthy cash position and the management is working hard to adjust capacity and turn cash positive again in 2016. Hence, new capital in Aqualis would only be required in the event of a larger acquisition/consolidation. Probably 2017 will be the start of a new consolidation wave in marine engineering and consultancy business. Several players in the business have been acquired by the classification industry as DnV-GL bought Noble Denton, Lloyds bought ModuSpec and Bureau Veritas bought Matthews Daniel. The PE industry has also been similarly active as HitecVision acquired Global Maritime and Bridgepoint bought a large minority stake in LOC. Aqualis ASA and Braemar Shipping Ltd are the only players listed on the stock exchange (Oslo and London). In addition to the global marine engineering and consultancy companies, there are smaller regional players like Tristein AS which we acquired in 2014. Aqualis strategy is to prepare and to be an active party in the next restructuring wave in the industry.

Aqualis has the combination of a commercial and experienced team in the company (management and employees) with an enthusiastic and very qualified support team around Aqualis. During 2015 both Øystein Stray Spetalen and Martin Nes representing Ferncliff left the board of Aqualis. I would like to take this opportunity to thank Mr. Spetalen, especially for his large contribution to the start-up of Aqualis in late 2012, his support and advice regarding the financing and later listing of Aqualis on the Oslo Stock Exchange. Aqualis would probably not have grown as fast as was achieved during the first three years without the support of Ferncliff and Mr. Spetalen. The future success of the company is critically dependent on that the stake holders of Aqualis continuing to work together with management to take the company to the next level. We are in difficult times, but I am very pleased to see that the blue-chip client list of Aqualis becomes longer and longer. Ultimately this is best testimony for our people and our technical quality and capability. Profitability and continued growth will hopefully follow soon.

Driving "Highway 1" implies using the gear-shift effectively, use the brake and accelerator so the ride is as smooth as possible whilst at the same time as enjoying the view. We believe the view will become more and more exciting for those stakeholders (customers, suppliers, employees, banks and investors) riding with Aqualis over the next few years.

Glen Ole Rødland

Glen Rødland
Chairman of the Board

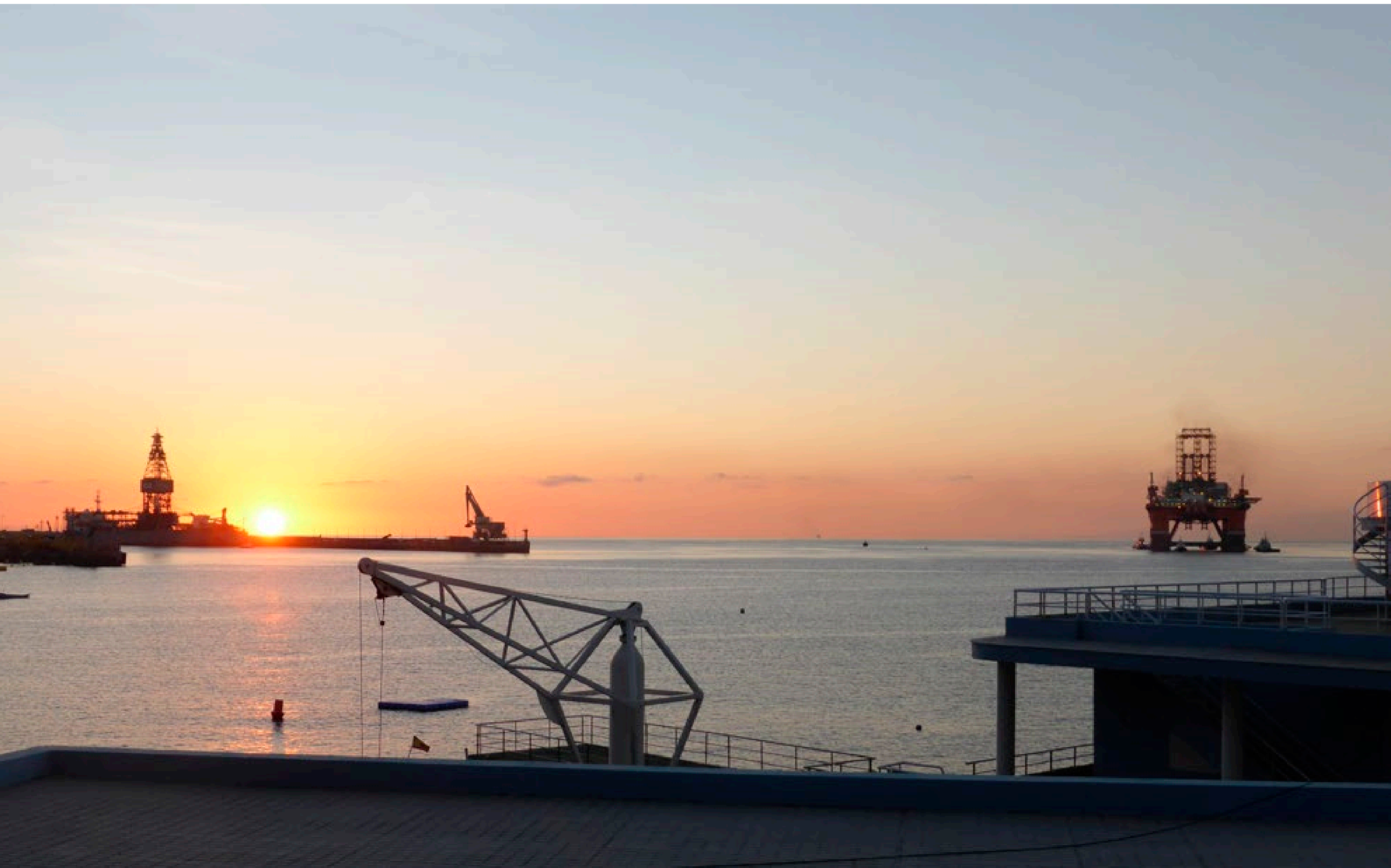
OFFSHORE OIL & GAS

Aqualis ASA's offshore oil and gas activities are carried out by Aqualis Offshore. The company provides marine and engineering services to the offshore oil and gas industry worldwide. Our multi-disciplinary engineering and marine teams are recognised in the industry for their competence and experience. We work closely with clients to understand their requirements, identify solutions and execute their projects and marine operations in a timely, cost effective and safe manner. Aqualis Offshore is operating out of 19 offices and 14 countries worldwide.

In April 2014, Aqualis completed the acquisition of Tristein AS, a leading provider of marine operations for the offshore oil, gas and renewables industries. From 1 January 2015, Tristein AS was merged into the operation of Aqualis Offshore AS.

Aqualis Offshore specialise in the following marine and engineering services:

- Concept, FEED and basic design for new-build and vessel upgrades
- Deep and shallow water installation engineering and related marine operations
- Marine operations and surveying, including rig moving and tow master services together with support engineering services
- Vessel construction supervision and owner representation
- Engineering and project management support to the renewable industry
- Third party approvals on behalf of owners and underwriters such as marine warranty and audits of dynamic positioning systems



Our engineering and marine team comprises:
- Naval Architects
- Mooring Analysts
- Hydrodynamicists
- Structural Engineers
- Geotechnical Engineers
- Installation Engineers
- Project Managers / Site Superintendents
- Marine Engineers
- Marine Advisors
- Marine Warranty Surveyors
- Marine Surveyors (vessel / rig surveys)
- Master Mariners (Tow Masters / Rig Movers / Mooring Masters)
- DP Vessel Auditors (Marine Engineers / Electrical Engineers)
- Risk Managers / Engineers

Aqualis Offshore is fast growing and already providing our clients with a global footprint. We aim to be your reliable long term partner.

Engineering

Aqualis Offshore provides a unique solutions-based approach to engineering. Our engineers are trained to work with the Client as a one-stop-shop to find efficient solutions to their engineering projects.

Due to our independent nature, all solutions are cost-effective, fit for purpose and tailored to suit the specific needs and constraints of the Client. Our offshore engineering expertise covers the life-cycle of an offshore facility from concept and basic design through installation and on to aging platform integrity management and finally, decommissioning. We are involved in both the shallow and deep water ends of the offshore oil and gas industry and operate in the major centres of the offshore industry.

Our team of highly qualified engineers can provide unique solutions for many platform types including Mobile Offshore Drilling Units (MODU), Wind Turbine Installation Vessels and Liftboats, Mobile Offshore Production Units (MOPU) including FPSO, FSO, FLNG, as well as other offshore installations and floating structures.

These solutions range from:
- Concept Design
- FEED and Pre-FEED solution
- Basic Design
- Upgrade and modification Engineering
- Advanced engineering solutions

Our combined teams of engineers include:
- Naval Architects
- Structural Engineers
- Piping and Mechanical Engineers
- Electrical and Instrumentation Engineers
- Process Engineers
- Mechanical Engineers
- Pipeline Engineers

Transportation & Installation

Our multi-disciplined teams of Engineers, Surveyors and Master Mariners have many years of experience in the offshore industry. We specialise in complex marine operations and can provide valuable early planning and advice to optimise the solutions with regard to vessel and equipment selection, structural design and offshore procedures. Subsequent engineering comprises analysis and design associated with all temporary phases of a marine operation from loadout and transportation to installation or discharge of high value offshore assets.

Such calculations include:
- Vessel ballasting
- Global and local vessel strength
- Vessel motions and stability
- Grillage and seafastening design
- Dynamic lifting and rigging
- Hydrodynamic analysis
- Jacket launch and upending
- Dynamic analysis for floatover installations
- Geotechnical analysis etc.
- Production of appropriate documentation

Our service then extends to offshore operation supervision and support from our qualified and experienced Marine Superintendents and Project Engineers. We draw on the services of external companies where supplementary skills or input are required – for example metocean data for transportation assessment and planning.

These services are tailored to suit our Clients' requirements and can be supplied as conceptual /feasibility studies, detailed engineering and operation, or verification.

Marine Warranty

Our teams of Marine Warranty Engineers, Surveyors and Master Mariners act to protect Underwriters' interests or self-insured Clients. We provide independent third party review and approval of offshore projects. The teams have extensive experience in a wide range of offshore activities from simple marine operations to complex and challenging offshore projects.

Typical activities may include:
- Document reviews
- Suitability surveys of offshore marine spreads
- Approval of towages, heavy lifts and installations
- Subsea operations
- Decommissioning and removal of offshore structures
- Acting as Marine Advisors to oil companies and their contractors

Marine Consultancy

We offer a wide range of marine capability to the oil & gas and maritime industries. Our mariners have many years of experience associated with drilling rigs and offshore vessels. We aim to assist our clients in finding practical solutions to their marine operations and projects and / or protect their interests when sub-contracting or making asset investments.

We can offer:

- Provision of Towmasters and Rig movers
- Provision of Marine Advisors
- Dry transportation consultancy and operations
- Vessel inspections
- Rules & Regulations compliance
- Inclining experiments
- Pilotage operations
- Rig move procedures
- Suitability surveys
- Pre-charter audits / surveys
- Pre-purchase surveys
- Bollard pull certification
- Drafting and review of offshore project related procedures
- Mooring plans
- Anchor handling procedures
- Witnessing equipment trials and tests
- DP inspections and audits
- Towing plans and procedures
- CMID & OVID Surveys

Rig Moving

We offer a full range of rig moving support services; our teams being fully experienced with both jack-up and floating units.

We also offer full engineering assessments for site specific location approvals and provide both Marine Warranty Surveyors and Rig Movers / Towmasters for offshore attendance during rig moves.

- The following services are provided:
- Site specific rig deployment consultancy
- Jack-up engineering related studies including Site Specific Assessments, fatigue analysis, collision studies, earthquake assessments, wet/dry transit
- Pre-contract rig suitability engineering analyses
- Leg penetration analyses
- Site Specific Location Approvals
- Mooring analyses
- Marine Warranty Services
- Dry transportation approvals and consultancy
- Towage approvals
- Provision of Towmaster services
- Turnkey rig moves
- General rig moving consultancy
- Training courses

Technical due diligence
With our assistance, owners and financial institutions can obtain an objective expert view on the actual project performance or asset value, as an important input to the decision making process related to loans, consolidation or acquisitions.

With a combination of engineers that have been in charge of engineering from the first concepts to sail-away, yard contract negotiations, the operational phase, yard stays with repairs, upgrades, modifications and special periodic surveys; and mariners that have been in charge of vessels, rig moves, and major marine operations including vessel inspection/survey, Aqualis Offshore is well placed to perform solid, independent technical due diligence.

- Pre- and post- contract reviews
- Payment milestone audits
- Assessment of market demand for a specific vessel or type of vessels
- Yard evaluation and inspection: Competence, capacity, experience, execution, etc.
- Thorough full vessel inspection including hull and drilling/process equipment, cranes, etc.
- Suitability survey, condition survey, assessment of vessel function
- Lifetime extension budget evaluation
- Opine on remaining physical lifetime
- Assessment of owner and project management team: experience, performance, execution
- Evaluation of project plans
- CAPEX budget evaluation
- OPEX budget evaluation
- Design review
- Verification of actual project progress
- Project schedule feasibility
- Identify delay risks and other project risks
- Asset value determination
- Review acceptance criteria and testing regime

The above services are performed for the following vessels:
- Drilling units: Semi submersibles, jack-ups, drillships and tender barges
- Production units: Ship-shaped, semi submersibles and jack-ups
- Accommodation units: Semi submersibles, jack-ups and tender barges
- Offshore service vessels: Anchor handlers, supply vessels, cable layers, crane vessels, liftboats, tugs, etc.
- Other vessels: Shuttle tankers, oil tankers, floating storage units, wind turbine installation vessels, barges, cargo vessels

Risk consulting
The Risk Consulting business line strengthens Aqualis Offshore's marine and engineering services with methodological and systematic approach to risk management.

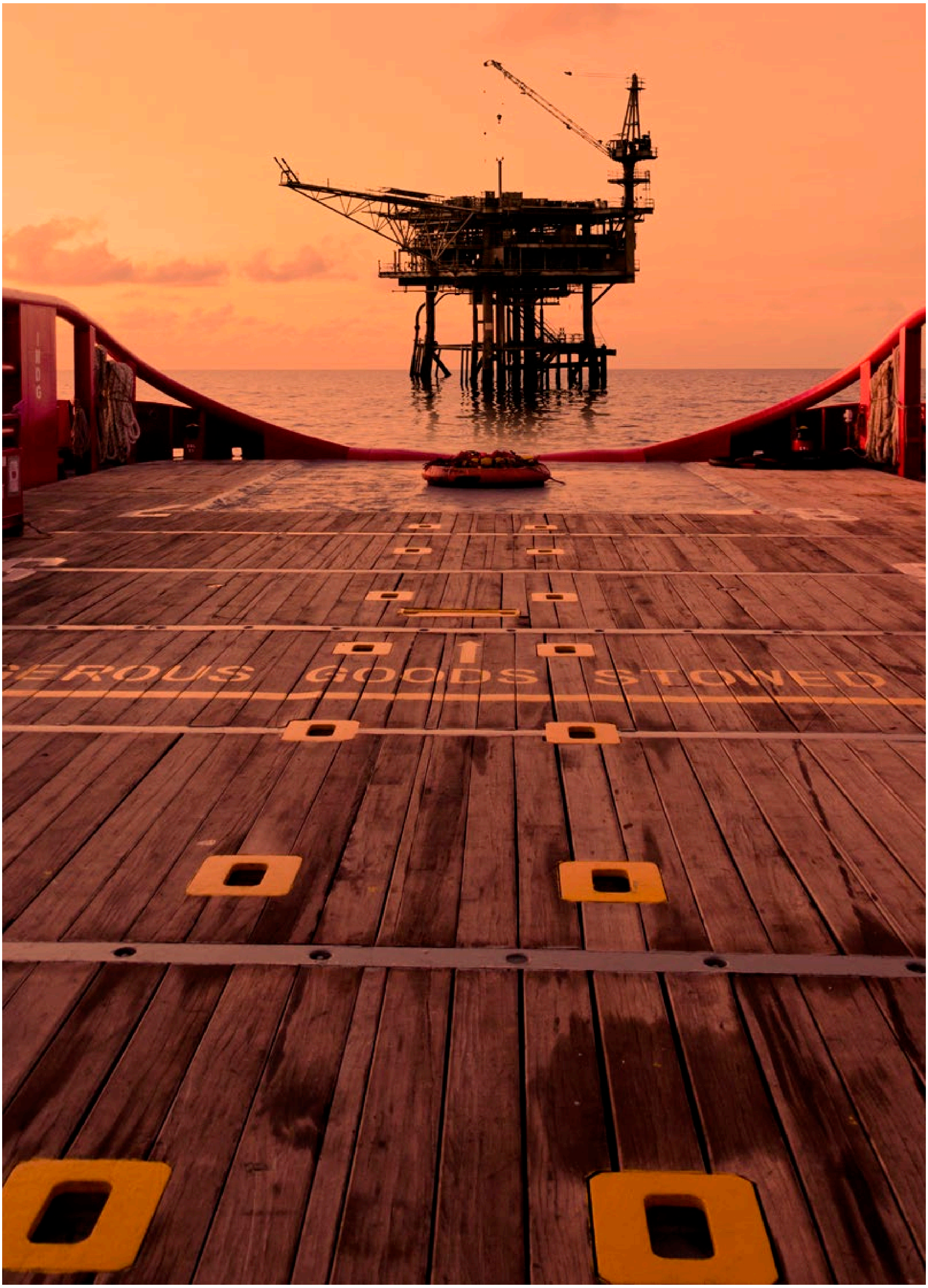
Our engineering risk management experiences include drilling and productions facilities. Within marine operations we have performed numerous risk management activities within load out, transport, anchor handling, rig move, heavy lifting, subsea and SURF installation, dynamic position (DP), hook-up, diving and ROV operations, personnel transport, vessel layup and decommissioning.

We provide the best practices for identifying and managing risks and hazards to personal safety, assets, environment and reputation both in engineering and in operations. We can lead, facilitate or contribute to risk management activities such as:
- Hazard identification analysis (HAZID)
- Hazard and operability analysis (HAZOP)
- Quantitative risk analysis (QRA)
- Safety case studies
- Risk assessments
- Failure Mode, Effect and Criticality Analysis (FMECA)
- Carry out inspections
- Provide people who can work within a Client's team to manage risk within a project

Construction Supervision
Aqualis Offshore provides teams to work with the Client throughout the construction or conversion of an offshore asset. The project team monitors the project to ensure that it is carried out in accordance with the contract, the specifications, Clients' expectations, flag and Class requirements.

The project team consists of key personnel with the necessary skills to ensure that the construction meets the build schedule. Aqualis Offshore provides a group of engineers and inspectors of various disciplines to be utilised at different stages of the project. In addition, dedicated planning and document control functions are provided throughout the duration of the construction phase.

Key project control activities include, inter alia:
- Development and implementation of project procedures
- Review of machinery and equipment purchase orders and specifications
- Development and implementation of project execution plans
- Monitoring of work progress and testing activity
- Monitoring of quality control of each activity throughout the construction
- Attendance at formal safety meetings
- Attendance at Factory Acceptance testing (FAT)
- Audits of subcontractor's facilities


GOODS STOWED

- Attendance during sea trials and inclining experiments
- Reporting to the Client on a weekly and monthly basis
- Tracking of site queries, observing safety policy, monitoring quality control measures
- Maintaining electrical & mechanical completion and commissioning records and database
- Monitoring and reporting on extras and credits

Dynamic Positioning
We provide an experienced multidisciplinary team of engineering and operational resources to support the Dynamic Positioning (DP) industry.

Our aim is to assist our Clients to operate and validate according to their units' specific industrial mission. Whether identifying the critical activity mode or verifying the worst case failure mode through FME(C)A, Aqualis Offshore aims to provide Clients with independent technical reviews to enhance safe operations. Through experience with our DP FME(C)A work, we can also provide analyses of cranes, bilge and ballast systems, pipelay systems, and many more complex systems.

DP Services Include:
- FME(C)A
- DP FMEA Proving & Annual Trials
- DP Design Review / Redundancy Analysis
- DP Suitability / Condition Surveys
- DP Gap Analysis
- Development of WSOG & ASOG
- DP Incident Investigation
- DP Manuals & Procedures
- DP Operator Competence Assessment & Verification
- DP Project Management & Sea Trials Management
- Planning for DP Conversions & Life Extensions
- Witness FATs & CATs

Ports and Harbours Services
- Project Management, Advisory- and Engineering services for planning, design and installation or modification of infrastructure:
  - Fender and foundation systems
  - Linkspan, loading ramps and passenger gangway systems
  - Terminal buildings and key logistics (incl. facilities for Check-in and Customs)
  - Erosion protection
- Project Management, engineering services, design and site management for maintenance projects:
  - Large and small modification work
- Risk consulting services for:
  - Environmental risk analysis and assessments
  - Safety case studies
  - Container-handling risk analysis
- Planning, project management and engineering services for special operations:
  - Special lifts and load outs
  - Special transports (heavy / oversized)

RENEWABLES

OFFSHORE RENEWABLES

Aqualis ASA offers services in the offshore renewables sector through Offshore Wind Consultants Ltd and Aqualis Offshore AS.

Offshore Wind Consultants Limited (OWC) is a leading provider of consultancy services to the offshore renewables industry. The core team within OWC has unrivalled expertise and experience in the industry, which dates back to the first offshore wind farm development project in the UK. The key members of the team have been involved in most of the major offshore wind projects that have been developed in the UK and the rest of Europe to date, and also have established reputations in both North America and the Far East.

In combination with the Group's other services, Offshore Wind Consultants is able to deliver enhanced services to their clients by sharing knowledge, expertise, and resources, particularly where engineering and offshore attendances are required.

Key services

Offshore Wind Consultants Limited and Aqualis Offshore specialises in providing services to offshore wind farm developers and investors for offshore wind projects. The personnel in Offshore Wind Consultants Limited has a deep industry

knowledge and unrivalled practical experience which can be applied to projects through their full life cycle. We align our services with our clients' business goals and strategies which enables us to deliver practical and innovative solutions, which ultimately yields tangible results for our clients. Offshore Wind Consultant and Aqualis Offshore provide the following services within the offshore renewables sector:

- Consultancy services
- Due diligence
- Project management and support services
- Engineering services
- Expert witness

Consultancy services

Offshore Wind Consultants has experience in providing consultancy advice through the project life cycle of an offshore wind farm development. The company assists with developing strategies for projects and with selecting and assessing the most advantageous offshore sites from both a technical and commercial perspective. The company can provide the following consultancy services:

- Developing strategies for projects and site selection
- Procurement strategies
- Design and construction methodologies
- Installation and commissioning
- Development of financial models
- Risk mitigation
- Development interface registers

The team's experience also enables it to provide direct advice and support through the final installation and commissioning stage of the project. This is achieved with a thorough understanding of all logistical issues, combined with access to extensive databases of information on vessels, barges and equipment. This insight covers both the installation of foundations and turbines as well as the critical subsea cable installation works. The company also has direct experience of decommissioning work, which will be an important feature for consideration in the future for offshore wind farm development projects.

Due diligence

As Offshore Wind Consultants Limited has extensive knowledge and experience of the entire project life cycle of offshore wind farm projects, the company is positioned to provide due diligence services to potential investors into projects as well as investors who may be looking to take a stakeholding in organisations within the supply chain of the industry.

The company uses its extensive databases of project and company information which provides a vital reference for this type of work. It also has its own capital cost evaluation models for projects which can reliably predict the estimated capital expenditure of all the phases of an offshore wind farm project.

Offshore Wind Consultants can provide these services to either partners wishing to take equity in a project or on behalf of banks and lenders who are providing a debt facility for the project development.

Project management support services

Offshore Wind Consultants offers project management services through all stages of an offshore wind farm project, from early stages planning through design and engineering to construction and installation.

The company's reputation is based on early involvement in projects from the planning, design and engineering stages and then seeing our role expand to a project management service provider through the construction and installation phases.

The team can either undertake a leading role and manage a project directly on behalf of a developer, or more commonly, work as part of an integrated team with a client, managing specific work packages and providing support and advice to all other areas of the project.

Engineering services

Offshore Wind Consultants can provide engineering services for the following tasks connected to offshore wind farm developments:

- Site evaluation
- Geotechnical and geophysical site investigations and evaluations
- Foundation structures
- Health and safety management
- Marine operations
- Offshore installation
- Special assessments
- Subsea cable installation and protection

Expert witness

Offshore Wind Consultants can leverage on its knowledge of the offshore wind farm industry to act as an expert witness in assignments where the company has no conflicts of interest. Expert witness services are typically provided for wind farm commercial evaluations and also in cases of failure or damage of subsea cable systems.

Any expert witness assignment will only be undertaken where there is a clearly established 'no conflict of interest'.

SOLAR

Aqualis ASA offers services for the solar industry through ADLER Solar.

In October 2015, Aqualis acquired a 49.9 percent stake in the Germany-based company ADLER Solar Services GmbH, an leading independent full-service provider for the photovoltaic (PV) industry. The company based in Bremen and Anzing near Munich with about 120 employees has a high expertise and broad experience in the services for the PV sector, which dates back to 2008. Right from the beginning ADLER Solar has been devoting itself to the needs and challenges of its clients to develop customized solutions and provide appropriate services. In this way, the PV experts are able to offer a broad range of industry services and solutions to ensure the high performance and smooth operation over the entire lifetime of PV plants and components.

In March 2015, ADLER Solar founded the pvXchange Trading GmbH with offices in Bremen und Berlin, continuing the business of the established brand pvXchange, one of the worldwide biggest online trading platforms for solar modules, inverters and further components. With more than 10.000 registered business clients pvXchange is one of the worldwide biggest online trading platforms for solar modules, inverters and further components. Due to the collaboration with pvXchange, ADLER Solar is able to enhance its services by offering replacement and/ or substitute PV products from its own stock.

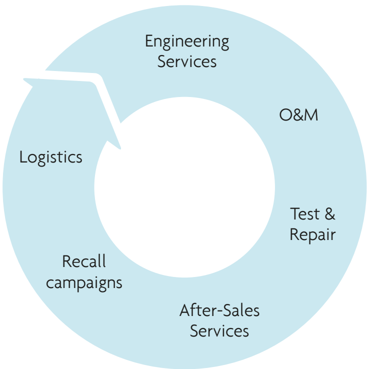
The merger of ADLER Solar and BEC Solar, a PV company focusing on planning, precision measurements, technical due diligence and quality assurance, took place in April 2015.

In July 2015, ADLER Solar and its Japanese partner company Yokohama Kankyo Design Co., Ltd (YKD) founded the Yokohama-based Joint Venture ADLER Solar Works, which since then has been operating as the first full-service provider for the PV industry in Japan. The team in Yokohama consists of 10 employees.

Key services

The personnel of ADLER Solar has a profound knowledge and many years of practical experience which can be applied to projects and single measures through the entire lifespan of PV installations. ADLER Solar operates for the various stakeholders involved in the PV sector, above all:

- Manufacturers
- Owners
- Insurance companies
- EPC companies/ installers
- Utilities
- Plant managers/ operators
- Wholesalers
- Engineering offices
- PV experts
- Banks and funds



ADLER Solar was able to develop various new products in 2015 to provide its clients with even more services ensuring the high performance and quality of PV plants and components. ADLER Solar offers the following main services:

Recall Campaigns
- Replacement of modules
- Refitting
- Repair
- Product recalls
- PV modules, components, storage

Engineering Services
- Planning and technical consultation
- Construction supervising and monitoring
- Measurements for Commissioning
- Plant optimization
- Expert reports
- Technical Due Diligence

O&M support
- Maintenance and inspection (according to valid standards)
- PV E-Check
- Spare parts/ components
- Fault clearance

After-Sales Services
- Customer support
- Warranty management
- Guarantee checks
- Claim management

Test & Repair
- Visual inspection, testing, measurements, repair
- Offsite services in Bremen/ Anzing (Test Centers)
- Onsite services via Mobile PV Test Center (MBJ)

Logistics
- Transportation
- Warehousing
- Spare parts management
- Recycling and disposal

ADLER Solar plans to extend its services in 2016, for example in the field of inverter testing, inspection and repair as well as in terms of damage management and settlement for insurance companies.

MEMBERS OF THE BOARD

GLEN RØDLAND

Chairman

Glen Rødland is a senior partner at HitecVision. Before joining HitecVision, he was for 10 years a partner and co-investor of Direct Active Investments in Ferncliff TIH AS. Mr. Rødland has worked for 15 years with portfolio management and investment banking for DNB (Vital) and Swedbank (formerly First Securities and Elcon Securities). In addition, Mr Rødland has also worked as a market and investment analyst at JEBSENS, as a management consultant in PWC, and as a research assistant at the Norwegian school of economics and business administration (NHH). He has MBA and Post Graduate studies in Finance from NHH and UCLA. Mr Rødland is a Norwegian citizen and resides in Oslo, Norway.

SYNNE SYRRIST

Board member

Synne Syrrist is an independent business consultant, and has extensive experience as a non-executive director of both private and public companies. Ms Syrrist was previously a partner and financial analyst at First Securities. She currently serves on the board of several public companies, including Awilco LNG ASA, Awilco Drilling Ltd and Eidesvik Offshore ASA. She holds an MSc from the Norwegian University of Science and Technology, and qualified as an authorised financial analyst at the Norwegian School of Economics and Business Administration. Ms Syrrist is a Norwegian citizen and resides in Oslo, Norway.

REUBEN SEGAL

Board member

Reuben Segal is COO and director of the Middle East for Aqualis Offshore Ltd. and has almost 20 years' experience in the offshore and shipping sectors, covering both engineering design and ship surveying. He is a naval architect, and has extensive recent global business development experience with focus on design and construction of offshore oil & gas assets, including MODU and MOPU units from FEED through to yard delivery. Mr. Segal holds a Master's degree in Engineering from the University of Newcastle. Mr. Segal resides in Dubai, UAE.

YVONNE L. SANDVOLD

Board member

Yvonne L. Sandvold is the Chief Operating Officer of Frognerbygg AS, and has extensive experience from the Norwegian real estate industry. Ms Sandvold currently serves on the board of several private companies. She holds a cand. psychol. degree from the University of Oslo. Ms Sandvold is a Norwegian citizen and resides in Oslo, Norway.

THE EXECUTIVE MANAGEMENT

DAVID WELLS

Chief Executive Officer

David Wells, a Master Mariner, was a founding member of Aqualis. Mr. Wells has more than 30 years' experience in the offshore consultancy sector with particular focus on offshore operations, MWS and marine consultancy. He is a specialist on jack up rig move operations, location approvals and all aspects of rig moving. Prior to joining Aqualis, Mr. Wells was a specialist consultant to the offshore market, and previously held senior Global and Regional MD roles for a major leading global oil & gas consultancy. His focus during the latter was on Middle East and Africa and Indian sub-continental regions where he managed seven offices and a multi-cultural staff of some 200 employees. Mr. Wells resides in London, UK.

REUBEN SEGAL

Chief Operating Officer and Director of Middle East

Reuben Segal is COO and director of the Middle East for Aqualis Offshore Ltd. and has almost 20 years' experience in the offshore and shipping sectors, covering both engineering design and ship surveying. He is a naval architect, and has extensive recent global business development experience with focus on design and construction of offshore oil & gas assets, including MODU and MOPU units from FEED through to yard delivery. Mr. Segal holds a Master's degree in Engineering from the University of Newcastle. Mr. Segal resides in Dubai, UAE.

KIM BOMAN

Chief Financial Officer

Kim Boman joined Aqualis as CFO in January 2016. Mr. Boman has almost 20 years professional experience from corporate finance, accounting/auditing, strategy consulting and investor relations. Particular industrial experience within the offshore, shipping and renewable energy industry. Mr. Boman holds a Master's degree in Business and Economics from the Norwegian School of Management and a MSc in Finance from the London Business School. Mr. Boman resides in Oslo, Norway.

THE SENIOR MANAGEMENT

PHIL LENOX

Director of Asia Pacific

Phil Lenox is a structural engineer and has over 40 years of onshore/offshore experience with both contractors and consultancies including conceptual design, detailed structural analysis and design through to construction and installation. He specialises in transportation and installation projects including use of HLVs, topside floatovers and has extensive MWS experience. Mr. Lenox is based in Singapore.

DR. ANDREW THEOPHANATOS

Director of South Americas

Dr. Andrew Theophanatos is a naval architect with over 30 years of experience in offshore engineering and project management around the world and latterly in Brazil. He specialises in offshore engineering projects in both consultancy and MWS capacities for services related to all recent deepwater field development projects. Dr. Andrew Theophanatos holds a PhD and is based in Rio de Janeiro, Brazil.

SANTOSH GEORGE

Group QHSE Manager

Santosh George is a specialist QHSE consultant and auditor with extensive risk analysis experience covering shipyards and offshore assets together with implementation of Group Management systems and ISO accreditations. Mr. George is based in Dubai, UAE.

BJØRN HÅVARD BRÆNDEN

Director of Europe

Mr. Brænden has a M.Sc. in Naval Architecture and Marine Engineering with more than 20 years of experience in engineering and offshore sectors. He has specialised in design and worked as project manager for projects involving ships, semi submersibles, offshore service vessels, tankers and conversions to FSU/FPSO including offshore construction and marine installation. The last 10 years, he has been heavily involved in business development and played a key role in building up several companies. Mr. Brænden is based in Sandefjord, Norway.

IAN BONNON

Managing Director of Offshore Wind Consultants

Mr. Bonnon has over 30 years of experience in the offshore wind, oil & gas, marine & subsea cable industries. He is a specialist in provision of consultancy services to offshore wind farm developers and investors for a full life cycle of projects. He is a Chartered Civil Engineer who continues to have direct involvement on project work whilst combining this role with senior management. Mr. Bonnon is based in London, UK.

DR. BADER DIAB

Director of Engineering and North America

Dr. Bader Diab is a structural and global performance engineer. He has 25 years offshore engineering global experience covering both shallow and deep water sectors with extensive structural design experience of MODUs, mooring systems, motions, installation engineering and familiarity with shipyards. Dr. Bader Diab holds a PhD and is based in Houston, USA.

TORI WEIR

Group Legal Counsel

Tori Weir is responsible for all legal and compliance matters within the Aqualis group. Ms. Weir has extensive experience advising on securities, corporate and M&A, and governance issues. She has practiced as a corporate and securities lawyer in the US and UK before joining the in-house legal team of an international oil and gas company. She earned her JD, cum laude, from the University of Pennsylvania Law School and her BA, cum laude, is from Williams College. Ms. Weir is based in London, UK.

STUART MILL

Group Commercial Director

Stuart Mill is a fellow of The Royal Institution of Naval Architects (FRINA) with over 30 years' experience in ship-repair, shipbuilding, FPSO conversion and marine related oil and gas sectors. He has core expertise within project control, cost engineering, contracts and commercial management in large offshore construction projects. Mr. Mill has experience from technical, commercial and managerial positions at major shipyards worldwide, working on all types of floating structures and vessels. Mr. Mill is based in Dubai, UAE.

HEIDI LUND-NIELSEN

Group Recruitment Manager

Heidi Lund-Nielsen is a resourcing and HR professional, broadly experienced in areas of in-house recruitment, resource planning, HR and personnel management. She is shipping educated with 17 years' recruiting and HR generalist practice in the shipping, offshore oil & gas and the airline industries. Her experience covers general HR management & consultancy, policies, procedures and full lifecycle recruitment across all levels in multinational environments, from large to small owner managed businesses. Ms. Lund-Nielsen is based in Bahrain.

CORPORATE GOVERNANCE

Corporate Governance regulates the relationship between the Group's management, its Board of Directors and the shareholders of the Company. Aqualis believes that good corporate governance is an important component of sustainable business conduct and long-term value creation.

1. Implementation and reporting of Corporate Governance

In accordance with the Norwegian Code of Practice for Corporate Governance (NCPCG), cf. the latest version dated 23 October 2012, the Board of Directors of Aqualis ASA has prepared a Corporate Governance policy document. Aqualis aspires to follow the NCPCG as closely as possible and in situations where the Company's practice might diverge from the code, an explanation or comment will be provided.

The Company's compliance with the Code is detailed in this report and section numbers refer to the Code's articles. Aqualis' Corporate Governance guidelines are published in full at the Company's website.

2. Business

Aqualis is a Norwegian public company which has positioned itself as a global energy-consulting group covering the primary energy sectors: oil & gas and renewables (offshore wind and solar) – a key differential to any of its major competitors. The Group's strategy is to offer its specialist marine and engineering consultancy services through a growing network of global offices.

The scope of Aqualis' business is defined in its Articles of Association, published on the Company's website. The Company's objectives and strategies are presented in the Directors' report.

3. Equity and dividends

Equity

The Company's consolidated equity at 31 December 2015 was USD 37.8 million, representing an equity ratio of 81.6%. The Board aims to maintain an equity ratio that remains satisfactory in light of the Company's goals, strategy and risk profile.

Shares and share capital

At the end of 2015 Aqualis had 43 505 737 ordinary shares outstanding with a par value of NOK 0.10 per share (see note 24 to the Financial Statements). The Company has one share class, and each share carries one vote. At 31 December 2015, the Company had 1 922 shareholders, and 38.9% of the shares of the Company were held by foreign registered shareholders.

Increases in share capital

The Board will only propose increases in the share capital when this is beneficial over the long term for the shareholders of the Company.

The Board was given authority by the shareholders at the Annual General Meeting held on 22 May 2015 to increase the share capital with up to NOK 2,159,527.20 through one or more share issues. This authorisation expires on the date of the 2016 annual general meeting, however no later than 22 August 2016. Under the authorization the Company may issue shares for the purposes of investments / M&A or general corporate purposes. Up to five percent of the authorization can be issued in connection with the share purchase programs for the company's employees.

Aqualis has approval to purchase its own shares, limited to 10% of the total shares outstanding. This authorisation is valid until the Annual General Meeting, but shall in any event expire at the latest on 22 August 2016.

Dividend policy

It is the Company's objective to generate returns to the shareholders in the form of dividends and share appreciation, which is at least on the same level as other investment possibilities with comparable risk. This should be achieved, first and foremost, through strong and profitable growth within the Company's business areas. Future dividends will depend on the group's financial strength, cash flow, investment needs and growth opportunities.

4. Equal treatment of shareholders and transactions with close associates

The Company has only one class of shares and there are no voting restrictions. Any potential purchase of own shares shall be carried out via a stock exchange at market prices.

Where the Board resolves to carry out an increase in share capital on the basis of an authority given to the Board, and waive the pre-emption rights of existing shareholders, the justification will be publically disclosed in connection with the increase in share capital.

Transactions with related parties shall be at arm's length and at fair value which, in the absence of any other pertinent factors, shall be at market value. All material transactions with related parties shall be valued by an independent third party, unless assessed and resolved upon by the General Meeting. Transactions with related parties are described in note 20 to the Financial Statements.

5. Freely negotiable shares

There are no limitations on trading of shares and voting rights in the Company and each share gives the right to one vote at the Company's General Meeting.

6. General Meeting

Annual General Meeting

The General Meeting is the Company's supreme body and elects the members of the Board.

The call for the General Meeting

The Company observes the minimum notice period set out in the Norwegian Public Limited Companies Act, i.e. providing 21 days' notice. The call for the General Meeting is issued in writing via mail, or electronically through VPS, to all shareholders with registered addresses. Transmitted with the summons are documents, which have sufficient detail for the shareholders to take a position on all the cases to be considered. However, documents relating to matters which shall be considered at a general meeting need not be sent to the shareholders if the documents have been made available to the shareholders on the Company's website. The summons also addresses the shareholder's right to propose resolutions to the matters to be resolved upon at the General Meeting, and gives information regarding the required steps necessary to exercise the shareholder's rights. The summons and the said documents are made available on the Company's website at least 21 days prior to the relevant General Meeting.

To register for the General Meeting, a shareholder is requested to submit a confirmation in writing via mail or fax, or by electronic registration directly through VPS.

Voting at the General Meeting

Any shareholder is entitled to vote at the General Meeting, and to cast a vote, a shareholder must attend or give a proxy to someone who is attending. The proxy form will be distributed with the summons to the General Meeting. A proxy will only be accepted if submitted by mail, fax, or e-mail (provided the proxy is a scanned document with signature), or registered directly through VPS. It is not possible to vote via the Internet or in any other way. For shareholders who cannot attend the General Meeting, the Board will nominate the Chairman and/or the CEO to vote on behalf of shareholders as their proxy. To the extent possible, the Company uses a form for the appointment of a proxy, which allows separate voting instructions to be given for each matter to be considered by the meeting and for each of the candidates nominated for election.

The attendance at the General Meeting

The Board and the management of the Company seek to facilitate the largest possible attendance at the General Meeting. The chairman of the Board, the chairman of the election committee and the Company's auditor will always attend the General Meeting. Other members of the Board and the election committee will also attend whenever practical.

Chairman of the meeting and minutes

The Chairman of the Board, or another person nominated by the Board, will declare the General Meeting open. Considering the Company's organisation and shareholder structure the Company considers it unnecessary to appoint an independent chairman for the General Meeting, and this task will for practical purposes normally be performed by the Chairman of the Board.

7. Election Committee

The Election Committee is elected by the General Meeting. In addition, the Chairman of the Election Committee is also appointed by the General Meeting. The members of the Election Committee should be selected to ensure there is a broad representation of shareholders' interests.

The Election Committee's task is to propose candidates for election to the Board of Directors and to suggest remuneration for the Board. The recommendations shall be justified. The Election Committee currently consists of two members, who shall be shareholders or representatives of the shareholders, and no more than one member of the Election Committee shall be a member of the Board. Further information on the duties of the Election Committee can be found in the Instructions to the Election Committee, which has been approved by the General Meeting and made available on the Company's website.

Aqualis is not aware of the existence of any agreements or business partnerships between the Company and any third parties in which members of its Election Committee have direct or indirect interests. The Election Committee's composition is designed to maintain its independence from the Company's administration.

The Election Committee currently consists of the following members:

- Eigil Stray Spetalen, Chairman (up for election in 2016)
- Espen Lundaas (up for election in 2016)

Further information on the membership is available on the Company's webpage.

8. The Board of Directors – composition and independence

The Chairman and the other members of the Board are elected for a period of two years at a time and currently comprises four members. All members of the Board may be re-elected for a period of up to two years at a time.

The Chairman of the Board, Glen Rødland, owns 16.9% of shares in Aqualis, through Gross Management AS and Ricin Investments AS, companies owned 100% by Mr Rødland. Reuben Segal is both a member of the Company's Board of Directors and a member of the Company's executive management team as Chief Operating Officer and Director, Middle East. The background for this is that Mr. Segal is a significant shareholder in the Company, and also represents the interest of other employees who hold shares in the Company.

In electing members to the Board, it is emphasised that the Board has the required competence to independently evaluate the cases presented by the Executive Management as well as the Company's operations. It is considered important that the Board functions well as a body of colleagues.

The female representation among Board members is 50%.

The current composition of the Board, including Board members' shareholding in Aqualis per the date of this annual report is detailed below.

9. The work of the Board

The Board's work follows an annual plan and it conducts an annual self-evaluation of its performance and expertise, which is made available to the Election Committee. The annual plan is devised after each Annual General Meeting, and includes the number of meetings to be held and specific tasks to be handled at the meetings. Typical tasks that are handled by the Board during the year include an annual strategic review, review and approval of the following year's budget, evaluation of management and competence required, and continuous financial and risk reviews based on budget or prognosis. The Board has held 12 meetings during the period 1 January 2015 and 31 December 2015 which were well attended by Board members.

Audit Committee

In accordance with the Company's Articles of Association, the Company has elected to have the full Board constitute the Audit Committee. The Board is of the opinion that this will be in the best interest of the Company in an initial stage as it will allow the Company to utilise the competence of all the board members in the committee work. Reuben Segal, a member of the executive management team, will disqualify himself from participating in the audit committee.

Remuneration Committee

The remuneration committee, appointed by the Board, makes proposals to the Board on the employment terms and conditions and total remuneration of the CEO, and other members of the Executive Management, as well as the details of the employee share scheme. These proposals are also relevant for other management entitled to variable salary payments. Currently, the Company's full Board constitutes the remuneration committee.

10. Risk management and internal control

The Board and the Executive Management shall at all times see to it that the Company has adequate systems and internal control routines to handle any risks relevant to the Company and its business, including that the Company's ethical guidelines, corporate values and guidelines for corporate social responsibility are maintained and safeguarded.

The Board carries out an annual detailed review of the Company's most important areas of exposure to risk and its internal control systems. The risk areas, changes in risk levels and how the risk is being managed, are on the agenda at each regular Board meeting.

Aqualis, through its subsidiaries Aqualis Offshore and Offshore Wind Consultants, provides marine and engineering services to the offshore sector. These services are provided in compliance with relevant international and local laws and regulations governing this industry. The Company has adopted a Corporate Code of Conduct and a QHSE system governing daily business practices.

11. Remuneration of the Board of Directors

Remuneration of Board members shall be reasonable and based on the Board's responsibilities, work, time invested and the complexity of the business. The remuneration needs to be sufficient to attract both Norwegian and foreign Board members with the right expertise and competence. The compensation shall be a fixed annual amount and shall be determined by the Annual General Meeting based on a proposal from the Election Committee.

For more information on remuneration of the Board see note 20 to the Financial Statements.

12. Remuneration of the Executive Management

The Board decides the salary and other compensation of the CEO, pursuant to relevant laws and regulations, having references to the main principles for the compensation policy of the Company as well as market norms and performance of the individual.

For more information on remuneration of the CEO and other members of Executive Management see note 20 to the Financial

The Board of Directors – composition and independence

NAME	POSITION IN THE BOARD	MEMBER SINCE (YEAR)	UP FOR ELECTION (YEAR)	COMMITTEE MEMBERSHIP	SHAREHOLDING IN AQUALIS*
Glen Rødland	Chairman	2014	2016	Audit Remuneration	7 367 996 (1)
Yvonne L. Sandvold	Member	2013	2017	Audit Remuneration	-
Reuben Segal	Member	2014	2016	Remuneration	1 263 869 (2)
Synne Syrrist	Member	2013	2017	Audit Remuneration	-

* At the date of the Annual Report

(1) The shares are held through Gross Management AS and Ricin Investments AS, companies owned 100% by Mr. Rødland
(2) The shares are held through AmAn Marine Limited

Statements and the statement regarding the determination of salary and other remuneration for Executive Management in note 21.

13. Information and communication

Aqualis is strongly committed to maintaining an open dialogue with its shareholders, potential investors, analysts, investment banks and the financial markets in general. Our goal is for the share price to reflect the underlying value of the Company by providing all price-relevant information to the market on a timely basis.

The Board of Directors and the Executive Management of the Company assign considerable importance to giving the shareholders and the financial market in general timely, relevant and current information about the Company and its activities, while maintaining sound commercial judgement in respect of any information, which, if revealed to competitors, could adversely influence the value of the Company.

The CEO and CFO are responsible for the Company's investor relations activities and all communication with the capital markets, and all information is provided in accordance with the laws and regulations imposed by the Norwegian Securities Trading Act and the Oslo Stock Exchange

Regular information is published in the form of Annual Reports and interim reports and presentations. Aqualis distributes all information relevant to the share price to the Oslo Stock Exchange in accordance with applicable regulations. Such information is distributed without delay and simultaneously to the capital market, the media and on the Company website.

The Company publishes all information concerning the Annual General Meeting, quarterly reports and presentations and other presentations on the Company website, as soon as they are made publically available.

The Executive Management holds regular meetings with shareholders and other investors, and presents at domestic and international investor conferences.

14. Take-overs

The Board shall not without specific reasons attempt to hinder or exacerbate any attempt to submit a takeover bid for the Company's activities or shares, hereunder make use of any proxy for the issue of new shares in the Company. In situations of takeover or restructuring, it is the Board's particular responsibility to ascertain that all shareholders' values and interests are protected. If a take-over offer is made, the Board will issue a statement making a recommendation as to whether shareholders should or should not accept the offer. The Board will arrange a valuation from an independent expert that shall be made public no later than the disclosure of the Board's recommendation.

15. Auditor

Ernst & Young AS was appointed as the Company's auditors on 2 June 2014. The Auditor participates in meetings of the Audit Committee and in the Board meeting that approves the annual financial statements, and otherwise when required. The Auditor meets with the Board, without the Company's Executive Management being present, at least once a year.

The Auditor each year presents a plan for the implementation of the audit work, and following the annual statutory audit presents a review of the Company's internal control procedures, including identified weaknesses and proposals for improvement.

Remuneration to the Auditor is disclosed in note 9 to the Financial Statements.

The full Corporate Governance Policy is published on Aqualis' home page: www.aqualis.no.

BOARD OF DIRECTORS' REPORT

Key figures and events in 2015

- Revenues of USD 41.0 million in 2015 vs USD 33.3 million in 2014
- EBIT loss of USD 2.9 million in 2015 vs loss of USD 1.9 million in 2014
- Loss after taxes of USD 2.2 million in 2015 vs loss after taxes of USD 0.3 million in 2014
- Net cash out flow from operating activities of USD 2.3 million in 2015 vs inflow of USD 0.1 million in 2014
- Market position strengthened, but operations impacted by lower activity level in the oil & gas market
- Opening up of 6 new offices
- 220 employees [(1)] at year-end 2015 with continued solid HSE performance
- Completion of the acquisition of 49.9% stake in ADLER Solar

BUSINESS ACTIVITY OVERVIEW

Aqualis Offshore Holding ASA (later renamed Aqualis ASA) was incorporated 2 June 2014 as a wholly-owned subsidiary of Aqualis ASA (later renamed Weifa ASA), a publicly listed company on the Oslo Stock Exchange which operated in the offshore and marine industry as well as the pharmaceutical industry. Aqualis Offshore Holding ASA was listed on Oslo Stock Exchange on 13 August 2014. The company subsequently changed its name to Aqualis ASA (ticker: AQUA) on 20 August 2014. Aqualis ASA and its subsidiaries (together "Aqualis", "Aqualis Group", "Company" or the "Group").

STRATEGY AND OBJECTIVES

Aqualis focuses on the provision of high end consultancy to the offshore oil and gas and renewables (offshore wind and solar energy) markets. The Group's strategy is to offer its specialist marine and engineering consultancy services through a growing network of global offices. The Group has established a presence in all major shipping and offshore energy centres.

This global presence allows the business to respond quickly when high-end marine or engineering consultancy is required. Although some of the offices have special focus on certain areas of operations, all service offerings are provided to the oil and gas market across all regions and for certain regions for renewables.

The focus for 2015 has been to

- expand the size of the Group
- grow the network of offices
- increase the portfolio of clients
- gain market share
- service new markets

(1) Including subcontractors on full time equivalent basis.

OPERATIONS AND MARKETS

The Group has continued its expansion in 2015 with the opening up of 6 new offices in Aberdeen (UK), Hamburg (Germany), Doha (Qatar), Busan (South Korea), Kuala Lumpur (Malaysia) and Ciudad del Carmen (Mexico).

In October 2015, Aqualis acquired a 49.9% interest in ADLER Solar, a German company specialising in the provision of consultancy to the solar industry. Through this strategic acquisition, Aqualis has positioned itself as a global energy-consulting group covering the primary energy sectors: oil & gas and renewables (offshore wind and solar) – a key differential to any of its major competitors.

Oil & gas

Aqualis' offshore oil and gas activities are carried out by Aqualis Offshore. The fall in the oil price has developed an increasingly negative sentiment in the oil & gas market through 2015. Clients are under pressure to reduce both costs and headcount with many of their assets being stacked and off contract. Many projects have been delayed, cancelled or reduced in scope. The service industry as a whole is becoming increasingly competitive

All regions have seen weaker market conditions in 2015, but with the market in the Middle East still experiencing relative high activity level. The market in Brazil has been especially weak. The Group have had to make some rationalisation of staff numbers in both Dubai, Houston and Rio offices in year 2015.

Most of Aqualis' service lines have experienced lower demand. Bidding levels on smaller jobs, particularly within marine, has strengthened. The market for new large engineering and construction related opportunities is weak. Aqualis holds an increasing number of Master Service Agreements (MSAs) and call out contracts, for day-to-day operational requirements, with a large number of offshore clients.

Jack up rig moving operations, an important service line, remained strong particularly in the Middle East and India. The market for other rig moving operations in Asia Pacific, North Sea, West Africa and Mexico have seen some weakening. The Group estimates that it is associated with about 20% of the active global jack up fleet. Aqualis' transportation and installation team still experiences good market opportunities though these have been slow to manifest themselves in contracts.

Renewables

Aqualis offers services in offshore renewables industry through Offshore Wind Consultants LTD (OWC) which has offices in London and Hamburg. In spite of the withdrawal of some government subsidies in UK, OWC has performed well in 2015. OWC's market position is improving and it is continuing to build and expand its client base. It has successfully secured work from the major developers in Northern Europe. A new office opened in Hamburg in Q4 2015 to provide a strategic base for operations in the German sector.

Aqualis ASA offers services for the solar industry through ADLER Solar. In October 2015, Aqualis acquired a 49.9% stake in the Germany-based company ADLER Solar Services GmbH ("ADLER Solar"). ADLER Solar is an independent full service provider for the solar industry. It offers engineering and maintenance services, test & repair, after sales services, recall campaigns and logistics. ADLER Solar has a strong market position in Germany. In July 2015, ADLER Solar and its Japanese partner company Yokohama Kankyo Design Co., Ltd (YKD) founded the Yokohama-based Joint Venture ADLER Solar Works, which since then has been operating as the first full-service provider for the solar industry in Japan. The team in Yokohama consists of 10 employees.

The solar market has grown strongly over the past years penetrating into new geographical markets. The Balance of System (BOS) prices and solar module prices have continued to decrease, but more slowly than in previous years. The market has seen consolidation over the past years and new market players are entering the solar sector as utilities seek to reposition their business to the renewable sector. The sector is moving towards integrated solutions with PV, energy storage systems and technology, e-mobility and smart grids.

FINANCIAL REVIEW

Financial statements

The consolidated financial statements of Aqualis are prepared in accordance with International Financial Reporting Standards. A financial review of the Group is provided below.

Profit and loss

Revenues increased by 23.1% to USD 41.0 million compared to USD 33.3 million in 2014. The increase is mainly attributable to increase in marine activities in the Middle East, opening of new offices and full year consolidation of Tristein AS and Offshore Wind Consultants Limited during 2015. Total operating expenses increased by 24.0% to USD 43.7 million compared to USD 35.3 million in 2014. The increase is line with increase in operations and opening of new offices. The operating expenses are impacted by a goodwill impairment of USD 1.4 million. The goodwill impairment is related to the operations in Brazil where market conditions have been challenging.

EBIT amounted to a loss of USD 2.9 million compared with a loss of USD 1.9 million in 2014. The result was impacted by project terminations, goodwill impairment and recognition of share of net loss from associates.

Share of net income from associates amounted to a loss of USD 0.2 million in 2015 and relates to the investment in ADLER Solar and its results in the period from 29 October 2015 until 31 December 2015. The loss in ADLER Solar is mainly due to seasonal slowdown and costs related to the transaction with Aqualis.

Net financial items amounted to USD 1.4 million in 2015 compared with USD 1.9 million in 2014. The gain is due to strengthening of USD.

Loss after taxes for the period was USD 2.2 million compared with a loss of USD 0.3 million in 2014.

Cash flow, liquidity and financial position

Net cash outflow from operating activities was USD 2.3 million in 2015. This was mainly due to an increase in working capital and effects related to unrealized currencies. Net cash outflow used in investing activities was USD 3.8 million in 2015 and was primarily related to the acquisition of 49.9% in ADLER Solar. Net cash flow from financing activities were USD 0.3 million in 2015 and related to issuance of new shares. At 31 December 2015, cash balance amounted to USD 14.9 million compared with USD 21.8 million at 31 December 2014

At 31 December 2015, total assets amounted to USD 46.2 million compared with USD 51.4 million as of 31 December 2014. The shareholders' equity was USD 37.7 million at 31 December 2015, corresponding to an equity ratio of 81.5%. The shareholders' equity was USD 44.4 million at 31 December 2014, corresponding to an equity ratio of 86.6%. Aqualis had no interest bearing debt as of 31 December 2015.

GOING CONCERN

Based on Aqualis' cash position at 31 December 2015, and the estimated net cash flow for 2016, Aqualis has the necessary funds to meet its contractual obligations for the next 12 months.

In accordance with the Norwegian accounting act § 3-3a, the Board of Directors confirm that the Financial Statements have been prepared under the assumption of going concern and that this assumption is valid.

AQUALIS ASA

Aqualis ASA prepares its financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway. Aqualis ASA is a holding company for the Group's operations.

Aqualis ASA reported profit after taxes in 2015 of NOK 13.3 million compared with NOK 10.7 million in 2014. The increase is due to significant currency gain. Total assets as of 31 December 2015 were NOK 333.8 million compared with NOK 310.5 million in 2014. The company's cash balance at year-end 2015 was NOK 87.5 million vs NOK 123.0 million at year-end 2014. Net cash outflow used in investing activities was NOK 57.8 million in 2015 and was primarily related to the acquisition of 49.9% in ADLER Solar.

The total shareholder's equity at 31 December 2015 was NOK 322.7 million with a corresponding equity ratio of 98.2%. The Board proposed that the net income for the year of NOK 13.3 million is allocated to retained earnings.

Aqualis ASA has its' headquarter in Oslo, Norway and it had 1 employee and 1 full time consultant at the end of 2015.

SUBSEQUENT EVENTS

On 2 March 2016, Aqualis purchased a total of 1,212,498 shares, representing approximately 2.8 percent of Aqualis' common shares and votes, at a price of NOK 2.50 per share. The total purchase price was approximately NOK 3.0 million.

RISK FACTORS

Risk exposure and risk management

Aqualis' regular business activities entail exposure to various types of risk. The Group proactively manages such risks and the Board regularly analyses its operations and potential risk factors and takes measures to reduce risk exposure. Aqualis places a strong emphasis on Quality Assurance and has quality systems implemented, or under implementation, in line with the requirements for its business operations.

Operational risk

The future growth and profitability of the Aqualis Group will largely depend on its ability to attract new clients, recruit a skilled workforce, and its ability to carry out its work effectively and at a high standard. A key part the development of Aqualis is the retention and recruitment of key personnel. The loss of any of the current members of its senior management, or other key personnel, or the inability to attract or retain a sufficient number of qualified employees, could adversely affect its business and results of operations.

The Group's operations will over time depend on the level of activity and capital spending by oil & gas and offshore companies. The demand for the Group's services is affected by declines in maritime and offshore activity associated with depressed oil & gas prices. Even the perceived risk of a decline in the oil or natural gas prices often causes exploration and production companies to reduce their spending. There is a risk associated with a long-term drop in the oil price, affecting the profitability of the development of new offshore fields. Any prolonged periods of reduced capital expenditures by oil & gas and offshore companies could reduce the demand for the services offered by Aqualis.

Credit and interest rate risk

With no debt financing at 31 December 2015, the Group is not exposed to any interest rate risk. Credit risk is primarily related to accounts receivables. In accounts receivable, credit risk include geographic, industry and customer concentration; and risks related to collection. Aqualis is tightly managing its receivables as the oil & gas industry is facing more challenging market conditions. Market and customer specific developments affect credit risk.

Liquidity risk

The group's policy is to maintain satisfactory liquidity at the corporate level. The Group has a strong cash position and no interesting-bearing debt at year-end. The Group's cash and cash equivalents of USD 14.9 million at 31 December 2015. Based on the year-end cash balance, available liquidity resources and the current structure and terms of the Group's liabilities, it is the Board's opinion that the Group has adequate funding and liquidity to support its operations and investment program.

Foreign currency risk

Aqualis operates internationally and is exposed to currency risk primarily to fluctuations in USD, NOK, SGD, GBP and AED, arising from commercial transactions and assets and liabilities in currencies other than the entity's functional currency, Aqualis' net investments in foreign subsidiaries and its foreign currency denominated cash deposits. During the year 2015, the Group had a net unrealized foreign exchange gain of USD 1.4 million.

Further details on financial risk can be found in note 23 to the Financial Statements.

CORPORATE GOVERNANCE

The statement of corporate governance is included as a separate document in the annual report. Corporate governance is important to ensure that our business is operated in a way that protects the long-term interest of all stakeholders. The Board of Directors has approved and implemented corporate governance principles endorsing and complying with the Norwegian Accounting Act (§ 3-3b)and the Norwegian Code of Practice for Corporate Governance (Code of Practice) issued by the Norwegian Corporate Governance Board. Aqualis' compliance with the Code of Practice is described in detail in the report on Corporate Governance for 2015 which is included in the Annual Report on page 20.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Aqualis is committed to ensuring the health and safety of its people, safety of its operations and to protecting the natural environment from harm. The people employed in the Group are its most important resource for success, and the Group strives to create a healthy and safe working environment for all employees and contractors.

HSEQ is an integral element of its business, and systems are in place to report and follow-up any accidents and incidents. In 2015, the Group continued its excellent personnel safety record with zero accidents or lost time incidents (LTI's). Absence due to sick leave (none of which was due to occupational illness) was 0.9% in 2015 vs 1.9% the previous year.

The Group does not have any storage production or storage facilities. It is the Board's view that the Aqualis's business does not materially contaminate the external environment.

The HSEQ management system, which conforms to ISO9001 & OHSAS18001, has been established and implemented to assist and guide in managing all HSE, operational and business risks associated with its operations and to drive improvement.

Processes are in place to identify and comply with HSE regulatory requirements, identify hazards and manage risks, report and investigate incidents, communicate lessons learned and to impart necessary training and awareness.

Given the nature of Aqualis' business its activities have a limited direct detrimental effect on the environment. Aiming to contribute to environmental protection Aqualis works with clients to improve environmental performance in the regions and countries it operates in as per applicable environmental regulations.

Our employees

At the end of 2015, Aqualis had a total workforce of 220 employees (representing 41 nationalities) including contractors on a 100% utilisation equivalent basis. This is an increase of 12% compared to 2014. Effective from January 1st 2015 Tristein AS merged into Aqualis Offshore AS in order to streamline the Norwegian operation.

Emphasising on diversity and inclusion (as outlined in HR and operational policies), the Group recognises the great benefits in having a workforce with a diverse range of backgrounds, solely employed on skillset and ability. This helps Aqualis to create an inclusive corporate culture where its people feel valued, respected and fairly treated, therefore enhancing its reputation as an employer of choice.

Aqualis has a clear policy stating that the Group is committed to providing equal opportunities to all employees in all aspects of employment without discrimination and irrespective of gender, race, marital status, terms and conditions of service, age, disability, pregnancy, gender reassignment, sexual orientation, faith or religion.

A large majority of Aqualis' workforce are either offshore staff, mariners or on-site workers – who have been recruited from professional communities that historically have had a significantly higher proportion of men than women. This is still the case in both the oil and gas and renewables industries. The gender split of Aqualis' global permanent workforce (excluding contractors) by the end of 2015 is 22.8% women and 77.3% men. 50% of the directors on the Board of Directors are women, 0% of executive management, while 17% of the senior management are women.

Conscious of preventing discrimination the Group abides by the ethics of equal pay for equal work applied in wage determination, while only relevant qualifications, education, results and other professional criteria form the grounds in connection with recruiting, selection, training, compensation and promotion.

Working time arrangements are influenced by position and not by gender. Aqualis continues to monitor the Equal Opportunity policy's effectiveness in order to demonstrate its commitment to promoting equality and diversity. Awareness of equal opportunities in Aqualis is also raised regularly, making sure that employees are recruited in such a way that avoids discrimination.

Business conduct

The Group is committed to conducting its business in a manner that adheres to the highest industry standards and strictly in accordance with applicable laws and regulations in the regions and countries where Aqualis operates. Standard operating procedures and other policy guidelines covering the conduct of the Group and its employees are in place to ensure the Group's effects on environmental and social wellbeing.

Aqualis is committed to a work environment where all employees feel safe and are valued for the diversity they bring to the business. The Group follows domestic and internationally accepted labour standards where it operates. It respects and supports Human Rights and will not be complicit or engage in activities that solicit or encourage human rights abuse. Aqualis is committed to making a positive impact in the communities and environments where it operates. Its locations support programmes and initiatives specific to their locations.

The Group advocates high standards of honesty, integrity and ethical behaviour in its daily business and it expect all representatives of Aqualis to conduct their daily business in a safe, fair, honest, respectful and ethical manner. A formal Code of Conduct has been established as well as a set of HSEQ policies and procedures, including a system for reporting and monitoring workplace accidents. Key safety indicators are monitored and reported on a monthly basis. The Group is committed to creating a work culture where prevention of harm is a priority for everyone.

The Code of Conduct sets the Group's commitments, and all employees are required to uphold and comply with the code. The Code of Conduct prohibits giving anything of value, directly or indirectly to officials of foreign governments or political candidates or to any other person, in order to obtain or retain business. It is strictly prohibited to make illegal payment to government officials, or any other person of any country. Aqualis has a corporate compliance officer and employees are instructed to report suspected violations of the Group's code.

OUTLOOK

Outlook is subject to changes in market conditions and operational performance.

Aqualis will in 2016 focus on further improving staff utilization, increasing efficiencies and aligning the cost base with the weakened market conditions. The Group sees itself in a good position to continue to increase its market share.

The negative sentiment in the oil & gas market appears to be escalating in some regions at the start of 2016. The market is expected to be challenging, but with variations among regions. Outlook for the Americas and Europe is weak and we expect these regions to be challenging, whilst the Middle East region is expected to remain active.

The offshore wind industry has been hurt by changes in the subsidy regime in the UK. The offshore wind market in Northern Europe going forward remains positive with a reasonable project pipeline predicted through to 2020. Further afield, market potential may be explored in China, Taiwan and Thailand.

The solar industry has grown strongly over the past years. Industry analyst BNEF expect global PV demand in 2016 to be around 66 GW, an increase from 54 GW in 2015. The main driver for new business for ADLER Solar is the after sales services for the installed base of PV plants. ADLER Solar plans to extend its services in 2016.

Oslo, 25 April 2016

Glen Rødland
Chairman of the Board

Yvonne Litsheim Sandvold
Board member

Reuben Segal
Board member

Synne Syrrist
Board member

David Wells
CEO

RESPONSIBILITY STATEMENT

We confirm that, to the best of our knowledge, the Financial Statements 2015, which have been prepared in accordance with IFRS as adopted by EU, gives a true and fair view of the Company's assets, liabilities, financial position and results of operations, and that the management report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-5.

Oslo, 25 April 2016

Glen Rødland
Chairman of the Board

Yvonne Litsheim Sandvold
Board member

Reuben Segal
Board member

Synne Syrrist
Board member

David Wells
CEO

FINANCIAL STATEMENTS

AQUALIS GROUP FINANCIAL STATEMENTS AND NOTES

Index

Consolidated Statement of Profit and Loss for the year ended 31 December

(USD 1 000)	NOTE	2015	2014
Revenues	6	40 998	33 303
Total revenues		40 998	33 303
Payroll and payroll related expenses	8	(23 717)	(18 563)
Depreciation, amortisation and impairment	13, 14	(2 027)	900
Other operating expenses	9	(17 965)	(15 788)
Share of net profit (loss) from associates	4	(197)	-
Operating profit (loss) (EBIT)		(2 908)	(1 948)
Finance income	10	28	91
Finance expenses	10	(45)	(176)
Net foreign exchange gain (loss)	10	1 419	1 994
Net financial items		1 402	1 909
Profit (loss) before taxes		(1 506)	(39)
Income tax expenses	11	(692)	(211)
Profit (loss) after taxes		(2 198)	(250)
Profit (loss) after taxes attributable to:			
Equity holders of the parent company		(2 198)	(250)
Non-controlling interests		-	-
Total		(2 198)	(250)
Earnings per share (USD): basic and diluted	12	(0.05)	(0.01)

Consolidated Statement of Other Comprehensive Income for the year ended 31 December

(USD 1 000)		2015	2014
Profit (loss) after taxes		(2 198)	(250)
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Currency translation differences		(4 543)	(8 834)
Income tax effect	11	(587)	-
Other comprehensive income for the year, net of tax		(5 130)	(8 834)
Total comprehensive income for the year, net of tax		(7 328)	(9 084)

Consolidated Statement of Financial Position as of 31 December

(USD 1 000)	NOTE	2015	2014
ASSETS			
Non-current assets			
Equipment	13	371	629
Investment in associates	4	3 283	-
Deferred tax assets	11	14	15
Intangible assets	7, 14	17 119	20 710
Total non-current assets		20 787	21 354
Current assets			
Trade receivables	15	7 667	5 229
Other receivables	15	2 876	2 990
Cash and cash equivalents	16	14 864	21 790
Total current assets		25 407	30 009
Total assets		46 194	51 363
EQUITY AND LIABILITIES			
Equity			
Share capital	17	705	702
Share premium		47 344	47 058
Other paid in capital		432	178
Retained earnings		(10 819)	(3 491)
Total equity		37 662	44 447
Non-current liabilities			
Deferred tax liability	11	587	-
Total non-current liabilities		587	-
Current liabilities			
Trade payables	19	1 128	1 227
Income tax payable	11	586	211
Other current liabilities	18, 19	6 231	5 478
Total current liabilities		7 945	6 916
Total liabilities		8 532	6 916
Total equity and liabilities		46 194	51 363

Oslo, 25 April 2016

Glen Rødland
Chairman of the Board

Yvonne Litsheim Sandvold
Board member

Reuben Segal
Board member

Synne Syrrist
Board member

David Wells
CEO

Consolidated Statement of Cash flows for the year ended 31 December

(USD 1 000)	NOTE	2015	2014
Cash flow from operating activities			
Profit (loss) before taxes		(1 506)	(39)
Non-cash adjustment to reconcile profit before tax to cash flow:			
Estimated value of employee share options		254	178
Depreciation, amortisation and impairment	13, 14	2 027	900
Share of net loss from associates	4	197	-
Changes in working capital:			
Changes in trade receivables and trade creditors		(2 537)	(2 497)
Changes in other receivables and other current liabilities		693	1 570
Proceeds on realisation of customer contract		421	-
Interest received		(16)	(65)
Income tax paid		(142)	-
Effects related to currency unrealised		(1 646)	(2 050)
Effect related to acquisition of subsidiary		-	2 147
Cash flow (used in)/from operating activities		(2 254)	144
Cash flow from investing activities			
Purchase of equipment	13	(293)	(691)
Acquisition of associate	4	(3 480)	-
Interest received		16	65
Acquisition of subsidiary, net of cash		-	1 997
Cash flow (used in)/from investing activities		(3 757)	1 371
Cash flow from financing activities			
Proceeds from share issue		289	10 642
Payment from Weifa (previous owner)		-	8 857
Cash flow from financing activities		289	19 499
Net change in cash and cash equivalents		(5 722)	21 014
Cash and cash equivalents beginning period	16	21 790	838
Effect of movements in exchange rates		(1 203)	(62)
Cash and cash equivalents end period		14 864	21 790

Consolidated Statement of Changes in Equity for the year ended 31 December

(USD 1 000)	NOTE	SHARE CAPITAL	SHARE PREMIUM	OTHER PAID IN CAPITAL	RETAINED EARNINGS	FOREIGN CURRENCY TRANSLATION RESERVE	TOTAL EQUITY
Equity at 01.01.2014		**-**	**-**	**-**	**12 335**	**-**	**12 335**
Profit (loss) after taxes		-	-	-	(250)	-	(250)
Foreign currency translation reserve		-	-	-	-	(8 834)	(8 834)
Issue of share capital							
Foundation capital		167	-	-	-	-	167
Private placement		118	10 357	-	-	-	10 475
Contribution in kind (group continuity)		417	36 701	-	(6 742)	-	30 376
Share-based payment	17	-	-	178	-	-	178
Equity at 31.12.2014		**702**	**47 058**	**178**	**5 343**	**(8 834)**	**44 447**
Equity at 01.01.2015		**702**	**47 058**	**178**	**5 343**	**(8 834)**	**44 447**
Profit (loss) after taxes		-	-	-	(2 198)	-	(2 198)
Foreign currency translation reserve		-	-	-	-	(5 130)	(5 130)
Issue of share capital		3	286	-	-	-	289
Share-based payment	17	-	-	254	-	-	254
Equity as at 31.12.2015		**705**	**47 344**	**432**	**3 145**	**(13 964)**	**37 662**

Note 1: Corporate information

Aqualis ASA (is a Norwegian public limited company that, through its subsidiaries and associates, offers energy consultancy services to the oil and gas, wind and solar sectors globally. The group employs experienced consultants across 22 offices in 15 countries worldwide. Aqualis ASA operates 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 services to the offshore renewables industry. ADLER Solar is a technical and engineering service provider for the global solar industry. Aqualis owns 49.9 percent of ADLER Solar.

Aqualis was established when the owners of Weifa ASA established it 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 it 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 the 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. The shares of the Aqualis was listed on Oslo Stock Exchange on 13 August 2014.

Aqualis ASA's office is at Bleikerveien 17, 1387 Asker, Norway.

Note 2: Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements and directors' report are prepared in English only.

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union, and are mandatory for fiscal years beginning on or after 1 January 2015, their interpretations adopted by the International Accounting Standards Board (IASB) and Norwegian disclosure requirements listed in the Norwegian Accounting Act. Furthermore, the consolidated financial statements have been prepared on a historical cost basis. The group has no assets or liabilities which have been recognised at fair value.

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 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 financial statement of Aqualis ASA.

Aqualis Offshore Ltd was acquired on 1 November 2013 and has been consolidated from that date. Tristein AS was aqcuired on 23 April 2014 and OWC Ltd was acquired on 26 June 2014. The companies have been consolidated from the date of control. See note 4 for more details. The spin-off and transfer of assets and liabilities from Weifa ASA to Aqualis ASA was done from 25 July 2014.

Consolidation principles

The Group's consolidated financial statements comprise the parent company and it's subsidiaries as of December 31, 2015. An entity has been assessed as being controlled by the Group when the Group is exposed for or have the rights to variable returns from its involvement with the entity, and has the ability to use its power over the entity to affect the amount of the Group's returns.

Thus, the Group controls an entity if and only if the Group has all the following:

- power over the entity;
- exposure, or rights, to variable returns from its involvement with the entity; and
- the ability to use its power over the entity to affect the amount of the Group's returns.

There is a presumption that if the Group has the majority of the voting rights in an entity, the entity is considered as a subsidiary. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the entity. Including ownership interests, voting rights, ownership structure and relative power, as well as options controlled by the Group and shareholder's agreement or other contractual agreements. See note 3 for a more detailed description of the Group's assessments regarding control.

The assessments are done for each individual investment.

The Group re-assesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Business combinations are accounted for by using the acquisition method. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests is presented separately under equity in the Group's balance sheet.

Change in ownership interest without loss of control

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The consideration is recognised at fair value and the difference between the consideration and the carrying amount of the non-controlling interests is recognised at the equity attributable to the parent.

Loss of control

In cases where changes in the ownership interest of a subsidiary lead to loss of control, the consideration is measured at fair value. Assets (including goodwill) and liabilities of the subsidiary and non-controlling interest at their carrying amounts are derecognized at the date when the control is lost.

The fair value of the consideration received is recognised and any investment retained is recognised at fair value. Gain or loss is recognised in profit and loss at the date when the control is lost.

Investment in associates

The investment in associates is accounted for using the equity method of accounting in the Group's financial statements. The associates are entities over which the Group has significant influence and that are neither subsidiaries nor joint ventures.

Under the equity method, investments in the associates are carried in the Group's balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in associates.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit and loss and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. These cumulative post-acquisition movements are adjusted against the carrying amount of the investments in the Group's balance sheet. Dividends receivable from associates are recognised in the parent entity's profit and loss, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If an associate uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments shall be made to conform the associate's accounting policies to those of the Group.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associate entities. Upon loss of significant influence over the associate, Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

Segment reporting

The Group has organised its activities into one operating segment, Marine and Offshore, which is based in different regions. The internal reporting provided to the Board of Directors of Aqualis, which is the Group's chief decision maker, is in accordance with this structure. These segments comprise the basis for the segment reporting presented in note 6. In addition, the regional operating units within Marine and Offshore form the basis for the geographical distribution in the segment.

Foreign currency translation

The Group's presentation currency is USD. The statement of financial position figures of subsidiaries, with a different functional currency, are translated at the exchange rate prevailing at the end of the reporting period, while the statement of profit and loss figures 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 enitities 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.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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.

Rendering of services

The Group's 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 Group 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.

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.

Balance sheet classification

The Group presents assets and liabilities in consolidated 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.

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.

All 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.

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.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Customer contracts

Customer contracts represents the excess of cost of the contracts over the fair value at acquisition of subsidiaries at the date of acquisition. Customer contracts is included within intangible assets.

Goodwill

Goodwill represents the excess of cost of an acquisition over the fair value of the Group'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). For the measurement of goodwill at initial recognition, see note 4 Business combinations.

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 the Group disposes of an operation within a CGU or group of CGUs, 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 Group reorganises its businesses.

Financial assets - recognition and subsequent measurement

Financial assets within the scope of IAS 39 have been classified as financial assets at fair value through profit and loss or loans and receivables. The Group determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss. The Group's financial assets include cash and short-term deposits, money market funds and trade and other receivables.

The Group's financial assets have mainly been classified as loans and receivables. These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. The EIR amortisation is included in finance income in the income statement. The losses arising from impairment are recognised in the income statement in finance costs for loans and in other operating expenses for receivables.

Financial assets at fair value through profit or loss would include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value presented as finance cost or finance income in the income statement. The Group has not designated any financial assets at fair value through profit or loss, except for cash held in money-market funds.

Cash and cash equivalents

Cash and cash equivalents include cash at banks and on hand, and other short-term highly liquid investments with original maturities of three months or less.

Financial liabilities - recognition and subsequent measurement

Financial liabilities within the scope of IAS 39 have been classified as financial liabilities measured at amortised cost using the effective interest method. The Group determines the classification of its financial liability at initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of direct attributable transactions costs. The Group's financial liabilities include trade and other payables and borrowings, and a financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Trade payables

Trade payables are recognised at the original invoice amount, with the addition of any accrued interest.

Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction - net of tax - from the proceeds.

Employee benefits

a) Pension

The Group 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-options

In connection with acquisition of Tristein AS and Offshore Wind Consultants Ltd, key personnel was given share options. The fair value of the options granted to employees for services received have been recognised as an expense (payroll and payroll related costs) over the vesting period. The total amount to be expensed over the vesting period have been determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions have been included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity. The fair value of the options have been estimated at grant date and is not subsequently changed.

Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, 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.

Events after the balance sheet date

New information on the Group'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 Group's position at the balance sheet date, but which will affect the Group's position in the future, are stated if significant.

Prior-year information

The presentation of certain prior year information has been reclassified to conform to the current year presentation.

IFRSs and IFRIC interpretations not yet effective

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to IFRS effective as of 1 January 2015. IASB has published certain new standards and interpretations and amendments to existing standards and interpretations that are not effective for the annual period ending 31.12.2015 and that are not applied when preparing these financial statements. New and amended standards and interpretations expected to be relevant the Group's financial position, performance or disclosures are disclosed below. None of the changes disclosed are EU-approved.

IFRS 15 Revenue from Contracts with Customers

The IASB and the FASB have issued their joint revenue recognition standard, IFRS 15. The standard replaces existing IFRS and US GAAP revenue requirements. The core principle of IFRS 15 is that revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard applies to all revenue contracts and provides a model for the recognition and measurement of sales of some non-financial assets (e.g., disposals of property, plant and equipment). Mandatory date of implementation is at the earliest on 1.1.2017. Aqualis will evaluate the potential impact of the standard in the period until implementation.

IFRS 9 Financial Instruments

The standard was finalised in 2014 and involves changes related to classification and measurement, hedge accounting and impairment of financial instruments. The standard will replace IAS 39 Financial Instruments: Recognition and Measurement. No mandatory date of implementation is set, but will be 1.1.2018 at the earliest. Aqualis will evaluate the potential impact of the standard in the period until implementation.

These standard are not expected to have significant effects on the financial statements of Aqualis Group.

IFRS 16 Leases

In January 2016 the IASB issued IFRS 16 Leases. The standard is effective from 1 January 2019, but is not yet adopted by the EU.

The standard requires all leases (with the exception of short-term and small asset leases) to be recognised in the statement of financial position as a right-of-use asset with subsequent depreciation. The Group has not yet completed the analysis of the impact of the new standard.

There are no other IFRSs and IFRIC interpretations not yet effective, that are relevant for Aqualis Group.

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

The preparation of the consolidated 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.

Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates 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 Group. Such changes are reflected in the assumptions when they occur.

Goodwill

In accordance with the stated accounting policy, the Group tests annually whether goodwill has suffered any impairment or more frequently if impairment indicators are identified. The recoverable amount of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates and are consistent with the market valuation of the Group. The value-in-use calculation is based on a discounted cash flow model. The cash flows are derived from the budget and estimates for the next five years and do not include significant investments that will enhance the performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model, as well as the expected future cash-inflows (sensitive to estimates of sales and cost levels) and the growth rate used for extrapolation purposes. Further details about goodwill and impairment reviews are included in note 7 Impairment.

Judgements in terms of accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Consolidation of Aqualis Offshore Marine Services LLC, UAE & Aqualis Offshore LLC, Qatar

The Group owns 49% of Aqualis Offshore Marine Services LLC registered in UAE and Aqualis Offshore LLC registered in Qatar, and the remaining shares of each entity are owned by a local sponsor in accordance with statutory regulations in UAE and Qatar respectively. Through trust agreements with the respective local sponsors, the Group controls 100% of the financial and ownership rights of both entities. The Group has ownership over all the assets of both entities, with all dividends, proceeds of sale etc. belonging solely to the Group. As the Group has full power of the investee, is fully exposed 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, both entities have been fully consolidated in the consolidated financial statements of the Group, and the 51% owned by the local sponsors has not been treated as a non-controlling interest. Payments to the local sponsors have been charged to the profit and loss as Other operating costs and presented as short term liability in the balance sheet.

Investment in ADLER Solar Services GmbH

Aqualis acquired a 49.9% share in ADLER Solar Services GmbH ("ADLER Solar") on 29 October 2015. The investment is classified as an associate in which Aqualis has significant influence. The investment is accounted for through the equity method in the group financial statements.

In order to conclude on the classification of the investment, management has considered the relevant facts and circumstances including the ownership of shares, the composition of remaining shareholders, options to acquire further shares, composition of the Board of Directors and the decision-making processes related to relevant activities. Aqualis has an option right to acquire an additional 10.1% in ADLER Solar during the period 1 April 2017 through 31 March 2019.

Note 4: Investment in associates

Aqualis acquired a 49.9% share in ADLER Solar Services GmbH ("ADLER Solar") on 29 October 2015. The investment is classified as an associate in which Aqualis has significant influence. The investment is accounted for through the equity method in the group financial statements.

In order to conclude on the classification of the investment, management has considered the relevant facts and circumstances including the ownership of shares, the composition of remaining shareholders, options to acquire further shares, composition of the Board of Directors and the decision-making processes related to relevant activities. Aqualis has an option right to acquire an additional 10.1% in ADLER Solar during the period 1 April 2017 through 31 March 2019.

Following are ADLER Solar's consolidated financial position at 31 December 2015 and date of acquisition and statement of income for the period from date acquisition to 31 December 2015.

100% (USD 1 000)	AT 31 DECEMBER 2015	AT 29 OCTOBER 2015
Current assets	1 972	3 650
Non-current assets	1 003	958
Current liabilities	(1 350)	(2 452)
Non-current liabilities	(305)	(439)
Net assets	1 320	1 717

100% (USD 1 000)	FOR THE PERIOD ENDED 31 DECEMBER 2015
Revenue	1 481
Profit and loss for the period	(378)

49.9% (USD 1 000)	AT 31 DECEMBER 2015	AT 29 OCTOBER 2015
Proportion of the Group's ownership interest in ADLER Solar	659	857
Goodwill	2 466	2 488
Customer relationships	287	300
Deferred tax liability	(45)	(47)
Currency translation differences	(84)	-
Carrying amount of Group interest in ADLER Solar	3 283	3 598

Note 5: List of subsidiaries and associates

The following subsidiaries and associates are included in the consolidated financial statements:

SUBSIDIARIES	COUNTRY OF INCORPORATION	MAIN OPERATIONS	OWNERSHIP INTEREST 2015	VOTING POWER 2015	OWNERSHIP INTEREST 2014	VOTING POWER 2014
Aqualis Offshore Ltd. (1)	UK	Marine & Offshore	100%	100%	100%	100%
Aqualis Offshore UK Ltd.	UK	Marine & Offshore	100%	100%	100%	100%
Aqualis Offshore Pte. Ltd	Singapore	Marine & Offshore	100%	100%	100%	100%
Aqualis Offshore Marine Services LLC	UAE	Marine & Offshore	49%	100%	49%	100%
Aqualis Offshore, Inc.	US	Marine & Offshore	100%	100%	100%	100%
Aqualis Offshore Servicos Ltda	Brazil	Marine & Offshore	100%	100%	100%	100%
Aqualis Offshore AS	Norway	Marine & Offshore	100%	100%	100%	100%
Aqualis Offshore S. de R.L. de C.V.	Mexico	Marine & Offshore	100%	100%	100%	100%
Aqualis Offshore Marine Consulting (Shanghai) Co. Ltd.	China	Marine & Offshore	100%	100%	100%	100%
Offshore Wind Consultants Ltd. (1)	UK	Marine & Offshore	100%	100%	100%	100%
Aqualis Offshore LLC (2)	Qatar	Marine & Offshore	49%	100%	0%	0%
Aqualis Offshore Korea Ltd (2)	Korea	Marine & Offshore	100%	100%	0%	0%
OWC (Aqualis) GmbH (2)	Germany	Marine & Offshore	100%	100%	0%	0%
Aqualis Offshore Malaysia Sdn Bhd (2)	Malaysia	Marine & Offshore	100%	100%	0%	0%

ASSOCIATES	COUNTRY OF INCORPORATION	MAIN OPERATIONS	OWNERSHIP INTEREST 2015	VOTING POWER 2015	OWNERSHIP INTEREST 2014	VOTING POWER 2014
ADLER Solar Services GmbH (1)	Germany	Marine & Offshore	49.9%	49.9%	0%	0%

(1) Directly owned by Aqualis ASA.
(2) Companies established in 2015.

Note 6: Segment Information

The Group has organised its activities into one operating segment which are based in different regions all within Marine and Offshore, and the internal reporting provided to the Board of Directors of Aqualis, which is the Group's chief decision maker, is in accordance with this structure.

Aqualis delivers services to the marine and offshore sector. This includes services within engineering, transportation and installation, marine warranty, rig moving, constructions supervision, dynamic positioning and marine consultancy.

Segment performances are measured by operating profit before finance income and costs, depreciation, amortisation and impairment (EBITDA) and operating profit (EBIT), as included in the internal management reports that are reviewed by management, and the Board of Directors.

(USD 1 000)	2015	2014
Revenues		
Norway	8 077	6 917
Singapore	12 580	11 781
UAE	12 918	8 891
USA	3 447	3 816
Brazil	1 437	2 951
UK	4 707	2 027
Other entities	2 644	90
Elimination	(4 812)	(3 169)
Total revenues	40 998	33 303
EBIT		
Norway	870	(80)
Singapore	964	1 648
UAE	(169)	(198)
USA	(227)	276
Brazil	(594)	(86)
UK	(58)	97
Other entities	(433)	(502)
Share of net profit (loss) from associates	(197)	-
Central costs	(932)	(2 476)
Elimination	(2 132)	(626)
Operating profit (loss) (EBIT)	(2 908)	(1 948)

There are no differences in the nature of measurement methods used on segment level compared with the consolidated financial statements. Certain comparative figures have been reclassified to conform to the presentation adopted for the current year.

Note 7: Impairment test of goodwill

The impairment test indicates a requirement to write down the goodwill related to our operations in Brazil and Norway with a total of USD 1.4 million. In addition, there has been an adjustment to the goodwill of USD 1.7 million related to foreign currency translation difference. Recognised goodwill in the Group amounts to USD 17.1 million as of 31.12.2015 (USD 20.2 million in 2014) derived from the acquisition of Aqualis Offshore Ltd., Tristein AS and Offshore Wind Consultants Ltd.

Goodwill is tested for impairment for each cash-generating unit (CGU). The CGUs are listed below.

CARRYING AMOUNT OF GOODWILL USD MILLION:	31.12.2015	31.12.2014
Aqualis Offshore Pte. Ltd, Singapore	6.2	6.6
Aqualis Offshore Marine Services LLC, UAE	5.7	5.7
Aqualis Offshore AS, Norway	3.6	5.3
Aqualis Offshore Inc, USA	0.1	0.1
Offshore Wind Consultants Ltd, UK	1.4	1.5
Aqualis Offshore Servicos Ltda, Brazil	0.1	1.0
Total	17.1	20.2

Goodwill is tested for impairment at least annually, or when there are indications of impairment. The impairment test was performed by Aqualis management in connection with the reporting of the results for the fourth quarter of 2015. The recoverable amount is set to the estimated value in use. The value in use is the net present value of the estimated cash flow before tax for each CGU, using a discount rate reflecting the timing of the cash flows and the expected risk.

The following assumptions were utilised when calculating the value in use as of 31 December 2015:

Cash flow projections and assumptions

A five year forecast of discounted cash flows plus a terminal value (Gordon's growth model) was used to determine net present value of each CGU. Discounted cash flows were calculated before tax.

Cash flow estimates covering the period 2016-2020 are based primarily on the budget for 2016 and a forecast for the following years. Based on the uncertainty in the current market environment in the offshore oil & gas market it is challenging to build a forecast based on the overall market development. The forecast assumes that the overall market conditions will remain challenging in 2016 and 2017 and that the market conditions will gradually improve from 2018 and onwards as the competitive pressures soften due to a more balanced supply/demand situation.

The projected cash flows are based on the expected development in the total overall market, the CGUs performance and that Aqualis over time will reach a margin level in line with what other businesses within the industry historically has achieved. These are reasonable assumptions based on the development of the business so far, and the management's expectations for the long term development of the market and the company.

The terminal growth rate after year 5 has been set to 1.0%. The estimated growth is mainly dependent on overall market growth for demand for our services and the CGU's ability to recruit the right personnel and its ability to create revenue growth through then proper utilisation of human resources.

Discount rate

The discount rate for each CGU is derived as the weighted average cost of capital (WACC) for a similar business in the same business environment. The input data is gathered from representative sources and this is used for management's best estimate of WACCs. The different WACCs were calculated pre tax. The same assumptions were used for all CGUs with the exception of country specific risk and risk free interest rates, which were differentiated based on country and the relevant currency. All parameters were set to reflect the long term period of the assets and time horizon of the forecast period of the cash flows.

Key inputs in determining the WACC:

- Risk free rate: USD 10yr government yield
- Beta: Based on selected peer group consisting of companies with statistical data for the last 5 years (0.94)
- Capital structure: Equity ratio of 85%.

The net cash flows have been discounted using individual discount rates as follows:

	DISCOUNT RATE
Aqualis Offshore Pte. Ltd, Singapore	8.5%
Aqualis Offshore Marine Services LLC, UAE	8.5%
Aqualis Offshore AS, Norway	8.5%
Aqualis Offshore Inc, USA	8.5%
Offshore Wind Consultants Ltd, UK	8.5%
Aqualis Offshore Servicos Ltda, Brazil	14.4%

Sensitivity analysis for key assumptions

Sensitivity calculations are done for all CGUs that are tested for impairment.

As a basis for the sensitivity assessment, Aqualis uses the following assumption changes for each CGU:

- An increase of WACC discount rate of 2.0% points
- A reduction in the EBITDA margin of 3.0% points for the terminal year
- A reduction of nominal growth after year five of 0.5% point (to 0.5% growth)

A combined change of all three assumptions in the sensitivity analysis would result in an additional write down of a total of USD 4.2 million, with the split as follows;

	USD MILLION
Aqualis Offshore Pte. Ltd, Singapore	1.1
Aqualis Offshore AS, Norway	3.0
Aqualis Offshore Servicos Ltda, Brazil	0.1
Total	4.2

Impairment - test results and conclusion

The value in use exceeds the carrying amounts for all CGUs except for Aqualis Offshore Servicos Ltda (Brazil) and for Aqualis Offshore AS (Norway). The impairment test indicates a requirement to write down the goodwill in total with USD 1.4 million whereof USD 0.5 million for Aqualis Offshore Servicos Ltda (Brazil) and USD 0.9 million for Aqualis Offshore AS (Norway). Aqualis scaled down the operations in Brazil during 2015 due to the weaker market conditions while market conditions in Norway weakened during 2015.

Note 8: Payroll and payroll related expenses

(USD 1 000)	2015	2014
Payroll	20 781	15 813
Payroll tax	1 435	1 174
Estimated value of share options granted to employees	254	178
Pension costs - defined contribution plan	190	155
Other personnel costs	1 057	1 243
Total payroll and payroll related expenses	23 717	18 563
Average number of man-years (1)	227	149

(1) Includes subcontractors on full-time equivalent (FTE) basis.

The Group currently has defined contribution plans only. In 2015, a total of USD 190 thousand was expensed under the plans (2014: USD 155 thousand). The Group's obligations are limited to annual contributions. Aqualis meets the Norwegian requirements for mandatory occupational pension ("obligatorisk tjenestepensjon").

Note 9: Other operating expenses

(USD 1 000)	2015	2014
Subcontractors cost	10 745	8 230
Office lease and maintenance expenses	1 053	704
Insurance cost	753	410
Cost of recharged expenses	1 421	1 366
Initial public offering costs	-	1 368
General and administrative expenses	3 993	3 710
Total other operating expenses	17 965	15 788

Remuneration to the Auditors

(USD 1 000)	2015	2014
Audit	83	77
Other assurance services	42	72
Tax advisory services	-	-
Total	125	149

All fees are exclusive of VAT.

Note 10: Financial items

(USD 1 000)	2015	2014
Interest income	16	35
Other finance income	12	56
Total finance income	28	91
Other finance expenses	(45)	(176)
Total finance expenses	(45)	(176)
Net foreign exchange gain (loss)	1 419	1 994
Net financial items	1 402	1 909

Net foreign exchange gain includes unrealised foreign currency gain related to bank accounts in Aqualis ASA and its subsidiaries, which have bank accounts in different currencies than their functional currency.

Long term loans to subsidiaries have been assessed to be a part of the net investments in the subsidiaries. In compliance with IAS 21, the currency effects related to these loans have been recognised in other comprehensive income as foreign currency translation reserve.

Note 11: Taxes

(USD 1 000)	2015	2014
Income tax expenses recognised in profit or loss		
Current year income tax expenses	612	184
Withholding taxes	79	12
Changes in deferred tax	1	15
Total income tax expenses	692	211
Income tax effect recognised in other comprehensive income		
Effect of movements in exchange rates on net investment in subsidiaries	587	-
Total comprehensive income tax effect	587	-
Deferred tax in the balance sheet		
Deferred tax asset	14	15
Deferred tax liability on currency translation differences	587	-
Net deferred tax	573	15
Changes in Temporary differences		
Non-current assets	2 349	-
Current assets	(5)	98
Current liabilities	(76)	(67)
Losses carried forward	-	(604)
Net income tax reduction temporary differences	2 268	(573)
Deferred tax asset	14	176
Deferred tax assets not capitalised	-	(161)
Deferred tax assets in the balance sheet	14	15
Deferred tax liability on currency translation differences	587	-
Deferred tax liability in the balance sheet	587	-
Reconciliation of the effective tax rate:		
Profit before income tax	(1 506)	(39)
Share of net income from associates	(197)	-
Profit before income-tax excluding share of net income from associates	(1 309)	(39)
Income tax using the Group's domestic tax rate of 27%	(353)	(11)
Effect of tax rates in foreign jurisdictions	(93)	(356)
Effect of non-deductible expenses	575	282
Effect of tax incentives and exempt income	-	(151)
Unrecognised current year tax losses	593	510
Withholding taxes	79	12
Utilisation or recognition of previously unrecognised tax losses	(58)	(75)
Effect of changes in tax rate	(51)	-
Income tax expense in profit and loss	692	211

Deferred tax assets on tax losses have not been recognised due to the uncertainty of future use.
Tax losses are not time limited, and tax rates used for calculation of net deferred tax assets not capitalised, ranges from 0% to 34%.
Deferred tax asset and deferred tax liabilities are presented separately due to different tax regimes.
Goodwill is not deductible for tax purposes.

Note 12: Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, based on the following data:

(USD 1 000)	2015	2014
Profit (loss) after taxes	(2 198)	(250)
Earnings per share (USD): basic and diluted	**(0.05)**	**(0.01)**
Number of average shares (thousand)	43 337	43 191

The following instruments that could potentially dilute basic earnings per share in the future, have not been included in the calculation of diluted earnings per share because they are antidilutive for the periods presented. See note 17 for further information.

(NUMBER OF INSTRUMENTS)	2015	2014
Employee share options	750 000	750 000
Total number of share options	**750 000**	**750 000**

Note 13: Equipment

2015

(USD 1 000)	EQUIPMENT	TOTAL
Cost		
At 1 January	1 267	1 267
Additions	293	293
Acquisition of subsidiaries	-	-
Effect of movements in exchange rates	(93)	(93)
At 31 December	**1 467**	**1 467**
Depreciation and impairment		
Accumulated depreciation at 1 January	639	639
Depreciation charge for the year	507	507
Accumulated depreciations disposals	-	-
Effect of movements in exchange rates	(50)	(50)
Accumulated depreciation at 31 December	**1 096**	**1 096**
Net book value at 31 December	**371**	**371**
Useful life	2-5 years	

2014

(USD 1 000)	EQUIPMENT	TOTAL
Cost		
At 1 January	420	**420**
Additions	691	**691**
Acquisition of subsidiaries	66	**66**
Effect of movements in exchange rates	90	**90**
At 31 December	**1 267**	**1 267**
Depreciation and impairment		
Accumulated depreciation at 1 January	49	**49**
Depreciation charge for the year	516	**516**
Accumulated depreciations disposals	32	**32**
Effect of movements in exchange rates	42	**42**
Accumulated depreciation at 31 December	**639**	**639**
Net book value at 31 December	**629**	**629**
Useful life	2-5 years	

Note 14: Intangible assets

2015

(USD 1 000)	CUSTOMER CONTRACTS	GOODWILL	TOTAL
Cost			
At 1 January	968	20 190	**21 158**
Acquisition of subsidiaries	-	-	**-**
Additions	-	-	**-**
Realisation of customer contract	(421)	-	**(421)**
Effect of movements in exchange rates	-	(1 650)	**(1 650)**
At 31 December	**547**	**18 540**	**19 087**
Amortisation and impairment			
Accumulated amortisation at 1 January	448	-	**448**
Amortisation charge for the year	99	-	**99**
Impairment charge for the year	-	1 421	**1 421**
Accumulated amortisation at 31 December	**547**	**1 421**	**1 968**
Net book value	**-**	**17 119**	**17 119**
Useful life	2 years	tested for impairment	

2014

(USD 1 000)	CUSTOMER CONTRACTS	GOODWILL	TOTAL
Cost			
At 1 January	547	14 881	**15 428**
Acquisition of subsidiaries	520	7 012	**7 532**
Additions	-	-	**-**
Effect of movements in exchange rates	(99)	(1 703)	**(1 802)**
At 31 December	**968**	**20 190**	**21 158**
Amortisation and impairment			
Accumulated amortisation at 1 January	64	-	**64**
Amortisation charge for the year	384	-	**384**
Accumulated amortisation at 31 December	**448**	**-**	**448**
Net book value	**520**	**20 190**	**20 710**
Useful life	2 years	tested for impairment	

Please refer note 7 for impairment test related to goodwill. Amortisation of intangible assets is presented under the line item depreciation, amortisation and impairment in the consolidated statement of profit and loss.

Note 15: Trade and other receivables

Trade receivables

(USD 1 000)	2015	2014
Trade receivables	**7 832**	5 349
Provision for losses	**(165)**	(120)
Total trade receivables	**7 667**	**5 229**

Trade receivables are non-interest bearing and are generally on terms of 30 to 45 days.

Please refer note 23 on credit risk of trade receivables, which explains how the Group manages credit risk.

Other receivables

(USD 1 000)	2015	2014
Earned not invoiced	**1 408**	1 472
Deposits	**160**	298
VAT receivables	**73**	144
Prepayments	**1 066**	666
Other receivables	**169**	409
Total other receivables	**2 876**	**2 990**

Note 16: Cash and cash equivalents

(USD 1 000)	2015	2014
Cash at banks	**14 864**	21 790
Total cash and cash equivalents	**14 864**	**21 790**

DISTRIBUTED IN FOLLOWING CURRENCY	LOCAL CURRENCY	USD	LOCAL CURRENCY	USD
NOK	17 235	1 957	49 829	6 718
USD	11 442	11 442	14 051	14 051
Other currencies		1 465		1 021
Total		**14 864**		**21 790**

Cash at banks earns interest at floating rates based on daily bank deposit rates.

The Group has restricted cash at banks of USD 185 thousand at 31 December 2015 (2014: USD 243 thousand) of which all is unpaid withholding tax deducted from employees' salaries.

Note 17: Issued shares, share capital and reserves

	NUMBER OF SHARES (THOUSANDS)	SHARE CAPITAL (USD 1 000)
At 1 January 2015	43 191	702
Proceeds from share issue	315	3
At 31 December 2015	**43 506**	**705**

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

Share-based payments

The company has used share-options for key personnel in connection with the acquisition of Tristein AS (merged with Aqualis Offshore AS effective 1 January 2015) and Offshore Wind Consultants Ltd.

The total expense recognised for allotment of share options to employees in Tristein AS and Offshore Wind Consultants Ltd. was USD 254 thousand for the year ended 31 December 2015 (2014: USD 178 thousand).

During 2014, 750 000 options were granted at a weighted average exercise price of NOK 8.91 per share. The following table illustrates the numbers of options granted and their weighted average exercise price (WAEP):

Share option plan

	2015		2014	
	NUMBER OF OPTIONS	WAEP (NOK)	NUMBER OF OPTIONS	WAEP (NOK)
Outstanding at the beginning of the year	750 000	8.91	-	-
Granted (1)	-	-	750 000	8.91
Exercised	-	-	-	-
Forfeited	-	-	-	-
Expired	-	-	-	-
Outstanding at the end of year	**750 000**	**8.91**	**750 000**	**8.91**
Exercisable at the end of year	**0**	**0**		

(1) 2014: The share options was initially issued in Weifa ASA (former Aqualis ASA). As a consequence of the restructuring the option agreements has been transferred to Aqualis ASA which is the new ultimate parent of the group. The exercise price has in this connection been adjusted in accordance with the option agreements.

The fair value of the share options is estimated at the grant date using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the share options were granted. The weighted average fair value of share options granted to employees during the period was NOK 8.91 per option. The following table list the key inputs to the model used for the years ended 31 December 2015 and 2014:

THE WEIGHTED AVERAGE ASSUMPTIONS USED	2015	2014
Expected volatility (%)	0.51	0.51
Risk-free interest rate (%)	0.97	1.52
Expected life of options (year)	1.33	2.3
Weighted average exercise price (NOK)	**8.91**	**8.91**

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility is estimated based on historical volatility of the Company's share price and reflects the assumption that the historical volatility over a period similar to the life of the share options is indicative of future volatility, which may not necessarily be the actual outcome. No dividends are expected during the remaining life of the share options.

Note 18: Other current liabilities

(USD 1 000)	2015	2014
Social security taxes	226	338
Allowance for holiday pay	489	491
VAT payables	307	418
Deferred revenue	2 931	1 635
Accrued expenses and other payables	2 278	2 596
Total	**6 231**	**5 478**

Note 19: Fair values of financial assets and financial liabilities

Set out below is a comparison by class of carrying amounts and fair values of all financial instruments that are carried in the financial statements:

			CARRYING AMOUNT		FAIR VALUE	
(USD 1 000)	FAIR VALUE HIERACHY LEVEL	CATEGORY	2015	2014	2015	2014
Financial assets						
Trade receivables		Loans and receivables	**7 667**	5 229	**7 667**	5 229
Other receivables		Loans and receivables	**2 876**	2 990	**2 876**	2 990
Cash and cash deposits		Loans and receivables	**14 864**	21 790	**14 864**	21 790
Total			25 407	30 009	25 407	30 009
Financial liabilities						
Trade payables		Other financial liabilities at amortised cost	**1 128**	1 227	**1 128**	1 227
Other payables		Other financial liabilities at amortised cost	**6 231**	5 478	**6 231**	5 478
Total			7 359	6 705	7 359	6 705

The financial assets principally consist of cash and cash equivalents obtained through equity issues. The financial liabilities principally consist of a trade and other payables arising directly from operations.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Cash and bank deposits, trade and other current receivables and trade and other current payables approximate their carrying amounts due to the short-terms maturities of these instruments.

Note 20: Related parties disclosures

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. There has been no significant transactions with related parties in 2015.

Compensation to Board of Directors

(USD 1 000)	2015	2014
Glen Rødland, Chairman	31	15
Yvonne Litsheim Sandvold	19	10
Reuben Segal	19	10
Synne Syrrist	19	10
Øystein Stray Spetalen (2)	8	10
Martin Nes (3)	4	-
Total	99	55

(1) The figures for 2014 are remuneration for a period of 5 months.
(2) Board member until May 2015.
(3) Board member until October 2015.

Compensation to Executive Management

2015

(USD 1 000)	SALARY	BONUS EARNED IN 2015	PENSION CONTRIBUTIONS	OTHER	TOTAL
David Wells, CEO	335	-	0	75	**409**
Christian Opsahl, CFO (previous)	179	-	7	1	**187**
Reuben Segal, COO & Director Middle East	251	-	-	113	**364**
Total Executive Management	764	-	7	189	960

2014

(USD 1 000)	SALARY	BONUS EARNED IN 2014	PENSION CONTRIBUTIONS	OTHER	TOTAL
David Wells, CEO	328	27	-	63	**418**
Christian Opsahl, CFO (previous) Jul-Dec	93	25	6	-	**124**
Reuben Segal, COO & Director Middle East	245	20	-	96	**362**
Total Executive Management	666	72	6	159	904

According to the Norwegian Public Limited Companies Act (the "Act) section 6-16a, the Board of Directors have prepared a statement on the establishment of wages and other remuneration for the Managing Director and other senior employees (see note 21).

At year end 2015 there are no loan or prepayments to Board of Directors, Executive Management or any other related parties.

There are no additional options issued, except for the options mentioned in note 17.

Shares owned by members of the Board of Directors and Executive Management at 31 December 2015

	NO OF OPTIONS	NUMBER OF SHARES
Board of Directors:		
Glen Rødland, Chairman	-	7 367 996 (1)
Yvonne Litsheim Sandvold	-	-
Reuben Segal	-	1 263 869 (2)
Synne Syrrist	-	-
Executive Management:		
Davis Wells, CEO	-	786 776 (3)
Christian Opsahl, CFO (previous)	-	1 157 050 (4)
Reuben Segal, COO & Director Middle East	-	1 263 869 (2)
Total	-	10 575 691

(1) The shares are held through Gross Management AS and Ricin Investments AS, companies owned 100% by Mr. Rødland.
(2) The shares are held through AmAn Marine Limited.
(3) The shares are held through Alsto Consultancy Ltd and under own name.
(4) The shares are held through Binkley Capital AS and through related parties.

Note 21: Statement regarding the determination of salary and other remuneration to executive management

According to the Norwegian Public Limited Companies Act (the "Act") section 6-16a, the Board of Directors shall prepare a statement regarding the establishment of wages and other remuneration for the Chief Executive Officer and members of senior management.

In this statement, executive management means CEO, COO, CFO and the senior management.

A statement pursuant to section 6-16a of the Act shall contain guidelines for the establishment of salaries and other remuneration, and should also indicate the main principles of the Company's wage policy for senior employees.

Section 6-16a third paragraph of the Act also requires the Board to give an account of the actual salary policy for senior management as applied in the preceding financial year.

The Company's salary policy for executive management – main principles
Due to the international scope of its business, Aqualis ASA has to compete on the international market when it comes to salaries for executive management

In order to reach the ambition of becoming one of the leading participants within its line of business, Aqualis ASA is dependent on offering salaries making the Company able to recruit and keep skilled managers. In order to ensure the best possible leadership the Company must offer a satisfactory salary, which is internationally competitive.

Salaries and other remuneration
It is the Company's policy that management salaries primarily shall take the form of a fixed monthly salary, reflecting the level of the position and experience of the person concerned.

Principally, pension plan shall be the same for management as what is generally agreed for other employees.

As of today the Board has established a bonus plan that applies to all employees.

The Board has also established a share purchase plan for all employees, under which employees can buy shares in the Company at a discount to the prevailing market price, either through the issue of new shares, or the purchase of treasury shares held by the Company. The aggregate number of shares over which the Board may grant in a calendar year, shall not exceed five per cent (5%) of the issued shares of the Company prior to the issue of any new shares. Shares purchased under the share purchase plan will be subject to a lock-up period.

Specific conditions and limits as regards to the bonus and share purchase plan are regulated by the overall allocation parameters approved by the Board.

Deviations from the above described principles may be done under special circumstances, i.e. in relation to employment in international competition.

Note 22: Commitments and contingencies

Operating lease commitments

The Group leases premises, office and computer equipment under non-cancellable operating lease agreements. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

LEASE COMMITMENTS (USD 1 000)	2015	2014
Next 1 year	590	659
1 to 5 years	936	753
After 5 years	-	-
Future minimum lease payments	1 526	1 412

Note 23: Financial risk management objectives and policies

The Group's principal financial liabilities comprise trade and other payables, and the Group has no borrowings at 31 December 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

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.

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. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. At December 2015 the Group had total trade receivables of USD 7.7 million (2014: USD 5.2 million).

The counter parties for cash deposits are Norwegian and large international commercial banks.

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. The Group had cash and cash equivalents of USD 14.9 million at 31 December 2015 (2014: USD 21.8 million). Based on the current cash position, the Group assesses the liquidity risk to be low.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

2015

(USD 1 000)	ON DEMAND	LESS THAN 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	>5 YEARS	TOTAL
Trade payables	-	1 128	-	-	-	1 128
Other liabilities	-	6 817	-	-	-	6 817
Total	-	7 945	-	-	-	7 945

2014

(USD 1 000)	ON DEMAND	LESS THAN 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	>5 YEARS	TOTAL
Trade payables	-	1 227	-	-	-	**1 227**
Other liabilities	-	5 689	-	-	-	**5 689**
Total	**-**	**6 916**	**-**	**-**	**-**	**6 916**

Capital management

The primary objective of the Group's capital management is to ensure that the Company maintains a solid capital structure enabling it to develop and build the business units to maximize shareholder value. The Group's objective is to maintain a balance of financial assets that reflects the cash requirement of its operations and investments for at least the next 12 - 24 months. No changes were made in the objectives, policies or process for managing capital during the years ended 31 December 2015 and 31 December 2014.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's presentation currency), the Group's net investments in foreign subsidiaries, and the Group's foreign currency denominated cash deposits. The operating revenue, and thus the trade receivables, of the Group is primarily denominated in USD, while operating expenses are generally denominated in the functional currency of the Group's entities.

The bank accounts in currencies other than the functional currencies in all entities, will expose the group for changes in the profit and loss. The major part of foreign bank accounts is in Aqualis ASA. Changes in the USD will have following effect on the profit and loss of the group:

CHANGE IN USD VS LOCAL CURRENCY (USD 1 000)	NOTE	USD AMOUNT 31.12.2015	+5% CHANGE IN USD	-5% CHANGE IN USD
USD bank account	16 (1)	11 442	572	(572)
Change in profit and loss			572	572

(1) See also note 10 in Aqualis ASA.

Further the group will be exposed to changes in the equity due to changes in foreign currency. This effects will be recognies through the equity.

Note 24: Shareholder information

NAME OF SHAREHOLDER	NO. OF SHARES	% OWNERSHIP
Gross Management As	7 281 109	16.7%
Strata Marine & Offshore As	3 304 283	7.6%
Aqualis Holdco Limited	2 187 500	5.0%
Pershing Llc	2 082 491	4.8%
Qvt Fund V Lp	1 190 105	2.7%
Binkley Capital As	1 133 664	2.6%
Diab	1 001 302	2.3%
Agito Holding As	900 000	2.1%
Lenox	830 583	1.9%
Arctic Funds Plc	813 105	1.9%
J.P. Morgan Bank Luxembourg Sa	772 731	1.8%
Saxo Bank A/S	746 122	1.7%
Verdipapirfondet Dnb Smb	700 000	1.6%
Six Sis Ag	665 159	1.5%
Alsto Consultancy Ltd	598 122	1.4%
Offshore & Marine Consulting As	586 500	1.3%
Bonnon	555 074	1.3%
T10 Invest As	526 860	1.2%
Theophanatos	512 188	1.2%
Kula Invest As	504 362	1.2%
Top 20 shareholders	**26 891 260**	**61.8%**

The list of shareholdings above is based on the shareholder register as per 31 December 2015. Actual shareholding may deviate due to the use of nominee accounts.

At 31 December 2015, the Company had 1 922 shareholders, and 38.9% of the shares of the Company were held by foreign registered shareholders. The total number of outstanding shares at 31 December 2015 is 43 505 737 each with a par value of NOK 0.10. At the Annual General Meeting on 22 May 2015, the Board was authorized to increase the share capital with up to NOK 2,159,527.20 through one or several share capital increase. The Annual General Meeting also authorized the Board to acquire treasury shares in Aqualis ASA, limited to 10% of the total shares outstanding.

Note 25: Events after the reporting period

On 2 March 2016, Aqualis purchased a total of 1,212,498 own shares, representing approximately 2.8 percent of Aqualis' common shares and votes, at a price of NOK 2.50 per share. The total purchase price was approximately NOK 3.0 million.

AQUALIS ASA FINANCIAL STATEMENTS AND NOTES

Index

Statement of Profit and Loss – Aqualis ASA
1 January - 31 December

(NOK 1 000)	NOTE	2015	2014
Revenues	2	968	-
Total revenues		968	-
Payroll and payroll related expenses	3	(3 980)	(1 714)
Depreciation, amortisation and impairment	13	(18)	-
Other operating expenses	4	(4 452)	(10 629)
Operating profit (loss) (EBIT)		(7 482)	(12 343)
Finance income	6	1 877	827
Finance expenses	6	(47)	(12)
Net foreign exchange gain (loss)	6	26 493	22 946
Net financial items		28 323	23 761
Profit (loss) after taxes		20 841	11 418
Income taxes	7	(7 583)	(713)
Profit (loss) after taxes		13 258	10 705

Statement of Financial Position – Aqualis ASA as of 31 December

(NOK 1 000)	NOTE	2015	2014
ASSETS			
Non-current assets			
Equipment	13	78	-
Investment in subsidiaries	8	127 346	127 346
Investments in associates	8	30 651	-
Long term loans to group companies	5	87 169	60 065
Total non-current assets		245 243	187 411
Current assets			
Other current assets	12	1 115	65
Cash and cash equivalents	10	87 470	123 031
Total current assets		88 586	123 097
Total assets		333 828	310 507
EQUITY AND LIABILITIES			
Equity			
Share capital	9, 11	4 351	4 319
Share premium	9	294 388	292 051
Retained earnings	9	23 963	10 705
Total equity		322 701	307 075
Non-current liabilities			
Deferred tax liability	7	5 178	-
Total non-current liabilities		5 178	-
Current liabilities			
Trade payables	12	2 009	53
Tax payable	7	2 405	-
Other current liabilities	12	1 535	3 379
Total current liabilities		5 949	3 432
Total liabilities		11 127	3 432
Total equity and liabilities		333 828	310 507

Oslo, 25 April 2016

Glen Rødland
Chairman of the Board

Yvonne Litsheim Sandvold
Board member

Reuben Segal
Board member

Synne Syrrist
Board member

David Wells
CEO

Statement of Cash Flows – Aqualis ASA
1 January - 31 December

(NOK 1 000)	NOTE	2015	2014
Cash flow from operating activities			
Profit (loss) after taxes		20 841	11 418
Non-cash adjustment to reconcile profit before tax to cash flow:			
Taxes paid		-	-
Depreciation and impairment		18	-
Changes in working capital:			
Changes in other receivables and other liabilities		(939)	716
Net cash flow from operating activities		19 920	12 134
Cash flow from investing activities			
Purchase of equipment	13	(95)	-
Purchase of associates	8	(30 651)	-
Net loan payment to subsidiaries		(27 104)	(10 109)
Net cash flow (used in)/from investing activities		(57 850)	(10 109)
Cash flow from financing activities			
Proceeds from share issue	9	2 368	66 007
Payment from previous owner (Weifa)		-	55 000
Net cash flow (used in)/from financing activities		(2 368)	121 007
Net change in cash and cash equivalents		(35 562)	123 031
Cash and cash equivalents beginning period		123 031	-
Cash and cash equivalents end period		87 470	123 031

Note 1: Accounting Principles

Aqualis ASA was established on 13th of June 2014. The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

Foreign currency translation
Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognised in the income statement as they occur during the accounting period.

Income tax
The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 25 percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

Balance sheet classification
Current assets and short term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets / long term liabilities.

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

Subsidiaries
Subsidiaries and associates are valued at cost in the company accounts. The investment is valued as cost of the shares in the subsidiary or associate, less any impairment losses. An impairment loss is recognised if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the provider. If dividends / group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

Other receivables
Other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

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 investments with maturities of three months or less.

Note 2: Revenues

(NOK 1 000)	2015	2014
Corporate services	968	-
Total	968	-

Note 3: Payroll and payroll related expenses

(NOK 1 000)	2015	2014
Salaries	3 100	650
Bonus	125	161
Social security costs	490	97
Pension costs - defined contribution plan	235	39
Other personnel costs	6	392
Other social costs	24	376
Total payroll and payroll related expenses	3 980	1 714
Average number of man-years	2	1

The company has defined contribution plan for employees in the Company. The company meets the requirements for an occupational pension plan in accordance with the Norwegian law on required occupational pensions.

Please refer to note 20 in the group accounts for information about Board of Directors and Senior Management compensation.

Note 4: Other operating expenses

Long term loans to group companies

(NOK 1 000)	2015	2014
Professional fees	2 089	-
Share of central costs	1 187	-
Office rental cost	304	-
Initial Public Offering costs	-	8 536
Other costs	872	2 093
Total	4 452	10 629

Remuneration to the Auditors

(NOK 1 000)	2015	2014
Audit	245	200
Other attestation service	339	270
Tax service	-	10
Total remuneration to the Auditors	584	480

All fees are exclusive of VAT.

Note 5: Intercompany balances and transactions with group companies

Long term loans to group companies

(NOK 1 000)	2015	2014
Aqualis Offshore Ltd.	42 998	31 406
Aqualis Offshore UK Ltd.	8 489	1 499
Aqualis Offshore, Inc	5 520	3 813
Aqualis Offshore Marine Servicos LLC	24 471	16 487
Aqualis Offshore S. de R.L. de C.V	450	-
Aqualis Offshore Servicos Ltda	2 577	-
Aqualis Offshore Korea Ltd	1 332	-
OWC (Aqualis) GmbH	442	-
Aqualis Offshore LLC	890	-
Aqualis Offshore AS	-	6 860
Total	87 169	60 065

The loans to Group companies carry an annual interest rate of 3 months USD LIBOR + 2%. Loans to subsidiaries have a long term perspective and does not have a specific due date.

Other current assets

(NOK 1 000)	2015	2014
Aqualis Offshore Ltd.	968	-
Total	968	-

Other current liabilities

(NOK 1 000)	2015	2014
Aqualis Offshore Ltd.	1 222	-
Aqualis Offshore AS	-	2 641
Total	1 222	2 641

Financial items

(NOK 1 000)	2015	2014
Interest income from subsidiaries	1 630	606
Interest expenses	-	(11)
Net financial items	1 630	594

Note 6: Financial items

(NOK 1 000)	2015	2014
Interest income from bank deposits	246	221
Interest income from group companies	1 630	606
Other financial income	1	-
Total finance income	**1 877**	**827**
Other financial expenses	(47)	(12)
Total finance expenses	**(47)**	**(12)**
Net foreign exchange gain (loss)	26 493	22 946
Net financial items	**28 323**	**23 761**

Please refer to note 19 and 23 in the group accounts for information about fair value of financial assets and related risk management objectives and policies.

Note 7: Tax

(NOK 1 000)	2015	2014
Income tax expenses recognised in profit or loss		
Tax expense on tax base	2 405	713
Changes in deferred tax	5 592	-
Effect of changes in tax rate	(414)	-
Total income tax expenses	**7 583**	**713**
Tax base calculation		
Profit before income tax	20 841	11 418
Permanent differences	8 779	(8 779)
Temporary differences	(20 711)	-
Tax base	**8 909**	**2 639**
Group contribution	-	(2 639)
Tax base after group contribution	**8 909**	**-**
Tax payable in the balance sheet	2 405	-
Temporary differences:		
Receivables	19	-
Long-term receivables in foreign currency	20 681	-
Fixed assets	11	-
Total	**20 711**	**-**
Deferred tax liability	**5 178**	**-**

As of 01.01.2016 the tax rate in Norway was reduced to 25%. Deferred tax liability as of 31.12.2015 has been calculated with a tax rate of 25%. The effect on the current year's tax expense is NOK 414 000.

(NOK 1 000)	2015	2014
Reconciliation of the effective tax rate:		
Profit before tax	20 841	11 418
Income tax using tax rate in Norway (27%)	5 627	3 083
Effect of permanent differences	2 370	(2 370)
Effect of change in the tax rate	(414)	-
Total income tax expenses	7 583	713
Effective tax rate	36.4%	6.2%

Note 8: Investments in group companies

Subsidiaries directly owned by Aqualis ASA
(All numbers presented in local currency thousands, only net book value in NOK)

	REGISTERED OFFICE	LOCAL CURRENCY	SHARE CAPITAL	OWNERSHIP AND VOTING INTEREST	EQUITY AS OF 31.12.2015	NET PROFIT OF THE YEAR	NET BOOK VALUE (NOK 000'S)
Aqualis Offshore Ltd.	UK	GBP	4 462	100%	3 860	(273)	**118 678**
Offshore Wind Consultants Ltd.	UK	GBP	0.1	100%	348	81	**8 668**
Total							**127 346**

Associates owned by Aqualis ASA
(All numbers presented in local currency thousands, only net book value in NOK)

	REGISTERED OFFICE	LOCAL CURRENCY	SHARE CAPITAL	OWNERSHIP AND VOTING INTEREST	EQUITY AS OF 31.12.2015	NET PROFIT OF THE YEAR	NET BOOK VALUE (NOK 000'S)
ADLER Solar Services GmbH (1)	Germany	EUR	393	49.9%	1 208	(350)	**30 651**
Total							**30 651**

(1) Net profit for ADLER Solar Services GmbH relates to the period 29.10 - 31.12.

Note 9: Equity

(NOK 1 000)	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	TOTAL EQUITY
At 1 January 2014	-	-	-	-
Foundation capital, June	1 000	-	-	**1 000**
Private placement, July	730	64 277	-	**65 007**
Contribution in kind, July (group continuity)	2 589	227 774	-	**230 363**
Profit (loss) after taxes	-	-	10 705	**10 705**
At 31 December 2014	4 319	292 051	10 705	307 075
At 1 January 2015	4 319	292 051	10 705	307 075
Issue of share capital	32	2 337	-	**2 368**
Profit (loss) after taxes	-	-	13 258	**13 258**
At 31 December 2015	4 351	294 388	23 963	322 701

Note 10: Cash and cash equivalents

(NOK 1 000)	2015	2014
Cash at banks	87 329	122 937
Cash restricted	142	94
Total	87 470	123 031

The cash consist following currency

(NOK 1 000)	LOCAL CURRENCY	NOK
NOK	3 590	3 590
USD	9 534	83 880
Total		87 470

Restricted cash relates to employee's tax deduction.

Note 11: Share capital

(NOK 1 000)	NUMBER OF SHARES (THOUSANDS)	SHARE CAPITAL (NOK 000'S)
At 1 January 2015	43 191	4 319
Proceeds from share issue	315	32
At 31 December 2015	43 506	4 351

Each share has a par value of NOK 0,10 per share.

Share-based payments
The company has used share-options for key personnel in connection with the acquisition of Tristein AS and Offshore Wind Consultants Ltd. See note 17 in Aqualis Group note for more information.

Please refer to note 24 in Financial Statement of Aqualis Group for further information regarding the company's largest shareholders.

Note 12: Other current assets, trade payables and other current liabilities

(NOK 1 000)	2015	2014
Group receivables	968	-
Other receivables	54	65
Other current assets	93	
Total	1 115	65

Trade receivables are non-interest bearing and are generally on terms of 30 to 45 days.

Please refer to note 19 and 23 in the group accounts for information about fair value of financial assets and related risk management objectives and policies.

Trade payables

(NOK 1 000)	2015	2014
Group payables	1 222	-
Trade payables	787	53
Total	2 009	53

Other current liabilities

(NOK 1 000)	2015	2014
Social security taxes	142	52
Allowance for holiday pay	274	62
Group contribution	-	2 641
Other accrued expenses	1 119	625
Total	1 535	3 379

Note 13: Equipment

(NOK 1 000)	EQUIPMENT	TOTAL
At 1 January	-	-
Additions	95	95
At 31 December	95	95
Depreciation and impairment		
Accumulated depreciation at 1 January	-	-
Depreciation charge for the year	(18)	(18)
Accumulated depreciation at 31 December	(18)	(18)
Net book value	78	78
Useful life	2-5 years	

Building a better working world

Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemias gate 6, NO-0191 Oslo
Oslo Atrium, P.O.Box 20, NO-0051 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00
Fax: +47 24 00 29 01

www.ey.no
Medlemmer av den norske revisorforening

To the Annual Shareholders' Meeting of
Aqualis ASA

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of Aqualis ASA, comprising the financial statements for the Parent Company and the Group. The financial statements of the Parent Company comprise the financial position 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 financial statements of the Group comprise the consolidated statement of financial position as at 31 December 2015, the statements of profit and loss, comprehensive income, cash flows and changes in equity for the year then ended as well as a summary of significant accounting policies and other explanatory information.

The Board of Directors' and Chief Executive Officer's responsibility for the financial statements

The Board of Directors and Chief Executive Officer 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 for the financial statements of the Parent Company and the International Financial Reporting Standards as adopted by the EU for the financial statements of the Group, and for such internal control as the Board of Directors and Chief Executive Officer 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.

Building a better working world

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 on the financial statements of the Parent Company

In our opinion, the financial statements of Aqualis ASA have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2015 and its 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.

Opinion on the financial statements of the Group

In our opinion, the financial statements of the Group have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Group as at 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report and on the statement on corporate governance

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report and in the statement on corporate governance 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 Chief Executive Officer 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.

Oslo, 27 April 2016
ERNST & YOUNG AS

Rolf Berge
State Authorised Public Accountant (Norway)

Production: Artbox AS

Aqualis ASA
Bleikerveien 17.
NO-1387 Asker
Norway

Tel: +47 41 600 100
E-mail: mail@aqualis.no

www.aqualis.no