Thalassa Holdings Limited - THAL Final Results
Released 07:00 05-Apr-2016

RNS Number : 1340U
Thalassa Holdings Limited
05 April 2016

Thalassa Holdings Ltd

(Reuters: THAL.L. Bloomberg: THAL:LN)

("Thalassa" or the "Company")

Final results for the year ended 31 December 2015 and notice of AGM

Thalassa announces its final results for the year ending 31 December 2015. The audited financial statements and notice of Annual General Meeting are being posted to shareholders and will be made available on the Company website at www.thalassaholdingsltd.com.

2015 HIGHLIGHTS

FINANCIAL HIGHLIGHTS

- Revenue up 21.6% to US$18.9m from US$15.5m in 2014
- Gross Profit up 43.0% to US$9.4m from US$6.6m in 2014
- Gross Margin up by 17.6% to 50.1% from 42.6% in 2014
- Operating Profit (EBITDA) up substantially to US$3.7m from US$0.2m in 2014
- Non-recurring costs of US$12.9m including asset impairment charges
- Adjusted Group Net Profit (excluding exceptional write downs of US$12.9m and R&D costs at Autonomous Robotics of US$0.6m) up 138% to US$1.3m versus US$0.5m in 2014
- Group net loss for the year US$(12.3)m versus loss of US$(12.2)m for the year in 2014
- Adjusted Group Earnings Per Share (basic and diluted) US$0.05 per share (£0.04) versus US$0.02 (£0.01) in 2014 (excluding exceptional write downs of US$(0.53) and R&D costs at Autonomous Robotics of US$(0.02)) *

- Group Earnings Per Share (basic and diluted) US$(0.50) per share (£(0.35)) versus US$(0.49) (£(0.32)) in 2014 *
- Book value per share US$1.12 (£0.79) versus US$1.57 (£1.11) in 2014†
- Cash at 31 December 2015 US$20.3m (2014: US$17.7m)
- Cash per share US$0.86 (£0.61) versus US$0.71 (£0.50) in 2014†
- Debt US$nil (2014: US$nil)

  * Based on weighted average number of shares in issue of 24,656,136 at 31 December 2015

  † Based on 23,608,865 shares issued as at 31 December 2015

OPERATIONAL HIGHLIGHTS

- Completion of 4 surveys as part of the ongoing contract to provide seismic source services to Statoil's PRM activities in the North Sea
- Completion of contract to provide seismic services to TGS-NOPEC Geophysical Company ASA, acquiring high resolution 3D (HR3D) data sets in the South East Barents Sea region
- Late data sales on the 2014 multi-client data set acquired in collaboration with TGS

Contacts:

Thalassa Holdings Ltd:

Duncan Soukup, Executive Chairman +33 (0)6 78 63 26 89

WH Ireland Limited (Nominated adviser):

Chris Fielding, Head of Corporate Finance +44 (0)207 220 1650

Press Enquiries:

Square1 Consulting (Public Relations)

David Bick/Brian Alexander +44 (0)207 929 5599

CHAIRMAN'S STATEMENT

"May you live in interesting times" is an English expression also known as the "Chinese curse", although apparently no such Chinese expression exists. The nearest Chinese expression (according to Wikipedia) is usually translated as "Better to be a dog in a peaceful time, than to be a human in a chaotic (warring) period".

I mention the expression "May you live in interesting times" because we clearly are living in interesting times. There are more economic, political, religious and military conflicts being fought today than ever before. World news in 2015 was pretty downbeat; oil and gas news was simply dire, although now slowly improving.

However, interesting times also create interesting opportunities.

Overindulgence is as unhealthy for humans as it is for the credit markets. The stories of the rapid rise and collapse of the sub-prime debt leading to near global financial collapse are well documented and for anyone who hasn't read Michael Lewis's book "The Big Short", I highly recommend it; it makes for compelling reading and succeeds in demystifying the subject matter.

The final chapter of the collapse of the oil and gas debt story is still to be written. Let us hope that Jimmy Rogers, co-founder, with George Soros, of the Quantum Fund is wrong and the current mountain of (World) debt doesn't result in another global crisis. The outlook, however, is not rosy, particularly in the oil and gas sector where according to the Bank for International Settlements ("BIS"), total debt of the oil and gas sector globally stood at US$2.5 trillion in 2014, two and half times what it was at the end of 2006. Add to this the US$3.3 trillion of USD denominated debt taken on by emerging market debtors since the financial crisis and China's US$28 trillion of private and public debt and the only conclusion one can reach is that we do indeed live in (extremely) interesting times. Global debt now stands at 200% of GDP of the World, which exceeds levels seen before the financial crash in 2007. Hostile credit conditions risk imperilling companies and countries, raising the chances of default and corporate bankruptcies, according to the BIS.

"The total debt of the oil and gas sector globally stands at roughly US$2.5 trillion, two and a half times what it was at the end of 2006. The recent fall in the oil price represents a significant decline in the value of assets backing this debt, introducing a new element to price developments. In common with other episodes of retrenchment induced by rapid declines in asset values, greater leverage may have amplified the dynamics of the oil price decline. The high debt burden of the oil sector also complicates the assessment of the macroeconomic effects of the oil price decline because of its impact on capital expenditure and government budgets, and due to the interaction with a stronger dollar."

BIS report OIL and debt by Dietrich Domanski et al March 2015
http://www.bis.org/publ/qtrpdf/r_qt1503f.htm

All of which brings me back to "opportunity". In order to take advantage of crisis one has to have survived the crisis, preferably, unscathed. I am happy to report that Thalassa has survived the current crisis, although not entirely unscathed.

Having said which, 2015 was a record year for our subsidiary WGP. Revenues, EBITDA and EBIT all reached record levels. As a Company we do not currently break out these figures for competitive reasons. The Board constantly reviews this policy as we appreciate that market participants would appreciate greater clarity, as, unfortunately, would our competitors. Financially, the Company closed the year in sound financial health and with zero debt and US$20.3 million of cash.

2015 was also a year of transition for WGP, which completed its relocation from Cornwall to Wiltshire. Regrettably, the company lost more staff to the move than anticipated. ERP roll-out continued throughout the year and in the course of 2016 the entire Group will hopefully become seamlessly connected.

OUTLOOK

As I wrote in my last report, US$30 oil is universally unprofitable, particularly where shale is concerned. Why, given a US$100 drop in the price of oil from a peak of US$134 has it taken so long for US production to tail off? The answer is a combination of easy credit and technological innovation. Shale oil producers, desperate to stay afloat, have continued to pump oil at a loss in the vain hope that they could secure sufficient funding to be one of the survivors. A few have successfully raised equity. However, most have failed. As I pointed out above, the oil and gas industry is awash with excess debt. Unfortunately it is now also awash with excess oil. History has a way of repeating itself; in the same way that the sub-prime mortgage market was kept afloat by creditors unwilling to crystallise losses, there are US$2.5 trillion reasons why the credit markets have no interest in crystallising losses on their energy exposure.

Fortunately for the oil and gas industry there is a realisation amongst senior OPEC and Russian officials that $30 oil is both unprofitable and uneconomical, as it does not support current spending levels. To date, there has been much talk but not much action. Nonetheless, WTI oil has recovered from a low of US$26 and is, at the time of writing, trading around US$37 per barrel; still not high enough for the industry to return to profitability but a recovery nonetheless.

I have no doubt that there is a long-term future for oil and I believe that our Company has good long-term prospects; but it is quite clear that attitudes towards the burning of fossil fuels in Advanced Economies are changing. The oil industry will have to adapt or die. This also means that companies operating in the oil industry will also have to adapt to the changing environment. During 2015, Dolphin Geophysical, a direct competitor of WGP, filed for bankruptcy. Others are teetering on the edge. Management's job is to focus on areas where we have a competitive advantage such as Permanent Reservoir Monitoring ("PRM") and to ensure that Return on Capital Employed ("ROCE") is achieved at a realistic pace; a real challenge in a market with much excess capacity.

2016 will be another tough year for the oil and gas industry. I fully expect bankruptcies to increase as exploration budgets are slashed. Nevertheless, as mentioned above, I am a firm believer that interesting times create interesting opportunities…for those able to capitalise on them.

C. Duncan Soukup
Chairman

4 April 2016

WGP OPERATIONAL REVIEW

WGP has continued to perform well in 2015 despite the challenges faced within the oil and gas sector and geophysical industry as a result of the collapse in the oil price. WGP, through the implementation of a corrective action plan during the 2014-15 winter, effected significant improvements in operational efficiencies and cost control. It has also secured a significant long term contract with ConocoPhillips, which is due to commence in Q3 2016.

Statoil Snorre and Grane Permanent Reservoir Monitoring

After a somewhat frustrating 2014, the system design improvements that were planned and implemented to the Dual Portable Modular Source System (D-PMSS™) during the 2014-15 winter maintenance period has indeed paid off and, along with some favourable weather conditions and good survey planning, we have delivered a total of 4 successful Permanent Reservoir Monitoring (PRM) surveys to our clients' expectations, and all with zero HSE incidents.

The Spring 2015 operations saw an immediate improvement in operational efficiency compared to that of 2014. This was demonstrated with over 6,000km of data being acquired over the Snorre and Grane fields, on time and with better than expected technical downtime levels.

Mobilisation for the Autumn season took place in early September and although the surveys had been slightly reduced by Statoil to a total of just under 4,000km, the performance seen during the Spring was maintained, with even better downtime levels to report on the completion of the 2 surveys at the end of October.

Following a well-executed demobilisation, the system was taken back into our storage facility onshore and the first of a two stage maintenance programme before the Spring 2016 start-up took place. All personnel involved in the project are looking forward to what we hope will be continued success with our PRM operations in 2016.

Completion of High Resolution 3D Barents Sea and Northern North Sea Survey

As reported in the 2015 Interim Report, a contract to acquire High Resolution 3D ("HR3D") P-Cable™ seismic in the Barents Sea was secured with TGS Nopec Geophysical Co ASA ("TGS") in April 2015. This was a follow-on project from the multi-client operations conducted with WGP in 2014 using the vessel "Bergen Surveyor". Using the same vessel, operations commenced in early May 2015.

The programme of work comprised both extended regional coverage with High Resolution Single Swath 3D ("HRSS3D") data acquisition, combined with targeted HR3D blocks, as part of the ongoing development of TGS' multi-client library in the Barents Sea. The aim of this season's work was to acquire speculative HR2D data for TGS in new blocks, to provide an insight into the potential of both P-Cable™ data and also shallow target resolution in previously identified focus areas.

With a greatly improved operating performance and reduced downtime figures compared to 2014, the original work programme provided was completed well ahead of schedule much to the satisfaction of our client with an excellent quality of HR3D and HR2D data acquired. The client therefore took the opportunity to acquire additional surveys beyond the original programme in the Barents Sea and the mid-Norway offshore region. Solid acquisition performance continued and survey operations were completed at the end of July as planned with zero HSE incidents and the vessel returned to Bergen for demobilisation in early August.

The improvements developed by WGP in handling systems, navigation, 3D binning and in-water towing geometry reaped better than expected results in acquisition efficiencies. WGP is sanguine about prospects for the future in HR3D/HRSS3D and see this acquisition as a true displacement technology. Going forwards we will look to further improve the suite of systems and offer deliverables to energy companies making this method attractive.

ConocoPhillips Ekofisk Permanent Reservoir Monitoring Award

WGP was successfully awarded a long term contract by ConocoPhillips ("COP") in December 2015 to provide seismic data acquisition services on the Ekofisk field in the Norwegian sector of the North Sea.

The contract commences in Q3 2016 and will run for an initial 5 years with potential extensions. The scope of work entails surveys being acquired twice a year in the Spring and Autumn over the already installed Optoplan recording system.

In addition to the source systems, WGP will be developing and running a data management and real time QC system for installation in COP's Norwegian operations centre in Stavanger.

Work on design and build of the project specific containerised source has begun with prebuild planned for August 2016 and mobilisation onto the PSV Skandi Nova early September.

OUTLOOK

Currently, contracted work in 2016 comprises the ongoing Statoil PRM project in the North Sea and the new contract with COP due to commence in Q3 2016. With the ongoing uncertainty within the upstream oil and gas exploration sector, WGP has continued to review its position both internally and externally. Internally, WGP undertook further cost control measures in the latter part of 2015 that we expect to positively impact 2016 financial performance. Externally, WGP continues to pursue pipeline opportunities.

Mark Burnett
CEO, WGP Exploration

AUTONOMOUS ROBOTICS LTD (ARL) OPERATIONAL REVIEW

SUMMARY

The Flying Nodes concept for efficient seabed seismic recording has been further developed and design studies have been performed on a number of aspects of the technology. An engineering solution has been proposed for the node navigation system and the node deployment/recovery cage. A proposed design for the node has also been further developed with a model of the node produced and presented at the Society for Exploration Geophysicists (SEG) Exhibition. This initial marketing of the Flying Node system at SEG was supported by an animation of the concept, available at www.autonomousroboticsltd.com, and an associated paper presented at the SEG conference. The concept was very well received and there was a high level of interest from both Oil Majors and the seismic industry. Detailed design of the first prototype node was started and will continue in 2016.

MARKETING AND FUNDING

Marketing directly to Oil Majors has also continued through the year with a number of companies offering technical support through the development programme but, due to market difficulties, external funding for the full development and manufacture programme has yet to be secured.

OPERATIONS

Staff was reduced to a level which allowed ARL to continue to progress the Flying Node concept development to reduce technical risk. ARL also moved into the new WGP Eastleigh Court facility.

TECHNOLOGY DEVELOPMENT

An engineering design study of the node navigation and homing concept demonstrated that it was feasible to develop such systems and that the solutions would be based on existing acoustic technology with a number of areas of new design work to be integrated for new features required by the system.

An engineering design study of the deployment and recovery system cage and the storage requirements for the nodes was also completed and a solution presented. This system is based on existing hydraulic Remotely Operated Vehicle (ROV) system technology but with significant special engineering for the cage sorting and storage of the nodes.

Some further work on the node design was also performed to create a model node for marketing of the system. This work will be continued in 2016 to create the first prototype node for testing in water.

A number of new patent applications to protect novel aspects of the Flying Nodes concept have been filed.

OUTLOOK FOR 2016

ARL will continue development of the Flying Node system in a manner similar to 2015 while potential external sources of funding will continue to be investigated. High risk areas of the technology will continue to be investigated in association with suppliers. The main priorities for 2016 will be as follows:

- Design, build and test the first prototype node
- Further assess the software solutions required for the system
- Define in more detail an engineering solution for the deployment/recovery of the node cage
- Review possible methods of automating the node handling on deck
- Continue to investigate sources of additional funding
- Continue marketing the concept

Dave Grant
CEO, Autonomous Robotics Ltd

FINANCIAL REVIEW

GROUP RESULTS

Revenue from seismic operations for the period to 31 December 2015 showed an increase of 21.6% to US$18.9m from US$15.5m in 2014. Revenue was generated from the completion of the surveys over the Snorre and Grane fields for Statoil, the project to provide seismic services for TGS in the Barents Sea and late data sales generated from the multi-client project with TGS in 2014.

Cost of Sales increased by 5.7% in 2015 to US$9.4m (2014: US$8.9m). This includes US$0.2m of R&D related costs at ARL. While Cost of Sales increased versus the prior year, as a proportion of Revenue, it decreased to 50.0% from 57.3% largely as a result of improved operational performance on the Dual Portable Modular Source System (D-PMSSTM) and HR3D systems utilised in the year. The technical problems experienced in 2014 that resulted in higher levels of costly technical downtime were resolved through the corrective plan put into place during the winter period of 2014-15.

Gross Profit increased by 43.0% to US$9.4m (2014: USD$6.6m) with Gross margin increasing by 7.5% points to 50.1% from 42.6% in 2014 as a result of the improved operational performance commented on above.

Administrative expenses decreased by 10.0% in 2015 to US$5.8m (2014: US$6.4m). This was largely due to the following:

ARL - administrative costs relating to the investment in R&D activities contributed US$0.5m to the Group (2014: US$0.8m), a decrease of US$0.3m or 42%. This includes payroll and consultant related costs of US$0.3m (2014: US$0.5m), the decrease reflecting the impact of a reduction in headcount from 3 to 1 in June 2015. Other costs relate to legal and professional fees (including patent related costs) and office related costs of $0.2m.

WGP - a decrease of US$0.1m to US$3.3m (2014: US$3.4m) largely due to a decrease in business development related costs, specifically the cost of exhibitions and associated travel and accommodation.

Thalassa - a decrease of US$0.2m to US$2.0m (2014: US$2.2m) largely due to a reduction in consultant costs, corporate travel, legal and professional fees and various costs associated with being public.

Operating Profit before depreciation and non-recurring costs (EBITDA - Earnings before interest, tax, depreciation and amortisation) was US$3.7m (2014: US$0.2m) with operating margin 19.5% compared to 1.2% in 2014. **Adjusted Operating Profit** (excluding costs at ARL of US$0.6m) was US$4.3m, an increase of 338% from US$1.0m in 2014.

Depreciation increased by 70.3% to US$2.2m compared to US$1.3m in 2014 as a result of the asset review in 2014 and resultant acceleration of depreciation on certain assets.

Exceptional write downs of US$12.9m (2014: US$ 11.7m) as follows:

IMPAIRMENT - PLANT AND EQUIPMENT
An impairment review of the Group's equipment has been undertaken, taking into account obsolescence, market conditions and useful economic life. As a result an impairment charge of US$6.1m has been incurred in the period (2014: US$3.3m).

IMPAIRMENT - MULTI-CLIENT LIBRARY
An impairment review of the Group's Multi-client Library has been undertaken taking into account the impact of current market conditions and the lack of visibility over any future data sales. As a result, an impairment charge of US$1.5m has been made in 2015 bringing the NBV down to US$nil.

IMPAIRMENT - LOANS RECEIVABLE
As at 31 December 2015, the total loan outstanding to the THAL Discretionary Trust was US$7.3m including interest. The carrying value of the Thalassa ordinary shares held within the Trust was in excess of Thalassa's share price and given recent market conditions, the ability of the Trust to repay the loan is in doubt. An impairment charge of US$5.8m has been included in 2015 bringing the loan value down to US$1.5m, with the carrying value of the shares held within the Trust now in line with the current Thalassa share price.

OTHER EXCEPTIONAL COSTS
Other exceptional costs includes US$0.3m restructuring costs associated with a redundancy program that began in Q4 2015 and the release of the 2014 accrual made for the remediation of WGP's equipment from Ecuador of US$0.75m that has not been used.

Operating Loss was US$(11.5)m (2014: US$(12.8)m).

Adjusted Operating Profit (excluding exceptional write downs of US$12.9m and costs at ARL of US$0.6m) was US$2.1m, compared to a loss of US$(0.1)m in 2014 with adjusted operating margin at 10.9% (2014: (0.4)%).

Net financial expense of US$0.3m included foreign exchange gains and losses, interest income/expense, share option expense and gains/losses from financial investments (2014: US$0.6m).

Loss before tax was US$11.8m versus US$12.2m in 2014. **Adjusted Profit before Tax** was US$1.8m (2014: profit of US$0.5m) with an adjusted net margin of 10.3% (2014: 3.5%).

Net assets at 31 December 2015 amounted to US$26.4m (2014: US$39.4m) resulting in net assets per share of US$1.12 (£0.79) versus US$1.57 (£1.11) in 2014 including cash of US$20.3m equivalent to US$0.86 (£0.61) per share.

Non-current assets decreased by US$13.1m to US$9.9m in 2015 (2014 US$23.0m) largely as a result of impairment charges on plant and equipment (US$6.0m), the multi-client library (US$1.5m) and loans receivable (US$5.8m). See comments above for more detail. A further decrease due to depreciation on plant and equipment of US$2.2m and amortisation on the multi-client library of US$0.4m was offset by an increase of US$2.8m of plant and equipment additions,.

The Company had **debt** of US$0.0m at the period end (2014: US$0.0m).

Net cash flow from operating activities amounted to US$4.8m as compared to US$0.3m in 2014. This includes cash generated from operations in 2015 and US$2.4m of cash received from late data sales relating to the multi-client project with TGS in 2014 (where all costs had been incurred in 2014).

Net cash outflow from investing activities, amounted to US$1.2m relating to capital expenditure on new equipment included within property, plant and equipment.

Net cash flow from financing activities amounted to US$0.9m relating to the buy back of 1,458,657 Thalassa ordinary shares into Treasury at an average price of £0.42.

Net increase in cash and cash equivalents was US$2.6m resulting in Cash and Cash Equivalents at 31 December 2015 of US$20.3m.

CONSOLIDATED STATEMENT OF INCOME

for the year ended 31 December 2015

	2015	**2014**
	$	**$**
Revenue	18,863,273	15,517,200
Cost of sales	(9,416,746)	(8,909,444)
Gross profit	**9,446,527**	**6,607,756**
Administrative expenses	(5,775,983)	(6,417,859)
Operating profit before depreciation and exceptional write downs	**3,670,544**	**189,897**
Depreciation	(2,226,645)	(1,307,414)
Operating profit/(loss) before exceptional write downs	**1,443,899**	**(1,117,517)**
Exceptional write downs	(12,948,755)	(11,706,206)
Operating loss	**(11,504,856)**	**(12,823,723)**
Net financial expense/income	(261,144)	592,362
Loss before taxation	**(11,766,000)**	**(12,231,361)**
Taxation	(493,230)	20,994
Loss for the year	**(12,259,230)**	**(12,210,367)**
Attributable to:		
Equity shareholders of the parent	(12,259,230)	(12,166,241)
Non-controlling interest	-	(44,126)
	(12,259,230)	**(12,210,367)**
Earnings per share - $ (using weighted average number of shares)		
Basic and Diluted	(0.50)	(0.49)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2015

	2015	**2014**
	$	**$**

Loss for the financial year	**(12,259,230)**	**(12,210,367)**
Other comprehensive income:		
Exchange differences on re-translating foreign operations	43,460	(255,229)
Impairment of AFS Securities	-	(38,675)
Total comprehensive income	**(12,215,770)**	**(12,504,271)**

Attributable to:		
Equity shareholders of the parent	(12,215,770)	(12,460,145)
Non-Controlling interest	-	(44,126)
Total Comprehensive income	**(12,215,770)**	**(12,504,271)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2015

	2015	**2014**
	$	**$**
Assets		
Non-current assets		
Goodwill	368,525	368,525
Intellectual property	-	-
Property, plant and equipment	8,023,557	13,631,466
Multi-client library	-	1,889,693
Available for sale financial assets	-	-
Loans	1,503,823	7,124,648
Total non-current assets	**9,895,905**	**23,014,332**
Current assets		
Inventories	391,035	343,231
Derivative financial asset	-	66,563
Trade and other receivables	811,728	2,754,923
Cash and cash equivalents	20,303,136	17,728,074
Total current assets	**21,505,899**	**20,892,791**
Liabilities		
Current liabilities		
Trade and other payables	5,012,720	4,530,219
Total current liabilities	**5,012,720**	**4,530,219**
Net current assets	**16,493,179**	**16,362,572**
Net assets	**26,389,084**	**39,376,904**
Shareholders' Equity		
Share capital	250,675	250,675
Share premium	45,202,810	45,034,435
Treasury shares	(940,425)	-
Other reserves	(34,233)	(77,693)
Accumulated deficit	(18,089,743)	(5,830,513)
Total shareholders' equity	26,389,084	39,376,904
Total equity	**26,389,084**	**39,376,904**

These financial statements were approved and authorised by the board on 4 April 2016.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2015

	2015 $	2014 $
Cash flows from operating activities		
Loss for the year before taxation	**(11,766,000)**	**(12,231,361)**
Impairment of assets	13,374,071	6,071,030
Provision for doubtful debts	-	4,060,021
Share option expense	168,375	168,377
Loss on disposal of property, plant and equipment	-	66,243
Unrealised gain on FX option	66,563	(66,563)
(Increase)/Decrease in inventories	(47,804)	346,777
Decrease in trade and other receivables	1,943,195	263,809
(Decrease)/Increase in trade and other payables	(975,750)	2,466,617
Net foreign exchange gain	43,460	(255,229)
Increase in multi-client library	-	(2,369,523)
Accrued interest income	(212,082)	-
Taxation	(493,230)	-
Cash generated by/(used in) operations	**2,100,798**	**(1,479,802)**
Depreciation	2,226,645	1,307,414
Amortisation of multi-client library	430,336	479,830
Net cash flow from operating activities	**4,757,779**	**307,442**
Cash flows from investing activities		
Acquisition of intellectual property	-	(145,185)
Purchase of property, plant and equipment	(1,242,292)	(9,907,805)
Loan to THAL Discretionary Trust	-	(5,239,065)
Net cash flow used in investing activities	**(1,242,292)**	**(15,292,055)**
Cash flows from financing activities		
Proceeds from exercise of share options	-	8,745
(Purchase)/disposal of treasury shares	(940,425)	468,787
Net cash flow from financing activities	**(940,425)**	**477,532**
Net increase/(decrease) in cash and cash equivalents	**2,575,062**	**(14,507,081)**
Cash and cash equivalents at the start of the year	17,728,074	32,235,155
Cash and cash equivalents at the end of the year	**20,303,136**	**17,728,074**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2015

	Share Capital US$	Share Premium US$	Treasury Shares US$	Foreign Exchange Reserve US$	Accumulated Deficit US$	Total Shareholders Equity US$	Non Controlling Interest US$	Total Equity US$
Balance as at 31 December 2013	**250,575**	**44,668,608**	**(279,982)**	**177,536**	**6,272,185**	**51,088,922**	**146,344**	**51,235,266**
Shares issued on exercise of options	100	8,645	-	-	-	8,745	-	8,745
Sale of treasury shares	-	188,805	279,982	-	-	468,787	-	468,787
Share option								

expense	-	168,377	-	-	-	168,377	-	168,377
Acquisition of Non-Controlling Interest	-	-	-	-	102,218	102,218	(102,218)	-
Total comprehensive income for the period	-	-	-	(255,229)	(12,204,916)	(12,460,145)	(44,126)	(12,504,271)
Balance as at 31 December 2014	**250,675**	**45,034,435**	**-**	**(77,693)**	**(5,830,513)**	**39,376,904**	**-**	**39,376,904**
Purchase of treasury shares	-	-	(940,425)	-	-	(940,425)	-	(940,425)
Share option expense	-	168,375	-	-	-	168,375	-	168,375
Total comprehensive income for the period	-	-	-	43,460	(12,259,230)	(12,215,770)	-	(12,215,770)
Balance as at 31 December 2015	**250,675**	**45,202,810**	**(940,425)**	**(34,233)**	**(18,089,743)**	**26,389,084**	**-**	**26,389,084**

The Annual General Meeting of Thalassa will be held at Le Cabanon, Pointe des Douaniers 06320 Cap d'Ail, France on 13 May 2016 at 12:00 noon.

This information is provided by RNS
The company news service from the London Stock Exchange

END

FR IIMPTMBBMBRF