THALASSA

Annual Report and Accounts

Year to 31 December 2014

Front page and this page:
View of the back deck of the Siddis Sailor showing Statoil's D-PMSS^{TM}

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HIGHLIGHTS

SEISMIC OPERATIONS

- Revenue from core Seismic Operations up 50.5% to US$15.5m from US$10.3m in 2013
- Gross Profit from core Seismic Operations up 144.2% to US$6.6m from US$2.7m in 2013
- Gross Margin up 61.6% to 42.6% from 26.4% in 2013

MANUFACTURING OPERATIONS

- Manufacturing Revenue US$0.0m versus US$20.3m in 2013 following conclusion of one-off Statoil manufacturing contract

GROUP RESULTS

- Group Revenue US$15.5m versus US$30.6m in 2013
- Group Gross Profit down 29.0% to US$6.6m from US$9.3m in 2013 following conclusion of manufacturing contract
- Group Gross Margin increased by 40.1% to 42.6% from 30.4% in 2013 due to change in revenue mix and increased pricing on seismic activities
- Non-recurring costs of US$11.7m including US$6.5m impairment of assets and US$4.1m provision for doubtful debts
- Adjusted Group Net Profit US$0.5m versus US$4.2m in 2013 (excluding non-recurring costs of US$11.7m and R&D costs at Autonomous Robotics of US$1.0m)
- Group Net Loss US$12.2m versus US$4.4m profit in 2013
- Adjusted Group Earnings Per Share (basic and diluted) US$0.02 (£0.01) versus US$0.26 (£0.17) in 2013 (excluding non-recurring costs of US$(0.47) and impact of R&D costs at Autonomous Robotics of US$(0.04))*
- Group Earnings Per Share (diluted)* US$(0.49) (£0.32) versus US$0.26 (£0.17) in 2013
- Book value per share US$1.57 (£1.01) versus US$2.04 (£1.37) in 2013
- Debt US$ nil (2013: US$ nil)
- Cash US$17.7m (2013: US$32.2m)
- Pipeline of order-enquiry and tenders submitted US$93.4m

  *based on weighted average number of shares in issue of 25,064,289 (2013: 16,567,796)

OPERATIONAL HIGHLIGHTS

- Completion of 3 surveys (2 x Snorre, 1 x Grane) as part of the ongoing contract to provide seismic source services to Statoil's PRM activities in the North Sea
- Completion of the 17th Life of Field Seismic ("LoFS") survey undertaken on behalf of BP over the Valhall field in the North Sea
- The Group's first business in Multi-Client Data Acquisition with TGS using WGP's mini-PMSS system utilising P-Cable™ High Resolution 3D technology
- Completion of shallow water seismic acquisition project in Prudhoe Bay, North Slope, Alaska

Zero Harm HSSE Ethos
We believe that all accidents and occupational illnesses are preventable and that no harm should come to any person or to the environment.

CHAIRMAN'S STATEMENT

2014 was a very challenging year for the oil industry and particularly challenging for WGP, which suffered a number of unforeseen operational problems.

Over the past 5 years WGP revenues have grown at an average annual rate of 28.5%, but managing growth is not as easy in practice as it is in theory. Companies, like humans, experience growing pains and 2014 was definitely one of those years. WGP took on multiple projects in 2014, in diverse geographic areas, inevitably relying on local support, which was not, as had been agreed with counterparties, always forthcoming.

However, 2014 was not just a story about the numbers. WGP had operational problems, Autonomous Robotics Limited ("ARL") incurred high costs associated with a complete review of operations of the GO Science node and the Group's operational expenditure increased. Nonetheless, the Company completed all projects safely and to the ultimate clients' satisfaction.

During the year the price of oil retreated from a peak of US$115 in May/June 2014, to a low of US$43 in January 2015; a 60% decline. This collapse followed the 2008/09 crash when oil fell 75% from US$135 to US$35. The first fall was due to economic slowdown, the financial crash and rapid fall in demand. The 2014 collapse differed being largely caused by over investment in US shale, which increased US oil production by nearly 2 million barrels to 9.5 million barrels per day, making the US the world's largest oil producer ahead of Russia and Saudi Arabia.

The impact on the oil service market has been brutal as exploration budgets in particular were slashed. In the first quarter of 2015 alone, Schlumberger (SLB, NYSE), the world's largest oil service company, announced 9,000 job layoffs in January 2015 followed by a further 11,000 in April 2015. These personnel cuts have also been matched by commensurate equipment write-downs or disposals.

As a result of these factors, the Thalassa board initiated a Group wide asset review and has taken the decision to write-down all assets which the Board considers are either now overvalued based on replacement cost or which the board believes will not generate sufficient future income to justify their current carrying value. The Board has also decided to expense the research and development costs associated with ARL rather than capitalising them in accordance with IFRS convention.

Furthermore, the Board has decided to take a reserve of US$3.4m against the entire JSC Sevmorgeo ("SMG") receivable, including interest, and will seek legal redress if management is unable to negotiate an acceptable settlement with SMG and its parent JSC Rusgeology ("Rosgeo"). In this connection, I am pleased to report that discussions have finally begun with Rosgeo, which we hope will lead to settlement of the outstanding trade receivable.

As is always the case when there is as much bad news as was experienced in 2014, both on a macro and micro basis, there is always a silver lining. That silver lining or good news is, in my opinion, very good news. Excess capacity in the marine seismic market is finally being retired. 3D, 2D and source vessel capacity is being withdrawn so rapidly that a recovery in demand should benefit our Portable Modular (PMSS™) solution. We are also pleased to report that whilst exploration budgets have been slashed, production budgets are being increased to include Permanent Reservoir Monitoring or Life of Field installation surveys. We anticipate that in 2015, RFP's for 3 new North Sea Life of Field projects will be put out to tender. We are quietly confident that we have the best equipment and people for any of these projects.

In 2014 WGP completed a significant piece of work (see Mark Burnett's comments on page 6) in the Barents Sea with TGS. This was WGP's first business in the world of Multi-Client data acquisition. It is too early to tell how successful this piece of business will be as the Norwegian Government delayed the 23rd round of bidding and tendering for Barents Sea acreage and is not due to close until December 2015. This year we are again working with TGS in the Barents Sea, but this time as a contractor on a proprietary basis.

2014 was a year of substantial progress for ARL (see Dave Grant's comments on page 8), which is now seeking operational sponsorship to continue the development of its deep water AUV.

2014 was, in financial terms, an "annus horribilis". Operationally we struggled at times to accommodate customers' requested variations without seeking to renegotiate contractual terms. However, behind the scenes, an enormous amount of time and effort has been invested to position the Group for success in the future.

Financially the Group is in rude health and well positioned to capitalise on improving market conditions and increased demand in our chosen areas of operation.

We have adapted quickly to the huge changes in market circumstances. We have repositioned WGP to meet these new challenges and are ready to capitalise on improving market conditions and increased demand in our chosen areas of operation.

I am sad to report that Rob Anderson has chosen not to stand for re-election at this year's meeting. I would like to extend the Board's sincere thanks to Rob for his sage advice and support and wish him the very best for the future.

As always, I would like to thank our employees for their hard work and dedication, our clients for their business and our shareholders for their participation; I am confident that their patience will, in time, be rewarded.

C. Duncan Soukup
Chairman

9 June 2015

WGP 2014 OPERATIONAL REVIEW

During 2014, WGP's strategy of '**Exploration and Beyond**', was reinforced. WGP continued providing bespoke exploration solutions in frontier and challenging locations as well as permanent reservoir monitoring ("PRM") services with the objective of increasing production yields. In addition, WGP continued to develop its High Resolution 3D capabilities using P-Cable™ displacement technology to provide data to enhance imaging of unconventional hydrocarbon resources (shallow gas hydrates) and geo-hazards.

The year was a mixture of successes but also unfortunately, frustrating failures both of which, under the mantra of continuous development and improvement, have provided an opportunity to 'do better'; learn from what went well, but more importantly where not to make the same mistakes again.

During 2014 WGP undertook several projects:

1 Permanent Reservoir Monitoring Project - Statoil

Completion of 3 surveys (2 x Snorre, 1 x Grane) as part of the ongoing contract to provide seismic source services to the PRM activities over the Snorre and Grane producing fields. The Dual Portable Modular Source System ("D-PMSS™") as built by WGP for Statoil in 2013, was mobilised on the Platform Supply Vessel ("PSV") "Siem Sailor" (since re-named "Siddis Sailor") in Stavanger in April 2014 and continued operations until demobilisation in December. In addition to the 3 prime surveys, WGP was further tasked to complete additional "seismic-on-demand" surveys for two research projects in adjacent fields.

2 Permanent Reservoir Monitoring Project - BP

The 17th Life of Field Seismic ("LoFS") survey was undertaken on behalf of BP in April/May 2014. Having mobilised a Single Portable Modular Source System (PMSS™) onboard the PSV "Stryl Myster" the crew proceeded to acquire some 2,728km of data over the trenched seabed seismic array at the Valhall platform.

3 High Resolution 3D (P-Cable™) Multi-Client Data Acquisition Project

As a continuation of the High Resolution 3D ("HR3D") survey utilising P-Cable™ technology which WGP completed on behalf of Spring Energy (now Tullow Oil) in 2012, the company entered into an agreement with TGS-Nopec Geophysical Company AS ("TGS") (TGS:OSL) in March 2014 to acquire Multi-Client data in the Barents Sea. For this project the "Bergen Surveyor" was chartered and outfitted with a P-Cable™ system and our newly developed Mini Portable Modular Source System ("M-PMSS™"). The vessel acquired data throughout the summer season in the Barents Sea (May through September) totalling some 580km^2 of high resolution seismic data. The prime driver behind the program of work was the Norwegian 23rd Licensing Round which, after much delay was announced on the 20th January 2015. The project, in which WGP has a 50% interest, secured 58% client pre-funding. Subsequent data sales to "Late Participants" were concluded in 2015 and have to date covered a further 18% of the programs cost.

4 Transition Zone Source Vessels

WGP was sub-contracted to provide shallow water seismic source vessels as part of a Transition Zone ("TZ") Ocean Bottom Node ("OBN") contract for BP Exploration (Alaska) Inc, in Prudhoe Bay, North Slope, Alaska. For this purpose, partial mobilisation was completed in Anchorage before all equipment and personnel were shipped to the North Slope for final mobilisation and operations. The project ran from mid-June (mobilisation) through the beginning of October and involved the outfitting and operation of local vessels "Peregrine" and "Maxime" in rather challenging environmental conditions.

The company's superb QHSSE record was maintained during the year with over 190,000 man hours recorded, and a three year average Lost Time Incident Frequency ("LTIF") ratio of 0.54. Furthermore, the company continued its proactive approach towards "Zero Harm" through the focus on Training (1,444 hours recorded) and Safety Observation Cards (545 hours recorded) during the year.

From a quality and business perspective, in Q2 2014 WGP commenced the implementation of an 'Enterprise Resource Planning' ("ERP") system. Having identified the need to have integrated business processes (including procurement, finance, inventory, project management and customer relationship management) the company identified a system developed by IFS (Industrial and Financial Systems), a global enterprise software company, as being most suitable for its business needs. It is anticipated that the implementation and integration process will take 18 months to complete.

In 2015 WGP will continue to pursue core opportunities in the PRM and HR3D sectors.

OUTLOOK FOR 2015

- Continuation of the Statoil contract with deployment over Grane field in April 2015
- New multi-client contract with TGS to acquire further HR3D P-Cable™ data in the South East Barents Sea.
- Bidding on a number of potential new PRM contracts

Mark Burnett
CEO, WGP Exploration

Quality, Responsive Service to our Clients

We provide a safe and efficient service managed by experienced and capable people. Our quality performance allows us to create long-term associations by being accessible and able to constantly deliver quality and value.

AUTONOMOUS ROBOTICS LTD (ARL) 2014 OPERATIONAL REVIEW

SUMMARY

The main target for ARL during 2014 was to perform a holistic review of the GO Science Ltd flying node system based on the stakeholder and market requirements, and to ensure a practical and deliverable system was presented for funding of development and manufacture of the flying node system. A new system concept has been created and rigorously reviewed during due diligence by third party experts. A clear recommendation of viability was provided by these third party experts with associated recommendations for further work in some key areas before progressing to full development. We are confident that a significant reduction in survey cost will be achieved for deep water ocean bottom seismic due to the improved efficiency of the flying node system over competing systems.

The company changed name from its interim name of GO Science 2013 Ltd to Autonomous Robotics Ltd. The facilities of GO Science Ltd in Bristol have been vacated and it is planned for ARL to relocate remaining staff to Eastleigh Court to share premises with WGP. I joined the company in April 14 and was appointed CEO in June 14.

HOLISTIC REVIEW OF GO SCIENCE FLYING NODE SYSTEM

A stakeholder's requirement document was created and its content was reviewed by an oil major. An associated risk register was created to analyse and mitigate the identified risks for consideration during the development of the concept of operations (CONOPS). A business structure utilising, where possible, tried and tested technology was initiated with the aim of subcontracting design and manufacture of major parts of the system to leading industry experts and ARL performing programme and technology management and system integration, test and service/customer support.

CONCEPT OF OPERATIONS (CONOPS)

A comprehensive CONOPS document was generated identifying both the technical and operational solution to match the stakeholder requirement. This resulted in very significant change from the concept proposed by Go Science including:

- New flying node concept for improved packing density, robust node handling and reduction in manufacture cost
- Acoustic Navigation Field replaced with a dual USBL system with one unmanned surface vessel – this technology solution is currently undergoing acceptance testing by others
- New node deployment and recovery system using a node sorting and storage cage based on existing ROV technology
- A compact system with 200-300 nodes and full system with 3,500 nodes identified for different applications. Equipment deck layout of these systems also identified
- Survey modelling of the various market opportunities for the system created to show survey time and cost benefit

Due diligence of this CONOPS was performed by two recognised expert Geophysicists for the seismic recording, survey scenarios and market sections of the CONOPS and due diligence on the remaining aspects of the system was performed by a leading engineering consultancy. There was a strong recommendation to proceed from both sets of consultants with a number of areas identified for further analysis before proceeding to full development.

A roadmap was also created to show the main stages and gates for management of the proposed programme plan for development, test and manufacture of the equipment. A pool of potential main subcontractors has been identified and contacted.

BUSINESS PLAN

A business plan based on the new business structure, programme plan and CONOPS is being created but some refinement is required to complete the plan. A funding plan is outstanding and there has been little progress with gaining support from oil majors with current market difficulties possibly diverting focus from their support of new technology.

INTELLECTUAL PROPERTY

Due to the significant change in the new flying node and seismic sensor design compared with the original Go Science concept, the ARL management have reviewed the intellectual property (IP) held by ARL and Go Science Group and have recommended to the Board of Thalassa that the original GO Science IP be written down to zero as further development using the original IP will not be pursued at this time.

OUTLOOK FOR 2015

The following priority tasks will be addressed in 2015:

- Finalise financial models, business plan and funding plan for the programme
- Address the key technical risks identified by the due diligence
- Identify oil majors which will support the development of the flying nodes system
- Minimise all costs associated with ARL in the meantime

Dave Grant
CEO
Autonomous Robotics Ltd

Concept design of the Flying Node being developed by Autonomous Robotics

Shareholder Value Delivered

We will fulfil our obligations and continually building a better and stronger company for future generations, whilst protecting the company image and meeting our commitments to our investors.

FINANCIAL REVIEW

SEISMIC OPERATIONS

Seismic Operations Revenue for the period to 31 December 2014 showed an increase of 50.5% to US$15.5m from US$10.3m in 2013. 2014 Revenue from Seismic Operations has been generated from the completion of the LoFS 17 survey on the Valhall field for BP, the survey's over the Snorre and Grane fields for Statoil, and the two new projects for SAExploration in Alaska and the Multi-Client project with TGS in the Barents Sea.

Cost of Sales in relation to Seismic Operations increased by 17.7% in 2014 to US$8.9m (2013: US$7.6m) as a result of the increase in operations in 2014 as compared to 2013. Cost of Sales as a proportion of Revenue decreased to 57.3% from 73.6% in the prior period.

Gross Profit from Seismic Operations increased by 144.2% to US$6.6m (2013: USD$2.7m) with Gross margin increasing by 61.6% to 42.6% from 26.4% in 2013. The increase in margin representing change in revenue mix and increased pricing on seismic activities.

Operating Profit before depreciation, non-recurring costs and ARL costs was US$1.0m (2013: US$2.1m) with operating margin 6.4% compared to 12.0% in 2013.

Profit before tax on Seismic Operations (excluding the non-recurring costs), was US$0.5m versus US$0.8m in 2013.

Net profit on Seismic Operations (excluding the non-recurring costs) was US$0.5m versus US$0.2m in 2013 with a net margin of 3.2% compared to 1.7% in 2013, the increase due to higher withholding tax estimates accrued for in 2013 on overseas operations, some of which was released in 2014. This resulted in adjusted basic and diluted EPS on seismic operations of US$0.02 per share (£0.01) (2013: US$0.01 (£0.01)).

MANUFACTURING

Manufacturing Revenue was US$nil versus US$20.3m in the prior period reflecting the non-recurring revenue recognised in relation to the manufacture and sale of equipment to Statoil in 2013.

GROUP RESULTS

Group results for the period to 31 December 2014 showed revenue of US$15.5m versus US$30.6m in 2013, a decrease of 49.3% as a result of the non-recurring revenue in 2013 from the manufacture and sale of equipment to Statoil.

Cost of Sales was US$8.9m versus US$21.3m in 2013, the decrease largely due to the non-recurring manufacturing costs in 2013.

Gross profit was US$6.6m, a decrease of 29.0% versus the same period last year of US$9.3m (including non-recurring manufacturing revenue and associated costs) however Gross margin increased by 40.1% to 42.6% from 30.4% in 2013 due to seismic activities factors described above.

Administrative expenses increased by 47.0% in 2014 to US$6.4m (2013: US$4.4m). This was largely due to the following:

ARL – investment in R&D related activities of ARL which contributed costs of US$0.8m in the period as compared to US$0.1m in 2013. This included a full years worth of costs as compared to a single month in 2013 (ARL was acquired late November 2013), largely made up of Payroll and Consultant related costs of US$0.5m (incorporating the impact of a reduction in headcount from 6 to 3 in Q3), Office related costs of US$0.1m including office rent and rates on the business premises and warehouse at Aztec West which was discontinued in July 2014, and Legal and Professional costs of US$0.1m including patent related costs.

WGP – an increase of US$1.0m to US$3.4m from US$2.4m in 2013 largely due to an increase in Payroll costs of US$0.5m, Office related costs including rent and rates of US$0.1m and Relocation/Restructuring costs associated with the move of UK operations to Eastleigh Court in Wiltshire of US$0.3m. The increase in Payroll related costs was predominantly due to an increase in headcount, with the average number of employees increasing to 21 from 13 in 2013.

Thalassa – an increase of US$0.6m predominantly due to legal and professional fees (US$0.1m), insurance (US$0.1m), directors' fees (US$0.1m), consultants (US$0.2m) and various other costs (US$0.1m) including PR and Marketing and IT maintenance costs on the new ERP software.

Operating Profit before depreciation was US$0.2m versus US$4.9m in 2013 with operating margin decreasing to 1.2%, from 16.1% in 2013.

Depreciation and Amortisation of US$1.3m (2013: US$0.7m) reflects depreciation on the Group's equipment of US$1.0m (2013: US$0.6m), the increase reflecting depreciation on additions purchased during the period, and amortisation of US$0.3m on the intellectual property in ARL (2013: US$0.1m).

NON-RECURRING COSTS

IMPAIRMENT – PLANT AND EQUIPMENT

An impairment review of the Group's equipment has been undertaken, taking into account obsolescence, market conditions, value in use and useful economic life. As a result an impairment charge of US$3.3m has been included in the period.

IMPAIRMENT – INTELLECTUAL PROPERTY AND DEVELOPMENT COSTS

An impairment review of the intellectual property (IP) held by ARL and Go Science Group was undertaken. Since the acquisition of the IP ARL have been reviewing and reconfiguring the concept of operation and technical solutions for the main equipment to be used to provide a practical and deliverable solution for 'flying nodes' as a cost effective method of acquiring ocean bottom seismic data for the oil & gas industry. Due diligence by third party experts has been performed on the technical, seismic, market and business aspects of this revised concept of operation and technical solution which supports the system solutions created by ARL management.

It is therefore appropriate that the applicability of the acquired IP is assessed by management against this revised concept of operation and technical solution and the value of the IP adjusted according to its applicability to the revised 'flying node' system. As a result an impairment charge of US$2.8m has been raised in relation to IP plus an additional US$0.4m of capitalized development costs that have been expensed.

PROVISION FOR DOUBTFUL DEBTS

The Company's subsidiary, WGP Energy Services Ltd received written notification from the new General Director of its client, Joint Stock Compnay Sevmorgeo ("SMG), that SMG now claims it has not received any documentation confirming that WGP fulfilled its obligations and therefore no longer recognises the compensation due to WGP of US$3.4m, including accrued interest of US$0.1m, for services provided in Ecuador during 2013. This is despite SMG's previous acceptance of all invoices issued by WGP and numerous correspondences from the former General Director of SMG confirming the unpaid compensation, including a legal confirmation executed by the parties in January 2014.

As a result, the outstanding receivable has been fully provided for in the period as a doubtful debt.

An additional provision has been included in full against an outstanding receivable from SAExploration of US$0.7m.

OTHER NON-RECURRING COSTS

In addition to the SMG provision on the outstanding debt the Company has also recognised a charge for repatriation and remediation of its equipment from Ecuador to Europe of US$1.2m.

Net financial income of US$0.6m included foreign exchange gains and interest income in the period partially offset by interest and share option expense (2013: US$0.7m).

Loss before tax, was US$(12.2)m versus US$4.9m profit in 2013. Adjusted profit before tax (excluding the non-recurring costs of US$11.7m and R&D related costs of ARL of US$0.8m) was US$0.5m compared to US$5.0m in the prior period.

Tax in the period of US$0.02m incorporates an estimate of the tax liability incurred from the Company's operations across its different regions of activity offset by the release of over accrued tax in the prior period.

Adjusted net profit (excluding the non-recurring costs of US$11.7m and R&D related costs of ARL of US$0.8m) was US$0.5m compared to US$4.2m in the prior period. Group net loss, was US$(12.2)m versus a profit of US$4.4m in 2013.

Net assets at 31 December 2014 amounted to US$39.4m (2013: US$51.2m) resulting in net assets per share of US$1.57 (£1.01) versus US$2.04 (£1.32) in 2013.

The Company had **debt** of US$0.0m at the period end (2013: US$0.0m).

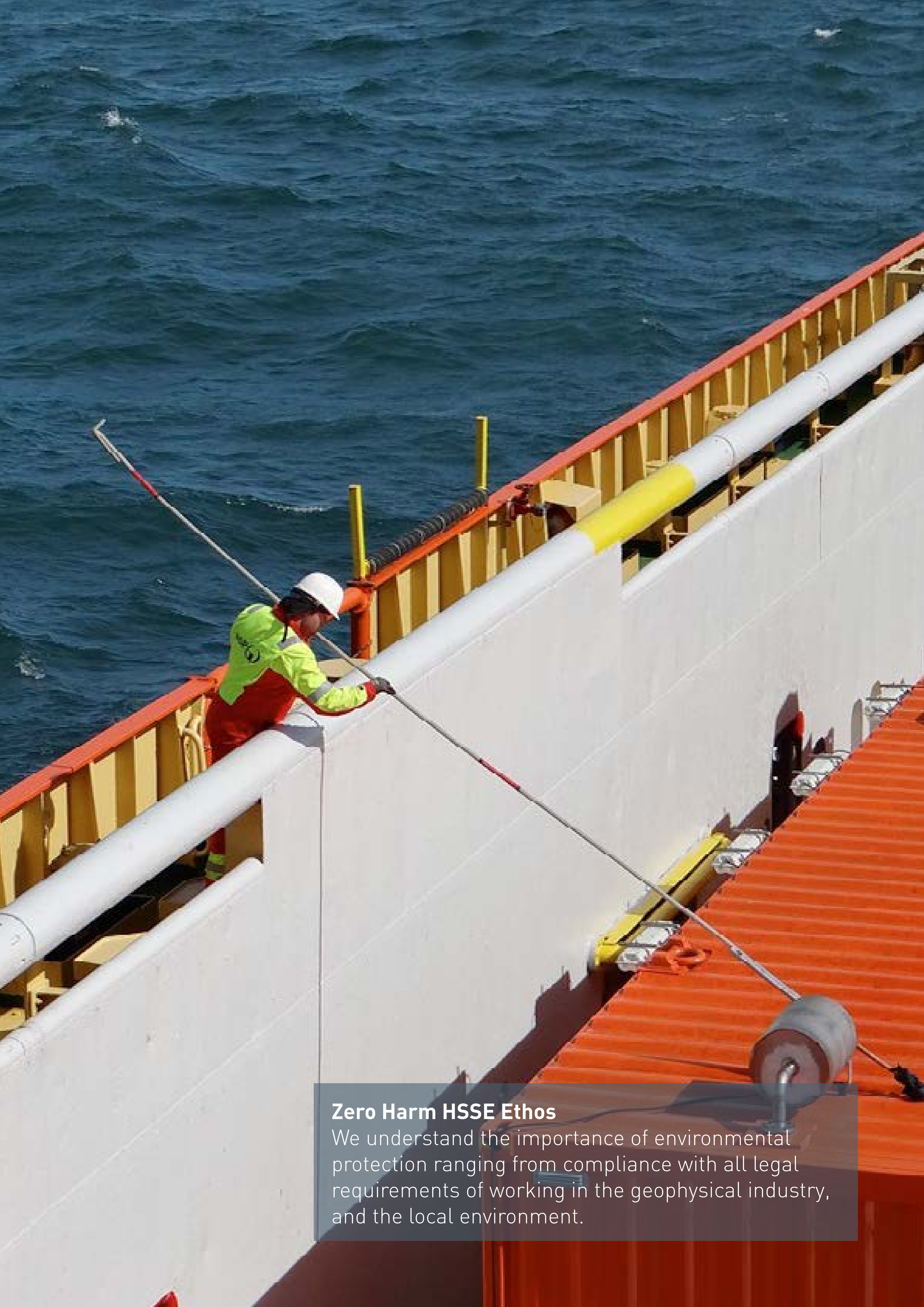
Net cash flow from operating activities amounted to US$0.3m as compared to cash outflow of US$(0.9)m in 2013.

Net cash outflow from investing activities, excluding loans to the THAL Discretionary Trust, amounted to US$(10.0)m largely due to:

- capital expenditure of US$9.6m that includes the refurbishment and upgrade of existing equipment, and the purchase of new equipment including a mini-PMSS™ and high resolution 3D P-Cable system deployed on the multi-client project in the Barents Sea.
- capital expenditure of US$0.3m on a new ERP system and implementation.

During the period further loans were made to the THAL Discretionary trust of US$5.2m.

Personnel Integrity and Professionalism
We practice involvement and accountability, promoting an honest and welcoming environment. We respect our employees, attracting, developing and creating a loyal work force. We provide challenges, demonstrating an ambitious attitude – all employees are valued team members.



Zero Harm HSSE Ethos
We understand the importance of environmental protection ranging from compliance with all legal requirements of working in the geophysical industry, and the local environment.

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 December 2014.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

Thalassa Holdings Ltd (the "Company") is a British Virgin Island ("BVI") International business company ("IBC"), incorporated and registered in the BVI on 26 September 2007. The Company has three directly owned subsidiaries in the Energy Services Industry: WGP Group Ltd ("WGP") focused on marine geophysical services in production enhancement, exploration and surveying, GO Science Group Ltd ("GO"), an AUV research and development company (together with Thalassa Holdings Ltd, the "Group") and WGP Geosolutions Limited, currently non-operational.

WGP Group Ltd is a wholly owned subsidiary of Thalassa, which owns the seismic operating assets of the Group. Its subsidiaries are:

- WGP Energy Services Ltd ("WESL")
- WGP Exploration Ltd ("WGPE")
- WGP Technical Services Ltd ("WGPT")
- WGP Professional Services Ltd ("WGPP")
- WGP Survey Ltd ("WGPS")

The Group's interest in each of the subsidiaries is 100%.

GO Science Group Ltd is a wholly owned subsidiary of Thalassa with a single subsidiary:

Autonomous Robotics Limited ("ARL" - formerly GO Science 2013 Ltd)

The Company also has a newly incorporated subsidiary, WGP Geosolutions Limited which has an additional subsidiary, WGP Group GmbH, both currently non-operational.

RESULTS AND DIVIDENDS

The Group made a loss attributable to shareholders of the parent for the year ended 31 December 2014 of US$12.2m (2013 profit: US$4.3m). The Directors do not recommend the payment of a dividend.

DIRECTORS AND DIRECTORS' INTERESTS

The Directors of the Company who held office during the year and to date, including details of their interest in the share capital of the Company, are as follows:

Name	Date Appointed	Shares held	Share options
Executive Director			
C Duncan Soukup	26 September 2007	3,112,571	100,000
A Francis Smulders	9 October 2013	-	50,000
Non-Executive Directors			
Graham Cole	2 April 2008	39,870	10,000
David M Thomas	2 April 2008	-	10,000
Robert J Anderson	26 September 2013	5,661	100,000

DIRECTORS' REMUNERATION

	2014			2013		
	Directors Fees $	Consultancy Fees $	Share Options Issued in Period	Directors Fees $	Consultancy Fees $	Shares Options Issued in Period
Executive Directors						
Duncan Soukup	20,000	200,000	-	1,000	200,000	-
Francis Smulders	-	-	-	-	-	50,000
Non-Executive Directors						
Graham Cole	20,000	-	-	1,000	-	-
David Thomas	20,000	-	-	1,000	-	-
Robert Anderson	20,000	37,071	-	-	10,997	100,000
Francis Smulders	20,000	-	-	-	-	-
Total remuneration	**100,000**	**237,071**	**-**	**3,000**	**210,997**	**150,000**

SUBSTANTIAL SHAREHOLDINGS

As of 8 June 2015, the Company had been advised of the following substantial shareholders:

Name	Holding	%
New Fortress Finance Holdings Ltd	3,755,000	15.2
Duncan Soukup	3,112,571	12.6
THAL Discretionary Trust	3,078,667	12.5
Henderson Global Investors	2,486,527	10.1
Lynchwood Nominees Limited	1,593,720	6.5
Other	10,641,037	43.1
Total number of shares in issue	**24,667,522**	**100**

RELATED PARTY TRANSACTIONS

Details of all related party transactions are set out in note 9 to the financial statements.

FINANCIAL RISKS

Details of the financial risks and strategy of the Group are set out in note 23.

DIRECTORS' REPORT CONTINUED

DIRECTORS' RESPONSIBILITIES

The Directors have elected to prepare the financial statements for the Group in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group, for safeguarding the assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

International Accounting Standard 1 requires that financial statements present fairly for each financial period the Group's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable International Financial Reporting Standards as adopted by the European Union. A fair presentation also requires the Directors to:

- select and apply appropriate accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Group's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

The financial statements are published on the Group's website. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

AGM

The Annual General Meeting will be held at Le Cabanon, Pointe des Douaniers, 06320 Cap d'Ail, France on 25 June 2015 at 12.00 noon. A notice of the meeting is attached to this Annual Report.

AUDITORS

A resolution to reappoint Moore Stephens LLP as the Company's auditors will be submitted to the shareholders at the Annual General Meeting.

Approved by the Board and signed on its behalf by

C.Duncan Soukup
Chairman

INDEPENDENT AUDIT REPORT TO THE SHAREHOLDERS' OF THALASSA HOLDINGS LTD

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Thalassa Holdings Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31st December 2014 and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Company's members, as a body, in accordance with our terms of engagement. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of Thalassa Holdings Limited and its subsidiaries as at 31st December 2014, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Moore Stephens LLP
Chartered Accountants

150 Aldersgate Street
London
EC1A 4AB

CONSOLIDATED STATEMENT OF INCOME

for the year ended 31 December 2014

	Note	2014 $	2013 $
Continuing operations			
Revenue	8	15,517,200	30,551,967
Cost of sales		(8,909,444)	(21,259,292)
Gross profit		**6,607,756**	**9,292,675**
Administrative expenses		(6,417,859)	(4,366,937)
Operating profit before depreciation and non recurring costs		**189,897**	**4,925,738**
Depreciation and Amortisation	11,12	(1,307,414)	(685,173)
Operating (loss)/profit before non-recurring costs	3	**(1,117,517)**	**4,240,565**
Non-recurring costs			
Impairment – Plant and Equipment	12	(3,307,899)	-
Impairment – Intellectual Property	11	(2,763,131)	-
Impairment – Development Costs		(404,298)	-
Provision for doubtful debts	16	(4,060,021)	-
Other Provisions	17	(1,170,857)	-
Total Non-recurring costs		**(11,706,206)**	**-**
Operating (loss)/profit	3	**(12,823,723)**	**4,240,565**
Net financial income	4	592,362	721,227
(Loss)/Profit before taxation		**(12,231,361)**	**4,961,792**
Taxation	5	20,994	(575,722)
(Loss)/Profit for the year		**(12,210,367)**	**4,386,070**
Attributable to:			
Equity shareholders of the parent		(12,166,241)	4,285,931
Non-controlling interest		(44,126)	100,139
		(12,210,367)	**4,386,070**
Earnings per share - US$ (using weighted average number of shares)			
Basic and Diluted	6	**(0.49)**	**0.26**

The notes on pages 25 to 42 form an integral part of this consolidated financial information.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2014

	2014 $	2013 $
(Loss)/profit for the financial period	**(12,210,367)**	**4,386,070**
Other comprehensive income:		
Exchange differences on re-translating foreign operations	(255,229)	197,185
Impairment of AFS Securities	(38,675)	
Total comprehensive income	**(12,504,271)**	**4,583,255**
Attributable to:		
Equity shareholders of the parent	(12,460,145)	4,483,116
Non-Controlling interest	(44,126)	100,139
Total Comprehensive income	**(12,504,271)**	**4,583,255**

The notes on pages 25 to 42 form an integral part of this consolidated financial information.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2014

	Note	2014 $	2013 $
Assets			
Non-current assets			
Goodwill	10	368,525	368,525
Intellectual property	11	-	2,870,043
Property, plant and equipment	12	13,631,466	8,153,119
Multi-Client Library	13	1,889,693	-
Available for sale financial assets	14	-	38,675
Loans	7	7,124,648	1,885,583
Total non-current assets		**23,014,332**	**13,315,945**
Current assets			
Inventory	15	343,231	690,008
Derivative Financial Asset	23	66,563	-
Trade and other receivables	16	2,754,923	7,078,753
Cash and cash equivalents		17,728,074	32,235,155
Total current assets		**20,892,791**	**40,003,916**
Liabilities			
Current liabilities			
Trade and other payables	17	4,530,219	2,084,595
Total current liabilities		**4,530,219**	**2,084,595**
Net current assets		**16,362,572**	**37,919,321**
Net assets		**39,376,904**	**51,235,266**
Shareholders' Equity			
Share capital	18	250,675	250,575
Share premium		45,034,435	44,668,608
Treasury shares	18	-	(279,982)
Other reserves		(77,693)	177,536
Retained earnings		(5,830,513)	6,272,185
Total shareholders' equity		**39,376,904**	**51,088,922**
Non-controlling interest		-	146,344
Total equity		**39,376,904**	**51,235,266**

The notes on pages 25 to 42 form an integral part of this consolidated financial information.

These financial statements were approved and authorised by the board on 9 June 2015.

Signed on behalf of the board by:

C. Duncan Soukup
Chairman

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2014

	2014 $	2013 $
Cash flows from operating activities		
(Loss)/profit for the period before taxation	**(12,231,361)**	**4,961,792**
Impairment of Non-current assets	6,071,030	-
Provision for doubtful debts	4,060,021	-
Share option expense	168,377	55,367
Loss on disposal of property, plant and equipment	66,243	-
Unrealised gain on FX option	(66,563)	
Decrease/(Increase) in inventory	346,777	(608,231)
Decrease/(Increase) in trade and other receivables	263,809	(6,450,675)
Increase in trade and other payables	2,466,617	1,846,699
Net foreign exchange gain	(255,229)	(1,109,570)
Increase in multi-client library	(2,369,523)	-
Taxation	-	(69,119)
Cash used in operations	**(1,479,802)**	**(1,373,737)**
Interest paid	-	(166,749)
Depreciation and Amortisation	1,307,414	685,173
Amortisation of multi-client library	479,830	-
Net cash flow from operating activities	**307,442**	**(855,313)**
Cash flows from investing activities		
Acquisition of intellectual property	(145,185)	(2,913,201)
Interest received	-	30,958
Purchase of equipment	(9,907,805)	(941,278)
Loan to THAL Discretionary Trust	(5,239,065)	(1,885,583)
Net cash flow from investing activities	**(15,292,055)**	**(5,709,104)**
Cash flows from financing activities		
Issue of ordinary share capital	-	35,366,920
Proceeds from exercise of share options	8,745	-
Disposal of treasury shares	468,787	950,183
Net cash flow from financing activities	**477,532**	**36,317,103**
Net (decrease)/increase in cash and cash equivalents	**(14,507,081)**	**29,752,686**
Cash and cash equivalents at the start of the period	32,235,155	2,482,469
Cash and cash equivalents at the end of the period	**17,728,074**	**32,235,155**

The notes on pages 25 to 42 form an integral part of this consolidated financial information.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2014

	Share Capital US$	Share Premium US$	Treasury shares US$	Foreign Exchange Reserve US$	Retained earnings US$	Total Shareholders Equity US$	Non Controlling Interest US$	Total Equity US$
Balance as at 31 December 2012	**133,175**	**8,517,782**	**(384,226)**	**(19,649)**	**1,986,254**	**10,233,336**	**46,205**	**10,279,541**
Issue of Ordinary Share Capital	117,400	35,304,887	-	-	-	35,422,287	-	35,422,287
Sale of treasury shares	-	845,939	104,244	-	-	950,183	-	950,183
Total comprehensive income for the period	-	-	-	197,185	4,285,931	4,483,116	100,139	4,583,255
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**

The notes on pages 25 to 42 form an integral part of this consolidated financial information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

from the year ended 31 December 2014

1. GENERAL INFORMATION

Thalassa Holdings Ltd (the "Company") is a British Virgin Island ("BVI") International business company ("IBC"), incorporated and registered in the BVI on 26 September 2007. The Company was established as a holding company, and currently has two operating subsidiaries, WGP Group Ltd ("WGP") and GO Science Group Ltd ("GO")(together with Thalassa Holdings Ltd, the "Group").

WGP Group Ltd is a wholly owned subsidiary of Thalassa which owns the seismic operating assets of the Thalassa Group and whose subsidiaries are:

- WGP Energy Services Ltd ("WESL")
- WGP Exploration Ltd ("WGPE")
- WGP Technical Services Ltd ("WGPT")
- WGP Professional Services Ltd ("WGPP")
- WGP Survey Ltd ("WGPS")

GO Science Group Ltd is a wholly owned subsidiary of Thalassa and is an AUV research and development company with one subsidiary:

- Autonomous Robotics Limited ("ARL" – formerly GO Science 2013 Ltd)

The Company also has a newly incorporated subsidiary, WGP Geosolutions Limited which has an additional subsidiary, WGP Group AT GmbH, both currently non-operational.

The Group's interest in each of the subsidiaries is 100%.

2. ACCOUNTING POLICIES

The Group prepares its accounts in accordance with applicable International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The financial statements are expressed in US dollars, being the functional currency of the company and its subsidiaries other than WGP Exploration Ltd and Autonomous Robotics Limited which have a functional currency of pound sterling and WGP Group AT GmbH of Euro.

The principal accounting policies are summarised below. They have been applied consistently throughout the period covered by these financial statements.

2.1. NEW INTERPRETATIONS AND REVISED STANDARDS EFFECTIVE FOR THE YEAR ENDED 31ST DECEMBER 2014

The Group has adopted the new interpretations and revised standards effective for the year ended 31st December 2014. The adoption of these interpretations and revised standards had no impact on the disclosures and presentation of the financial statements during the year.

2.2. STANDARDS AND INTERPRETATIONS IN ISSUE BUT NOT YET EFFECTIVE

A number of new standards and amendments to existing standards have been published which are mandatory, but are not effective for the year ended 31st December 2014. The directors do not anticipate that the adoption of these revised standards and interpretations will have a significant impact on the figures included in the financial statements in the period of initial application other than the following:

IFRS 9 Financial Instruments

The standard makes substantial changes to the recognition and measurement of financial assets and financial liabilities and derecognition of financial assets. There will only be three categories of financial assets whereby financial assets are recognised at either fair value through profit and loss, fair value through other comprehensive income or measured at amortised cost. On adoption of the standard, the Group will have to re-determine the classification of its financial assets based on the business model for each category of financial asset. This is not considered likely to give rise to any significant reclassifications.

The principal change to the measurement of financial assets measured at amortised cost or fair value through other comprehensive income is that impairments will be recognised on an expected loss basis compared to the current incurred loss approach. As such, where there are expected to be credit losses these are recognised in profit or loss. For financial assets measured at amortised cost the carrying amount of the asset is reduced for the loss allowance. For financial assets measured at fair value through other comprehensive income the loss allowance is recognised in other comprehensive income and does not reduce the carrying amount of the financial asset.

Most financial liabilities will continue to be carried at amortised cost, however, some financial liabilities will be required to be measured at fair value through profit or loss, for example derivative financial instruments, with changes in the liabilities' credit risk recognised in other comprehensive income.

The standard is effective for periods beginning on or after 1 January 2018.

IFRS 15 – Revenue from contracts with customers

The standard has been developed to provide a comprehensive set of principles in presenting the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is based around five steps in recognising revenue:

1. Identify the contract with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price
5. Recognise revenue when a performance obligation is satisfied

On application of the standard the disclosures are likely to increase. The standard includes principles on disclosing the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers, by providing qualitative and quantitative information.

The Group has not as yet evaluated the full extent of the impact that the standard will have on its financial statements.

2.3. BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

2.4. JUDGEMENT AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key judgement areas relate to the carrying value of plant and equipment, goodwill, intellectual property and provisions for doubtful debts. The carrying value of the PMSS™ units may significantly differ from their market value. It is affected by management's assessment of its fair value and indicators of impairment. If the carrying value of a PMSS™ exceeds the recoverable amount then an impairment charge is recognised. Goodwill is reviewed annually for indication of impairment. Intellectual property is amortised and also reviewed annually for indication of impairment. Outstanding trade receivables are reviewed for potential recovery and provisions for bad and doubtful debts included where necessary.

Judgement is also made in respect of the accounting treatment of the THAL Discretionary Trust. Management's assessment is based on various indicators including activities, decision-making, benefits and risks of the Trust. Based on this assessment management consider that the THAL Discretionary Trust should not be consolidated.

2.5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less depreciation and any provision for impairment. Cost includes the purchase price, including import duties, non-refundable purchase taxes and directly attributable costs incurred in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Cost also includes capitalised interest on borrowings, applied only during the period of construction.

Fixed assets are depreciated on a straight line basis between 3 and 15 years from the point at which the asset is put into use.

2.6. INTANGIBLE ASSETS

GOODWILL

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 2.16) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

PATENTS AND TRADEMARKS

Patents and trademarks with a finite useful life acquired from third parties either separately or as part of the business combination are capitalised at cost and amortised over their remaining useful lives on a straight line basis and recognised within depreciation in the income statement.

MULTI CLIENT LIBRARY

The Multi-Client library comprises completed surveys and surveys in progress that can be licensed to multiple customers. All direct costs related to data collection, processing and completion of seismic surveys are capitalised. The Multi-Client library is capitalised at cost less accumulated amortisation and impairment losses. The Company has a minimum amortisation policy whereby the carrying amount one year after completion of a survey is no more than 60% of cost. This maximum level is reduced on a straight-line basis by 20% for each of the three subsequent years.

Estimated revenues are reviewed continuously and these may change to reflect market conditions. The amortisation expense of the Multi-Client library may fluctuate and be accelerated according to the level of revenue and revisions to estimated remaining revenues. Where amortisation expense is accelerated it is calculated as the proportion of the total cost of a survey calculated according to the proportion of cumulative revenues for the survey to the estimated total revenue for the survey. The costs of a survey are completely amortised when the estimated revenue has been reached.

2.7. INVENTORIES

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first in first out principle and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

The net realisable value is the cost less any impairment recognised. Inventories are expensed as utilised in the Group's operations.

Costs associated with contracts which are long term in nature are included in inventories to the extent that they cannot be matched with contract work accounted for as revenue. Amounts included in work in progress are stated at cost, after provision has been made for any foreseeable losses.

2.8. IMPAIRMENT OF ASSETS

An assessment is made at each reporting date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in a prior period may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's value in use or its net selling price.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the statement of income in the period in which it arises. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation / amortisation), had no impairment loss been recognised for the asset in a prior period. A reversal of an impairment loss is credited to the statement of income in the period in which it arises.

2.9. INVESTMENTS

Available for sale investments are initially measured at cost, including transaction costs. Gains and losses arising from changes in fair value of available for sale investments are recognised directly in other comprehensive income, until the security is disposed or is deemed to be impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is included in the statement of income for the period.

2.10. REVENUE

Revenue is measured at the fair value of the consideration received or receivable.

In respect of contracts which are long term in nature and contracts for ongoing services, revenue, restricted to the amounts of costs that can be recovered, is recognised according to the value of work performed in the period. Revenue in respect of such contracts is calculated on the basis of time spent on the project and estimated work to completion.

Where the outcome of contracts which are long term in nature and contracts for ongoing services cannot be estimated reliably, revenue is recognised only to the extent of the costs recognised that are recoverable.

Where payments are received in advance in excess of revenue recognised in the period, this is reflected as a liability on the statement of financial position as deferred revenue.

MULTI CLIENT LIBRARY

Pre-funded revenues from underwritten programmes are recognised as the seismic data is acquired. Where the Group has finished data sets ready for sale, revenue is recognised at the time of the transaction when the customer executes a valid license agreement and has the right to access the licensed portion of the Multi Client library.

2.11. TAXATION

The Company is incorporated in the BVI as an IBC and as such is not subject to tax in the BVI.

WGP Exploration Ltd and Autonomous Robotics Ltd are incorporated in the UK and are therefore subject to UK tax regulations. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the reporting date. Tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise tax is recognised in the income statement.

Deferred tax is provided in full using the liability method on all timing differences which result in an obligation at the reporting date to pay more tax, or the right to pay less tax, at a future date, at rates that are expected to apply when they crystalise based on current tax rates. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax is not provided when the amounts involved are not significant.

2.12. FOREIGN CURRENCY

Transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rate of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the financial reporting date. Exchange differences arising are included in the statement of income for the period.

WGP Exploration Ltd and Autonomous Robotics Ltd are incorporated in the UK and have a functional currency of GBP. Exchange differences on the retranslation of operations denominated in foreign currencies are included in Other Comprehensive Income.

2.13. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets until such a time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit and loss in the period incurred.

2.14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and liabilities are recognised on the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Loans and receivables are initially measured at fair value and are subsequently measured at amortised cost, plus accrued interest, and are reduced by appropriate provisions for estimated irrecoverable amounts. Such provisions are recognised in the statement of income.

Trade receivables are initially measured at fair value and are subsequently measured at amortised cost less appropriate provisions for estimated irrecoverable amounts. Such provisions are recognised in the statement of income.

Cash and cash equivalents comprise cash in hand and demand deposits and other short-term highly liquid investments with maturities of three months or less at inception that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade payables are not interest-bearing and are initially valued at their fair value and are subsequently measured at amortised cost.

Equity instruments are recorded at fair value, being the proceeds received, net of direct issue costs.

Share Capital - Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of taxation, from the proceeds.

Treasury shares - Where any Group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued.

Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Financial instruments require classification of fair value as determined by reference to the source of inputs used to derive the fair value. This classification uses the following three-level hierarchy:

Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 — inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);

Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.15. SHARE BASED PAYMENTS

FAIR VALUED SHARE BASED PAYMENTS

Where new share options have been granted in the period, a charge is made to the consolidated statement of income based on the fair value (the economic value) of the grant, measured at the grant date. The charge is spread over the vesting period. The valuation methodology takes into account assumptions and estimates of share price volatility, future risk-free interest rate and exercise behaviour and is based on the Black-Scholes method. When share options are exercised there is a transfer from the share option reserve to share capital and share premium account.

At the end of each reporting period the Group revises its estimate of the number of share options that are expected to vest taking into account those which have lapsed or been cancelled. It recognises the impact of the revision to original estimates, if any, in the profit or loss, with a corresponding adjustment to share premium reserve.

Refer to Note 19 for details of all share-based payments.

2.16. BUSINESS COMBINATIONS

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

2.17. GOING CONCERN

The financial information has been prepared on the going concern basis as management consider that the Group has sufficient cash to fund its current commitments for the foreseeable future.

3. OPERATING (LOSS)/PROFIT FOR THE YEAR

The operating (loss)/profit for the year is stated after charging:

	2014	2013
	$	$
Consultancy fees	891,632	595,698
Wages and salaries	1,853,992	1,365,183
Social security costs	245,666	152,237
Pension costs	66,703	43,616
Audit fees	65,875	32,497

Included within consultancy fees / wages and salaries is US$100,000 in relation to amounts paid for directors' remuneration (2013: US$3,000).

4. NET FINANCIAL INCOME

	2014	2013
	$	$
Share option expenses	(168,377)	(55,367)
Loan interest receivable	322,914	30,958
Bank interest payable	(68,806)	(41,749)
Loan interest payable	-	(125,000)
Option Premium	(39,000)	-
Gain on Derivative Financial Instrument	66,653	-
Foreign currency gains	478,978	912,385
	592,362	**721,227**

Loan interest payable relates to a short term loan facility in March 2013 and repaid in full in April 2013.

5. INCOME TAX EXPENSE

	2014	2013
	$	$
Current tax	(20,994)	575,722
Deferred tax	-	-
Total Tax	**(20,994)**	**575,722**

	$	$
(Loss)/Profit before tax	(12,231,361)	4,961,792
Tax at applicable rates	-	154,891
Adjustment in relation to previous periods	(90,466)	69,119
Withholding Tax	69,472	351,712
Total Tax	**(20,994)**	**575,722**

The applicable tax rates in relation to the Group's profits are BVI 0%, UK 23.25%, Norway 27% and USA 15%-34%.

6. EARNINGS PER SHARE

	2014	2013
	$	$
The calculation of earnings per share is based on the following profit and number of shares:		
(Loss)/Profit for the period (US$)	**(12,166,241)**	**4,285,931**
Weighted average number of shares of the Company	**25,064,289**	**16,352,316**
Earnings per share:		
Basic and Diluted (US$)	(0.49)	0.26
Number of shares outstanding at the period end:		
Number of shares in issue	**25,067,522**	**25,057,522**
Treasury shares	-	(1,078,667)
Basic number of shares in issue	**25,067,522**	**23,978,855**
Share options	330,000	340,000
Diluted number of shares in issue	**25,397,522**	**24,318,855**

7. LOANS AND RECEIVABLES

	2014	2013
	$	$
Loans and Receivables	7,124,648	1,885,583

Loans and receivables includes a loan of US$6,883,384 plus accrued interest of US$241,264 to the THAL Discretionary Trust. Interest is payable at 3% per annum (reviewed periodically).

The THAL Discretionary Trust is a trust, independent of Thalassa, established for the benefit of individuals or parties to whom the Trustees wish to make awards at their discretion.

On 8 January 2014, the Trust acquired

- 1,000,000 ordinary shares in the Company at £2.70 per share.
- 1,078,667 ordinary shares in the Company at £0.264 per share.

The above transactions were financed by a loan from the Company.

The loan to the THAL Discretionary Trust has been assessed for potential impairment. It is the management's opinion that the loan is not impaired. The longer term prospects for the company are exceptionally good and, over time, management is of the opinion that the Company's share price will exceed the carrying value of the shares in the Trust. Furthermore, a resolution has been proposed (see Notice of Annual General Meeting) to approve the amendment of the term of the Company's loan to the THAL Discretionary Trust to an initial five (5) year period, renewable for further five (5) year consecutive periods, until the loan and interest have been repaid in full.

8. SEGMENT INFORMATION

The Group has one operating segment being operations from geophysical project management, services and the supply of equipment. The split of revenue for the period was as follows.

	Total	Sale of Services	Sale of Goods
	$	$	$
Revenue	15,517,200	15,517,200	-

The Group has one geographical segment, being the global market as a whole, as the Group's asset deployment is not limited to a specific area of the world.

9. RELATED PARTY TRANSACTIONS

Under the consultancy and administrative services agreement entered into on 3 January 2011 with a company in which the Chairman has a beneficial interest, the Group was invoiced US$440,000 for consultancy and administrative services provided to the Group including US$200,000 of consultancy fees. As at 31 December 2014, the amount owed to this company was US$5,554 (2013: US$1,000).

As per the announcement on 8 January 2014, the Chairman sold 1,000,000 ordinary shares of US$0.01 each in the Company at a price of 270 pence per share to the THAL Discretionary Trust.

As per the announcement on 8 January 2014, the Company sold 1,078,667 Ordinary Shares out of treasury to the THAL Discretionary Trust at a price of £0.264 per ordinary share.

To finance these purchases by the THAL Discretionary Trust, the Company provided a loan of £3,054,768 to the THAL Discretionary Trust (US$5,028,759).

Under a consultancy agreement entered into on 6 November 2013, a company in which Mr Robert Anderson has a beneficial interest, invoiced the Group US$56,876 (2013: US$10,997) in relation to consultancy fees and expenses. The amount owed to this company as at 31 December 2014 was US$3,883 (2013: US$5,121).

As per the announcement on 3 October 2014, the Company has entered into an agreement with Eastleigh Court Limited for WGP Exploration Ltd to lease 10,000 square feet at £12 per square foot at Eastleigh Court near Warminster Wiltshire to locate all its UK operations there. The term of the lease is 10 years commencing 1 October 2014. Eastleigh Court was acquired by Eastleigh Court Limited, a company owned by Thalassa's chairman, Duncan Soukup, on 11 July 2014. On the same date, the neighbouring property, Eastleigh Stables was acquired by Eastleigh Stables Ltd, a company also owned by the Company's chairman. The company will also rent rooms at Eastleigh Stables as accommodation for staff and visitors throughout the term of the lease on Eastleigh Court.

10. GOODWILL

	2014 $	2013 $
Cost		
Cost at 1 January	368,525	368,525
Cost at 31 December	**368,525**	**368,525**
Accumulated Impairment		
At 1 January	-	-
Charge for the period	-	-
At 31 December	**-**	**-**
Carrying Amount		
At 31 December	**368,525**	**368,525**

Goodwill relates to the acquisition of WGP Exploration Ltd in November 2011.

11. INTELLECTUAL PROPERTY

Patents & Trademarks	**2014** **$**	**2013** **$**
Cost		
Cost at 1 January	2,913,201	-
Additions	145,185	2,913,201
Cost at 31 December	**3,058,386**	**2,913,201**
Accumulated amortisation and impairment		
At 1 January	(43,158)	-
Charge for the period	(252,097)	(43,158)
Impairment	(2,763,131)	
At 31 December	**3,058,386**	**(43,158)**
Carrying Amount		
At 31 December	**-**	**2,870,043**

An impairment review of the intellectual property (IP) held by ARL and Go Science Group was undertaken. Since the acquisition of the IP ARL have been reviewing and reconfiguring the concept of operation and technical solutions for the main equipment to be used to provide a practical and deliverable solution for 'flying nodes' as a cost effective method of acquiring ocean bottom seismic data for the oil & gas industry. Due diligence by third party experts has been performed on the technical, seismic, market and business aspects of this revised concept of operation and technical solution which supports the system solutions created by ARL management.

It is therefore appropriate that the applicability of the acquired IP is assessed by management against this revised concept of operation and technical solution and the value of the IP adjusted according to its applicability to the revised 'flying node' system. As a result an impairment charge of US$2.8m has been booked taking the carrying value of the IP down to zero.

12. PROPERTY, PLANT AND EQUIPMENT

Cost	Total 2014 $	Plant and Equipment 2014 $	Motor Vehicles 2014 $	Computer Software 2014 $
Cost at 1 January 2014	10,282,171	10,221,827	60,344	-
Additions	9,907,805	9,506,457	148,851	252,497
Disposals	(96,782)	(59,073)	(37,709)	-
Cost at 31 December	**20,093,194**	**19,669,211**	**171,486**	**252,497**
Depreciation				
Depreciation at 1 January	2,129,052	2,114,824	14,228	-
Charge for the period	1,055,317	1,022,751	32,566	-
Disposals	(30,540)	(9,247)	(21,293)	-
Impairment	3,307,899	3,307,899	-	-
Depreciation at 31 December	**6,461,728**	**6,436,227**	**25,501**	**-**
Closing net book value at 31 December	**13,631,466**	**13,232,984**	**145,985**	**252,497**

Cost	Total 2013 $	Plant and Equipment 2013 $	Motor Vehicles 2013 $	Computer Software 2013 $
Cost at 1 January 2013	9,340,893	9,295,388	45,505	-
Additions	941,278	926,439	14,839	-
Cost at 31 December 2013	**10,282,171**	**10,221,827**	**60,344**	**-**
Depreciation				
Depreciation at 1 January 2013	1,487,037	1,484,696	2,341	-
Charge for the period	642,015	630,128	11,887	-
Depreciation at 31 December 2013	**2,129,052**	**2,114,824**	**14,228**	**-**
Closing net book value at 31 December 2013	**8,153,119**	**8,107,003**	**46,116**	**-**

As outlined in note 2.7, an assessment is made at each financial position date as to whether there is any indication of impairment of any asset. An impairment review of the Group's equipment has been undertaken, taking into account obsolescence, market conditions, particularly the severe impact the falling oil price has had on the oil service market, value in use and useful economic life. As a result an impairment charge of US$3.3m has been made in the period.

13. MULTI-CLIENT LIBRARY

	Total 2014 $
Cost	
Cost at 1 January 2014	-
Additions	2,369,523
Cost at 31 December 2014	**2,369,523**
Amortisation	
Amortisation at 1 January 2014	-
Charge for the period	479,830
Amortisation at 31 December 2014	**479,830**
Closing net book value at 31 December 2014	**1,889,693**

An assessment is made at each financial position date as to whether there is any indication of impairment of the multi-client library. An impairment review has been undertaken and no impairment charge made in the period.

The charge for the period in relation to amortisation on the multi-client library has been included within cost of sales.

14. INVESTMENTS - AVAILABLE FOR SALE FINANCIAL ASSETS

	2014 $	2013 $
Available for sale investments		
At the beginning of the period	38,675	38,675
Impairment	(38,675)	-
At 31 December	**-**	**38,675**

Financial instruments require classification of fair value as determined by reference to the source of inputs used to derive the fair value. At the point of acquisition, the investment was classified as Level 1, as it was listed on a recognised stock exchange, but subsequently reclassified to Level 3 following its de-listing. The value at the period end has been assessed and an impairment charge applied against its carrying value.

15. INVENTORIES

	2014 $	2013 $
Parts and equipment	343,231	209,872
Work in progress	-	480,136
At 31 December	**343,231**	**690,008**

16. TRADE AND OTHER RECEIVABLES

	2014 $	2013 $
Trade receivables	5,610,664	6,577,280
Provision for doubtful debts	(4,060,021)	-
Trade receivables net	1,550,643	6,577,280
Accrued Income	499,511	-
Other receivables	423,641	302,133
Prepayments	281,128	199,340
Total trade and other receivables	**2,754,923**	**7,078,753**

The Company's subsidiary, WGP Energy Services Ltd received written notification from the new General Director of its client, Joint Stock Company Sevmorgeo ("SMG"), that SMG now claims it has not received any documentation confirming that WGP fulfilled its obligations and therefore no longer recognises the compensation due to WGP of $3.4m, including accrued interest of US$0.1m, for services provided in Ecuador during 2013. This is despite SMG's previous acceptance of all invoices issued by WGP and numerous correspondences from the former General Director of SMG confirming the unpaid compensation, including a legal confirmation executed by the parties in January 2014.

As a result, the outstanding receivable has been fully provided for in the period as a doubtful debt.

An additional provision has been included in full against an outstanding receivable from SAExploration of US$0.7m.

As at 31 December 2014, the analysis of trade receivables that were past due but not impaired was as follows:

	Total $	Neither past due nor impaired $	0-30 days $	30-90 days $	90+ days $
2014	1,550,643	1,490,862	59,781	-	

The outstanding balance as at 31 May 2015 was US$nil.

17. TRADE AND OTHER PAYABLES

	2014 $	2013 $
Trade payables	1,750,651	335,608
Other payables	295,818	197,885
Corporation tax payable	69,129	491,406
Accruals	2,414,621	1,059,696
Total trade and other payables	**4,530,219**	**2,084,595**

Included within accruals is a charge for repatriation and remediation of the Group's equipment from Ecuador to Europe of US$1.2m.

18. SHARE CAPITAL

	As at 31 Dec 2014 $	As at 31 Dec 2013 $
Authorised share capital:		
100,000,000 ordinary shares of $0.01 each	1,000,000	1,000,000
Allotted, issued and fully paid:		
25,057,522 ordinary shares of $0.01 each	250,675	250,575

	Number of shares	Number of Treasury shares	Treasury shares $
Balance at 31 December 2013	25,057,522	1,078,667	(279,982)
Shares issued	10,000	-	-
Shares sold	-	(1,078,667)	279,982
Balance at 31 December 2014	**25,067,522**	**-**	**-**

Share capital represents 25,057,522 ordinary shares of US$ 0.01 each. Shares issued in the year as a result of the exercise of options resulted in an increase in nominal share capital of US$100, with the balance to share premium.

Treasury shares represents the cost of the Company buying back its shares. There were nil shares held in Treasury as at 31 December 2014.

Other reserves represents the exchange differences on retranslation of foreign operations.

19. CAPITAL MANAGEMENT

The Group's capital comprises ordinary share capital, retained earnings and capital reserves, the Group has no debt. The Group's objectives when managing capital are to provide an optimum return to shareholders over the short to medium term through capital growth and income whilst ensuring the protection of its assets by minimising risk. The Group seeks to achieve its objectives by having available sufficient cash resources to meet capital expenditure and ongoing commitments.

At 31 December 2014, the Group had capital of US$39,376,904 (2013: US$ 51,235,266). The Group does not have any externally imposed capital requirements.

20. SHARE – BASED PAYMENTS

Thalassa Holdings Ltd share options

	Director share options	Non - Executive director share options	Other share options
Outstanding at 1 January 2014	150,000	120,000	70,000
Options granted	-	-	-
Options exercised	-	-	(10,000)
Outstanding at 31 December 2014	**150,000**	**120,000**	**60,000**
Outstanding at 1 January 2013	100,000	20,000	80,000
Options granted	50,000	100,000	-
Options exercised	-	-	(10,000)
Outstanding at 31 December 2013	**150,000**	**120,000**	**70,000**

20.1. DIRECTOR SHARE OPTIONS

On 21 November 2012 100,000 share options were granted to Duncan Soukup at a strike price of £0.521. The options granted have an exercise period of three years.

On 9 October 2013 50,000 share options were granted to Francis Smulders at a strike price of £2.535. The options granted have an exercise period of three years.

20.2. NON-EXECUTIVE DIRECTOR SHARE OPTIONS

On 21 November 2012 20,000 share options were granted, 10,000 to David Thomas and 10,000 to Graham Cole at a strike price of £0.521. The options granted have an exercise period of three years.

On 9 October 2013 100,000 share options were granted to Robert Anderson at a strike price of £2.535. The options granted have an exercise period of three years.

20.3. EMPLOYEE AND CONSULTANT SHARE OPTIONS

On 21 November 2012 80,000 share options were granted to employees and consultants at a strike price of £0.521. The options granted have an exercise period of three years.

20.4. SHARE OPTION CHARGES

There were no share options granted in the period. On 9 October 2013, 150,000 share options were granted and were valued using the Black–Scholes option pricing model. The total fair value of the options granted has been estimated at £185,850 (US$298,921) based on a fair value per option of £1.239. The principal inputs into the model were as follows:

	2014	2013
Number of Options Granted	-	150,000
Vesting Period	-	2 years
Option strike price	-	£2.54
Current share price (at granting date)	-	£2.54
Volatility	-	75.0%
Risk-free interest rate	-	0.5%
Life of Option	-	2 years

The volatility is based on historical volatility of the Group's shares of 75% considering the general stock market conditions and the industry.

The charge to share option expense in the period was US$168,377 (2013: US$55,367).

20.5 WEIGHTED AVERAGE EXERCISE PRICE

Details of the number and weighted average exercise price of options granted, exercised, expired and forfeited during the year are as follows:

	2014		2013	
	Weighted average exercise price $	Number of options	Weighted average exercise price $	Number of options
At the beginning of the year	2.27	340,000	0.84	200,000
Forfeited during the year	-	-	0.84	(10,000)
Exercised during the year	0.84	(10,000)	-	-
Granted during the year	-	-	4.08	150,000
Outstanding at the reporting date	2.19	330,000	2.27	340,000

	2014	2013
Exercisable at the reporting date	330,000	190,000

The weighted average remaining contractual life of the options is 1.0 year.

21. INVESTMENT IN SUBSIDIARIES

Details of the Company's subsidiaries at the year end are as follows:

		Effective Share holding	
Name of subsidiary	Place of incorporation	2014	2013
WGP Group Ltd	British Virgin Islands	100%	100%
WGP Energy Services Ltd	British Virgin Islands	100%	100%
WGP Exploration Ltd	United Kingdom	100%	100%
WGP Technical Services Ltd	British Virgin Islands	100%	100%
WGP Professional Services Ltd	British Virgin Islands	100%	100%
WGP Survey Ltd	British Virgin Islands	100%	50%
GO Science Group Ltd	British Virgin Islands	100%	100%
Autonomous Robotics Ltd	United Kingdom	100%	100%
WGP Geosolutions Limited	Cyprus	100%	-
WGP Group AT GmbH	Austria	100%	-

During the year, 50 shares in WGP Survey Ltd, representing 50% of the issued share capital, were transferred back to WGP Group Ltd from Fjorgyn AS. WGP Group Ltd now owns 100% of WGP Survey Ltd. There was no consideration for the transfer of shares which has been recorded as an equity movement in the accounts.

22. OPERATING LEASE

Thalassa's subsidiary, WGP Exploration Limited, has entered into a 10 year lease for the rent of 10,000 square feet of office space at Eastleigh Court near Warminster. Thalassa's subsidiary WGP Group AT GmbH entered into a 5 year lease for the rent of office space in Vienna, Austria. Operating leases of US$94,793 were recognised as expenses in 2014 (2013: US$nil). Future minimum payments for operating leases at 31 December 2014 are as follows:

	2014	2013
	$	$
Within one year	262,949	-
After one year but not more than five years	1,007,135	-
More than five years	855,324	-

23. FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash and cash equivalents together with various items such as trade and other receivables and trade payables etc, that arise directly from its operations. The fair value of the financial assets and liabilities approximates the carrying values disclosed in the financial statements. Included within cash and cash equivalents is an amount of US$2,205,181 (2013: US$2,205,181) which is restricted in relation to sales contracts with a particular customer.

The main risks arising from the Group's financial instruments are interest rate risk, foreign exchange risk, credit risk and liquidity risk.

INTEREST RATE RISK

The Group does not undertake any hedging against interest rate risk. The Group finances its operations from the cash balances on the current and deposit accounts. The Group has no borrowings as at 31 December 2014.

FOREIGN EXCHANGE RISK

The Group undertakes hedging activities from time to time to mitigate foreign exchange risk.

An increase in foreign exchange rates of 5% at 31 December 2014 would have increased the profit and net assets by US$189,698 (2013: US$145,604). A decrease of 5% would have had an equal and opposite impact. The majority of the Group's balances are held in USD. As 31 December 2014 approximately 22% of amounts owing to suppliers are held in GBP, 12% in NOK and 4% in EUR.

The group entered into a foreign exchange option agreement over the year end. The Option was in relation to 15 lots of a EURUSD June 2015 1.23 Put Option with a premium of US$39,000. The option was closed out in January 2015 and a gain of $67,125 was booked.

CREDIT RISK

Group credit risk is predominantly a matter of individual corporate risk. However Group companies also operate in frontier and challenging regions which has the potential to add risk and uncertainty both from an operational and financial point of view. Whenever and wherever possible the Group attempts to mitigate this risk.

In line with other international companies, the Group is exposed to geopolitical risks and the possibility of sanctions which could adversely affect our ability to perform operations or collect receivables from our clients. This risk is un-insurable and un-hedgeable.

The company's customers include large multinational E&P companies and other geophysical service providers. In 2014, a significant proportion of the Groups revenue was generated from 4 customers. As at 31 December 2014, net trade receivables outstanding amounted to US$1.5m (gross trade receivables of $5.6m) of which US$1.4m was from one of these customers. This balance has been received in full since the end of the reporting period. Net trade receivables includes a provision for doubtful debts of US$4.1m.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

from the year ended 31 December 2014

LIQUIDITY RISK

The Group's strategy for managing cash is to maximise interest income whilst ensuring its availability to match the profile of the Group's expenditure. All financial liabilities are generally payable within 30 days and do not attract any other contractual cash flows. Based on current forecasts the Group has sufficient cash to meet future obligations.

24. CONTINGENT LIABILITIES

Under the terms of the Groups manufacturing and sale agreements, the Group may be required to repurchase equipment from 2017 onwards, at rates intended to reflect fair value.

25. SUBSEQUENT EVENTS

As per the announcement on 12 February 2015, the Company purchased 200,000 of its shares at a price of 39 pence per share.

As per the announcement on 16 February 2015, the Company purchased 200,000 of its shares at a price of 42 pence per share.

On 21 April 2015 the Company announced that its subsidiary WGP Group Ltd ("WGP") entered into a contract to provide seismic services to TGS-NOPEC Geophysical Company ASA ("TGS"), a provider of multi-client geoscience data products to the Oil and Gas Industry Listed on the Oslo Stock Exchange (TGS.OL). WGP is acquiring high resolution 3D (HR3D) data sets in the South East Barents Sea region utilising a 3D P-Cable™ system for the project which mobilised in April with operations commencing in May. The contract is for an initial three month fixed term with options to extend up to a total of five months.

On 30 April 2015 the Company announced that its subsidiary WGP Energy Services Ltd, received a written notification from the new General Director of its client, Joint Stock Company "Sevmorgeo" ("SMG"), that SMG now claims it has not received any documentation confirming that WGP fulfilled its obligations and therefore no longer recognises the compensation due to WGP of $3.3m, excluding accrued interest, for services provided in Ecuador during 2013. This is despite SMG's previous acceptance of all invoices issued by WGP and numerous correspondences from the former General Director of SMG confirming the unpaid compensation, including a legal protocol executed by the parties in January 2014.

As part of the review of the Company's balance sheet for the year to 31 December 2014, the Board had already intended to make a provision against this outstanding receivable of US$3.3m, excluding accrued interest. Whilst the contract with SMG clearly states that demobilisation and repatriation costs are to SMG's account, the Company will also recognise a charge in the 2014 accounts for repatriation and remediation of its equipment to Europe as indicated above.

In view of SMG's new statements, the Board has taken the view that the Company now has no alternative other than to commence legal proceedings to recover the total outstanding plus repatriation costs, expenses and interest.

26. COPIES OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are available on the Company's website: www.thalassaholdingsltd.com.

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING (the "Meeting") of Thalassa Holdings Ltd (the "Company") will be held at Le Cabanon, Pointe des Douaniers 06320 Cap d'Ail, France on 25 June 2015 at 12:00 noon for the purpose of considering and, if thought fit, passing the following simple resolutions:

1. To receive and consider the financial statements for the year to 31 December 2014 together with the reports of the directors and the auditors thereon.
2. To authorise the Directors to appoint auditors of the Company for the year ending 31 December 2015 and to authorise the Directors to determine the auditor's remuneration.
3. To approve the amendment of the term of the Company's loan to the THAL Discretionary Trust to an initial five (5) year period, renewable for further five (5) year consecutive periods, until the loan and interest have been repaid in full.
4. To re-elect Duncan Soukup as a Director of the Company, who is retiring and offering himself for re-election.
5. To re-elect Graham Cole as a Director of the Company, who is retiring and offering himself for re-election.
6. To re-elect David Thomas as a Director of the Company, who is retiring and offering himself for re-election.
7. To re-elect Francis Smulders as a Director of the Company, who is retiring and offering himself for re-election.

Dated 9 June 2015

By Order of the Board

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his place. A proxy need not also be a Member of the Company
2. To appoint a proxy, you should complete the Form of Proxy enclosed with this Notice of Annual General Meeting. To be valid the Form of Proxy together with the power of attorney or other authority (if any) under which it is signed must be completed and returned by post or by hand to the Company's Registrar, Capita Registrars Limited, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU , not later than 48 hours before the time fixed for the Meeting or any adjourned meeting.
3. In the case of joint holders, if two or more persons hold shares jointly each of them may be present in person or by proxy at the Meeting and may speak as a shareholder; if only one of the joint owners is present in person or by proxy, he may vote on behalf of all joint owners; and if two or more are present in person or by proxy they must vote as one.
4. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the annual general meeting to be held on the time and date set out at the top of the notice and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
5. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID : RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
6. CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
7. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

DIRECTORS, SECRETARY AND ADVISERS

Directors	C Duncan Soukup, Chairman A Francis Smulders, Director Graham Cole FCA, FSI, Director David M Thomas, Director Robert J Anderson, Director
Registered Office	Folio Chambers P.O. Box 800, Road Town, Tortola British Virgin Islands
Company Secretary	Julian Henley-Price
Nominated Adviser and Broker	WH Ireland Limited 24 Martin Lane London EC4R 0DR
Solicitors to the Company (as to English Law)	Pinsent Masons LLP 30 Crown Place Earl Street London EC2A 4ES
Solicitors to the Company (as to BVI Law)	Conyers Dill & Pearman Romasco Place, Wickhams Cay 1 PO Box 3140 Road Town, Tortola British Virgin Islands VG1110
Auditors	Moore Stephens LLP 150 Aldersgate Street London EC1A 4AB
Registrars	Capita Asset Services 12 Castle Street St Helier Jersey JE2 3RT
Company website	www.thalassaholdingsltd.com www.wgp-group.com www.autonomousroboticsltd.co.uk

THALASSA

www.thalassaholdingsltd.com

WGP

www.wgp-group.com

Autonomous Robotics

www.autonomousroboticsltd.com