

Concedo ASA
Profit and loss account 2015

Figures are given in the Norwegian currency NOK	Note	2015	2014
Sales revenue	2	-	1 854 552
Other operating revenues	2	-	29 874 987
Total operating revenues		0	31 729 538
Depreciation on fixed and intangible assets	4	-456 423	-445 908
Exploration expenses	3,10,14	-160 760 348	-299 819 089
Total operating expenses		-161 216 771	-300 264 997
Operating profit/loss		-161 216 771	-268 535 459
Other interest received		3 476 228	7 033 691
Other financial income		8 132 750	9 446 744
Total financial income		11 608 978	16 480 434
Other interest paid		-8 901 501	-12 716 598
Other financial expenses		-4 354 715	-8 527 594
Total financial expenses		-13 256 217	-21 244 192
Net financial items		-1 647 238	-4 763 758
Pre-tax profit/loss on ordinary activities		-162 864 009	-273 299 217
Tax cost on profit on ordinary activities	7	126 150 401	229 872 295
Ordinary profit/loss		-36 713 608	-43 426 922
Income/loss for the year		-36 713 608	-43 426 922
Allocations			
Other reserves	6	-36 713 608	-43 426 922
Total		-36 713 608	-43 426 922

Concedo ASA

Balance Sheet as of 31 December 2015

Figures are given in the Norwegian currency NOK

ASSETS	Note	2015	2014
Fixed assets			
Intangible assets			
Deferred tax assets	7	17 404 140	14 379 241
Capitalised exploration expenses and licences	4	2 809 716	4 778 392
Total intangible assets		20 213 856	19 157 633
Tangible fixed assets			
Furniture, fixtures & machinery	4	160 990	617 413
Total tangible fixed assets		160 990	617 413
Total fixed assets		20 374 847	19 775 046
Current assets			
Receivables			
Trade debtors		0	0
Other receivables	9	138 907 618	220 328 752
Total receivables		138 907 618	220 328 752
Bank deposits, cash-in-hand etc.	8	173 468 333	216 203 730
Total bank deposits, cash-in-hand etc.		173 468 333	216 203 730
Total current assets		312 375 950	436 532 482
Total assets		332 750 797	456 307 528

Concedo ASA

Balance Sheet as of 31 December 2015

Figures are given in the Norwegian currency NOK

SHAREHOLDERS' EQUITY AND LIABILITIES	Note	2015	2014
EQUITY			
Paid-in capital			
Share capital	5,6	2 430 066	2 430 066
Treasury shares	6	-158 379	-158 379
Share premium	6	4 567 126	4 567 126
Other paid in capital	6	531 240	-
Total paid-in capital		7 370 053	6 838 813
Retained earnings			
Other reserves	6	197 397 145	234 110 753
Total retained earnings		197 397 145	234 110 753
Total Equity		204 767 198	240 949 566
Current liabilities			
Owed to credit institutions	11,13	119 752 859	200 015 122
Trade creditors		4 213 905	717 238
Unpaid government charges etc.		1 757 246	1 730 750
Other current liabilities	12	2 259 589	12 894 853
Total current liabilities		127 983 599	215 357 963
Total liabilities		127 983 599	215 357 963
Total Equity and Liabilities		332 750 797	456 307 528

Asker, 10 March 2016



Olav Fjell

Chairman of the Board



Hege Wullum
Director



Erik Klausen

Director



Nirav Dagli
Director



Karen Sund

Director



Geir Lunde
CEO

Concedo ASA

Cash Flow Statement

OPERATING ACTIVITIES	Note	2015	2014
Pre-tax result		-162 864 009	-273 299 217
Adjustments for reconciling current year's result with cash flow from operating activities:			
Depreciation, amortisation and write-downs	4	456 423	445 908
Capitalised exploration costs expensed		4 082 322	20 412 753
Other items having no cash effect – subscription rights		531 240	766 627
Tax reimbursement received in period	7	215 548 948	252 550 338
Change in working capital (except for cash and cash equivalents):			
(Increase) reduction in trade debtors and other receivables		-11 002 311	-2 229 058
Increase (reduction) in trade creditors and other current debts		-7 112 100	-47 361 991
Cash flow from operating activities		39 640 513	-78 589 626
INVESTMENT ACTIVITIES			
Investments in fixed assets	4	-	-897 800
Capitalised exploration expenses	4	-2 113 647	-4 776 196
Sale of assets	2	-	31 528 470
Cash flow spent on investment activities		-2 113 647	25 854 473
FINANCING ACTIVITIES			
Share issue	6	-	3 206 322
Dividends and repayment of paid-in capital	5	-	-
Purchase of treasury shares	6	-	-9 099 328
New interest-bearing short-term debt	11	59 060 000	90 500 000
Repayments short-term debt	11	-139 322 263	-142 120 145
Cash flow spent on financing activities		-80 262 263	-57 513 151
Net increase (reduction) in cash and cash equivalents		-42 735 397	-110 248 303
Cash and cash equivalents at beginning of year		216 203 730	326 452 033
Cash and cash equivalents at end of year		173 468 333	216 203 730

Concedo ASA

Note 1 Accounting Principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway.

Main principles for valuing and classifying assets and liabilities

Assets intended for permanent ownership or use are classified as fixed assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. Classification of current and long-term liabilities is based on the same criteria.

Fixed assets are carried at historical cost net of accumulated depreciation. Fixed assets that have a limited economic life are depreciated according to a reasonable schedule. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Current assets are valued at the lower of historical cost and fair value.

Other long-term and current liabilities are valued at their nominal value.

Interests in oil and gas licenses

Ownership in oil and gas licenses are recognised by including Concedo's share of assets, liabilities, income and expense in the license on a line by line basis (gross method).

Accounting for exploration costs

The company follows the «successful efforts» method of accounting for exploration costs in oil and gas operations. Costs for acquiring mineral interests in oil and gas areas and for drilling exploration wells, are capitalised pending determinations of whether recoverable reserves have been found. Costs for drilling exploration wells where no recoverable reserves are found, geological and geophysical costs and other exploration costs, are expensed.

Exploration wells that have shown reserves, but where classification as proven reserves depends on whether substantial investments are justified, may remain capitalised for more than one year. Capitalised exploration wells and acquisition costs are reviewed continuously for impairment.

Receivables

Trade receivables and other receivables are recognised at their nominal value less provision for expected loss.

Bank deposits, cash in hand, etc.

Bank deposits, cash in hand and cash equivalents include cash in hand, bank deposits and other means of payment having maturity of less than three months from the date of purchase.

Revenue

Revenue is recognised when it is earned, i.e. when both the risk and control have been transferred to the customer.

Expenses

Expenses are generally entered in the same period as the corresponding income.

Leasing agreements

Significant lease contracts that are classified as financial leases are recognised as assets and depreciated using the straight-line method based on the estimated useful life. Operational leases are expensed as incurred.

Pensions

The company is required to maintain an occupational pension scheme in accordance with the Norwegian Act relating to mandatory pensions ("Lov om obligatorisk tjenstepensjon"). The company's pension scheme satisfies the requirements in that Act.

Contribution plans are accounted for according to the matching principle. The year's contribution to the pension scheme is expensed.

Share-based remuneration

The company has a remuneration plan based on payment in shares. The fair value of the services the company has received from the employees in return for the awarded subscription rights is entered as an expense. The total sum expensed over the earning period is calculated on the fair value of the subscription rights awarded.

At each balance sheet date, the company re-estimates the number of subscription rights likely to be exercised. The company enters the effect of any change in the original estimates in the P/L account with a corresponding adjustment of equity capital. After deduction of attributable transaction costs, payments received when rights are exercised are credited to share capital (nominal value) and the share premium account when subscription rights are exercised.

Taxes

Tax expenses are matched with book income before tax.

Tax expenses consist of payable tax (tax on the year's direct taxable income), change in net deferred tax and anticipated reimbursements related to exploration costs.

Deferred tax and deferred tax benefits in the same tax regime are presented net in the balance sheet. Deferred tax benefit is recognised in the balance sheet provided that the future use is rendered probable.

Cash flow analysis

The cash flow analysis is prepared using the indirect method.

Note 2 Sales revenues

	2015	2014
Consulting services/ Income in Norway	0	1 854 551
Gain from sale of licence	0	29 874 987
Total	0	31 729 538

Note 3 Payroll costs, number of employees, benefits etc.

Company payments to and pension costs for employees are presented in the following table:

Payroll costs	2015	2014
Salaries	17 281 445	16 863 048
Employers payroll tax	2 681 230	2 451 497
Pension costs	1 447 644	1 171 062
Share-based remuneration	531 240	766 627
Other benefits	159 649	74 630
Total	22 101 208	21 326 864

Number of man-years employed during the financial year

	13	13
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*) Employers payroll tax comprises of tax on payroll and exchange of subscription rights as part of the incentive scheme.

Concedo ASA has adopted a contribution-based pension scheme, which has an individual choice of investment. The scheme covers a total of 13 employees.

Remuneration paid to directors and management	Salary	Pension costs	Other remuneration
Geir Lunde (CEO)	1 546 249	107 236	42 207
Olav Fjell (Chairman)			150 000
Erik Klausen (Director and HSE Manager)	1 479 901	96 524	41 393
Hege Wullum (Director)			100 000
Karen Sund (Director)			100 000
Nirav Dagli (Director)			100 000

The CEO has a severance pay contract under which he, if he leaves at the company's request, is entitled to salary for 6 months after his period of notice expires. For subscription rights awarded to the CEO and directors in connection with the incentive scheme, see Note 5. Consultancy services of NOK 249 996 excl. VAT were purchased from Fjellvit AS, a company owned by the Chairman of the Board.

Share-based remuneration

With the approval of the AGM, the Directors of Concedo have awarded the employees 187 343 subscription rights as of 1 January 2015. During 2015 no subscription rights were exchanged into shares. On 14 December 2015, the Directors decided to distribute 110 743 subscription rights in accordance with the guidelines for remuneration of senior management.

The fair value of the subscription rights awarded, calculated according to Black & Scholes option pricing model, was NOK 10 648 566. NOK 531 240 was expensed in 2015. At December 31 2015, the estimated amount of share-based remuneration cost yet to be expensed throughout the vesting period is NOK 1 355 558.

The calculation is based on a risk-free interest (Government bonds with 3-5 years maturity), and expected exercise of subscription rights after 48 months. The standard deviation from the expected yield is estimated at 50 %.

Number of subscription rights	2015	2014
Outstanding as of 1 January	187 343	347 808
Awarded during year	110 743	78 991
Forfeited during year	0	0
Exercised during year	0	-239 456
Expired during year	0	0
Outstanding as of 31 December	298 086	187 343

Average gross exercise price is NOK 24 per share. According the prevailing conditions related to the subscription rights the exercise price is adjusted for distribution of dividends.

Board of Director's statement regarding remuneration of senior management in Concedo ASA.

In accordance with section 6-16a of the Norwegian Public Companies Act, the Directors of Concedo ASA have drawn up guidelines for determining the salaries and remuneration for senior management and employees in the company. These guidelines cover the basic pay for officers and employees, remuneration in the form of subscription rights in the company and a bonus programme that may be used in exceptional cases.

These guidelines are binding for the Board in so far as concerns schemes involving allocation of shares, subscription rights and other forms of remuneration that are linked with shares or developments in the price of the company's shares. Otherwise, the guidelines are intended as guidance to the Board. If in any contract the Board departs from these guidelines, the reason for doing so shall be recorded in the Board Meeting minutes.

The Norwegian Code of Practice for Corporate Governance provides that a company's guidelines for remunerating senior staff should each year be submitted to the General Meeting for its information. Pursuant to this Code of Practice, the framework for allocating options and shares to employees should be subject to prior approval by the General Meeting. Therefore, the company presents these guidelines and the proposed incentive programme to the annual general meeting of Concedo ASA.

The guidelines provide that remuneration in Concedo ASA shall consist of a fixed basic pay plus a variable consisting of an incentive programme and a bonus scheme, respectively.

The guidelines and compliance in 2015:

The Board established guidelines for 2015 for Managing Director, other senior executives and the Board members. The guidelines were processed at the company's annual general meeting in 2015 and described in the Concedo Annual Report 2014.

Managing Director and other Senior Executives

For the year 2015 subscription rights were allocated for the value equivalent to 25 % of the achievable target in accordance with the guidelines. Each subscription right carries the right to purchase one share in the company at a price corresponding to an estimated market price of NOK 16 per share evaluated by an independent expert. In accordance with the guidelines, company employees thus have an opportunity to subscribe shares as follows:

Name	Price/share (NOK)	Subscription Rights
Geir Lunde	16	9 574
Erik Klausen	16	9 163
Morten Hedemark	16	9 163
Ole H Fjelltun	16	9 163
Odd E Baglo	16	9 163
Elisabet Malmquist	16	8 247
Enric Leon	16	5 356
Dirk van der Wel	16	5 498
Anders Finstad	16	7 798
Juergen Sclaf	16	8 034
Ane M Skaug Rasmussen	16	6 695
Hilde Alnæs	16	6 695
Tommi Rafael Rautakorpi	16	9 163
Total	16	103 712

The incentives to the members of the Board, as described below, follow the guidelines drawn up for the company's employees.

Directors of the Board

For the year 2015 subscription rights for the equivalent of 25 % of the achievable target were allocated in accordance with the guidelines. Every subscription right gives the right to issue one share in the company at a price corresponding to an estimated market price of NOK 16 per share. The members of the Board of the company thus have an opportunity to subscribe shares according to the guidelines:

Name	Price/share (NOK)	Subscription Rights
Olav Fjell	16	2 342
Erik Klausen	16	0
Karen Sund	16	1 563
Hege Wullim	16	1 563
Nirav Dagli	16	1 563
Total	16	7 031

In total, 110 743 subscription rights were allocated in 2015 that can be exercised after 3 years and before 5 years, pursuant to Board Resolution of 14 December 2015 on the basis of the approved guidelines for 2015 and detailed conditions to be approved in the General Meeting 2016.

Guidelines for 2016:

At the annual general meeting in 2016, the Directors will present the following statement regarding pay for the CEO, other senior staff and the Directors in 2016:

(i) Basic pay:

Pursuant to the guidelines, basic pay shall be determined by the CEO based on what is considered good, competitive normal pay in the market. The CEO's salary shall be determined by the Directors. Directors' fees shall be determined by the AGM.

(ii) Incentive programme:

In addition to the fixed basic pay, the Directors propose that the present incentive programme with subscription rights in the company, be continued. The incentive programme shall normally be allocated each year and the subscription rights allocated by the Directors, based on recommendations from the CEO within the framework of the resolution adopted by the general meeting. Subscription rights under this scheme shall be allocated according to specifically designated targets achieved by the company, and shall normally be issued to all employees.

Pursuant to the Directors' guidelines, the number of subscription rights shall be calculated by dividing a percentage – maximum 40% -of the annual pay earned by the employee during the year, by the market price of the shares. The maximum number of subscription rights for each employee will therefore be equivalent in value to up to 40% of the employee's earnings during the year, divided by the market price of the shares. The market price of the shares will be determined by an arm's length public accountant or other arm's length person having expert knowledge of the matter. Subscription rights can at the earliest be exercised at IPO or if the company is sold. Otherwise, the subscription rights may be exercised at any time whatsoever in the period between 3 and 5 years after the allocation date. It is a condition for exercise of subscription rights, however, that the person concerned is still an employee of the company or a pensioner.

For Directors who are not employed by the company, the number of subscription rights shall, pursuant to the Board guidelines, be calculated by dividing a part – maximum 100% - of the annual fee by the market price of the shares. The maximum number of subscription rights for each Director will therefore be equivalent in value to up to 100% of that Director's fee during the year, divided by the market price of the shares. The market price of the shares will be determined by an arm's length public accountant or other arm's length person having expert knowledge of the matter. Subscription rights can at the earliest be exercised at IPO or in the event of sale of the company. Subscription rights can otherwise be exercised at any time between 3 and 5 years from the allocation. Exercise of subscription rights is not dependent on whether he or she is the member of the Board of the company or not.

Nothing is paid for the subscription rights issued. Each of these subscription rights entitles the person to subscribe for one share in the company at a price corresponding to the average market price of the shares at the end of the year for which the incentive decision applies, as the price of the shares is determined by an arm's length public accountant or other arm's length person having expert knowledge of the matter.

The new shares issued when subscription rights are exercised, carry a right to dividend from the date of issue, i.e. a right to dividend, if any, for the financial year prior to the year of issue.

(iii) Bonus scheme:

The other variable element proposed by the Directors, is a bonus scheme. It is the intention that the bonus scheme shall be reserved for situations where it is highly probable that the employee(s) efforts have contributed towards creating extremely high added value and bonus may be awarded only when the added value exceeds NOK 100 million.

Normally, the bonus shall be divided equally and awarded to employees at discretion. However, the CEO may also distribute bonus as an individual reward.

Bonus will not normally be awarded in the form of money, but as subscription rights in the company. In the same way as under the incentive programme,

Auditor

Remuneration for Deloitte AS is as follows (excl. VAT):

	2015	2014
Statutory audit	262 000	180 000
Audit-related services	45 300	55 000
Certification services	15 000	0

Note 4 Tangible/ Intangible assets

	Furniture & Fixtures	Plant & Machinery	License interests, exploration wells	Total
Cost at 1 January	3 177 849	77 725	4 778 392	8 033 966
Additions	-	-	2 113 647	2 113 647
Expensed dry wells, previously capitalised			-4 082 322	-4 082 322
Disposals			-	-
Cost 31 December	3 177 849	77 725	2 809 716	6 065 290
Acc. depreciation at 1 January	2 560 436	77 725		2 192 253
Current year's depreciation	456 423	-		456 423
Acc. Depreciation 31 December	3 016 859	77 725		3 094 584
Book value as of 31 December	160 990	-	2 809 716	2 970 707

Note 5 Share capital and shareholders

As of 31.12.15, the company's share capital consisted of one class of shares, all of which bear the same voting rights.

Acquisition of shares by purchase or as a gift or by any other means requires board approval.

	Number of shares	Nominal value	Book value
Shares	11 718 893	0.2073631	2 430 066
Total	11 718 893		2 430 066

Subscription rights

The right to exercise subscription rights lapses in the event of the company being listed on the stock exchange.

The subscription rights may be exercised during a period of from 3 to 5 years from the date of allocation.

An overview of the subscription rights in the company is shown below.

Name	Number of rights	Subscription price (NOK)	Total Price (NOK)	Allocation date
Employees and Directors	59 167	60	3 550 020	14th December 2012
Employees and Directors	29 407	47,5	1 396 833	14th December 2012
Employees and Directors	19 778	42	830 676	17th December 2013
Employees and Directors	78 991	22	1 737 802	11th December 2014
Employees and Directors	110 743	16	1 771 888	14th December 2014
Total	298 086		9 287 219	

The above figures include 26 770 subscription rights allocated to Geir Lunde, 25 624 to Erik Klausen, 6 949 to Olav Fjell, 4 634 to Karen Sund, 4 634 to Hege Wullum and 2 997 to Nirav Dagli in connection with the incentive scheme.

Ownership structure

The ten largest shareholders as of 31.12.2015

Name	Quantity of shares	Percentage interest	Home country
H. M. STRUCTURES LIM	3 220 682	29,4 %	CYP
EUROCLEAR BANK S.A./	2 580 000	23,6 %	BEL
MEGABAS AS	2 176 449	19,9 %	NOR
HEATHLANDS HOLDINGS	503 967	4,6 %	CYP
PILGRIM GLOBAL ICAV	307 500	2,8 %	NLD
KNUTSEN JOHN ERIC TA	250 000	2,3 %	GBR
UBS AG	220 000	2,0 %	CHE
Six SIS AG	220 000	2,0 %	CHE
FJELLVIT AS	154 529	1,4 %	NOR
GILBO INVEST	120 924	1,1 %	NOR
Other Shareholders	1 201 065	11,0 %	Miscellaneous
Total	10 955 116	100 %	

Concedo holds in addition to the above 763 777 (treasury shares) own shares in the company.

Shares owned by Directors and CEO:

Name	Position	Number of shares
Olav Fjell through 100% in Fjellvit AS	Board Chairman	154 529
Geir Lunde through 22,4% in Megabas AS	CEO	487 525
Erik Klausen through 16,4% in Megabas AS	Director	356 938
Geir Lunde	CEO	22 000
Nirav Dagli	Director	12 000
Erik Klausen through Catellas AS	Director	24 796
Karen Sund through Sund Energy AS	Director	2 307

Note 6 Equity

	Share capital	Treasury shares	Share Premium	Other paid in		Total
				capital	Other	
Equity at 1 January	2 430 066	-158 379	4 567 126	-	234 110 753	240 949 566
Subscription rights				531 240		531 240
Current year's profit/(loss)					-36 713 608	-36 713 608
Equity at 31 December	2 430 066	-158 379	4 567 126	531 240	197 397 145	204 767 198

The value of subscription rights expensed in 2015 of NOK 531 240 has been calculated according to the Black-Scholes formula. The share capital at the end of the year is NOK 2 430 066 consisting of 11 718 893 shares at a nominal value of 0.207363131, including 763 777 treasury shares.

Note 7 Income tax

Income tax for the current year is calculated as follows:	2015	2014
Adjustment for tax refund earlier years	15 858	108 125
Change in deferred tax	-3 024 899	-14 415 615
Tax value of exploration costs (See Note 8)	-123 141 360	-215 564 806
Tax on ordinary income	-126 150 401	-229 872 295
Reconciling nominal and actual tax rates:	2015	2014
Pre-tax profit/loss	-162 864 009	- 273 299 217
Anticipated income tax at nominal rate (27%)	-43 973 282	-73 790 789
Tax effect of following items:		
Adjustment for tax earlier years	15 858	108 125
Non-deductible expenses	173 632	225 776
Non-taxable income	0	-6 750 000
Tax effect of interest on loss for carrying forward (27%/51%)	-258 966	-220 093
Change in tax rate	-235 953	0
Effect of surtax (51%)	-81 871 690	-149 445 314
Income tax	-126 150 401	-229 872 295
Effective tax rate	77 %	84 %

Specification of tax effect of temporary differences and loss for carrying forward:

	2015		2014	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Exploration expenses and license costs		1 658 246		3 289 768
Provisions for liabilities				
Loss to be carried forward	19 062 386		17 669 009	
Total	19 062 386	1 658 246	17 669 009	3 289 768
Of which netted	-1 658 246	-1 658 246	-3 289 768	-3 289 768
Net deferred tax asset/ liability	17 404 140	0	14 379 241	0

Profit from oil and gas operations on the Norwegian shelf is taxed in accordance with the Norwegian Petroleum Tax Act. A special 51% (2014: 51%) surtax is levied in addition to the ordinary 27% (2014 27%) corporate tax. The taxpayer may claim payment from the government for the tax value of direct and indirect expenses (with the exception of financing expenses) for petroleum exploration, provided that the sum does not exceed the year's loss on, respectively, ordinary income in the shelf tax district and the basis for surtax.

Shelf loss may be utilized against a possible future shelf gain. Alternatively, the tax value of loss carry forwards connected to operations on the Norwegian Shelf will be received in the event of a possible termination of the business.

Deferred tax effect has been capitalised to the extent future realisation is deemed probable.

With effect from 1 January 2016 the Corporate tax rate is 25% (2015: 27%) and the special tax rate is 53% (2014: 51%). The tax rate effective from 1 January 2016 has been used in calculation of deferred tax at 31 December 2015.

Note 8 Bank deposits

Bank deposits, cash in hand etc. includes non-distributable withheld tax in the sum of NOK 1 032 232 (2014: NOK 1 013 381) and a rental deposit of NOK 947 120 (2014: NOK 938 173)

Note 9 Other receivables

For the 2015 tax assessment the company claims reimbursement of the tax value of petroleum exploration costs totalling NOK 123 141 360 (2014: NOK 215 564 see Petroleum Tax Act, 5th paragraph of section 3c. Outstanding accounts with operators and others are also in the financial line item "Other receivables".

Note 10 Leasing agreements

Annual rental for non-capitalised assets amounts to NOK 1 468 589 (2014: 1 260 946), which relates to rent for the office premises in Asker. The tenancy was renewed towards the end of 2011; the remaining period of tenancy being 2 years.

Note 11 Debt to financial institutions

The company has a credit line for NOK 350 000 000 in DNB ASA. The interest rate is NIBOR plus a margin of 2.2%.

Withdrawals are limited to 95% of the tax value of petroleum exploration expenses. Repayments coincide with the reimbursement of exploration expenses from the tax authorities. Concedo signed in 2015 an option agreement for extension of the utilization until the end of 2018.

As of 31 December 2015 withdrawals totalled NOK 119 752 859. According to the loan agreement, 95% of the estimated tax reimbursement amounts to NOK 116 984 292. The withdrawals exceed the maximum permitted by NOK 2.768.567 as of 31.12.2015. This amount will be repaid at the next loan withdrawal (Utilisation) date before 31.03.2016. We have calculated the tax reimbursement as being NOK 123 141 360 see notes 7 and 9.

The loan is secured by the tax reimbursement scheme and pledges in 20% in PL 531, 20% in PL616, 20% in PL629, 30% in PL 759, 30% in PL737s, 30% in PL727 and 20% in PL670. Under the loan agreement a mortgage is given on the company's offshore insurances relating to exploration activities. According to the company plan the loan agreement has been renegotiated in the beginning of 2016. All pledges in licences will be deleted in the new loan agreement, but will be exchanged with a general pledge in Concedo.

Note 12 Other current liabilities

	2015	2014
Working capital liabilities in joint ventures	0	1 895 322
Wages, holiday pay and bonus	1 873 949	1 827 065
Accrued expenses	288 800	9 075 626
Other current liabilities	96 840	96 840
Total	2 259 589	12 894 853

Note 13 Financial market risk

The company employs financial instruments such as bank loans and deposits. The purpose of these instruments is to procure capital for the investments required for the company's activities. Other financial instruments are trade debtors etc. that are directly linked with everyday operations. The company does not trade in derivatives.

The most significant financial risks the company is exposed to are related to oil prices, interest rates, capital needs and loan terms. The risk of trade debtors and partners being unable to fulfil their obligations towards Concedo is considered to be low. The company is to a limited degree exposed to currency risk. The company has not entered into any contracts to offset the risks.

Note 14 Exploration costs

Exploration costs in the profit and loss statement consist of the following:

	2015	2014
Payroll costs, ref note 3	22 101 208	21 326 864
Seismic, drilling and general licence expenses	126 093 317	265 747 998
Other operating costs linked with exploration	12 565 822	12 744 228
Total	160 760 348	299 819 089

Exploration expenses eligible for tax refunds amount to NOK 157 873 538 in 2015 (2014: NOK 276 365 136).

Note 15 Licenses

Licence activities in 2015:

PL393B (20%): the Licence is relinquished.

PL 616 (20%): The Haribo well was drilled in 2015 and was dry. Further work in the licence is ongoing.

PL 629: the Licence is relinquished.

PL 645 The Licence is relinquished.

PL 670: Relinquished February 2016.

PL 670B: Relinquished February 2016.

PL 697 (10%): Acquisition of 10% licence share from ENI.

PL 727 (30%): Prospect mapping and evaluation is ongoing based on new 3D seismic. Applied for two years extension.

PL 737s: Relinquished February 2016.

PL 746s (30%): Prospect mapping and evaluation is ongoing. Applied for one year extension.

PL 759: Relinquished February 2016

PL 768 (25%): 2D seismic has been acquired. Prospect mapping and evaluation is ongoing. One year extension of licence.

PL 769: Relinquished February 2016

PL 774 (30%): Study of G&G is ongoing.

PL 775 (20%): Reprocessing of 3D seismic is ongoing. Two years extension of licence.

PL 776 (20%): Drilling decision made in February 2016. Planning drilling of well on the Rome prospect in 2016.

Note 16 Subsequent events

Concedo was awarded six licenses in APA 2015:

North Sea

PL 774 B (30%): in the blocks 16/10. The work programme as for PL774. Tullow is operator.

PL 815 (20%): in the blocks 16/5. The work programme includes reprocessing of 3D seismic and drill or drop decision after one year. Lundin is operator.

PL 816 (30%): in the block 17/4, 7. The work programme includes acquisition of 3D seismic, and drill or drop decision after two year. Eni is operator.

PL 824 (30%): in the block 31/4, 5. The work programme includes to acquisition of 3D seismic, and drill or drop decision after two year. Pure is operator.

PL 826 (30%): in Blocks 29/3, 30/1 og 33/12. The work programme includes reprocessing of 3D seismic and drill or drop decision after three years . Pure is operator

Barents Sea

PL 768 B (25%): in Block 7122/8, 9. The work programme as for PL 768. Two years before drill or drop decision. Winthershall is operator.