

Annual Report 2016

Contents

[3]	The Managing Director speaks
[4]	Annual Report
[10]	Income statement
[11]	Balance
[13]	Cash flow statement
[14]	Notes to consolidated financial statements
[24]	Auditor's report

Key figures

	2016	2015	2014
HSE			
Lost time injury frequency per million workhours - LTIF	0	0	1,0
Total recordable injury frequency per million workhours - TRIF	4,9	1,85	4,8
Number of critical incidents	0	0	0
Financial Information			
Operating income	305,7	457,5	825,7
Results of operations	-98,0	-47,6	-7,0
Result after tax	-123,5	-36,4	-3,5
Total Assets	91,5	137,8	235,1
Total Equity	14,3	55,9	92,2
Solidity			
Own capital	16%	41%	39%
Debt ratio	5,4	1,5	1,5
Liquidity			
Liquidity ratio 1 & 2	1,1	1,3	1,5

Lost time injury frequency – LTIF (lost time injury frequency) shows the number of injuries with subsequent absence per 1 million hours.
Total injury frequency – TRIF (total recordable injury frequency) shows the number of treatment injuries per 1 million hours.
Critical incidents frequency per 1 million hours.

Own capital shows the own capital as % of total capital.

Debt ratio shows the relationship between total debt and own capital.

Liquidity ratio 1 shows the relationship between liquid assets and short-term debt.

Liquidity ratio 2 shows the relationship between liquid assets, excluding stock, and short-term debt.

All numbers are in MNOK.

Chief Executive Officer - Reader

ENGIE Fabricom Norge, part of ENGIE Fabricom International, operates in the oil & gas and industry offering Front-end engineering services, Maintenance & Modification (M&M) services, EPCI Modification projects and various construction and fabrication services to our clients' on-/ offshore assets.

ENGIE Fabricom Norge has the determination to further develop their presence in the oil & gas market, and to start-up a strong base within the power and renewable market.

The path to achieve this will be by implementing the oil & gas skills within the portfolio of ENGIE Fabricom International and other ENGIE affiliates.

First example of this approach is to support ENGIE Fabricom International's affiliate in Hoboken; ENGIE Fabricom Hoboken has engineered, constructed, commissioned, transported and installed more than 15 foundations and topsides in the Offshore Wind Industry.

Within 2016 ENGIE Fabricom Norge has started to contribute by providing the oil & gas experience within the renewable industry.

Second example is to ENGIE Fabricom International's affiliate in Den Helder; ENGIE Fabricom Den Helder has several frame agreements in their portfolio, these frame agreements are to provide maintenance and operation services to the owners of Offshore Windfarms within the Dutch, British, Danish & German sector.

Third example is the involvement of ENGIE Fabricom Norge in the development of three onshore wind farms in the Nordic region, the ambition is to start construction early 2019.

Due to the challenging Oil & Gas home market ENGIE Fabricom Norge was required to secure turnover outside of the home market, ENGIE Fabricom Norge was very successful in this approach and secured via ENGIE Fabricom Den Helder and contract to assist in the revamp of the FPSO of Teekay Petrojarl 1.

For the year 2017 ENGIE Fabricom Norge will focus on a balanced portfolio within the onshore and offshore marked consisting of Oil & Gas, Renewable and Power projects/services.

To achieve this the focus will be to strengthen the multidisciplinary and flexible workforce ENGIE Fabricom is well-known for.

Your commitment is highly appreciated.

Thank you.

Chief Executive officer, Stanley Maas



Annual Report 2016

The nature and locations

Group Fabricom includes the parent company Fabricom AS and subsidiaries Fabricom PMAE AS and Fabricom Industrier AS. Fabricom Vigor AS was sold with effect from 01.01.2016.

Fabricom (Company and Group) performs engineering, modification, maintenance and installation work for the oil and gas industry for both onshore and offshore plants and installations. Fabrication work is carried out at workshops in Dusavik, Stavanger. The business is managed from the group's head office in Sola.

Fabricom activity level resulted in a turnover of 306 MNOK in 2016 compared to 457 MNOK (incl Fabricom Vigor) in 2015. Fabricom (company and consolidated) produced a total of 450.000 hours in 2016 compared to 726.000 (incl. Fabricom Vigor) hours in 2015. Number of permanent employees has been reduced during the year as a result of the reduced activity.

Main activities

Fabricom (company and consolidated) assumes total responsibility for design, planning, installation, fabrication and commissioning of projects both offshore and onshore, as well as early studies (FEED), engineering services and maintenance tasks for the oil and gas industry in Norway.

Fabricom's activities:

1. Maintenance & Modification

The frame agreement for maintenance and modifications (M&M) at the Sleipner field (SVM) was awarded in 2010. The agreement had duration of 4 years with options to extend the agreement for two (2) periods of two (2) years. Statoil executed the first option and extended the contract with two (2) years until 2016.

The agreement was later on extended until 31.12.16 for maintenance and modifications on Sleipner and Gudrun. Fabricom has performed several maintenance work on Gudrun and Sleipner until December 2016, and had work scope at RS16 (revision stop 2016) on Sleipner and Gudrun. Fabricom has performed 5 well connections on Gudrun, and used only 3 days on the latest connections.

At Sleipner Fabricom has completed several large projects as replacement of chlorine package, Hydraulic upgrade and SLT gas detection during 2016, and has in addition been given responsibility for completing fire and gas upgrade SCU2 node. The project ends in July 2017, and has RFOC 28th May 2017.

WINTERSHALL Maintenance & Modifications

The framework agreement for maintenance and modifications (M&M) for Wintershall was awarded in 2016. The agreement has a duration of 4 years with an option to extend the agreement for three periods of two (2) years.

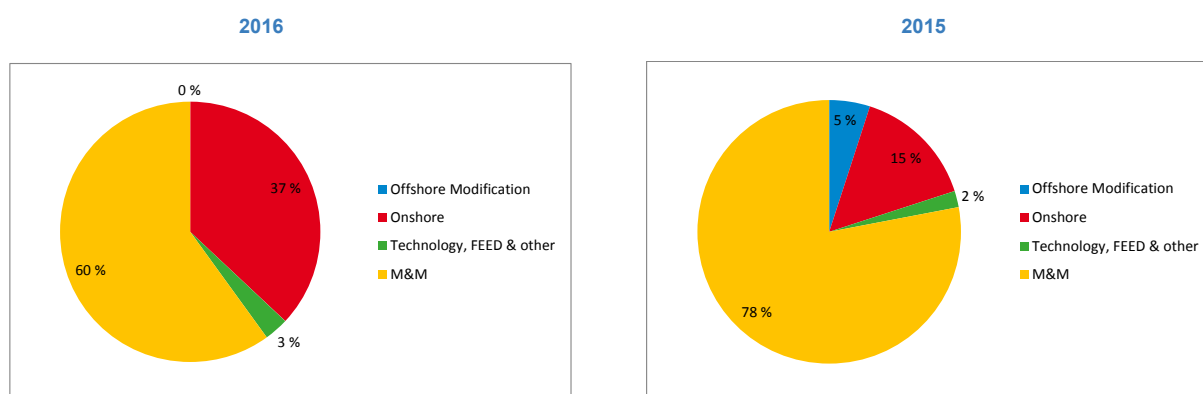


Figure 1: Activity in the business areas 2015 and 2016

Fabricom signed the contract in November 2016, and has won 3 of 5 ITT's for fabrication work during 2016. The contract value varies according to workload, and has been estimated to 20MNOK for 2017.

ENGIE EP – Gjøa Modification

In May 2012 Fabricom was awarded a contract for modification services for the Gjøa platform where ENGIE E&P Norge is operator. The contract has duration of 5 years with optional extensions for two (2) periods of two (2) years. ENGIE E&P chose not to exercise the option, and the contract will thus be terminated in May 2017. The contract value varies based on activity.

Various EPCIC assignments were carried out in 2016, amongst other replace existing oxygen analyzer, install new de-ionization unit for refilling the heating fluid system and several projects to improve support of various piping systems.

AKER BP – Alvheim Service Agreement

Framework contract for maintenance and modifications for Alvheim was awarded in 2013. The agreement has a duration of four (4) years with an option to extend the contract for two (2) periods of one (1) year. Aker BP has extended the contract to 30.06.17. Contract value varies according to workload. Projects completed in 2016 were among others replacement of firewater penetrations, removal of Gantry Crane, modification of pipe support and replacement of access platforms.

ENI Norge – Frame Agreement for Engineering Services

Framework Agreement for Engineering Services was awarded in 2015. The agreement has a duration of three (3) years with an option to extend the contract for one (1) period of two (2) years, and the possibility of extension for one (1) year. Contract value varies according to workload. Fabricom was awarded the first assignment in 2016, Recalculation of foundations and Mono Rails on-board Goliath FPSO.

2. Onshore Modifications

Statoil - Kollsnes FC KGP

In August 2015 Fabricom was awarded the contract KGP, Kollsnes starting 1. September the same year, and scheduled for completion in November 2016. Nature of the contract was to increase the plant's capacity with respect to

increased production at Kvitbjørn and Valemon platforms by installing new pipes for existing condensate pumps and thereby expanding capacity, install new glycol-filter package with pipes, refurbishment of 5 tanks as well as general upgrading of the necessary piping. Included in the project was the accomplishment of a major shut-down and 5 part shut-downs in connection with refurbishment of tanks. All shutdowns were accomplished according to plan. The project overall was also accomplished entirely according to plan with completion on site 30 September 2016.

Statoil - Kårstø RS2016

In October 2015 Fabricom was awarded contract for mechanical works associated with shut-down RS2016. Planning and preparations started in November 2016, and the shut-down was accomplished during a 14 day period in September 2016. The contract value was just below 20 MNOK, and the work consisted mainly of various valve replacements, drum opening for inspection and replacement of piping. The project was completed according to plan without any damage to either personnel, equipment or the environment.


Fabricom Offshore Services B.V. - Petrojarl 1 Topside Modification

Fabricom Offshore Services (Netherlands) is contractor for connection and installation of instruments and electrical equipment onboard Petrojarl 1, docked in Rotterdam for total overhaul. The contract was originally signed in December 2015 with an original end date in May 2016, but due to expansion of scope etc. the project is expected to run until June 2017. The project has also resulted in an additional contract to assist with the installation of pipelines, to relieve other contractors at the shipyard.

Fabricom in Norway have contributed with work preparation personnel, supervision in the field, project control and completion. Cooperation with sister companies is mutually beneficial; Fabricom Offshore Services reduces the need for external hiring off personnel, while employing vacant labour from Fabricom in Norway.

3. Construction Services

Fabricom has an impressive track record in performing construction services for the oil and gas industry, both on- and offshore. Fabricom's construction personnel often



hold multi-disciplinary skills in addition to their basic trade competences and are thereby very attractive both on Norwegian continental shelf and internationally. In current market situation, Fabricom is taking advantage of this and are using, and exploring further opportunities to use these personnel on international projects within the ENGIE Oil, Gas & Power division and within other industries than offshore, such as shipbuilding and onshore petrochemical.

Ownership

Fabricom AS (Company and Group) is owned 100 % by the Dutch holding company Fabricom Nederland B.V. This company is a part of the Belgium Group Fabricom, which in turn is owned by the French multinational industrial enterprise ENGIE (former GDF Suez). ENGIE delivers solutions globally within the areas of oil and gas production, energy distribution, and water and waste management.

The owner's aim is to support the further local development of the Fabricom AS business and also take advantage of synergy effects in the ENGIE group through international co-operation and sharing of experience. The ENGIE's total resources, competence and products are therefore available to Fabricom (company and group) to facilitate growth and development in the Norwegian market.

Fabricom AS (company and group) in Norway is part of the Group's international division, Fabricom International Operations, performing work together with:

- Fabricom Oil and Gas (Netherlands) which specializes in both on-and offshore drilling and modification work
- Fabricom Contracting Ltd. (UK) which specializes in onshore refinery and petrochemical works as well as module fabrication
- Fabricom Offshore Services LTD (FEED studies, and engineering for the oil and gas industry)
- Fabricom in Belgium which specializes in piping fabrication, prefabrication of modules and installation work
- Fabricom Netherland which specializes in providing services and maintenance to the oil and gas industry

Synergies between the companies in this division ensure transfer of international competence and experience for the benefit of our clients in the oil and gas industry both onshore and offshore

Going concern

Continued activity is assumed for Fabricom (Company and Group) and the financial statements for 2015 have been prepared based upon this assumption. The Board confirms that the financial statements give a true picture of properties, debts, financial position and results.

Safety and environment

Fabricom is an IA company (Inkluderende Arbeidsliv). The company works actively to ensure low absence due to sickness and the IA agreement is a part of this strategy.

In 2016, the goal of presence at work was 96%. Fabricom's (company and consolidated) total work presence in 2016 was 95.8 %, an increase of 0.2 % from 2015.

Fabricom will continue the work to create a good working environment, and continue the efforts to prevent sickness, monitoring and follow up sickness.

Fabricom (Company and Group) has a target of zero injuries to people and the environment. The frequency target for number of DAWF's (Days away from work frequency) follows the primary target and is therefore zero. The company's objective is to avoid injuries to personnel at all times.

Two medical treatment injuries were reported in 2016, and the TRIF (Total Recordable Injury Frequency) ended at 4.9 per million working hours.

The figure on next page shows the total recordable injury frequency, including medical treatment injuries and days away from work injuries, for the past 5 years. None of the injuries caused permanent damage to personnel.

Fabricom's Management is aware of the potential safety risks connected to our activities. Therefore, we will continue to increase our efforts to develop safe working methods, to invest in new and proper equipment and, not least, to continue to influence attitudes and behaviour promoting HSE in our company culture. Fabricom is committed to achieve the next level in HSE performance through change, learning and continuous improvement.

Total Recordable Injury Frequency (TRIF) Company and consolidate

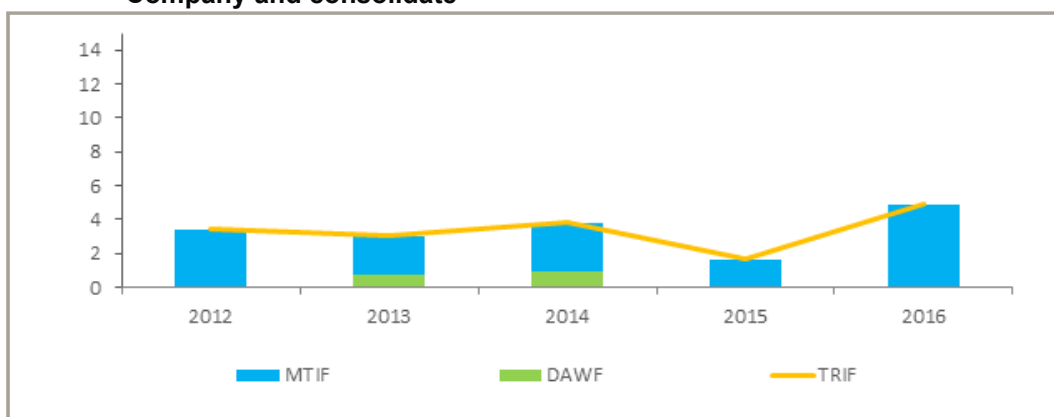


Figure 2: Frequency last 5 years

Natural environment

The activities of Fabricom involve only a few minor environmental pollution risks due to the nature of the work and services. However, the policy of Fabricom in this area is that no pollution is insignificant and we have therefore developed an external environmental control system certified to ISO 14001:2004.

This means that Fabricom is conscious of waste handling and the use of raw materials and non-regenerative natural resources. Our environmental control system covers engineering, fabrication, installation and commissioning and enables us to undertake all phases of project execution in accordance with international environmental requirements.

It has been no serious incidents related to the external environment in 2016. The sorting rate of waste was reported at 90.2 % this year, an increase of 4.5% compared to the 2015 sorting rate.

Fabricom has, as part of the ENGIE Group, extensive reporting obligations to the environment within the Group, as well as to customers and authorities. This is followed-up through prioritizing preventive measures in all our activities to avoid pollution of soil, air and water.

Gender equality

Fabricom has a personnel policy that is inclusive. Fabricom's remuneration policy is built on the principle

of equal pay for equal work and is gender neutral. The remuneration level is grounded in the current agreements between the various unions and business.

Number of women constitutes 21 % of the total employees at the end of 2016 (40 women of a total of 187 employees). At the end of 2016, there were two women in the company's management team. There are 5 women in senior positions with responsibility for human resources in the company.

Life phase policy

Fabricom is an IA company and endeavours to ensure that employees in all phases of life have a good working situation and development opportunities throughout their career.

Senior Policy

Fabricom considers the senior staff (58 years +) as valuable for the company from its long experience and expertise.

As of December 31, 2016 Fabricom had 41 employees over 58 years.

Cultural, religious and ethnic adaption

Fabricom (company and consolidated) has a personnel policy that is inclusive for people with ethnic background other than Norwegian, and has established human resources policies to achieve this.

Fabricom has 20 employees with an ethnic background other than Norwegian. These represent a total of 12 different nations. Fabricom has also made use of hired labour from many nations. Integration of foreign cultures has been a positive challenge, but an informative and positive process for the company and its employees.

Financial Statements

Based on the opinion of the Board of Directors, the profit and loss account and balance sheet with notes give adequate information concerning the financial standing of Fabricom (company and group) at the year-end. After finalization of the accounts, no events have occurred that materially affect the evaluation of the Company or Group's result. Concerning allocation and price development for the products included in the Group activities, the Board does not know of any matter that affects the evaluation of the group throughout the financial statement.

Fabricom AS' financial statements for 2016 are finalized showing a loss of KNOK 123.539. The Board of Directors propose the following application of the year's result:

All figures in NOK '000:

Reserves for valuation variants	-99
Other equity	-35 638
Uncovered loss	-87 802
Total	-123 539

Presentation of financial statements

2016 has been a financially very challenging year.

The company started an improvement program and turnaround throughout 2013. During 1st half of 2014 the market prospects changed drastically which resulted in the need to downsize the company. This process continued throughout 2015 and 2016.

This has burdened the operational result as payroll cost for employees in the notice period often are idle time as the employees have been demobilized from the projects. Reduced activity also leads to lower turnover which results in reduced gross margin to cover the fixed costs.

In addition, an agreement was signed with Union Eiendom, where we for a cost of 43 200 KNOK terminated the office rental agreement. The operating result is thereby negative in 2016 of 98 million compared to a loss of 47 million in 2015.

Balance sheet and liquidity

After years with losses we cannot justify recognizing a deferred tax asset for unused tax losses. This means that we have to reverse deferred tax asset from previous years. There is no time limit for how long tax losses can be carried forward in Norway, but more weight will have to be placed on recent history than more or less subjective future budgets until a demonstrated turnaround to operating profit can be substantiated.

A capital increase of 82 000 KNOK was made in order to maintain the equity ratio. After this capital increase, the equity ratio constitutes 16% of total assets for Fabricom AS and 16% of total assets for the Group. The liquid assets are mainly invested in short-term papers in banks. Neither the Company nor group has long-term external debt.

Cash balance in the company and the group at the end of the year reduced compared to 2015. Cash within the ENGIE Group cash pool has been split into a separate line in the balance sheet.

There has been some trading of foreign currency through the year and some payments from clients in foreign currency.

Prospects

Recent years drop in oil price and accompanying efficiency initiative from oil and gas exporters, has led to changes in the traditional markets Fabricom has worked in. In addition to reducing investments on the Norwegian shelf, also awards of contracts within the maintenance market have changed character.

From earlier to use large contracts with a single subcontractor, we can now see a trend where clients increasingly sign contracts with several subcontractors that then compete for each individual PO.

Furthermore, one also see that contracts are awarded to equipment suppliers and smaller actors, rather than just using existing MMO contracts for smaller projects. Also within the EPCI market there is a change in trend where multiple suppliers are encouraged to work together in strategic partnership with the client.

The number of projects coming forward increases, and one see that there will be a need for a lot of manpower offshore from 2018 and a couple of years ahead, possibly already from autumn of 2017. Further trends that become important are increased efficiency using digitization. This will result in less physical presence offshore, and an increased level of condition-based maintenance based on smart sensors and better data analysis.

Fabricom is now a company with a size that allows for fast adaptation to new trends. Simplification of processes and reducing costs has shown that Fabricom now can compete on price. Cooperation with other companies to a greater extent is a key factor to increase turnover in the short term. Meanwhile Fabricom is part of a large group where cooperation and utilization of the entire group's capabilities are important in order to compete for larger assignments.

Furthermore, we also see that Norway emerges as an interesting market within renewable energy, which for the ENGIE Group is strategically important. Amongst others, tender work to Statnett for high voltage infrastructure project. Here several inquiries are expected during the year. New opportunities in wind farms in partnership with other units in ENGIE Group are also expected.

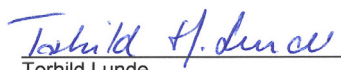
We see that 2017 also will be a challenging year, but our goal is to be ready to take part in the growth expected over the next few years. Investments in existing fields offshore are expected to increase moderately from 2018, and for "Green Fields" a slight increase are expected from 2019.

Fabricom is also well prepared to take part in projects coming forward in renewable energy in the coming years. The goal is to deliver stable and good results, and creating value for our clients and owners.


The company strives to create secure jobs for our employees based on a sustainable strategy. The recent period with downsizing of personnel has provided important experience that will be a strength for the company in the coming years.

Stavanger, 11.05.2017


Stefaan C. E. Devolder
Chairman of the Board


Torhild Lunde
Board member


Stanley Maas
Board member


Thorleif Seeberg Jensen
Board member

Income statement

All numbers in '000

GROUP FABRICOM NORWAY			FABRICOM AS		
2015	2016		Note	2016	2015
		Operating income and operating expenses			
457 450	305 731	Operating income	9	298 399	428 264
0	0	Result from associates	3,9	-6 084	2 500
457 450	305 731	Total operating income		292 315	430 764
83 900	59 975	Raw materials and consumables used	13	201 933	318 085
322 711	220 252	Payroll expenses	11,12	59 710	66 311
5 716	4 193	Depreciation of fixed assets and intangible assets	2	3 944	5 716
92 751	119 324	Other operating expenses	11,16	124 731	89 055
505 078	403 744	Total operating expenses		390 318	479 167
-47 628	-98 013	Result of operations		-98 003	-48 403
		Financial income and financial expenses			
255	53	Other financial received		26	93
153	55	Other interest received		55	153
76	153	Other interest expenses		151	55
108	3 295	Other financial expenses		3 294	108
224	-3 339	Result of financial income and expenses		-3 364	83
-47 404	-101 353	Operating result before tax		-101 367	-48 319
10 990	-22 185	Tax on ordinary result	8	-22 172	11 905
-36 414	-123 539	Operating result		-123 539	-36 414
-36 414	-123 539	Result for the year		-123 539	-36 414
		Transfers:			
		Reserve for valuation variants	6	-99	122
		Other equity	6	-35 638	-36 536
		Uncovered loss	6	-87 802	0
		Total transfers		-123 539	-36 414

Balance sheet

All numbers in '000


GROUP FABRICOM NORWAY		FABRICOM AS			
2015	2016		2016	2015	
ASSETS					
Fixed assets					
Intangible fixed assets					
22 185	0	Deferred tax assets	8	0	21 519
22 185	0	Total intangible assets	0	0	21 519
Tangible fixed assets					
1 003	1 175	Land, buildings and other property	2	0	1 003
10 327	2 984	Fixtures and fittings, tools, office machinery etc.	2	2 760	10 327
11 331	4 159	Total tangible assets	2 760	2 760	11 331
Financial fixed assets					
15	0	Investment in stocks and shares		0	0
0	0	Investment in subsidiaries	3	8 522	15 811
15	0	Total financial fixed assets	8 522	8 522	15 811
33 532	4 159	Total assets	11 282	11 282	48 661
Current assets					
Debtors					
36 917	20 614	Trade debtors	4,14	18 683	35 192
0	0	Group contribution	4	0	6 137
29 148	24 973	Other debtors	4	22 423	26 813
66 065	45 587	Total debtors	41 106	41 106	68 142
13 818	25 222	Debt within the group	4,5	25 222	13 818
24 423	16 552	Bank deposits, cash in hand etc.	5	11 344	2 269
38 241	41 774	Total Cash and cash equivalents	36 565	36 565	16 087
104 307	87 361	Total current assets	77 671	77 671	84 228
137 838	91 520	TOTAL ASSETS	88 953	88 953	132 889

Balance sheet

All numbers in '000

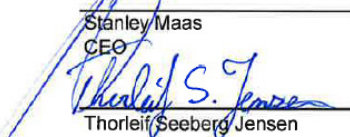
GROUP FABRICOM NORWAY			FABRICOM AS		
2015	2016		Note	2016	2015
EQUITY AND LIABILITIES					
Equity					
Paid in-capital					
20 000	20 000	Share capital 20 000 a 1 000 NOK	6,7	20 000	20 000
0	82 000	Not registered capital increase	6,7	82 000	0
20 000	102 000	Total paid-in capital		102 000	20 000
Retained earnings					
0	0	Reserves for valuation variances	6	0	99
35 859	0	Other equity	6	0	35 638
0	-87 695	Uncovered loss	6	- 87 802	0
35 859	-87 695	Total retained earnings		-87 802	35 737
55 859	14 305	Total equity		14 198	55 737
Liabilities					
Provisions for liabilities					
0	0	Investment in subsidiaries	3	3 017	0
0	0	Total provisions		3 017	0
Current liabilities					
6 047	3 681	Trade creditors	4	27 399	38 849
39 550	30 585	Public duties payable		22 691	23 083
36 382	42 948	Other short-term liabilities	15	21 649	15 220
81 979	77 214	Total current liabilities		71 738	77 152
81 979	77 214	Total liabilities		74 755	77 152
137 838	91 520	TOTAL EQUITY AND LIABILITIES		88 953	132 889

Sola 11.05.2017


Stefaah C.E. Devolder
Chairman of the Board


Torhild Margr ete Lunde


Stanley Maas
CEO


Thorleif Seeberg Jensen

Cash flow statement

All numbers in '000

GROUP FABRICOM NORWAY			FABRICOM AS	
2015	2016	Note	2016	2015
Cash flow from operating activities				
-47 404	-101 353		-101 367	-48 319
0	0		0	0
0	0		-5 581	0
5 716	4 193		3 944	5 716
27 843	16 303	2	16 510	28 654
-11 147	-1 908		-10 585	-34 401
15 209	2 125		26 790	22 304
-9 783	-80 640		-70 289	-26 046
Cash flow from investing activities				
0	2 631		2 631	0
-865	-458	2	0	-865
-865	2 173		2 631	-865
Cash flow from financing activities				
0	82 000		82 000	0
0	0		6 137	13 274
0	0		0	0
0	82 000		88 137	13 274
-10 648	3 533		20 479	-13 637
48 889	38 241		16 087	29 724
38 241	41 774	5	36 565	16 087
13 818	25 222		25 222	13 818
24 423	16 552		11 344	2 269
38 241	41 774		36 565	16 087

Notes to consolidated financial statements

NOTE 1

ACCOUNTING PRINCIPLES

The accounts for Fabricom AS and the consolidated Group accounts are prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting practices. Accounting principles are described below.

Consolidation principles

The consolidated accounts include Fabricom AS and subsidiary companies in which Fabricom AS has a direct controlling influence in fact and in law. The consolidated accounts is prepared with equal accounting principles for similar transactions in all companies. The companies' internal sales and internal accounts are eliminated in the consolidated accounts.

Shares and interests in associated companies are valued according to the equity method.

Principle rules for evaluation and classification of assets and liabilities

Assets intended for permanent possession are classified as fixed assets. Other assets are classified as current assets. Outstanding claims due within one year are classified as current assets. Classification of short-term debt and long term debt are based on the same evaluation.

Fixed assets are valued at acquisition cost, but are written-down to real value when the loss in value is considered to be permanent. Fixed assets with limited economic life are written-down according to plan.

A few balance sheet items are evaluated according to other principles as explained below.

Goodwill

Capitalized goodwill in connection with the acquisition of other businesses is determined by the part of the purchase price beyond the value of individual assets at the acquisition date.

Goodwill is posted at historical cost price and is depreciated over the first five accounting years in equal amounts.

Shares and interests in associated companies

Investments in associated companies and subsidiaries are valued according to the equity method. Investments in shares are valued at cost.

Trade debtors and other debtors

Trade debtors and other debtors are valued at face value. In addition there is an appropriation for unsecured debtors.

Projects / Work in progress

Projects / work in progress are valued at direct cost for materials and wages, including social cost with the addition of indirect cost based on budgeted administration cost. The company therefore allocates cost on an "as-incurred" basis. Profit are included on projects where there are reliable estimates of outcome..

Any losses are taken into account as soon as they are identified. The net value of work in progress/advance invoicing of production is posted in the balance sheet by deducting advance payments from customers from the project value. Work on account is valued at sales value at 31.12.

Taxes

Tax cost is placed together with the accounting result before tax. Tax cost consists of payable taxes for the year (tax on this years taxable result) and changes in net deferred taxes. The tax cost is divided between ordinary result and extraordinary result according to taxable basis.

Deferred tax liabilities and deferred tax assets are shown as 0 in the balance sheet.

Pension liabilities

AFP

The company and Group participates in the new arrangement for negotiated pension between the trade unions (LO) and the employers' association (NHO), AFP arrangement. The old agreement is phased out.

Foreign currency

The company calculates foreign currency at the exchange rate on the accounting date. Gains and losses on foreign currency exchange are classified as financial transactions.

Estimates

The compilation of the result assume that the company use estimate and assumption which affects the result and the valuation of assets, liabilities and commitments on the balance date. These are settled to best estimate based on the information on the balance date according to generally accepted accounting principles. Actual figures can deviate from estimates.

NOTE 2 INTANGIBLE ASSETS AND FIXED ASSETS
FABRICOM AS

All numbers in '000

	Land	Buildings	Machinery/ Fixtures	Total
Purchase cost 01.01.	0	9 243	119 344	128 577
Increase	0	0	2 143	2 143
Decrease	0	842	5 929	6 770
Purchase cost 31.12	0	8 392	115 559	123 951
Accumulated ordinary depreciation 31.12.	0	8 392	112 799	121 191
Book value 31.12	0	0	2 760	2 760

Ordinary depreciation for the year	0	162	3 782	3 944
Ordinary depreciation rate in %	-	5	10-30	
Economic life	~	20 years	3 - 7 years	

Depreciation is linear over the technical/financial lifetime.

GROUP FABRICOM NORWAY

All numbers in '000

	Land	Buildings	Machinery/ Fixtures	Total
Purchase cost 01.01.	12 687	9 234	124 967	146 887
Increase	0	1 300	2 491	3 791
Decrease	12 687	842	11 552	25 080
Purchase cost 31.12	0	9 692	115 906	125 599
Accumulated ordinary depreciation 31.12.	0	8 517	112 923	121 440
Book value 31.12.	0	1 175	2 984	4 159

Ordinary depreciation for the year	0	287	3 906	4 193
Ordinary depreciation rate in %	0	5	10 - 30	
Economic life	~	20 years	3 - 7 years	

Depreciation is linear over the technical/financial lifetime.

NOTE 3

SUBSIDIARIES

COMPANY'S INCLUDED IN THE ACCOUNTS OF GROUP FABRICOM NORWAY

Company	Registered office	Share ownership	Voting rights
Fabricom PMAE AS	Sola	100,00 %	100,00 %
Fabricom Industrier AS	Sola	100,00 %	100,00 %

FABRICOM AS
All numbers in '000

Company	Time of purchase	Registered office	Share ownership/ voting rights	Share of Equity capital	Share of result for the year	Book value
Fabricom Industrier AS	01.09.2002	Sola	100,00 %	-3 017	-5 564	-3 017
Fabricom PMAE	01.09.2002	Sola	100,00 %	8 522	-520	8 522
Total investments in subsidiaries					-6 084	5 506

The companies are valued according to the equity method, see table below:

	Fabricom PMAE AS	Fabricom Industrier AS	Fabricom Vigor AS
Acquisition cost	13 742	1 259	16 000
Equity value at date of acquisition	110	110	2 647
Opening balance 01.01.	9 042	1 358	5 411
Sale of Fabricom Vigor	0	0	-5 411
Capital increase		1 189	0
Share of year result	-520	-5 564	0
Closing Balance 31.12	8 522	-3 017	0

Share of result of the year is included in the operating income, see note 9.

Result from Fabricom PMAE AS and Fabricom Industrier AS are shown in separate line in the income statement.

Fabricom AS guarantee for the operation in the companies Fabricom PMAE AS and Fabricom Industrier AS. Fabricom Vigor was sold with effect from 01.01.2016.

NOTE 4 ACCOUNTS WITH COMPANIES IN THE SAME CORPORATION/ASSOCIATES

All numbers in '000

GROUP FABRICOM NORWAY			FABRICOM AS	
2015	2016		2016	2015
		Trade debtors:		
0	0	Account receivable subsidiaries	4 138	205
0	0	Other debtors subsidiaries	6 186	0
0	0	Group contribution	0	6 137
13 818	25 222	Cashpool within the group	25 222	13 818
		Liabilities:		
0	0	Account payable subsidiaries	25 051	32 819

NOTE 5 CASH, BANK, ETC.

All numbers in '000

FABRICOM AS

The bank and cash balance per 31.12.16 is NOK 36.565, of which NOK 1.097 are tied-up funds for payment of taxes. NOK 25.222 is cashpool within the group.

GROUP FABRICOM NORWAY

The bank and cash balance per 31.12.16 is NOK 41.774, of which NOK 5.424 are tied-up funds for payment of taxes. NOK 25.222 is cashpool within the group.

The company has through cashpool within the group a credit for 74 MNOK.

With regards to hired out personell the company has met the general requirements cf. The Payment Act, section 4-1, second paragraph.

NOTE 6 EQUITY CAPITAL

All numbers in '000

FABRICOM AS	Share Capital	Not registered capital increase	Reserve for valuation variants	Other equity capital	Uncovered loss	Total
Equity capital 01.01.	20 000	0	99	35 638	0	55 737
Not registered capital increase	0	82 000	0	0	0	82 000
Profit of the year	0	0	-99	-35 638	-87 802	-123 539
Equity capital 31.12.	20 000	82 000	0	0	-87 802	14 198

Not registered capital increase was enrolled in Register of Business Enterprises 13.03.2017.

GROUP FABRICOM NORWAY

Equity capital 01.01.	55 859
Not registered capital increase	82 000
Correction previous year	-15
+ Profit of the year	-123 539
Equity capital 31.12.	14 305

NOTE 7 NUMBERS OF SHARES AND SHAREHOLDERS
FABRICOM AS

The company's shareholder and title	Number	Percentage ownership
Fabricom Nederland B.V.	20 000	100 %

Numbers of shares and face value are specified in the balance sheet. There are no classes of shares in the company.

GROUP FABRICOM NORWAY

Note information is identical to information given under Fabricom AS.

NOTE 8 TAXES

All numbers in '000

GROUP FABRICOM NORWAY			FABRICOM AS	
2015	2016	Temporary differences in connection with:	2016	2015
299	0	Current assets/liabilities	0	0
-5 084	-5 854	Fixed assets	-5 761	-5 057
-83 954	-169 948	Loss Carry forward	-162 538	-81 019
0	-10 587	Provision of good accounting practice	-10 587	0
-88 738	-186 389	Total temporary differences	-178 886	-86 076
-22 185	-44 764	Deferred tax (+)/tax advantage (-), 24 %	-42 933	-21 519
-22 185	0	Deferred tax in Balance Sheet	0	-21 519
Specification of the difference between accounting profits before tax and taxable income for the year				
-47 404	-101 353	Accounting profit before tax	-101 367	-48 319
0	0	+/- Reversal result from subsidiaries	6 084	-2 500
-671	11 384	+/- Change in temporary differences	11 291	-610
0	2 758	+ Accounting loss on the sales and shares in DLS	2 758	0
126	291	+ Permanent differences	284	349
0	-568	Adjustment previous year	-568	0
0	0	+ Group contribution	0	3 136
-47 950	-87 488	= Tax basis	-81 519	-47 943
0	0	Loss Carry forward	0	0
0	0	Taxable income	0	0
Tax cost in the profit and loss account				
0	653	Change in deferred tax due to tax adjustment previous year	653	0
-12 764	-24 718	Change in deferred tax	-23 202	-12 779
1 775	1 850	Change in tax rate	1 789	1 722
0	22 185	Reversal of the capitalization of deferred tax assets	21 519	0
0	22 216	Not capitalized deferred tax assets	21 414	0
0	0	Tax due to group contribution	0	-847
-10 990	22 185	Total tax expenses	22 172	-11 905

NOTE 9 OPERATING INCOME

The company's business is engineering, mechanical construction and associated technical services. The work is done in part in its own fabrication plant and in part at the customers construction sites. The main employment area in 2016 has been Rogaland and the Norwegian continental shelf.

All numbers in '000

GROUP FABRICOM NORWAY			FABRICOM AS	
2015	2016	Operating income distributed on type of business and geographical location:	2016	2015
1 779	1 572	Studies & Technology	1 572	1 779
356 847	184 492	M&M projects	184 492	352 426
66 063	111 728	Onshore projects	104 397	41 615
23 856	0	Offshore modification	0	23 540
0	0	Result from associates	-6 084	2 500
8 905	7 939	Other income	7 938	8 904
457 450	305 731	Total operating income	292 315	430 763

NOTE 10 FINANCIAL MARKET RISK
FABRICOM AS

The company's financial market risk is limited. The currency exchange risk is connected to foreign suppliers and clients. They are limited in extent and maturity. The credit and liquidity risk is regarded as negligible.

GROUP FABRICOM NORWAY

Note information is identical to information given under Fabricom AS.

NOTE 11 PAYROLL COST

All numbers in '000

GROUP FABRICOM NORWAY			FABRICOM AS	
2015	2016	Payroll cost consist of the following items:	2016	2015
253 808	178 601	Salaries	48 348	49 968
42 686	25 792	Social security contribution	6 419	9 174
12 725	7 280	Pension cost, see note 13	730	742
13 492	8 580	Other personnel cost	4 214	6 426
322 711	220 252	Total payroll cost	59 710	66 311
498	270	Average number of employees	61	126

Remuneration Fabricom AS	Board of Directors
Payroll	35

Remuneration Group Fabricom Norway	Board of Directors
Payroll	38

Payroll cost Managing Director is booked in parent company.

Auditor

Auditor fee booked	
Fabricom AS	257
Group Fabricom Norway	316

NOTE 12 COSTS, OBLIGATIONS AND FUNDS RELATING TO PENSIONS
Pension liabilities AFP

The company has pension agreement (AFP) for its employees in accordance with LO/NHO arrangement from 62 year to 67 year. As of 31.12.16 the arrangement includes 38 persons in Fabricom AS and 183 persons in Group Fabricom Norway. The old AFP agreement is phased out.

NOTE 13 RAW MATERIALS AND CONSUMABLES

All numbers in '000

GROUP FABRICOM NORWAY			FABRICOM AS	
2015	2016		2016	2015
20 376	13 112	Raw materials and consumables	13 112	20 376
0	0	Fabricom PMAE AS, Services	143 985	243 181
0	0	Fabricom Vigor AS, Services	400	281
0	0	Fabricom Industrier AS, Services	2 903	0
63 525	46 863	Subcontractors	41 533	54 248
83 900	59 975	Total raw materials and consumables	201 933	318 085

NOTE 14 ACCOUNT RECEIVABLE

All numbers in '000

GROUP FABRICOM NORWAY			FABRICOM AS	
2015	2016		2016	2015
36 917	20 614	Account receivable	18 683	35 192
36 917	20 614	Total mortgages	18 683	35 192

NOTE 15 GUARANTEES
Guarantee liabilities

The company has made guarantees to customers for a total of MNOK 65 (through Atradius and BNP) as security for correct execution of contracts.

The company has a surety up to MNOK 150 towards Atradius to cover for contract guarantees.

The company has a house rental guarantee for MNOK 0,8 (Trondheim offices).

The company has given a guarantee for operations and liabilities in the subsidiaries Fabricom PMAE AS and Fabricom Industrier AS. These companies exist solely to trade internally with Fabricom AS.

NOTE 16

RENTAL AGREEMENT

FABRICOM AS

All number in '000

Annual rental cost is 17.266. This includes rental of accommodation in Trondheim (duration 31.03.2017), Forus (duration 31.12.2017). Rental cost for workshop in Dusavik 2.387 (duration 30.04.2016). From 01.05.2016 the rental cost is directly in Fabricom Industrier.

GROUP FABRICOM NORWAY

All number in '000

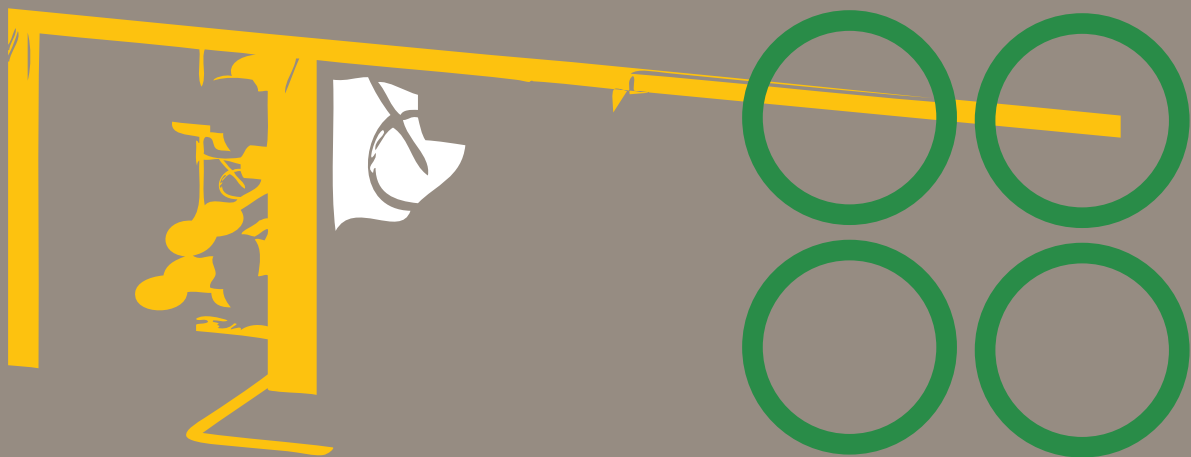
Total annual rental cost is 22.026. This includes the same rental agreements as in Fabricom AS, and rental for the whole year in the workshop.

Core business

Our mission is to be competitive in our offering and create added value for our Clients. Our services and solutions will support our clients in addressing the energy challenges of coming decades.

ENGIE Fabricom has an extensive track record in the modification, construction, installation and turnarounds of complex oil & gas and plants and installations onshore and offshore. We will strengthen our position within this market while expanding into the market of renewable energy production, leveraging on our strong experience and excellent HSE culture.

ENGIE Fabricom will be ready for the energy transition.







Deloitte AS
Strandsvingen 14 A
Postboks 287 Forus
NO-4066 Stavanger Norway

Tel: +47 51 81 56 00
Fax: +47 51 81 56 01
www.deloitte.no

To the General Meeting of Fabricom AS

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fabricom AS showing a loss of NOK 123 539 000 in the financial statements of the parent company and loss of NOK 123 539 000 in the financial statements of the group. The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2016, and the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the group, which comprise the balance sheet as at 31 December 2016, and the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the parent company as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying financial statements give a true and fair view of the financial position of the group as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the Board of Directors' report, but does not include the financial statements and our auditor's report thereon.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.no for a more detailed description of DTTL and its member firms.

Registrert i Foretaksregisteret
Medlemmer av Den norske
Revisorforening
Organisasjonsnummer: 980 211 282

© Deloitte AS



Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements to our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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, the going concern assumption, and the proposal for the coverage of the loss is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that 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.

Stavanger, 11th May 2017
Deloitte AS

Svein Sivertsen
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.



Kanalsletta 3
NO-4033 Stavanger
51 87 90 00
www.engie-fabricom.no