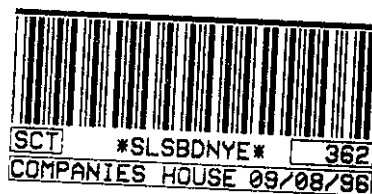


CLYDE MARINE MOTORING CO. LTD.

ABBREVIATED ACCOUNTS

YEAR TO 31 DECEMBER 1995

8-



Company No. SC034707

CLYDE MARINE MOTORING CO. LTD.

ABBREVIATED BALANCE SHEET
31 December 1995

	NOTE	£	1995 £	£	1994 £
FIXED ASSETS					
Tangible assets	2		383,194		394,103
CURRENT ASSETS					
Stocks		3,919		4,318	
Debtors		72,877		63,531	
Cash on hand		<u>213</u>		<u>217</u>	
		<u>77,009</u>		<u>68,066</u>	
CREDITORS - amounts falling due within one year	3	<u>84,360</u>		<u>103,862</u>	
NET CURRENT LIABILITIES			<u>7,351</u>		<u>35,796</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			375,843		358,307
CREDITORS - amounts falling due after more than one year			<u>7,738</u>		<u>28,732</u>
			<u>368,105</u>		<u>329,575</u>
CAPITAL AND RESERVES					
Called up Share Capital	4		18,000		18,000
Profit & Loss Account			276,391		234,401
Revaluation Reserve			65,714		69,174
Other Reserves			<u>8,000</u>		<u>8,000</u>
			<u>368,105</u>		<u>329,575</u>

The Directors have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985, on the grounds that the Company is entitled to the benefit of those exemptions as a small company.

A.D. MUNRO
Director

25 March 1996

CLYDE MARINE MOTORING CO. LTD.

NOTES TO THE ABBREVIATED ACCOUNTS
31 December 1995

1. ACCOUNTING POLICIES

Accounting Convention

These financial statements have been prepared in accordance with the historical cost convention, modified to include the revaluation of motor launches.

Fixed Assets

All fixed assets are initially recorded at cost. Motor Launches have subsequently been revalued.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation of each asset over its expected useful life, as follows:-

Heritable property	5% reducing balance
Motor launches	5% reducing balance
Motor vehicles	25% reducing balance
Plant, furniture and fittings	25% reducing balance

Stock

Stocks are stated at the lower of cost and net realisable value.

Revaluation Reserve

The Revaluation Reserve on Motor Launches is written off to the Profit & Loss Account on the same basis as Motor Launch depreciation.

2. TANGIBLE FIXED ASSETS

£

Cost or Valuation

As at 1 January 1995	537,605
Additions	<u>10,974</u>

As at 31 December 1995	<u>548,579</u>
------------------------	----------------

Depreciation

As at 1 January 1995	143,502
Provided during the year	<u>21,883</u>

As at 31 December 1995	<u>165,385</u>
------------------------	----------------

Net Book Value

As at 31 December 1995	383,194
	=====

As at 31 December 1994	394,103
	=====

CLYDE MARINE MOTORING CO. LTD.

NOTES TO THE ABBREVIATED ACCOUNTS (contd.)
31 December 1995

3. SECURED LIABILITIES

Included in creditors is an amount of £21,234 in respect of secured liabilities.

4. SHARE CAPITAL

	1995 £	1994 £
Authorised		
30,000 shares of £1 each	30,000 =====	30,000 =====
Allotted, called up and fully paid		
12,000 "A" Ordinary shares of £1 each	12,000	12,000
6,000 "B" Ordinary shares of £1 each	<u>6,000</u>	<u>6,000</u>
	18,000 =====	18,000 =====

WELSH WALKER

11 William Street,
Greenock.
PA15 1BX.
Tel. No. 01475 722233
Fax. No. 01475 888086

Chartered Accountants

**AUDITORS REPORT TO THE DIRECTORS OF CLYDE MARINE MOTORING COMPANY
LIMITED PURSUANT TO SCHEDULE 8 TO THE COMPANIES ACT 1985**

We have examined the Abbreviated Accounts on pages 1 to 3 together with the full Accounts of Clyde Marine Motoring Company Limited for the year ended 31 December 1995. The scope of our work for the purposes of this Report was limited to confirming that the Company is entitled to the exemptions claimed in the Directors Statement on page 1 and that the Abbreviated Accounts have been properly prepared from the full Accounts.

In our opinion the Company is entitled under Sections 246 to 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act in respect of the year ended 31 December 1995 and the Abbreviated Accounts have been properly prepared from the full Accounts.

On 25 March 1996 we reported, as auditors of Clyde Marine Motoring Company Limited to the Shareholders on the full Financial Statements required by Section 226 of the Companies Act 1985 for the year ended 31 December 1995 and our Audit Report was as follows -

"We have audited the Financial Statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of Directors and Auditors

As described on page 2, the Company's Directors are responsible for the preparation of Financial Statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies."


WELSH WALKER

Chartered Accountants and Registered Auditors

GREENOCK

25 March 1996

VIKING STANDBY 3 LIMITED
(Company registered number: 155027)

REPORT AND FINANCIAL STATEMENTS

31 December 1995

[Handwritten signature]



VIKING STANDBY 3 LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 1995

The directors present their report and the audited financial statements for the period ended 31 December 1995.

BUSINESS REVIEW

The principal activity is the operation of safety standby vessels for platforms and rigs operated by the oil industry.

The company was incorporated on 20 December 1994 as Comlaw No 373 Limited and changed its name to Viking Standby 3 Limited on 20 June 1995.

On 30 December 1994 the company acquired the vessels Searcher, Retriever and Guardian and the related trade from Cam Shipping Limited (in administration) and commenced to trade from 1 January 1995.

The period under review has seen an improvement in the market rates obtained for the vessels and the directors are confident that these improvements will continue into the current year. The loss for the period is in line with the directors expectations for the first year of trading.

LOSS FOR THE YEAR

The results for the year are shown on page 4.

The directors do not recommend the payment of a dividend and the loss for the year has been transferred to reserves.

FIXED ASSETS

Movements in fixed assets are shown in note 6 to the financial statements.

DIRECTORS

The directors of the company during the period were:

Comlaw Director Limited (First director and shareholder)	Resigned 30 December 1994
I T Watters	Appointed 30 December 1994, resigned 6 June 1995
D G F Hekelaar	Appointed 30 December 1994, resigned 6 June 1995, reappointed 4 July 1995
B Stallemo	Appointed 6 June 1995
O Brevik - Chairman	Appointed 6 June 1995
A J R May	Appointed 4 July 1995

None of the directors have an interest in the share capital of the company.

VIKING STANDBY 3 LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 1995 (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

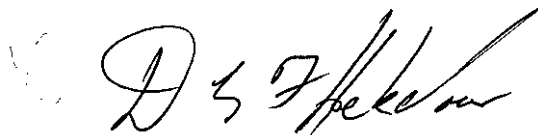
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Price Waterhouse were appointed auditors of the company during the year by the directors. A resolution to reappoint them will be proposed at the Annual General Meeting.

On Behalf of the Board



D G F Hekelaar
Secretary

Price Waterhouse



AUDITORS' REPORT TO THE MEMBERS OF VIKING STANDBY 3 LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1995 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

PRICE WATERHOUSE
Chartered Accountants
and Registered Auditors

12 June 1996

VIKING STANDBY 3 LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 1995

	Notes	1995
TURNOVER - acquired operations		402,279
Cost of sales		<u>(684,817)</u>
Gross loss		(282,538)
Administration expenses		<u>(40,000)</u>
OPERATING LOSS - acquired operations	2	(322,538)
Interest payable and similar charges	4	<u>(130,337)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(452,875)
Taxation	5	<u>-</u>
LOSS FOR THE YEAR	13	<u>£(452,875)</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

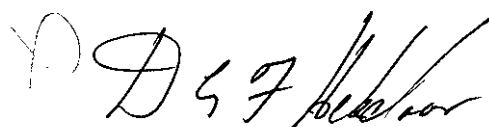
There are no recognised gains and losses other than the loss for the year.

VIKING STANDBY 3 LIMITED

BALANCE SHEET - 31 DECEMBER 1995

	Notes	1995
FIXED ASSETS		
Tangible assets	6	1,530,000
CURRENT ASSETS		
Stocks	7	11,760
Debtors	8	<u>293,686</u>
		305,446
CREDITORS - Amounts falling due within one year	9	<u>(1,520)</u>
NET CURRENT ASSETS		<u>303,926</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,833,926
CREDITORS - Amounts falling due after one year	10	<u>(2,286,800)</u>
		£(452,874)
CAPITAL AND RESERVES - EQUITY INTERESTS		
Called up share capital	12	1
Profit and loss account	13	<u>(452,875)</u>
SHAREHOLDERS' FUNDS	14	<u>£(452,874)</u>

APPROVED BY THE BOARD ON *June 12, 1996*



D G F Hekelaar

DIRECTOR

VIKING STANDBY 3 LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1995

1 ACCOUNTING POLICIES

(1) Basis of accounting

The financial statements have been prepared under the historical cost convention and, in all material respects, in accordance with applicable accounting standards.

(2) Depreciation

Depreciation of tangible fixed assets is charged by equal annual instalments at rates estimated to write off the cost less residual value over their expected useful lives which are as follows:

Vessels	10 years
---------	----------

(3) Foreign currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

(4) Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

(5) Deferred taxation

Deferred taxation is provided in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

(6) Periodic survey costs

The costs of periodic vessel surveys are charged to the profit and loss account as incurred.

2 OPERATING LOSS

1995

Operating loss is stated after charging

Auditors remuneration

- Audit fees

- Non audit fees

£650

£400

Operating leases

Hire of plant and machinery

£31,811

Depreciation of tangible fixed assets

£170,000

VIKING STANDBY 3 LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1995 (CONTINUED)

3	DIRECTORS AND EMPLOYEES	<u>1995</u>
	Staff costs including directors' emoluments	£-
	Wages and salaries	<u>£-</u>
	The company does not employ the crews operating vessels, these are provided by an agency.	
		<u>1995</u>
	Directors' emoluments	<u>£-</u>
4	INTEREST PAYABLE AND SIMILAR CHARGES	
	On bank loans repayable after 5 years	105,794
	Issue costs of financing	<u>24,543</u>
		<u>£130,337</u>
5	TAXATION	
	There is no corporation tax charge for the year due to the availability of tax losses.	
	There are losses to carry forward for taxation purposes at 31 December 1995 amounting to approximately £186,000.	
6	TANGIBLE FIXED ASSETS	<u>Vessels</u>
	Cost	
	Acquired on purchase of business	<u>1,700,000</u>
	31 December 1995	<u>£1,700,000</u>
	Depreciation	
	Charge for the period	<u>170,000</u>
	31 December 1995	<u>£170,000</u>
	Net book value	
	31 December 1995	<u>£1,530,000</u>
		<u>1995</u>
	Future capital commitments	
	Contracted for	£-
	Authorised but not contracted for	<u>£-</u>

VIKING STANDBY 3 LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1995 (CONTINUED)

7	STOCKS	<u>1995</u>
	Fuel and oil	£11,760
		<u> </u>
8	DEBTORS	
	Due from fellow subsidiaries	£293,686
		<u> </u>
9	CREDITORS - Amounts falling due within one year	
	Accruals and deferred income	£1,520
		<u> </u>
10	CREDITORS - Amounts falling due after one year	
	Bank loans	£2,286,800
		<u> </u>
	Comprising	
	Mortgage loan	1,700,000
	Interest accrued on loan	<u>86,800</u>
		1,786,800
	Credit facility	<u>500,000</u>
		£2,286,800
		<u> </u>

The mortgage loan is repayable in June 2005. The effective annual rate of interest is 9%.

The credit facility is repayable in ten years by seven equal annual instalments commencing in June 1998. Interest is charged at LIBOR rate.

Both the loan and the credit facility are secured by a mortgage over the company's vessels and by a guarantee from the ultimate parent undertaking.

VIKING STANDBY 3 LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1995 (CONTINUED)

11	PROVISIONS FOR LIABILITIES AND CHARGES		1995
		Potential liability	Provision made
	Deferred taxation		
	Corporation tax deferred by		
	Capital allowances	204,485	-
	Other timing differences	(29,146)	-
	Unrelieved taxation losses	<u>(61,316)</u>	<u>-</u>
		£114,023	£-
		<u><u> </u></u>	<u><u> </u></u>
	The potential liability is based on a corporation tax rate of 33%		
12	CALLED UP SHARE CAPITAL		1995
		Number of shares	
	Authorised		
	Ordinary shares of £1 each	100	£100
		<u> </u>	<u> </u>
	Allotted, called up and fully paid		
	Ordinary shares of £1 each	1	£1
		<u> </u>	<u> </u>
13	PROFIT AND LOSS ACCOUNT		1995
			<u>(452,875)</u>
	Loss for the year		
	31 December 1995		£(452,875)
			<u><u> </u></u>
14	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
			(452,875)
	Loss for the year		
	Issue of share capital		<u>1</u>
	Closing shareholders' funds		£(452,874)
			<u><u> </u></u>
15	PARENT UNDERTAKING		
	The immediate parent undertaking, which does prepare group accounts, is Viking Standby (Holdings) Limited, a company registered in Scotland.		
	The ultimate parent undertaking is Viking Supply Ships AS, a company registered in Norway.		