



Annual Report 2013

Global Rig Company ASA and the Group



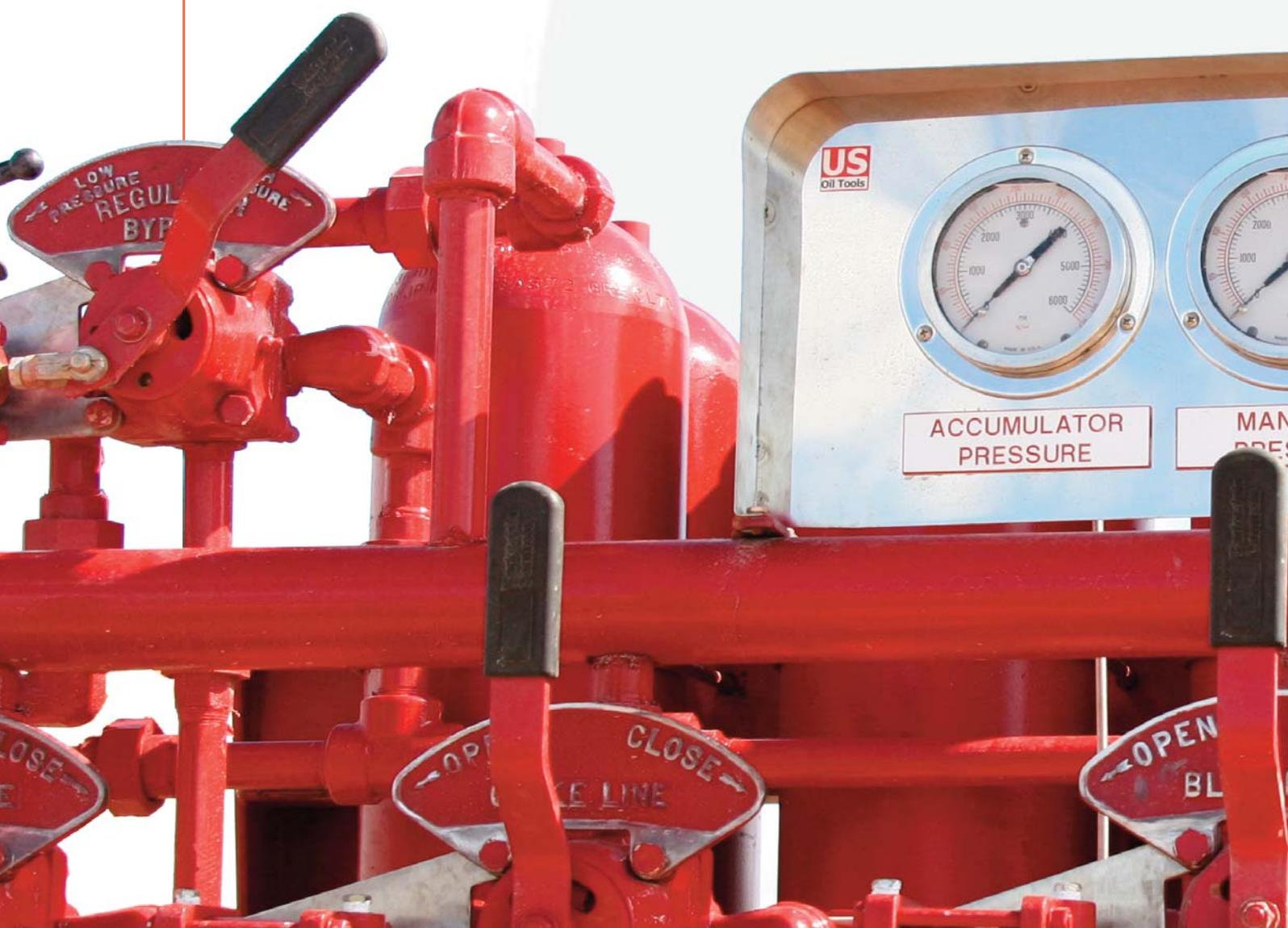
GLOBAL RIG COMPANY



www.globalrig.no

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General Information

This report contains forward looking statements that involve a number of risks and uncertainties. Such forward-looking statements may be identified by the use of forward-looking terminology such as “believes”, “expects”, “predicts”, “may”, “estimates”, “projects”, “are expected to”, “will”, “will continue”, “should”, “would be”, “seeks” or “anticipates” or similar expressions or comparable terminology, or by discussions of plans, intentions and strategy.

Such forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise.

The Company or its officers assumes no obligation that such expectations will prove to be correct. These forward-looking statements are subject to risks and uncertainties that could cause actual results to vary materially from such forward-looking statements



CHAIRMAN'S INTRODUCTION

Global Rig Company delivered another good year in 2013 with continued operational excellence and with a strong cash flow of MUSD 17.1 and the equity ratio increased to 57% by year-end. As a result of increasing demand for our services the Group entered into a purchase agreement with a leading Rig supplier to buy three new rigs to be delivered in late-2014.

Stability and strong operational performance

After acquiring the three 1800 hp rigs in 2011 we have had two years of stability in operational performance with average utilization rates of 99% in both years and a low TRIR of 1.4 in 2013 down from 1.8 in 2012. Furthermore, our drilling teams have set multiple records for our clients in the Permian basin, including fastest horizontal well drilled in the area and at the same time keeping excellent safety records.

Our very competent management team and organization of 176 people have been key to achieving this excellent operational performance. The Board is very satisfied with this strong performance which has enabled us to qualify for new contracts and to sign the purchase agreement for three new rigs in a very competitive land drilling market.

Strong cash flow

The Group has delivered an EBITDA of MUSD 17.1 in 2013 and repaid MUSD 7 of our Bond Loan. The equity ratio has increased to 57% and our cash position by year end is MUSD 9.8.

Growing from 6 to 9 rigs

The market for high-end A/C driven rigs is still good and based on our strong financial

position and the continued operational excellence, the Board entered into a purchase agreement to buy three new rigs. The rigs will be fully outfitted with walking systems to meet increasing demand for pad drilling. The rigs are scheduled to be delivered in September, October and November 2014. A final decision regarding the purchase will be made on or before May 1st 2014.

Ongoing discussions with independent operators with large drilling programs are expected to materialize in new contacts for the three new rigs.

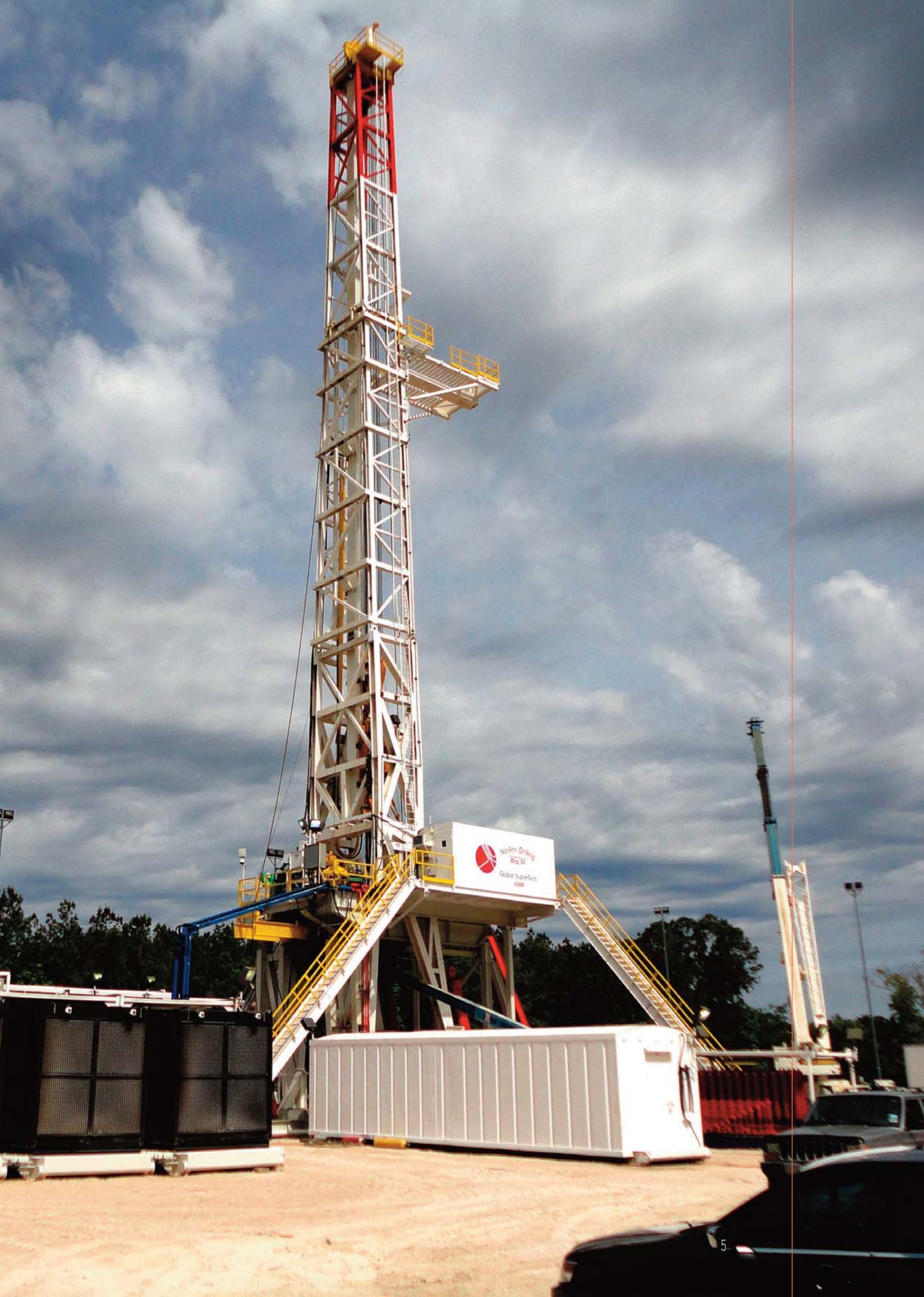
The Board is exploring a new bond issue to refinance the present Bond Loan and to finance three new rigs at a total cost of MUSD 63. We expect the rig fleet to continue to operate in Texas where the demand for high-end A/C driven rigs drilling for oil continues to be high.

The Board expects the strong operational performance to continue in 2014.



Henrik Tangen
Chairman,
Global Rig Company ASA





HorAm Drilling
RIG 22
Globe Service
1300



CEO'S INTRODUCTION

Operational excellence

In a very competitive market, Global Rig Company has positioned our operating subsidiary NorAm Drilling Company as one of the best performing US land drilling companies. During 2013, we operated at a 99% utilization rate, the second consecutive year we have done so. Our fleet of six rigs drilled 83 horizontal wells totaling over 1.2 million feet in 2013, or an annual average of almost 14 wells and over 200,000 feet per rig. Throughout 2013, we set multiple new records for our operators, some of which include:

- Fastest horizontal well drilled in the Permian Basin
- Fastest rig down/rig up move in the Permian Basin
- Fastest 8 ¾ hole drilled in the Permian Basin
- Fastest 15,000 foot well drilled in the Cline Shale

We have achieved this level of performance by investing in only high-end AC-driven rigs that can handle the technologically challenging horizontal drilling environment and hiring rig crews that are competent, performance driven and safety conscious.

Safety comes first

Global Rig Company is committed to providing a workplace that protects the health and safety of our employees and the communities surrounding our operations, and adhering to high standards of environmental quality. NorAm Drilling had a Total Recordable Incident Rate (TRIR) of 1.4 for 2013, below the US land drilling industry average as published by the International Association of Drilling Contractors (IADC).

To fulfill our commitment to safety, we have a rigorous pre-employment screening process and the NorAm Drilling Safety Department conducts in-house training for all its employees. NorAm Drilling prefers to train its employees in-house due to the fact that the in-house training is more detailed and rig specific than what is offered by 3rd party contractors.

All in-house training is conducted by a Certified Instructor and is audited internally on an annual basis. Cards and Certificates are issued after successful completion of the training and records are maintained in the Safety Department and on the rig itself. If an Operator requests or requires other certified training



programs such as IADC Rig Pass then NorAm Drilling will provide that training for the relevant employees. Additionally, we utilize Wild Well Control, an authorized company of the IADC Well Cap Program, to train all Drillers, Assistant Drillers, Superintendents and Rig Managers on how to manage and control a well. After an employee is vigorously screened and hired by NorAm Drilling they are given a rig specific orientation along with the following training courses:

- Hydrogen Sulfide
- Confined Space
- Mixing Chemicals
- Lockout/Tagout
- Fall Protection
- Workplace Violence
- Snake/Insect Awareness
- P.P.E.
- Hearing Conservation
- Fire Protection
- Emergency Response
- F.R.C. Procedures
- Slips, Trips, Falls
- HAZWOPER
- Electrical Safety
- Respiratory Protection
- Hand/Power Tool Safety

- Back Safety
- Drug & Alcohol Awareness
- Hand Safety
- Hazardous Communication/GHS
- Stair & Ladder Safety
- Forklift Training
- CPR/BBP

Customer focus

The land drilling business is a capital intensive services business with "service" being the key word. As such, customer focus is the key to maintaining the high utilization rates for our drilling fleet. We maintain a very good and close dialog with our customers before, during and after signing of the drilling contracts. We have built trust with our customers by delivering on promises of efficiency and safety. Because of the lean structure at NorAm Drilling, we have built a flexible organization that can quickly respond to changes and requests, and our customers always have direct access to top management in our Global Rig Group.

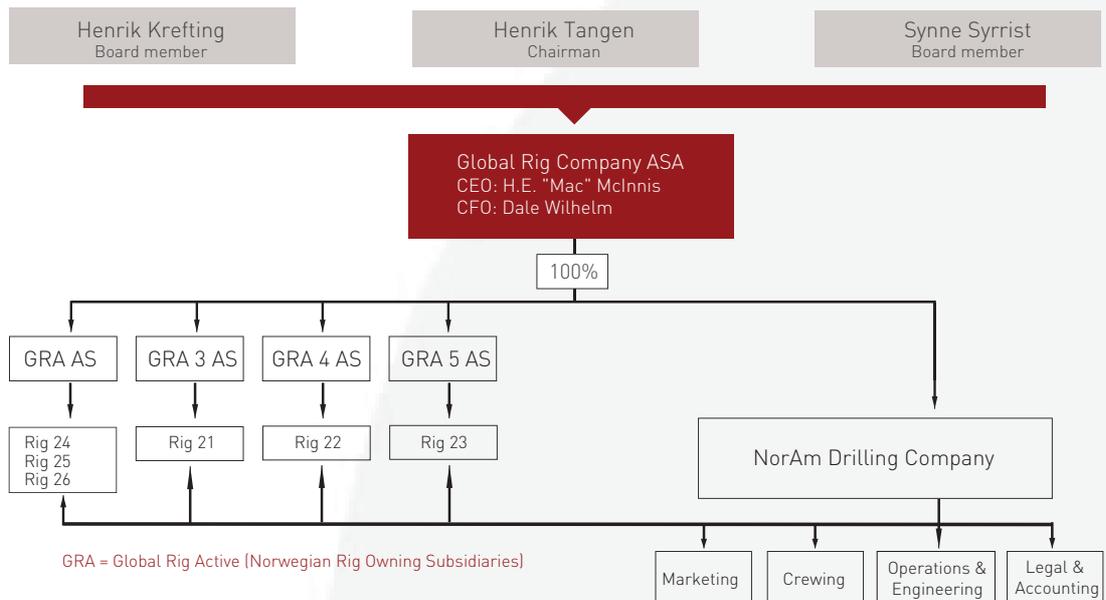


H.E. Mac McInnis
Chief Executive Officer

THIS IS GLOBAL RIG GROUP

Global Rig Company ASA was established on February 19, 2007. The company owns and finances companies leasing and operating onshore oil and gas drilling rigs. The company is the parent company of the Global Rig Group. In 2007 and 2008 three Super Single rigs were delivered. These rigs were sold in 2011. One electric platform rig was delivered in January 2010 and sold in August 2010. Three SuperTech 1500 rigs were delivered in 2010. A further three Global Ideal 1800 rigs were ordered in April 2011 with delivery in May, August and September. The rig portfolio currently consists of 6 rigs.

Company Structure



The Company structure

The parent company Global Rig Company fully owns six Norwegian rig owning subsidiaries, and one US-based drilling contractor, NorAm Drilling Company, located in Houston, Texas.

The Norwegian companies lease their rigs to NorAm Drilling Company at market terms. NorAm is staffed with competent, local personnel that perform all aspects of a contract drilling company. NorAm has support service agreements with the rig owning companies.

Global Rig Company ASA funds the subsidiaries with equity and intercompany loans at arms-length terms.

Global Rig Company assets are mainly shares in and loans to the Norwegian and US subsidiaries. A refinancing took place in 2011 whereby a shareholder loan was partially repaid in

cash and partially converted to shares. A MUS\$ 60 Bond loan with a 4 years maturity and an interest rate of 13% was issued in June 2011.

Our offices

Global Rig Company ASA head office is in Oslo, Norway. The office is located in Bankplassen 1A, 0151 Oslo.

NorAm Drilling Company, the 100% owned operating subsidiary of Global Rig, is headquartered in Houston, Texas.

NorAm Drilling Company also has an operations office, warehouse and yard located in Humble, Texas and another warehouse/yard facility located in Midland, Texas. NorAm leases the Global Rig Groups' rigs. The subsidiary markets, contracts, mans and operates the rigs.



Houston skyline. PHOTO: HEQUALS2HENRY/WIKIMEDIA COMMONS

Organization

Global Rig Group Administration

Chief executive officer (CEO) H.E. "Mac" McInnis

In May 2012 H.E. "Mac" McInnis was appointed as new CEO for Global Rig Company and CEO of the American subsidiary NorAm Drilling Company.

Mr McInnis has been NorAm Drilling's Chief Operating Officer over the last 5 years. He has more than 40 years of experience from the US onshore oil and gas drilling industry and has been instrumental in implementing the changes to Global Rig's fleet composition to focus on high end AC rigs tailored for horizontal drilling and expanding the company's list of clients.

Chief Financial Officer (CFO) Dale Wilhelm

Dale Wilhelm joined the Company January 2013 and replaced CFO Jan Kildal, who will continue in position as deputy CFO located in Oslo.

Mr. Wilhelm has almost 30 years of accounting and financial experience including 20 years with drilling and oil field service companies. Previously he has served as CFO of Xtreme Coil Drilling Company and The Off-shore Drilling Company (TODCO). He is a Certified Public Accountant and a Chartered Global Management Accountant.

NorAm Drilling Company Operational team

Thomas Taylor – Drilling Operations Manager

Mr. Taylor has served as NorAm Drilling Company's Drilling Operations Manager for the past six years, supervising new rig builds and managing all drilling operations. He is a Mechanical Engineer with over 20 years of experience in the oil field service industry. Prior to NorAm Drilling, Mr. Taylor served as a Drilling Superintendent for Bronco Drilling in Libya. He also served as a Driller and Tool Pusher both offshore and on land for Rowan Drilling Company.

Will M. Luker, Jr. – Safety Director

Mr. Luker joined the Company in August 2010 as Safety Director and Training Coordinator. He began in the oilfield service career as a Floorhand on a workover and completion rig for Westex/WLP Well Services until joining their Safety Department. Mr. Luker has over 10 years' experience in the oil field service industry, including eight years in an HSE capacity. Since Mr. Luker joined NorAm Drilling Company, he has implemented new safety procedures and rig specific personnel training courses.

Crews

NorAm Drilling Company hires crews of 20 people (4-5 man crews) per rig, toolpushers, drillers, derrickmen, floormen and motor-men, working in shifts performing the drilling. In addition the operating organization consists of mechanics and electricians.

Operations of NorAm Drilling

H.E. "Mac" McInnis: CEO
Dale Wilhelm: CFO
Thomas Taylor: Drilling Operations Manager
Jesse Hodge: Field superintendent
Rickey Raybon: Field superintendent
Will M. Luker, Jr: Safety Director
Melissa McInnis: Sales & Marketing manager

Global Ideal AC Drive 1800 HP	
4 shifts 12h/day 1w on - 1w off	2 shifts 24h/day 1w on - 1w off
Driller Derrickman Motorman Floormen (2)	Toolpusher Electrician

Global SuperTech AC Driven 1500 HP	
4 shifts 12h/day 1w on - 1w off	2 shifts 24h/day 1w on - 1w off
Driller Derrickman Motorman Floormen (2)	Toolpusher Electrician

Financing

Global Rig Company ASA was established on February 19, 2007. On May 14 2007 the Company raised NOK 115 mill in equity, and on June 28 2007, a loan agreement for NOK 120 mill bonds with warrants was signed.

The total of NOK 235 mill was for financing the purchase of 3 onshore drilling rigs, and establishment and operations of a subsidiary drilling company in the US. In July 2008 Global Rig Company ASA was funded with additional equity of NOK 331.2 mill.

The placement triggered settlement of the bond loan and it was refinanced by a shareholder loan of MUSD 25 in October 2008, and a loan of MUSD 6 in July 2010. The two loans were refinanced, partly repaid and partly converted to shares. A MUSD 60 Bond loan with 4 years of maturity and an interest rate of 13% was issued in June 2011. The outstanding amount of the Bond by year end 2013 was MUSD 44.

A Bondholder Meeting was held on January 2, 2014 pursuant to a summons of December 10, 2013. At the meeting the proposal to waive the restriction set out in clause 13.4 (j) and 13.6 of the Bond Agreement to allow the issuers to enter into a purchase agreement with a

leading rig supplier and to pay a deposit was accepted.

Market

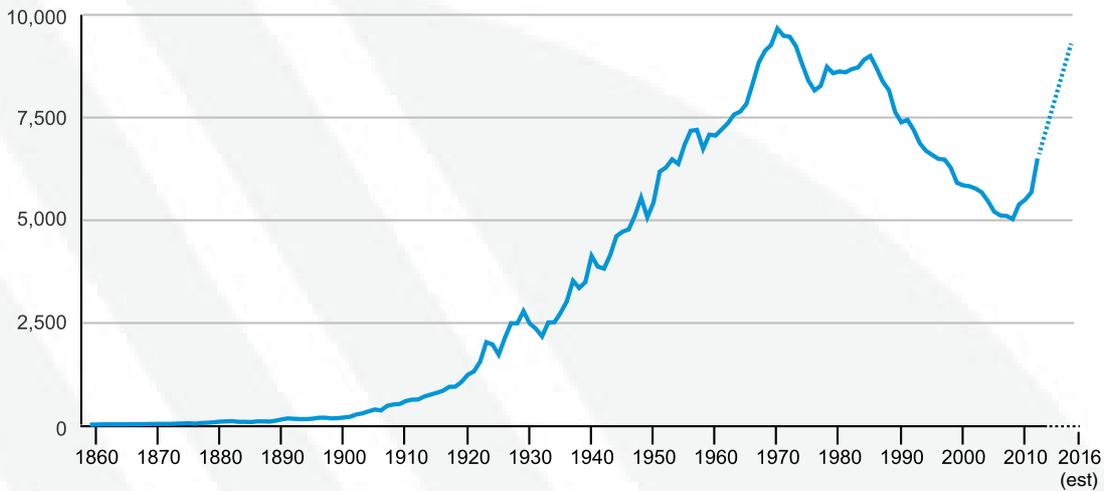
The contract drilling market

US domestic production of crude oil has increased sharply the last years. In Annual Energy Outlook (AEO) 2013 US Energy Information Administration (EIA) expected production to reach 7.5 million barrels per day (bpd) within 2019. But in this year's AEO early release, the prediction is that crude oil production in 2016 will approach the historical height achieved in 1970 of 9,6 million barrels per day. Fig 1

According to EIA Reference case, the domestic crude oil production is expected to level off and then slowly decline after 2020 as producers develop sweet spots first and then move to less productive or less profitable, but more drill intensive drilling areas.

Low natural gas prices has boosted natural gas-intensive industry and EIA has adjusted up the predicted consume growth the next decade with a good ten percent from last year's prediction. Natural gas production is expected to grow steadily, with a 56%

Fig 1: U.S. field production of crude oil
(Thousand barrels per day)



SOURCE: www.eia.gov

increase between 2012 and 2040. Also the natural gas price is expected to be higher than last year's prediction, driven by the higher domestic consume. The Henry Hub spot natural gas price in AEO2014 reaches \$4.80 per million Btu (MMBtu) (2012 dollars) in 2018, which are 77 cents/ MMBtu higher than in AEO2013.

It's the ongoing improvements in advanced

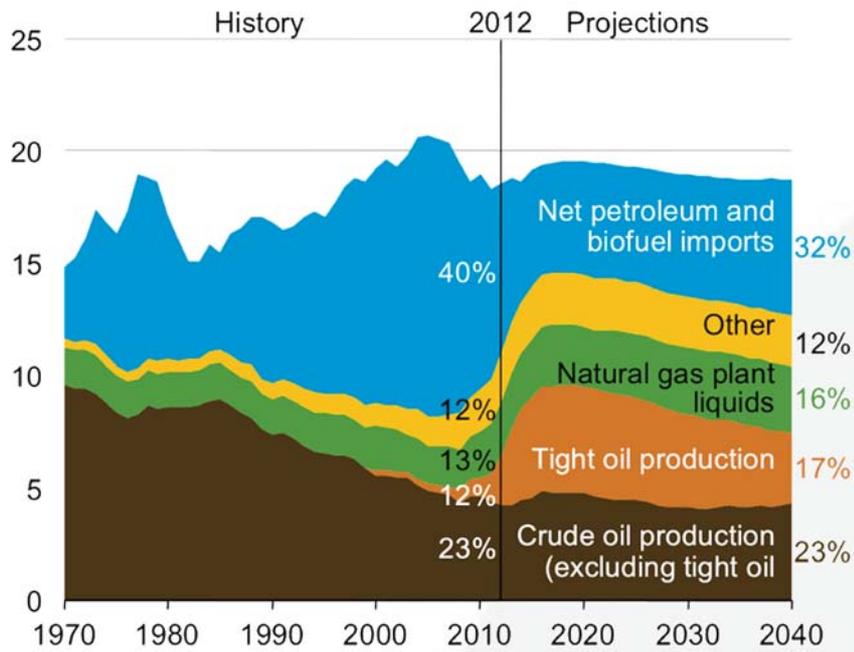
technologies for crude oil and natural gas production that continue to lift domestic supply and reshape the U.S. energy economy. All the major oil plays, including the Permian Basin where Global Rig's six rigs are located, expect sharp rise in the crude oil production.

The current projections of US Economy as such, and partly because of this, are 3 % or



There are as of February 2014 around 460 rigs drilling for oil in the Permian Basin. The average count of rigs drilling in the Permian Basin in 2013 was 453.

SOURCE: www.eia.gov

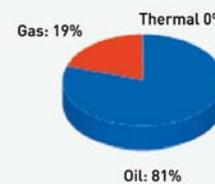


Domestic production of crude oil (including lease condensate) increases sharply in the EIA's Annual Energy Outlook 2014 Reference case, with annual growth averaging 0.8 million barrels per day (MMbbl/d) through 2016, when it totals 9.5 MMbbl/d (Figure above). While domestic crude oil production is expected to level off and then slowly decline after 2020 in the Reference case, natural gas production grows steadily, with a 56% increase between 2012 and 2040, when production reaches 37.6 trillion cubic feet (Tcf). SOURCE: EIA AEO2014 EarlyReleaseOverview



Rig Count: 1792
(per 7 March 2014)

Drill for (Week)



Trajectory (Week)



The US land drilling Count was as of February 2014 around 1770, while average for the land drilling rig counts in the US in 2013 was 1760. Continued low US natural gas price and a major rig replacement cycle have kept the US land drilling count low compared to 2012 with an average for 1919 rigs, and compared to the last peak in October 2011 of 2026 drilling rigs.

SOURCE: <http://phx.corporate-ir.net>

more GDP growth for 2014. It will top many of the once hot emerging markets and the US economy will for the first time in five years expand as fast as or faster than the global economy as a whole.

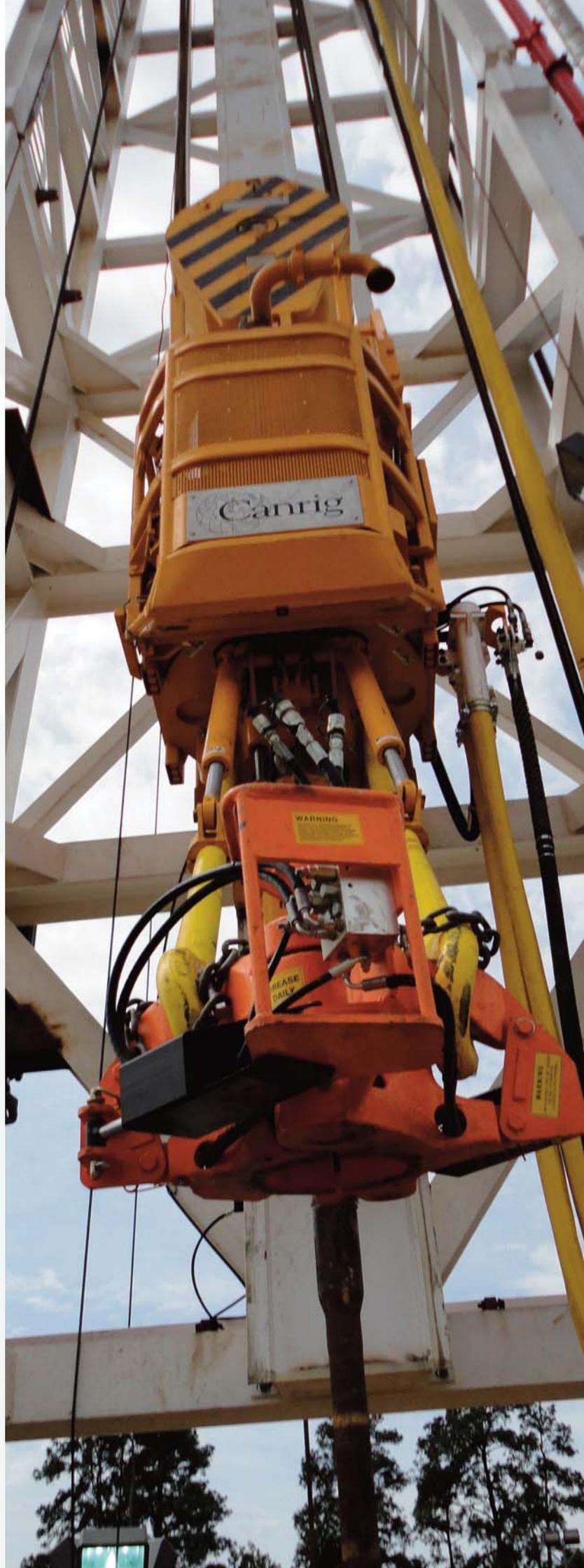
The US land drilling rig industry is undergoing a major rig replacement cycle whereby older SCR and mechanical rigs are being replaced by newer AC-driven rigs with walking systems or skid units which operate more efficiently. Some estimate that one new AC-drive rig can replace the capacity of 2-3 older conventional rigs. Approximately 40% of the US land rig fleet is now AC-drive rigs, compared to 33% a year ago.

The trend for more horizontal and directional drilling activity continues with approximately 75% of the wells drilled in the US today being horizontal or directional. And as the extended reach laterals on these wells continue to progressively get longer, we expect to continue to see good demand for advanced AC-driven rigs. As operators develop more complex wells from multiwell pad sites, they continue to focus on contractors with a modern efficient rig fleet and safe operating crews.

Accounting and auditing

Global Rig Company ASA and its subsidiaries are audited by KPMG, Norway. The accounting of these companies is outsourced to Amesto Business Partner, Norway.

NorAm Drilling Company does its own accounting.



Global Ideal AC Drive HP 1800

Specifications **3 rigs, all delivered 2011**

Mast Height	142 ft
Hook load	750 000
Base Dimension	12 ft x 12 ft
Traveling Block	500 tons
Rotary Load	750 000 lb with Full setback
Setback Load	500 000 lbs
Drill Floor Height	25 ft
Clearance Under Rotary	21,8 ft
Floor Dimension	32 ft x 32 ft
Mast and Sub	Built to API 4F, 3rd ed.
Racking Capacity	19 000 of 5" DP
Rotary	37 1/2 Independent Drive Rotary 400 HP



Global SuperTech AC Drive 1500 HP

Specifications **3 rigs, all delivered 2010**

Mast Height	142 ft
Hook Load	750 000
Base Dimension	15,6 x 12 ft
Traveling Block	400 tons
Rotary Load	750 000 lb with Full Setback
Setback Load	500 000 lbs
Drill Floor Height	28 ft
Clearance Under Rotary	22.1 ft
Floor Dimension	21.5 ft x 40 ft
Mast and Sub	Built to API 4 F
Racking Capacity	18 000 of 5" DP
Rotary	27 1/2 Hydraulic Driven Motor Rotary



Rig description

What is the actual difference between a conventional and a hi-spec rig?

Perspective

Safety:

hi-spec advantage

- automation of processes lead to less unwanted occurrences

Economy and environment:

- smaller footprint
- less truck loads
- more fuel efficient operation
- improved control over drilling operation
- faster drilling

NorAm Drilling Company's rigs and crew deliver value to its customers in terms of safety, economy, environment and operation.



DIRECTORS REPORT 2013

GLOBAL RIG COMPANY ASA AND THE GROUP

2013 – Another good year for the Global Rig Group

2013 turned out to be another good year for the Global Rig Group with an EBITDA of MUSD 17.1 and a profit before tax of MUSD 1.1.

Operational Rig and Safety Performance continued to be solid with a utilization rate of 99% and a TRIR (Total Recordable Incident Rate) of 1.4.

Our business

Global Rig Company ASA (herein called “Company”) and the Company and its subsidiaries (herein called “Group”) were established on February 19, 2007. The Group’s Executive Management Team is based out of Houston, Texas with administrative functions located in both Houston and Oslo, Norway.

The Group invests in, owns, leases and operates onshore oil and gas well drilling rigs, as well as all activities connected with these.

The Group consists of the Norwegian parent company Global Rig Company ASA and its subsidiaries: Global Rig Active AS, Global Rig Active 2 AS, Global Rig Active 3 AS, Global Rig Active 4 AS, Global Rig Active 5 AS and Global Rig Active 6 AS, all of which are located in Oslo, Norway, and NorAm Drilling Company, located in Houston, USA.

The Norwegian subsidiaries own the rigs and lease them to the American subsidiary NorAm Drilling, which in turn performs all drilling operations of the Group.

The Group focuses on the US contract land drilling market solely. It is well positioned for the ongoing renewal of the US land rig fleet, which involves the phasing out large conventional rigs drilling vertical wells and the shift in focus towards more technologically advanced compact high end AC rigs drilling horizontal wells.

The Group has established a solid foothold in the lower US states, mainly in Texas, through its subsidiary NorAm Drilling Company.

The Group has a rig portfolio of six relatively new advanced compact high end AC-driven rigs tailored for the drilling of horizontal wells. These rigs are designed to combine the cost efficiency of a compact rig with the versatility of different rig classes, enabling the rigs to cover a broad range of wells both liquids and gas.

The Group has entered into a purchase agreement to acquire three additional rigs similar to the rigs currently owned. A final decision to purchase the rigs will be made on or before May 1, 2014.

Market and Contracts

Crude oil prices in the US ranged from the mid USD 86 to above USD 110 per barrel during 2013 providing relative strength for US operators to continue their oil drilling programs. However, continued weakness in US natural gas prices and a major rig replacement cycle in the US have kept the US land drilling rig count relatively flat in 2013 around 1,700 US land drilling rigs. Despite the flat land rig count numbers, the trend for more horizontal and directional drilling activity continues to drive the US land drilling market. In the US today, over 75% of the wells being drilled are horizontal or directional. And as the extended reach laterals on these wells continue to progressively get longer, the Board expects demand for the Group’s advanced AC-driven rigs to continue.

As such, our decision to commit to three more 1800 HP AC-driven rigs including walking systems, with deliveries scheduled for late third quarter and fourth quarter of 2014, is to meet this growing demand for high-end rigs from the Group’s customers. Group management is in the process of negotiating new contracts for the new rigs and they are likely to be with



clients with extensive drilling programs for oil in areas where the Group has already established efficient operations and a centralized base for logistics.

During 2013, the Group operated its rig fleet at a 99% utilization rate, as it did in 2012 for US operators with extensive crude oil drilling programs. Today, all six rigs continue to operate with these same operators with five of the rigs on well-to-well contracts and one rig on a term contract that expires at the end of May 2014. All six of the Group's rigs are operating in the Permian Basin with five of them in West Texas and one rig operating in South-eastern New Mexico.

NorAm Drilling Company

NorAm Drilling Company has maintained over the year an operational organization of 176 people including 5 persons working at the administration office in Houston. The CEO, H.E ("Mac") McInnis and the CFO, Dale Wilhelm, are both based in Houston, Texas.

Strategy

The Group will continue its focus on building a larger US presence by further developing our US subsidiary NorAm Drilling. The foundation has been laid over the years, building strong

in-house drilling competences and safety records, a flat organization with focus on training and motivation of our drilling crews, effective corporate routines and strong client relationships.

By growing the Group's rig fleet from three rigs in 2009 to a planned nine rigs by the end of 2014 and maintaining close to full utilization, the Group has taken important steps forward to become an important player in the US onshore drilling industry.

The six rigs in our rig portfolio will continue to drill for oil in the short and medium term on well-to-well and medium term contracts for reputable operators with sizable drilling programs. The Group will by May 1, 2014 make a final decision to purchase another three similar high end AC-driven rigs to our current fleet to meet expected demand from our existing and prospective clients.

Key targets for 2014:

- Ensure continued high safety standard and utilization of the rig fleet in line with the 2013 performance
- Continue to develop customer relationships in order to obtain contracts with reputable clients
- Secure financing and take delivery of the three new rigs by the end of 2014

Financing

The Group has a strong balance sheet with equity of MUSD 66.7 equivalent to an equity ratio of 57.8%, compared to MUSD 64.8 and 53% in 2012. The Company also has a strong balance sheet with equity of MUSD 96.9 equivalent to an equity ratio of 68.3%, compared to MUSD 93.8 and 64.5% respectively in 2012. The Company is fully financed given current operations. A refinancing of daughter companies was done during 2013. This did not require any additional external financing, including equity.

In 2013 the Group delivered an EBITDA of MUSD 17.1 and repaid debt of MUSD 7.0.

Given the attractiveness of the US shale resource plays and the strong operational performance, the Group plans to raise new debt capital for expanding its rig fleet. This will require a refinancing of the existing bond loan.

A Bondholder Meeting was held on January 2nd 2014 pursuant to a summons of December 10th 2013. At the meeting the proposal to waive the restriction set out in clause 13.4 (j) and 13.6 of the Bond Agreement to allow the issuers to enter into a conditional purchase agreement with a leading rig supplier and to do a deposit was accepted.

Company development, results and going concern

With reference to the section on "Further Development" the Group believes in a continued but gradual improvement in market conditions going forward. All rigs were on drilling contracts by year end 2013 and with expectations for North American E&P spending to grow by 7% in 2014 compared to only 2% growth in 2013, the timing appears to be right for the new rig additions.

The Board does emphasize the importance of new, efficient rigs and trained personnel as a powerful combination for reaching our drilling, safety and utilization targets and winning new contracts with quality clients. The Group entered into a Purchase Agreement in December 2013 to buy three new 1800 hp AC-driven rigs for deliveries in late third quarter and fourth quarter 2014. A final decision to

purchase these rigs will be made on or before May 1, 2014.

Profit before tax for the Group in 2013 was MUSD 1.1 and EBITDA was MUSD 17.1.

On the basis of our expectations of continued solid utilization rate, and efficient operations, the Board expects the Group to continue to deliver good cash flow also in 2014. A key driver will ultimately be the level and stability of crude oil and natural gas prices which impacts spending by the US energy producers.

The Board considers the Financial Statements for 2013 to represent a true and fair view of the development and results of the Company's and Group's operations and accounts as of December 31, 2013. The Board confirms that going concern assumptions are satisfied as to the standards set by the Norwegian Accounting Act and which has formed the basis for the financial statements presented herein for the Company and the Group.

Events after December 31, 2013

On March 17 2014, a land rig of the type Global Ideal 1800 HP, owned by the company's wholly owned subsidiary, was involved in a well control incident that resulted in a fire on the rig. All employees working on the rig are safe and there were no personal injuries in connection with the incident.

The rig damage will be covered by insurance.

Key financial figures

USD mill	Group 2013
Operating Income	51.2
Operating Expenses (incl. depreciation)	43
EBITDA	17.1
Depreciation	8.8
Net Financials	7.1
Net Profit Before Tax (Loss)	1.1
Equity Ratio	57%

USD mill	Company 2013
Operating Income	0
Operating Expenses (incl. depreciation)	1,6
EBITDA	1,6
Depreciation	0
Net Financials	6,8
Net Profit Before Tax (Loss)	5,3
Equity Ratio	68,3%

Research and development activities

Neither the Company nor the Group had research and development expenses in 2013.

Working environment

The Board considers the working environment in the Company and the Group to be good. Management consists of the Chief Executive Officer and the Chief Financial Officer. Apart from these individuals, the Company uses external advisors for accounting, legal affairs and other professional services.

Global Rig Company ASA has had minimal absenteeism and no incidents causing personal injury.

The Group had 176 employees at the end of 2013. The absenteeism rate was minimal. During 2013 there were three incidents causing personal injury, of which all were minor. There were no incidents of damage to property during 2013.

Discrimination

The Group and the Company target to be an employer to promote equality for all employees' regardless of nationality, sex, skin color, language or religion. This is true for recruiting new people, for salary and bonus schemes, working relations, promotions and protection against harassment.

The Group and the Company will not discriminate individuals and we try to make it easier for employees with disability to do a proper job.

Corporate Social Responsibility

New reporting requirements impose large companies to prepare a yearly statement regarding corporate social responsibility, as a part of all annual reports dated after 31 December 2012. The statement should include the company and groups work to include considerations regarding human rights, labor rights and social responsibility, the environment and the fight against corruptions in their overall business strategy, day to day business and in connection to their business relation-

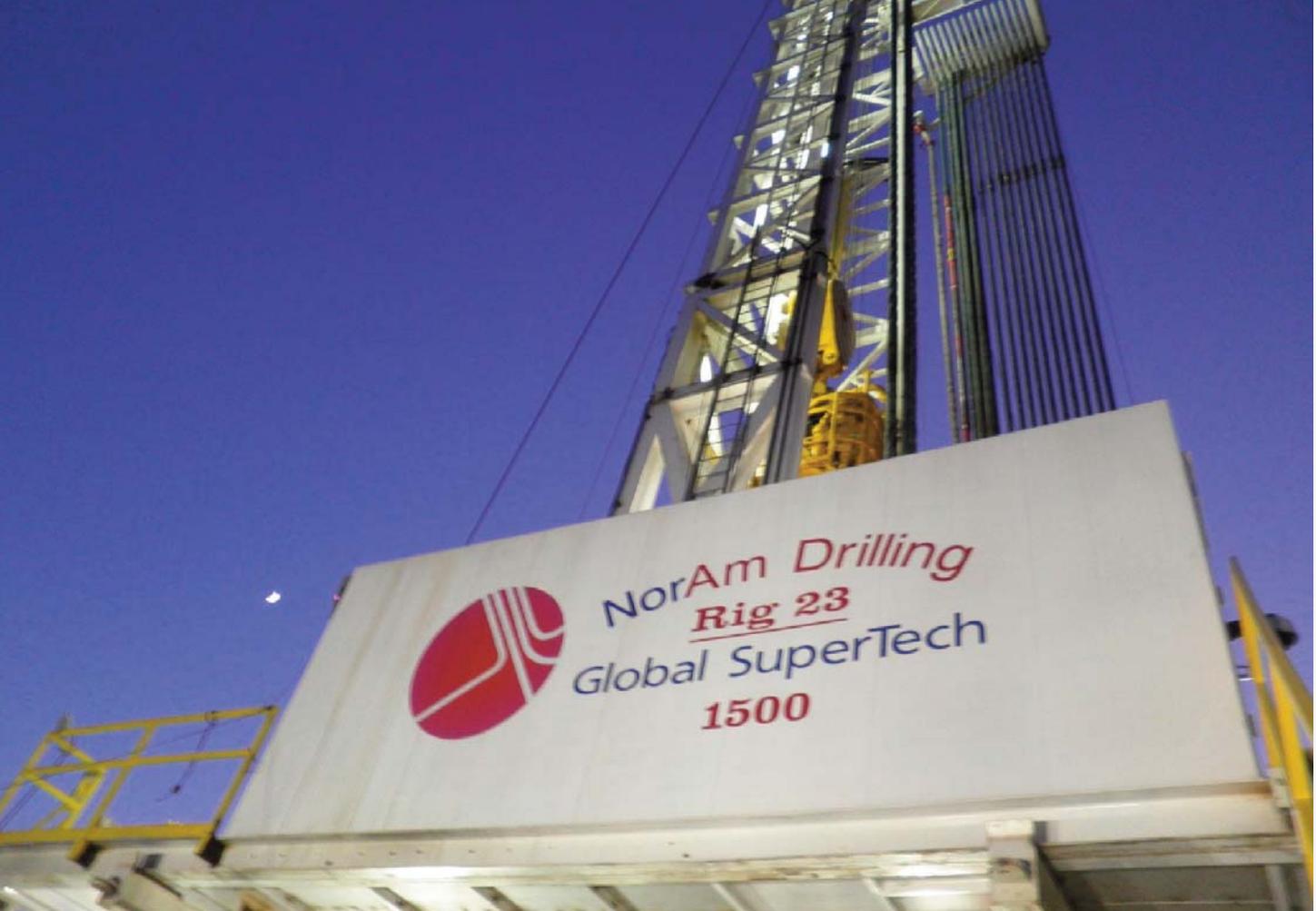
ships. Global Rig Company ASA (herein "the Company") and Global Rig Group (herein "the Group") has offices in Norway and in the United States, and have established routines and controls to ensure compliance with regulations within the different countries where the Company and Group is established.

The main business of the Group is carried out in the US subsidiary NorAm Drilling Comp. There are no employees in Norway, but consultants and advisors are hired to ensure compliance with regulations. It is established internal procedures to ensure compliance with regulations regarding human rights, labor rights and social responsibility, the environment, and the fight against corruption for the business in the US. Labor rights are regulated through federal-, state- and local laws and regulations.

One of the established routines is to "know your customer", and to conduct oneself to the regulations regarding for example Money Laundering Act ("Hvitvaskingsreglene"). These problems are addressed in every contract and every transaction done by the Company or Group. Established routines and internal control system ensures compliance to these regulations. Further, the Company and Group has established routines to ensure that all projects and contracts are done with partners with already established business relationship, or known and reputable parties in the industry. It is also important for the company to reduce the risk of influence on the environment (see separate section in the report). Internally there is direct communication between management and employees, and between the Board of Directors and management, where labor rights and social relationship is communicated continuously.

As a result of the Boards initiatives on these issues, the company has reviewed their internal control systems, and made changes to it as a result of the review. The Company and Group will continue to review their internal control system and routines and procedures in connection to this, to ensure continuously improvement and adapt to the size and risk of its operations.

The Company and the Group values open communication and the Board takes hands on



approach to Global Rig Company's governance. With the small size of Global Rig Company ASA and Group's staff and the location and nature of its operations, the Board considers the risk of corruption as low although it has implemented formal procedures to address risks related to segregation of duties inherent in a company with so few employees. The board is not aware of any instances of corruption.

Equal opportunity

The Company had one employee during 2013. Women will be encouraged to apply for posted available positions in order to increase the representation of both sexes in the organization.

At the end of 2013, NorAm Drilling had four women employed. There will be no discrimination between men and women regarding recruitment, salaries in relation to position/competence, or promotion, or any other aspect of the Group's activities.

The Global Rig Company ASA Board consists of two men and one woman. All subsidiaries have the same board as Global Rig Company ASA.

External environment

Global Rig Company ASA does not pollute the external environment.

Among the subsidiaries, NorAm Drilling Company undertakes activities that are potentially polluting. The oil and gas well drilling business, by its very nature, can, if proper procedures are not followed adversely impact the environment. This can range from blowouts of wells or pollution of the area surrounding the drilling activities.

NorAm Drilling takes all reasonable precautions by assuring proper equipment and maintenance and that the rig personnel are all properly trained. Also NorAm Drilling conducts standard procedures beyond regulations to ensure not to pollute. Other actions taken by NorAm Drilling is converting engine system into Dual Gas system allowing our engines to run on natural gas at a lower cost and generating less pollution.

NorAm Drilling has implemented Health, Environment and Safety services to support the

company's activities and the rig crew is trained in Occupational Safety and Health Administration (OSHA) HSE regulations in the US. The focus is to train all site personnel in their daily routines to act safely and to prevent unwanted occurrences with the rigs.

NorAm Drilling complies with US state and federal regulations in its activities, including environmental protection regulation. The operator carries the main responsibility regarding the external environment when drilling a well under standard day-work drilling contracts.

Results, investments, liquidity and financing

The Group had a net profit before tax of MUS\$ 1.1, compared with a profit of MUS\$ 4.3 in 2012. The year end result after tax was MUS\$ 1.8 net profit compared with a net profit of MUS\$ 3.4 in 2012. The 2012 results included extraordinary income of MUS\$ 4.0 was realized in the first quarter of 2012, due to the early termination of drilling contracts.

The Company has increased net profit before tax from MUS\$ 4.6 in 2012 to MUS\$ 5.3 in 2013. Net profit was reduced from MUS\$ 4.3 in 2012 to MUS\$ 3.0 in 2013, due to higher income tax expense.

Cash Flow and liquidity

Our Cash position is good with a MUS\$ 9.85 by year end, down from MUS\$ 10.7 one year ago. A strong cash flow of MUS\$ 17.1 has primarily been used to repay debt (MUS\$ 7), pay interest (MUS\$ 7), and capital expenditures of MUS\$ 4 (including MUS\$ 2 as a deposit upon entering into a purchase agreement of buying three new rigs).

The remaining Bond Loan is MUS\$ 44.0. For 2014 it is scheduled to repay MUS\$ 3.5 in June and a further MUS\$ 3.5 in December.

Issued Share capital for both Global Rig Company ASA and the Group was unchanged with MUS\$ 27.9 share capital at the beginning of the year and MUS\$ 27.9 share capital at the end of the year. Total Owners' Equity is MUS\$ 83.5 at the end of 2013, compared to MUS\$ 83.4 at the beginning of the year.

Total equity per December 31, 2013 is MUS\$ 96.9 for Global Rig Company ASA and MUS\$ 66.7 for the Group.

The Board considers the equity to be in compliance with the requirement for sufficient equity under the Norwegian Public Limited Liability Companies Act.

The Company's and the Group's key risks are comprised to a large extent of (i) oil and gas prices, (ii) number of rigs available for drilling in the US and the rig count (rigs employed), and (iii) risk related to suppliers and clients.

Overcapacity of older mechanical and SCR land drilling rigs remains as the number of conventional vertically drilled wells continues to decline. However, a strong oil price in 2013 resulted in good horizontal and directional drilling activity despite the low natural gas prices.

The Company's USD exposure has been improved by changing the functional and reporting currency to USD in 2011 as the Company has all assets, all income and most of the costs in USD.

The client risk of the Group varies, and even though the Group targets blue-chip E&P clients with extensive operations, contracts may also be signed with smaller companies to increase utilization of the rigs. In such cases, a review of financial statements or payment references is performed to reduce risk of non-payment. There are some ongoing litigation processes with regards to claim related to client risk which dates back to 2007/2008.

The Group restructured its rig portfolio and thereby strengthened its earnings by selling the Super Single rigs and by building new high end AC-driven rigs to focus on unconventional plays with drilling equipment tailored for complex horizontal drilling in 2011. All rigs are on contracts with highly reputable companies at year end 2013.

The Group recorded operating income in 2013 of MUS\$ 51.2, compared to MUS\$ 56.8 in 2012, and operational expenses of MUS\$ 43.1 compared to MUS\$ 44.4 in 2012, and net financial cost were MUS\$ 7.0, compared to MUS\$ 8.1 in 2012. The net finance cost is

mostly due to interest on the Bond loan. The net result before tax for 2013 was MUS\$ 1.1, compared to MUS\$ 4.3 in 2012, while the result after tax was MUS\$ 1.8. In 2012 this result was MUS\$ 3.4.

The Company recorded operating expenses of MUS\$ 1.6 compared to MUS\$ 2.1 in 2012, and net financial income was MUS\$ 6.9 compared to MUS\$ 6.7 in 2012. Net profit before tax was MUS\$ 5.3 compared to MUS\$ 4.6 in 2012.

The Group has invested MUS\$ 4.0 (including MUS\$ 2 as a deposit upon entering into a purchase agreement of buying three new rigs) in rig parts and spares, accessories and other property during 2013.

Risk Factors

The Group and the Company are exposed to a number of risk factors when performing its activities, such as market risk, operational risk, credit risk and liquidity risk.

The Group is currently financed mainly by equity and a Bond Loan of MUS\$ 44 at the end of 2013.

The Group is affected by the US dollar exchange rate versus the Norwegian krone. Currently, the only actual NOK expenses are administration expenses related to the Norwegian parent company and Norwegian subsidiaries.

The Group converted to USD as functional and reporting currency in 2011 and thereby reducing the currency exposure risk.

The risk in the US land drilling market is strongly related to energy prices. Day rates and utilization levels of the Group's rigs correlate with the price of oil and natural gas. An increase in oil price requires supply reductions or activity increase, essentially on a global level. For the gas price, the domestic activity in USA is the determining factor. Any forecast regarding the economic development for USA in particular, and the world in general, is very uncertain, making it difficult to offer estimations on price development.

The Group's income is the most result-sensitive factor, and a reduction either in utilization

or day rates compared to budget has clear negative effects on the result. Conversely, higher rates and utilization have very positive effects on the result. The cost level will vary with constraints in the market for input factors.

Supplier and client risks are also present in the market in which the Group is operating. Even if the Group targets contracts with larger and financially solid partners, the contracts will be subject to uncertainty with regards to the suppliers' or the clients' ability to meet their commitments, as they, too, on a general basis also will be subject to market and financial risk.

Idle rigs will lead to significant loss of income. In addition, there will be some extra stacking expenses. Such expenses are modest in terms of influence on the result. The Group is also exposed to changes in the regulatory and fiscal frameworks in Norway and the USA. The tax treaty between the two countries is under revision, and a revised agreement may impact after-tax results of the Company and the Group results after tax.

Share Options

In December 2012 and January 2013 a total of 300,000 new share options for one share per option were granted for key management of Global Rig Group.

The exercise price was NOK 3.50 and NOK 4.00 per share option. The grant was made according to a resolution in the General Meeting of May 24th 2012.

The options may require equity issues or the Company's purchase of its own shares to provide the shares, should the options be exercised. Authority to increase share capital was approved on the said General Meeting.

Future development

The Board anticipates the strong operational performance experienced in 2013 to continue in 2014. As the US land drilling industry continues its current rig replacement cycle, we believe that high-end AC-driven rigs will continue to be in demand. As such, our decision to commit to three more 1800 HP AC-driven rigs including walking systems, with deliveries scheduled for late-third quarter and fourth

quarter of 2014 was to meet this growing demand for high-end rigs from our existing and prospective customers. A final decision to purchase the three new rigs will be made on or before May 1, 2014. Contract opportunities for the three new rigs will be focused on the same West Texas/New Mexico region we are currently working in and/or South Texas to leverage off of the centralized operational base we have established.

Currently, the group has five rigs on well-to-well contracts with clients that have extensive drilling programs for oil and one rig on a term contract that will expire at the end of May 2014.

The Board expects the strong operational performance to continue in 2014 in line with operations experienced during 2013 with continued high utilization and low TRIR.

On March 17 2014, a land rig of the type Global Ideal 1800 HP, owned by the company's wholly owned subsidiary, was involved in a well control incident that resulted in a fire on the rig. All employees working on the rig are safe and there were no personal injuries in connection with the incident.

The rig damage will be covered by insurance.

- Dayrates and Utilization Outlook

According to the US Energy Information Administration ("EIA"), US crude oil prices are expected to remain stable in 2014 in the high USD 90 per barrel range. And natural gas prices are expected to increase even further due to US storage shortages and the export of natural gas. With prospect for both stable crude oil prices and higher stable natural gas prices, drilling activity in predominately natural gas fields should increase, thereby increasing drilling rig demand.

The relationship between oil and gas drilling

has changed dramatically, from 80% gas drilling in 2008 to 81% oil drilling as of February 2014. If the projections for higher US natural gas prices in 2014 are indeed accurate, the percentage of gas drilling relative to drilling for oil may increase for the first time since July 2008.

The US land drilling industry is in the midst of a major rig replacement cycle, whereby older mechanical and SCR rigs are being replaced by newer AC-driven rigs with walking systems which operate more efficiently and offer more control for the longer horizontal reach wells. Today approximately 41% of the US land rig fleet is now AC-drive rigs, compared to 33% a year ago.

All of these factors are positive indicators for the Group's modern rig fleet and opportunities for future drilling contracts.

- Operating Expenses

The Group is subject to labor and commodity market constraints. The strong performance and high utilization rate has offset some of the impact from the wage increases that have taken place over the last years.

- Liquidity/Cash flow

Day rates in the range of USD 23,000 – 23,500 per day and OPEX cost of USD 13,000 – 13,500 per day shall provide a good cash flow for the Company in the first half of 2014.

According to the Bond loan terms the Company will repay MUSD 3.5 in June 2014 and MUSD 3.5 in December 2014. Interest will be paid in June and December (MUSD 2.85 and MUSD 2.64, respectively), unless new bonds are issued to fund the acquisition of the three new rigs.

The Group cash position was MUSD 9.85 as of December 31, 2013. A new bond financing for buying of the three new rigs is being evaluated.

Signature of the Board, April 4th, 2014



Synne Syrrist
Board member



Henrik Tangen
Chairman



Henrik Krefting
Board member

Financial Statements 2013

The Group

INCOME STATEMENT per Dec 31, 2013 (Amounts in USD 1,000)

Global Rig Company ASA				Group		
2013	2012	Note		Note	2013	2012
0	0	14	Sales	14	51 243	56 757
0	0		Other income		0	0
0	0		Total operating income		51 243	56 757
336	768	2	Payroll expenses	2	17 597	17 117
0	0		Depreciation of tangible & intangible assets	8	8 935	8 687
0	0		Write-down tangible assets	8	0	0
0	0		Rig mobilization, service and supplies		7 734	9 918
0	0		Insurance rigs and employees	10	3 617	3 732
1 269	1 346	2,11	Other operating expenses	2,11	5 211	4 975
1 605	2 114		Total operating expenses		43 094	44 430
-1 605	-2 114		Operating profit (+) / loss (-)		8 149	12 327
Financial income and Expenses						
14 334	16 491	6,13	Interest income from group companies		0	0
4	17	13	Other interest income	13	4	19
28	39	13	Other financial income	33	67	
6 345	7 368	9,13	Other interest expenses	9,13	6 431	7 457
1 140	2 466	13	Other financial expenses	13	633	689
6 681	6 712		Net financial items		-7 028	-8 061
5 276	4 59	8	Profit before income tax		1 121	4 266
2 249	307	3	Income Tax Expense (+)/Benefit (-)	3	-706	904
3 027	4 291		Net profit		1 827	3 362
3 027	4 291	5	Transferred to other equity	5	1 827	3 362



Balance Sheet per Dec 31, 2013 (Amounts in USD 1,000)

Global Rig Company ASA

Group

2013	2012	Note	Note	2013	2012	
ASSETS						
Non-current assets						
Intangible assets						
1 751	2 018	3	Deferred tax assets	3	7 924	6 767
1 751	2 018		Total intangible assets		7 924	6 767
Tangible assets						
0	0	8	Rigs and accessories	8	86 185	93 042
0	0		Other tangible assets		769	895
0	0		Total tangible assets		86 954	93 936
Financial assets						
116 808	26 694	7	Investments in subsidiaries		0	0
20 673	110 482	6	Loan to group companies		0	0
137 481	137 176		Total financial assets		0	0
139 233	139 194		Total Non-current Assets		94 878	100 703
Current assets						
Receivable						
0	0		Accounts receivable		6 518	7 268
1 494	2 104		Other receivable		4 016	3 711
1 494	2 014		Total receivable		10 534	10 979
Cash and cash equivalent						
1 035	4 103		Total Bank Deposits/Cash		9 853	10 690
4 103	2 513		Total cash and cash equivalents		10 690	9 841
2 529	6 207		Total current assets		20 386	21 670
141 762	145 401		TOTAL ASSETS		115 264	122 373



BALANCE SHEET per Dec 31, 2013 (Amounts in USD 1,000)

Global Rig Company ASA				Group		
2013	2012	Note		Note	2013	2012
EQUITY & LIABILITIES						
Equity						
Owners' equity						
27 844	27 844	5	Share capital	5	27 844	27 844
55 254	55 254	5	Share premium	5	55 254	55 254
406	345	2,5	Other paid in capital	2,5	336	336
83 503	83 442		Total owners equity		83 433	83 433
Accumulated profits						
13 384	10 357	5	Other Equity	5	-16 768	-18 595
13 384	10 357		Total accumulated profits		-16 768	-18 595
96 887	93 799		Total Equity		66 666	64 838
Liabilities						
Non-current liabilities						
44 000	51 000	9	Bond issue	9	44 000	51 000
0	0		Other long term liabilities	9	1 213	1 551
44 000	51 000		Total non-current liabilities		45 123	52 551
Current liabilities						
64	104		Accounts payable		714	2 547
0	0	3	Tax payable	3	110	0
26	35		Public duties payable		169	185
785	463	9	Other current liabilities	9	2 393	2 252
874	602		Total current liabilities		3 386	4 983
44 874	51 602		Total liabilities		48 598	57 535
141 762	145 401		TOTAL EQUITY & LIABILITIES		115 264	122 373

Signed by the Board, Oslo, April 4th, 2014



Henrik Tangen,
Chairman



Synne Syrrist,
Board member



Johan Henrik Krefting
Board member



Herman Edward Mcinnis
Chief Executive Officer

CASH FLOW STATEMENT per Dec 31, 2013 (Amounts in USD 1,000)

Global Rig Company ASA

Group

2013	2012		2013	2012
5 276	4 589	Pre-tax profit/loss	1 121	4 266
0	0	Tax paid for the period	-341	0
0	396	Profit/loss on sale of fixed assets	0	396
0	0	Depreciation of fixed assets	8 935	8 687
0	0	Write-down tangible assets	0	0
0	0	Change in accounts receivable	750	-2 670
373	-44	Change in accounts payable	-1 833	1 300
0	0	Impact of changes in rate of exchange	0	0
571	-4 534	Change in other current balance sheet items	-212	-590
6 219	417	Net cash flow from operational activities	8 421	11 389
0	702	Proceeds from the sale of tangible fixed assets	91	744
0	0	Purchase of tangible fixed assets	-2 011	-2 850
-85 018	0	Purchase of investments in shares	0	0
82 730	9 472	Net change in long-term intercompany balances	0	0
-2 288	10 174	Net cash flow from investing activities	-1 920	-2 105
0	0	Proceeds from issuance of short term debt	0	0
0	0	Proceeds from issuance of long term debt	0	565
-7 000	-9 000	Downpayments of long term debt	-7 339	-9 000
0	0	Issue of share capital	0	0
-7 000	-9 000	Net cash flow from financing activities	-7 339	-8 435
-3 068	1 590	Net change in cash and cash equivalent	-838	849
4 103	2 513	Cash and cash equivalents Jan. 01	10 690	9 841
1 035	4 103	Cash and cash equivalents Dec.31	9 853	10 690



NOTE DISCLOSURES

Note 1 – Accounting Principles

The Financial Statements include Profit and Loss statement, Balance Sheet, Cash Flow Statement and Note Disclosures. The Financial Statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The Financial Statements are based on the basic principles, and the classification of Assets and Liabilities is according to the definitions of the Norwegian Accounting Act. In application of the accounting principles and presentation of transactions and other information, emphasis has been put not only on legal form, but on economic reality. Conditional losses that are probable and quantifiable are expensed. There have been no changes in the accounting principles used.

1-1 Basis for consolidation

The Group's consolidated financial statements comprise Global Rig Company ASA and companies in which Global Rig Company ASA has a controlling interest. A controlling interest is normally obtained when the Group owns more than 50% of the shares in the company and can exercise control over the company. Minority interests are included in the Group's equity. Transactions between Group companies have been eliminated in the consolidated financial statement. The consolidated financial statement has been prepared in accordance with the same accounting principles for both parent and subsidiary.

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

1-2 Use of estimates

Management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with Norwegian generally accepted accounting principles.

1-3 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 USD 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 USD 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 recognized in the income statement as they occur during the accounting period.

1-4 Revenue recognition

Revenues from the sale of goods are recognized in the income statement once delivery has taken place and most of the risk and return has been transferred.

Global Rig Groups revenue relates to rental of rig capacity and sale of drilling services from the US based subsidiary NorAm Drilling Company. Sales regarding rental of rig is invoiced and booked in line with actual contract and the period of delivering the services, while drilling services are invoiced and booked in the same period as the services has been provided.

1-5 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 27 percent of temporary differences and 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 recognized directly in equity to the extent that they relate to equity transactions.

1-6 Balance sheet classification

Current assets and short term liabilities consist of receivables and payables due within one

year, and items connected to the flow of goods. 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 at the time they incur. Fixed assets are valued at cost, less depreciation and impairment losses. Long-term liabilities are recognized at nominal value.

1-7 Property, plant and equipment

Property, plant and equipment are capitalized and depreciated over the estimated useful life. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property, plant and equipment are added to the acquisition cost and depreciated with the related asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net realizable value and value in use. In assessing value in use, the discounted estimated future cash flows from the asset are used. Operational leasing is expensed as ordinary rental expense and classified as an ordinary operating expense. Equipment leased on terms that transfer practically all economic rights and obligations to the company (financial leasing) is depreciated as a capital asset, and is included as a liability under interest bearing debt at the present value of minimum rental expense.

1-8 Subsidiaries

Subsidiaries are valued at cost in the company accounts. The investment is valued as cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognized 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 are recognized in the same year as they are recognized in the subsidiary financial statement. If dividends / group contribution exceed withheld profits after acquisition, the ex-

cess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the investment in the balance sheet for the parent company.

1-9 Accounts receivable and other receivables

Accounts receivable and 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.

1-10 Short-term investments

Short-term investments (stocks and shares seen as current assets) are valued at the lower of acquisition cost and fair value at the balance sheet date. Dividends and other distributions are recognized as other financial income.

1-11 Collocation of income and expenses

Income is, as a main rule, entered when earned. Income is thus normally recognized at the time of delivery of the sold goods or services. Operating income is net of value added/sales tax, rebates, bonuses and invoiced freight costs. Expenses are collocated with the income to which the expenses relate. Expenses that may not be related to income are entered when accrued.

1-12 Pension obligations and expenses

Global Rig Company ASA has a deposit-based pension plan. Yearly payments to the insurance company are expensed as pension costs.

1-13 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, liquid placements.

Note 2 – Payroll expenses/Number of Employees/Remuneration/Auditor's Fee (USD)

	2013		2012	
	GRC ASA	Group	GRC ASA	Group
Salaries	282 642	16 058 463	614 359	15 373 774
Payroll tax/Social Security	39 867	1 257 060	91 802	1 418 359
Pension costs	9 766	277 416	33 440	279 027
Other benefits	4 059	4 059	28 364	46 083
Payroll expenses etc.	336 335	17 596 999	767 964	17 117 243
Number of man-labour years	2	176	2	172

Management Remuneration - Global Rig Company ASA (USD)						2013	2012
Company officers	Period	Salaries	Pensions	Other benefits	Total		Total
Herman Mcinnis (CEO)	01.01 – 31.12	462 923	-	215 000	677 923		441 667
Jan Henning Skåra (CEO)	2012	-	-	-	-		275 621
Mark Bedford (CEO)	2012	-	-	-	-		433 077
Board	Period	Salaries	Pensions	Other benefits	Total		Total
Henrik Tangen (Chairman)	01.01-31.12	153 145	-	-	-		154 613
Synne Syrist (Bd member)	01.01-31.12	51 048	-	-	51 048		44 704
Henrik Krefting (Bd member)	01.01-31.12	51 048	-	-	51 048		28 956
Christian Selmer (Bd member)	2012	-	-	-	-		15 730
Total Officers		462 923	-	215 000	677 923		1 150 365
Total Board		255 241	-	-	255 241		244 003
Total Remuneration Board and Management		718 164	-	215 000	933 164		1 390 987

*Herman Mcinnis and Mark Bedford received salary from Noram Drilling Comp.

CEO Herman McInnis has a 2 year rolling basis - for his employment agreement. In addition to a base salary he is also entitled to a bonus dependent the company's operations. The CEO is also included in the company's share based payment program, see below.

It has not been given loan or security for the CEO, directors or shareholders.

Henrik Krefting owns 400.000 shares in Global Rig Company ASA through his investment company Eikekrattet AS.

Management Remuneration - Group						2013	2012
Company officers		Salary	Pensions	Other benefits	Total		Total
Global Rig Company ASA		-	-	-	-		275 621
Subsidiaries		462 923	-	215 000	677 923		989 128
Board		Salary	Pensions	Other benefits	Total		Total
Global Rig Company ASA		255 241	-	-	255 241		244 003
Subsidiaries		-	-	-	-		0
Total Officers		462 923	-	215 000	677 923		1 264 749
Total Board		255 241	-	-	255 241		244 003
Remuneration Board and Management (excl. Share based)		718 164	-	215 000	933 164		1 508 752

The Company established in 2007 an OTP-plan (Mandatory Occupational Pension) according to the Norwegian Mandatory Occupational Pension Act. The group has established a 401K plan for US subsidiary employees.

The Board's statement regarding salaries and other remuneration of the executive management:

The statement is available on www.globalrig.com

The fundamental principle for the Company's executive management salary policy is that executive management shall be offered terms that are competitive when salary, payment in kind, bonus, share options and pension scheme are considered as a whole. The remuneration of executive management will for the current year be based on the above principle.

In addition to base salary, the Company has a bonus scheme in place, whereby the employees may be granted a bonus relative to the base salary, based on achieved results for the Company.

If the Company terminates the CEO from his position, the CEO is entitled to severance pay of 24 months of his annual salary.

The company has a defined contribution plan for its employees. The company has granted share options to the executive management. The company may grant options were deemed appropriate as part of the remuneration to the executive management. When granting share options, there shall be a separate agreement with each option holder which specifies the terms of the option scheme, including the strike price which is determined by the board.

Global Rig Company ASA Share-Based Payment

During the period ended 31 December 2013, the Company had a share-based payment arrangement, which is described below.

Option Plan 2013

Type of arrangement:	Equity Based	
Date of Grant	McInnis: 01.12.2012	Wilhelm: 01.01.2014
Options granted as of 31.12.2013	McInnis: 200 000	Wilhelm: 100 000
Contractual life:	3.25 Years	
Vesting conditions, McInnis:	50% of the options vest 15.02.2014 and 50% of the options vest 15.02.2015	
Vesting conditions, Wilhelm:	50% of the options vest 15.02.2013 and 50% of the options vest 15.02.2014	
Expiry date	McInnis: 15.03.2015	Wilhelm: 15.03.2016

Fair value of granted options is calculated using the Black-Scholes-Merton option pricing model.

The inputs to the model are listed below:

Option Plan 2013

Underlying shares	300 000
Exercise price	3.50/4.00 3.50/4.00
Share price at grant date	2,05
Expected life	3.25 years
Volatility	80 %
Risk free interest rate	2,50 %
Dividends	-
Fair Value per option	1.294

Expected volatility is based on historical volatilities of similar entities listed on NYSE. As similar entities the following have been used: Unit Corporation, Parker Drilling Company, Helmerich & Payne and Rowan Companies Inc. Because Global Rig is a smaller company than the similar entities, a 20 % premium has been added to the average volatility of the similar entities. The total expensed amount in 2013 arising from the share-based payment plan is NOK 353 782, and the total unrecognized expense per 31 December 2013 is NOK 50 682.

Historical details for the option plans are as follows:

	01.01.2013 - 31.12.2013		01.01.2012 - 31.12.2012		01.01.2011 - 31.12.2011	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Outstanding at the beginning of period	300 000	4,50	207 000	4.50	1 464 000	4.50
Granted	-	-	200 000	3.50	-	-
Exercised	-	-	-	-	-	-
Terminated	-	-	-	-	-	-
Forfeited	-	-	-	-	-	-
Expired	150 000	4,50	207 000	4.50	1 257 000	-
Outstanding at the end of period	200 000	3,67	300 000	3.50	207 000	4.50
Vested options	-	-	-	-	-	-

Details concerning outstanding options as of 31 December 2013 are given in the table below.

Outstanding options			Vested options	
Outstanding options per 31.12.	Weighted average remaining Contractual Life	Weighted average Exercise Price	Vested options 31.12.2013	Weighted average Exercise Price
200 000	3.20	3.67	-	-

Remuneration of corporate management and Board of Directors 2013 is given in the table below.

Member of Management or Board	Number of options granted during 2013	Number of options outstanding as of Dec 31 2013	Exercise price of options	Expiry date of options	Amount expensed in 2013
H. E. McInnis	-	100 000	3.50	15.03.2015	229 254
Dale Wilhelm	-	100 000	4,00	15.03.2016	124 528

At the Extraordinary General Meeting of October 14, 2008 the Board was authorized to increase the share capital by a maximum of 2.928 million by issuing up to 1.464 million shares in relation to a share option program. The shares can be issued to employees and board members in the Company and the Group. As of Dec 31, 2013 share option agreements including up to 300 000 shares had been granted.

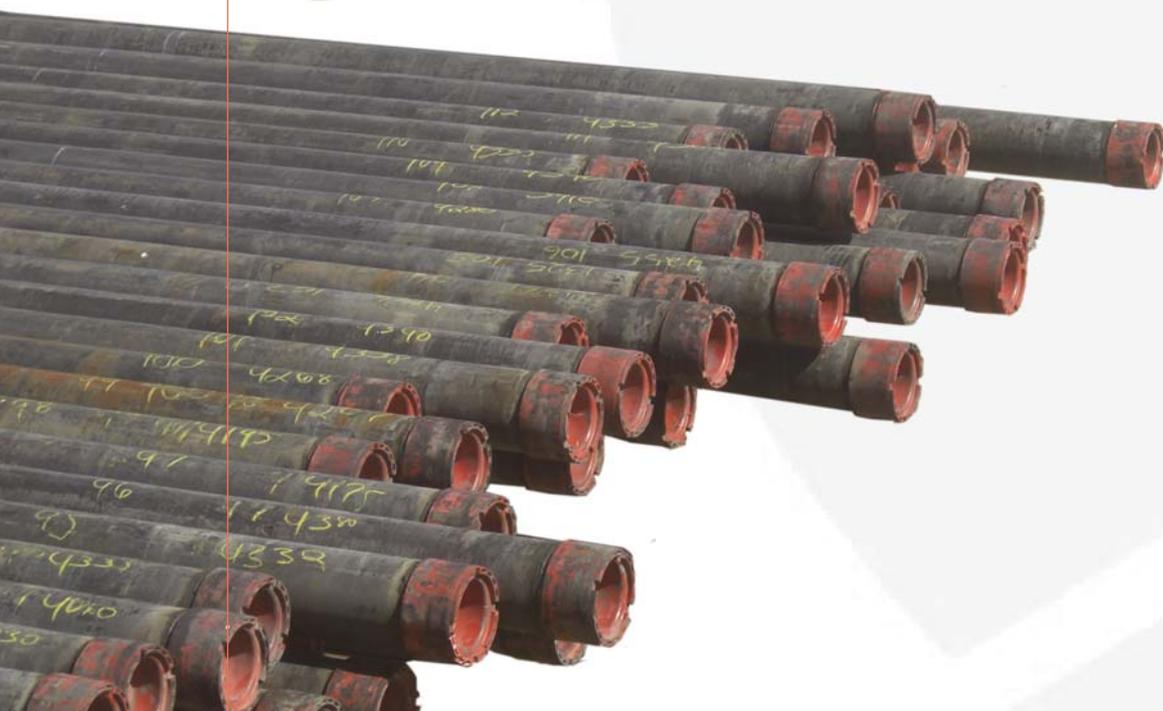
In December 2013 these 300 000 options was granted to CEO H. E. McInnis (200 000 options) and in January 2013 100 000 options was granted to CFO Dale Wilhelm.

The Company signed in 2009 a consultancy services with Henrik Tangen who is chairman of the company. The agreement includes services like IR, strategy, organizational development assistance, analytical support and communication support. Mutual termination period is 12 months.

Auditors remuneration (USD, excl. MVA (VAT))

	2013		2012	
	GRC ASA	Group	GRC ASA	Group
Ordinary audit	85 001	106 213	77 026	99 858
Other confirmation services	15 957	15 957	-	-
Tax advisory services	17 528	25 219	44 156	44 156
Other non-audit services	99 891	107 395	103 455	127 103
Total	218 430	254 784	224 637	271 117

The ordinary audit expense includes fees for auditing the US subsidiary for the Group consolidated accounts.



Note 3 – Tax (USD)

	Jan 01 - Dec 31, 2013		Jan 01 - Dec 31, 2012	
	GRC ASA	Group	GRC ASA	Group
Tax base calculation:				
Profit (+)/ Loss (-) before income tax	5 275 863	1 121 381	4 598 087	4 266 027
Permanent differences	2 034 540	-7 749 193	-3 741 936	2 781 736
Temporary differences	-73 171	-176 146	5 167 162	8 280
Losses carried forward	-	5 754 293	-	-4 826 106
Group Contribution	-7 078 644	-	-6 770 268	-
Foreign exchange differences	-158 588	2 660 833	746 955	-2 229 937
Tax base	-	1 611 169	-	-
Tax 28 %	-	451 127	-	-
Income Tax Payable this year	-	451 127	-	-
Income Tax Expense:				
Income Tax Payable this year	-	451 127	-	-
Income Tax Group Contribution	1 982 020	-	1 895 675	-
Changes in deferred tax	266 718	-1 157 130	-1 589 060	904 166
Foreign exchange differences	-	-	-	-
Total Income Tax Expense	2 248 738	-706 003	306 615	904 166
Income Tax Payable:				
Income Tax Payable this year	-	451 127	-	-
Income Tax Group Contribution	-	-341 12	-	-
Total Income Tax Payable	-	110 000	-	-
Specification of Basis for Deferred Tax Asset:				
Differences to be balanced				
Fixed assets	-199 831	19 217 931	-273 002	18 462 945
Current assets	-	-466 667	-	-466 667
Long-term receivables and liabilities in foreign currency	-	-	-	104 335
Profit and loss account	-	1 295 872	-	1 770 377
Deferred loss	-	-55 345 806	-	49 600 513
Shares in US subsidiary	-6 286 187	-	-6 933 936	-
Total temporary differences	-6 486 018	-35 307 669	-7 206 938	-29 729 523
Basis for determining deferred tax/ tax advantage	-6 486 018	-35 307 669	-7 206 938	-29 729 523
Deferred tax/tax advantage (27%)	-1 751 224	-7 924 160	-2 017 943	-6 767 034
Basis deferred tax/ tax advantage not rec. in balance	-	-1 608 911	-	-

Deferred tax/ deferred tax asset

Estimated deferred tax asset in subsidiary NorAm Drilling Company is not recorded in the balance sheet due to uncertainty related to valuation of this asset.

Note 4 – Restricted Bank Accounts (USD)

	2013		2012	
	GRC ASA	Group	GRC ASA	Group
Employees tax deduction, deposited in a separate bank account	20 736	20 736	21 819	21 819
Secure deposit office leasing and credit cards	58 750	69 247	62 631	87 222
Total	79 486	89 983	84 450	109 041

Note 5 - Equity and Shareholder Information (USD)

Share Capital Global Rig Company ASA & Group

	No. of shares	2013		No. of shares	2012	
		Face value (NOK)	Book value (NOK)		Face value (NOK)	Book value (NOK)
Ordinary shares	78 397 140	2	156 794 280	78 397 140	2	156 794 280
Total	78 397 140		156 794 280	78 397 140		156 794 280

Equity Global Rig Company ASA	Share capital	Share premium	Other paid in capital	Other Equity	Total
Equity					
Dec 31, 2012	27 843 735	55 253 597	345 123	10 356 847	93 799 302
Capital Increase					-
Options			60 871		60 871
Profit (+)/Loss (-)				3 027 125	3 027 125
Dividend					-
Equity Dec 31, 2013	27 843 735	55 253 597	405 994	13 383 972	96 887 298

Equity Group	Share capital	Share premium	Other paid in capital	Other Equity	Total
Equity Dec 31, 2012	27 843 735	55 253 597	336 140	-18 595 123	64 838 349
Capital Increase	-	-			-
Options		-			-
Profit (+)/Loss (-)				1 827 385	1 827 385
Dividend					-
Equity Dec 31, 2013	27 843 735	55 253 597	336 140	-16 767 738	66 665 734

Issued capital consists only of ordinary shares

10 Largest Shareholders as per December 31, 2013

Name	Share
Goldman Sachs Int.- Security Client Segr.	32.68 %
Pactum AS	19.98 %
Euroclear Bank S.A./25 % Clients	15.08 %
The Bank of New York BNY MELLON	6.00 %
Bjørgvin Invest AS	4.39 %
AØ Invest AS	1.28 %
Damima Invest AS	1.28 %
NHO - P665AK JP Morgan Chase Bank	1.09 %
Hyatt Shipping Inc. c/o Scan Drilling	0.87 %
Cubera IV AS	0.84 %
Total	83.49 %



Note 6 – Intercompany Balances (USD)

All intercompany loans have a 4-year term.

Per December 31, 2012 the remaining term until maturity was 2.5 years

Global Rig Company ASA	Per Dec 31, 2013	Per Dec 31, 2012
Loan to Global Rig Active AS	6 338 872	56 921 544
Loan to Global Rig Active 2 AS	4 278 135	3 752 750
Loan to Global Rig Active 3 AS	6 077 116	19 785 095
Loan to Global Rig Active 4 AS	6 299 679	16 436 436
Loan to Global Rig Active 5 AS	6 229 920	20 449 619
Loan to Global Rig Active 6 AS	4 329	-
Loan to NorAm Drilling Company 2 801 902	3 659 494	-
Group contribution to Global Rig Active AS	-7 078 644	-
Group contribution to Global Rig Active 3 AS	-	-1 909 157
Group contribution to Global Rig Active 5 AS	-	-4 861 111

Group	Per Dec 31, 2013	Per Dec 31, 2012
Global Rig Company ASA loan to Global Rig Active AS	6 338 872	56 921 544
Global Rig Company ASA loan to Global Rig Active 2 AS	4 278 135	3 752 750
Global Rig Company ASA loan to Global Rig Active 3 AS	6 077 116	19 785 095
Global Rig Company ASA loan to Global Rig Active 4 AS	6 299 679	16 436 436
Global Rig Company ASA loan to Global Rig Active 5 AS	6 229 920	20 449 619
Global Rig Company ASA loan to Global Rig Active 5 AS	4 329	-
Global Rig Company ASA loan to NorAm Drilling Company	2 801 902	3 659 494
Global Rig Company ASA receivables from Global Rig Active 3	702 000	702 000
Global Rig Active AS receivables from NorAm Drilling Company	6 639 007	5 020 095
Global Rig Active 3 AS receivables from NorAm Drilling Company	1 621 856	474 356
Global Rig Active 4 AS receivables from NorAm Drilling Company	1 638 169	490 669
Global Rig Active 5 AS receivables from NorAm Drilling Company	1 574 500	427 000
NorAm Drilling Company receivables from Global Rig Active AS	723 012	112 257
NorAm Drilling Company receivables from Global Rig Active 2 AS	12 225	12 225
NorAm Drilling Company receivables from Global Rig Active 3 AS	535 910	317 879
NorAm Drilling Company receivables from Global Rig Active 4 AS	253 540	127 375
NorAm Drilling Company receivables from Global Rig Active 5 AS	106 808	104 569

Global Rig Company ASA provided loans to the subsidiaries to enable operations in the establishment phase. The interest on the loans has been added to the loan. Repayment of loan from the subsidiaries has been deducted from the balance, net of the repayment premium. Global Rig Active AS, Global Rig Active 3 AS, Global Rig Active 4 AS and Global Rig Active 5 AS invoices NorAm Drilling Company for leasing of drilling rigs. The Group deems the agreements between the companies as transactions carried out on arm's length terms.



Note 7 – Shares in Subsidiaries (USD)

Company	Balance value	Shares	Voting*	Equity 2013	Result 2013	Main Office
2013						
Global Rig Active AS	66 433 389	100 %	100 %	57 799 561	-1 952 670	Oslo
Global Rig Active 2 AS	-	100 %	100 %	-4 278 569	-531 484	Oslo
Global Rig Active 3 AS	16 842 469	100 %	100 %	19 988 749	-588 726	Oslo
Global Rig Active 4 AS	16 525 651	100 %	100 %	10 514 553	-348 872	Oslo
Global Rig Active 5 AS	16 968 892	100 %	100 %	10 197 484	-152 401	Oslo
Global Rig Active 6 AS	19 975	100 %	100 %	-3738	-7 767	Oslo
NorAm Drilling Company	17 922	100 %	100 %	-1 212 170	1 541 777	Houston

Refinancing of subsidiaries during 2013

With effect for 2013, the Group has re-financed their Norwegian subsidiaries. In board meetings held 02.12.13 the board decided to convert a significant part of the subsidiaries debt against Global Rig Company ASA to equity:

	GRA AS	GRA 3 AS	GRA 4 AS	GRA 5 AS	Total
USD					
Share Capital 01.01	1 754 355	347 397	347 397	347 397	2 796 547
Conversion of debt	852 026	491 553	491 553	491 553	2 326 685
Share Capital 31.12	2 606 815	839 200	839 200	839 200	5 124 416
Share premium 01.01	9 553 421	3 123 969	3 123 969	3 123 969	18 925 327
Conversion of debt	51 121 561	11 502 351	10 502 859	9 503 367	82 630 138
Share premium 31.12	60 700 962	14 623 165	13 632 165	12 632 165	101 597 458
Conversion in Total 2013	51 973 587	11 993 904	10 994 412	9 994 920	84 956 823

The debt to equity conversion was registered in the Brønnøysund Register Centre.



Note 8 – Tangible Assets

Group				
Property, plant and equipment (USD)	Rigs & acces.	Vehicles & Office Eq.	Land	Total
Acquisition cost at 01.01.2013	109 407 033	1 163 946	50 142	110 621 121
Additions	1 672 491	338 710	-	2 011 201
Disposals	-	-59 141	-	-59 141
Acquisition cost at 31.12.2013	111 079 524	1 443 515	50 142	112 573 181
Accumulated depreciation 31.12.2013	24 894 548	725 001	-	25 619 550
Accumulated impairment loss 31.12.2013	-	-	-	-
Reversed impairment loss 31.12.2013	-	-	-	-
Net carrying value at 31.12.2013	86 184 976	718 514	50 142	86 953 632
Depreciation for the year	8 682 365	252 433	-	8 934 797
Impairment loss for the year	-	-	-	-

Both the parent company and the group use linear depreciation for all tangible assets

The useful economic life is estimated to be:	Years
* Buildings and other real estate	20-50
* Machinery and equipment	3-15
* Land	0

Note 9 – Short-term and long-term liabilities

	2013		2012	
	GRC ASA	Group	GRC ASA	Group
Short term liabilities (USD)				
Other short term liabilities	784 603	2 393 096	463 235	2 251 836
Long term liabilities (USD)				
Bond	44 000 000	44 000 000	51 000 000	51 000 000
Other long term liabilities	-	1 212 533	-	1 551 452
Total	44 784 603	47 605 628	51 463 235	54 803 288

Bond: July 9th 2011, the Group issued a new Bond loan of USD 60 000 000 with 4 years maturity. October 25th 2011, the Bond loan was listed at Oslo Stock Exchange (ABM-listing)

Preservation of equity and financial covenants related to the Bond issue:

Asset Coverage Ratio → 120 % Equity Ratio → 40%

Global Rig Company ASA shall not pay any dividends during the calendar years 2011, 2012 and 2013.

Other long-term liabilities: Other long-term debt is related to NorAm Drilling Company's purchase of vehicles, yard and warehouse including offices. The debt has security in the assets.

	2013		2012	
	GRC ASA	Group	GRC ASA	Group
Secured debt:	44 000 000	44 575 270	51 000 000	51 594 689
Pledged assets:				
Intercompany loans	-	-	-	-
Shares in subsidiaries	-	-	-	-
Assets in subsidiaries	-	86 184 976	-	93 041 628
Vehicles	-	253 143	-	340 630
Yard	-	428 912	-	438 772
Total	-	86 807 604	-	93 821 030

Note 10 – Health, Safety and Environment

No special environmental efforts were initiated by the Company in 2013.

As for the Group, the rig crew is trained in the Occupational Safety and Health Administration (OSHA) regulations in the US. They are trained in daily routines to ensure safe operations without unwanted occurrences. NorAm Drilling Company complies with federal and state regulations in its activities, including environmental protection regulation. In standard daywork drilling contracts, liability for damages to external environment is mainly the responsibility of the operator of an oil and gas field. NorAm Drilling Company has insurance that covers up to USD 1M in damages to people or property per pollution incident, providing such incidents are not caused by misconduct and handled correctly.

Note 11 – Related Parties

The Company signed in 2009 a consultancy services with Henrik Tangen who is chairman of the company. The agreement includes services like IR, strategy, organizational development assistance, analytical support and communication support. The agreement on a 20% engagement basis and the fee is NOK 50,000 per month. Payroll tax is paid on the amount, but no other social taxes or benefits.

Note 12 – Earnings per share (USD)

	2013		2012	
	GRC ASA	Group	GRC ASA	Group
Result after income tax	3 027 125	1 827 385	4 291 472	3 361 860
Shares	78 397 140	78 397 140	78 397 140	78 397 140
Warrants	200 000	200 000	207 000	207 000
EPS	0,04	0,02	0,05	0,04
EPS (incl. Warrants)	0,04	0,02	0,05	0,04

Note 13 – Net Financial Items

	2013		2012	
	GRC ASA	Group	GRC ASA	Group
Financial income				
Interest income from group companies	14 343 113	-	16 491 183	-
Other Interest Income				
Interest income bank	3 835	3 963	16 696	18 582
Other interest income	-	-	-	-
Other Financial Income				
Currency gains	28 120	32 784	38 553	67 100
Total financial income	14 366 058	36 747	16 546 431	85 682
Financial expenses				
Other interest expenses				
Interest expense bond loan	6 344 361	6 344 361	7 367 750	7 457 309
Interest expense suppliers	-	-	-	-
Other interest expenses	167	87 054	204	89 559
Other financial expenses				
Other financial expense	1 108 803	583 363	2 431 91	633 590
Currency losses	31 592	48 057	34 485	55 696
Total Financial expenses	7 484 923	7 064 835	9 834 357	8 146 595
Net financial items	6 881 145	-7 028 088	6 712 074	-8 060 913

Note 14 – Segment and Geographic Information

The Company does not operate in different market segments. The Group owns and operates land-based oil & gas drilling rigs. All drilling operations in 2012 were in the US. The Norwegian subsidiaries make the major part of investments. Thus, most of the depreciation is in these companies. The US subsidiary made some smaller investments and has minor depreciation expenses.

2013 USD	Global Rig Company ASA	Rig lease GRA* AS - GRA*- 6 AS	Drilling service NorAm	Group
Sales income from third parties	-	-	51 243 442	51 243 442
Sales income from other segments	-	16 425 000	-	-
Depreciation	-	8 682 365	252 433	8 934 797
Other operating expenses	1 605 281	498 360	48 480 533	34 159 174
Operating profit	-1 605 281	7 244 275	2 510 476	8 149 470
Extraordinary items				
Other items				
Net investments in period		-	-	-
Financial expenses	7 484 923	13 921 837	517 573	7 064 835
Financial expenses other segments	-	-	-	-
Financial income	14 366 068	4 792	-	36 747
Financial income other segments	-	-	-	-
Net financial items	6 881 145	-13 917 045	-517 573	-7 028 088
Taxes	2 248 738	-3 090 850	451 127	-706 003
Assets	141 761 525	108 226 367	15 023 999	115 263 903
Interest bearing debt third parties	44 000 000		1 212 533	
Interest bearing debt other segments		22 149 406	2 382 743	
2012 USD	Global Rig Company ASA	Rig lease GRA* AS - GRA*- 6 AS	Drilling service NorAm	Group
Sales income from third parties	-	-	56 756 732	56 756 732
Sales income from other segments	-	15 857 500	-	-
Depreciation	-	8 481 490	205 898	8 687 388
Other operating expenses	2 113 987	678 587	49 562 230	35 742 405
Operating profit	-2 113 987	6 697 423	6988 604	12 236 939
Extraordinary items	-	-	-	-
Other items	-	-	-	-
Net investments in period		1 760 031	345 214	2 105 245
Financial expenses	9 834 357	16 046 174	593 295	8 146 595
Financial expenses other segments	-	-	-	-
Financial income	16 546 431	30 434	-	85 682
Financial income other segments	-	-	-	-
Net financial items	6 712 074	-16 015 740	-593 295	-8 060 913
Taxes	306 615	455 296	-	904 166
Assets	145 401 059	116 178 446	12 426 074	122 373 015
Interest bearing debt third parties	51 000 000		1 551 452	
Interest bearing debt other segments		117 345 444	3 659 494	

* GRA means "Global Rig Active": The group has the following rig leasing companies: GRA AS, GRA 2 AS GRA 3 AS, GRA 4 AS, GRA 5 AS and GRA 6 AS

Note 15 – Subsequent Events

On 17 March 2014, a land rig of the type Global Ideal 1800 HP, owned by one of the Company's wholly owned subsidiary, was involved in a well control incident that resulted in a fire on the Rig. At the time of approving the Financial Statement for Global Rig Group, the extent of the damages is not determined. All employees working on the Rig are safe and there were no personal injuries in connection with the incident. The rig loss is covered by insurance, but there is no business interruption insurance for the loss of revenue.



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To the Annual Shareholders' meeting in Global Rig Company ASA

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Global Rig Company ASA, which comprise the financial statements of the parent company Global Rig Company ASA, showing a profit of NOK 3 027 000, and the consolidated financial statements of Global Rig Company ASA and its subsidiaries, showing a profit of NOK 1 827 000. The parent company's and the consolidated financial statements comprise balance sheet as at 31 December 2013, and the income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director 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, and for such internal control as the Board of Directors and the Managing Director 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of the parent company Global Rig Company ASA and of Global Rig Company ASA and its subsidiaries as at 31 December 2013, and of their 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.

Offices in:

Oslo	Haugesund	Sandnessjøen
Alta	Knarvik	Stavanger
Arendal	Kristiansand	Stord
Bergen	Larvik	Straume
Bodo	Mo i Rana	Tromsø
Elverum	Molde	Trondheim
Finnnes	Narvik	Tønsberg
Grimstad	Ræres	Ålesund
Hamar	Sandefjord	

KPMG AS, a Norwegian member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
 Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Accounting 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 management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Bergen, 4 April 2014
KPMG AS

Ståle Christensen
State Authorized Public Accountant

[Translation has been made for information purposes only]



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Til generalforsamlingen i Global Rig Company ASA

REVISORS BERETNING

Uttalelse om årsregnskapet

Vi har revidert årsregnskapet for Global Rig Company ASA, som består av selskapsregnskap, som viser et overskudd på kr 3 027 000, og konsernregnskap, som viser et overskudd på kr 1 827 000. Selskapsregnskapet og konsernregnskapet består av balanse per 31. desember 2013, resultatregnskap og kontantstrømoppstilling, for regnskapsåret avsluttet per denne datoen, og en beskrivelse av vesentlige anvendte regnskapsprinsipper og andre noteopplysninger.

Styrets og daglig leders ansvar for årsregnskapet

Styret og daglig leder er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge, og for slik intern kontroll som styret og daglig leder finner nødvendig for å muliggjøre utarbeidelsen av et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil.

Revisors oppgaver og plikter

Vår oppgave er å gi uttrykk for en mening om dette årsregnskapet på bakgrunn av vår revisjon. Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder International Standards on Auditing. Revisjonsstandardene krever at vi etterlever etiske krav, og planlegger og gjennomfører revisjonen for å oppnå betryggende sikkerhet for at årsregnskapet ikke inneholder vesentlig feilinformasjon.

En revisjon innebærer utførelse av handlinger for å innhente revisjonsbevis for beløpene og opplysningene i årsregnskapet. De valgte handlingene avhenger av revisors skjønn, herunder vurderingen av risikoene for at årsregnskapet inneholder vesentlig feilinformasjon, enten det skyldes misligheter eller feil. Ved en slik risikovurdering tar revisor hensyn til den interne kontrollen som er relevant for selskapets utarbeidelse av et årsregnskap som gir et rettviseende bilde. Formålet er å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll. En revisjon omfatter også en vurdering av om de anvendte regnskapsprinsippene er hensiktsmessige, og om regnskapsestimaterne utarbeidet av ledelsen er rimelige, samt en vurdering av den samlede presentasjonen av årsregnskapet.

Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Konklusjon

Etter vår mening er årsregnskapet avgitt i samsvar med lov og forskrifter, og gir et rettviseende bilde av selskapet og konsernet Global Rig Company ASAs finansielle stilling per 31. desember 2013 og av deres resultater og kontantstrømmer for regnskapsåret, som ble avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Offices in:

Oslo	Haugesund	Sandnessjøen
Alta	Knarvik	Stavanger
Arendal	Kristiansend	Stord
Bergen	Larvik	Straume
Bøde	Mo i Rana	Tromsø
Elverum	Molde	Trondheim
Frimoes	Narvik	Tønsberg
Grimstad	Roros	Ålesund
Hamar	Sandefjord	

KPMG AS, a Norwegian member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserte revisorer - medlemmer av Den norske Revisorforning.

Uttalelse om øvrige forhold

Konklusjon om årsberetningen

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i årsberetningen om årsregnskapet og forutsetningen om fortsatt drift er konsistente med årsregnskapet og er i samsvar med lov og forskrifter.

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Bergen, 4. april 2014

KPMG AS



Ståle Christensen

Statsautorisert revisor

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