



# 1Q|11

Deep Sea Supply Plc  
Presentation  
12 May 2011



# A SOFT 1Q, BUT IMPROVEMENTS AHEAD

## HIGHLIGHTS:

### Financials:

- Deep Sea Supply (DESS) generates first quarter 2011 revenues of USD 24 mill. (USD 26 mill.)
- First quarter EBITDA was USD 2 mill. (USD 8,7 mill.) and EBIT of -USD 4,9 mill. (-USD 0,4 mill.)
- Pre-tax result were -USD14,3 mill. (-USD 5,8 mill.)

### Freight revenues:

- The markets for AHTS vessels were soft internationally and in the North Sea in 1st quarter with low rates and low utilization as a result. In addition, special circumstances such as completion of time charter contracts during the quarter, termination of a time charter contract and technical offhire related to a special survey impacted negatively.
- Freight revenues from PSVs were stable due to long term contracts.
- In 1st quarter 2011, Deep Sea Supply secured contracts for 5 AHTS vessels improving revenues from 2Q 2011 onwards.

### Ship management and operating expenses:

- Technical management is established in Singapore and Brazil and currently 13 of the Company's vessels are under DESS' management. DESS is building an organization for significant growth. This will increase cost short term, but reduce vessels' operating expenses as more and more vessels are managed in-house.
- Vessels' operating expenses increased by 14% (vessels operated in both periods) from 1Q10 to 1Q11. The main reason for such increase are vessels operating in Brazil with higher crew expenses due to local content requirements.
- Reductions in operating expenses is a priority for the Company and actions to reduce future operating expenses include in-house technical and crew management of the Fleet, reduction in number of intermediaries and local EBN status in Brazil.

### Sale / delivery of vessels:

- In 1st quarter, Deep Sea Supply took delivery of two newbuilds, the AHTS vessels "Sea Fox" and "Sea Jackal".
- In 1st quarter 2011, Deep Sea Supply sold the two 15,000 BHP AHTS vessels "Sea Cougar" and "Sea Wolf" in order to renew its fleet.

### Outlook:

- We remain positive about the future outlook for the OSV sector. A high oil price driving E&P and oil field service spending. The market balance is improving as more rigs are ordered compared to new orders for OSVs.
- In the short to medium term, DESS expects improved utilization and modest increase in rates internationally. The North Sea spot market, whilst volatile, looks strong near term.
- The Company expects to benefit from strategic moves made in Brazil and Asia and more recent in West Africa, which should drive utilization and results.

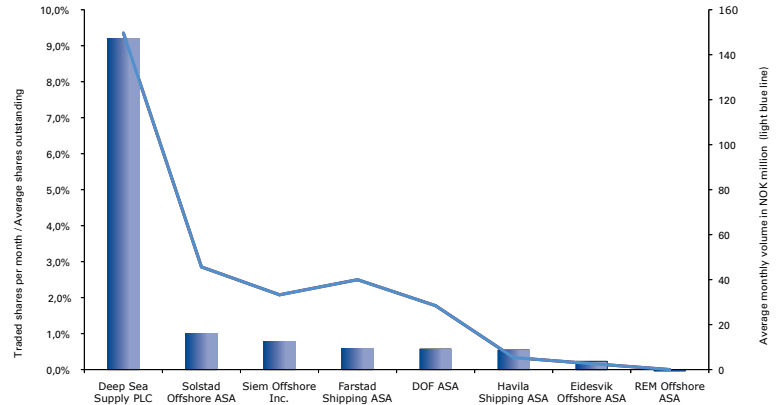


# SHARE PRICE DEVELOPMENT AND SHARE TURNOVER

Share price and total return since listing



1Q 2011 average monthly volume and turnover velocity



# AREA OF CURRENT OPERATION





# INCOME STATEMENT

(Unaudited figures in USD 1,000)	1Q 2011	1Q 2010
<b>Operating revenue</b>	<b>23 960</b>	<b>26 066</b>
Vessel operating expenses	(19 833)	(17 028)
Operating lease	(1 684)	0
Other Gains	68	0
Gain on sale	2 733	1 457
Other operating expenses	(3 224)	(1 811)
<b>Total operating costs</b>	<b>(21 939)</b>	<b>(17 381)</b>
<b>EBITDA</b>	<b>2 021</b>	<b>8 685</b>
Depreciation	(6 926)	(9 112)
<b>EBIT</b>	<b>(4 905)</b>	<b>(426)</b>
Financial income	37	69
Financial expenses	(6 580)	(6 346)
Net currency items	(2 925)	591
Change in value of financial derivatives	58	290
<b>Net financial items</b>	<b>(9 409)</b>	<b>(5 396)</b>
<b>Pre-tax result</b>	<b>(14 314)</b>	<b>(5 822)</b>
Taxes	(6)	0
<b>Total comprehensive income</b>	<b>(14 320)</b>	<b>(5 822)</b>
Earnings per share	(0,11)	(0,05)
Earnings per share diluted	(0,11)	(0,05)
Cash flow per share 1)	(0,04)	0,02

1) Profit before taxes+depreciation-unrealized gain on currencies

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# CASH FLOW STATEMENT

(Unaudited figures in USD 1,000)	1Q 2011	1Q 2010
<b>Cash flows from operating activities</b>		
Cash generated from operations	(6 555)	2 166
<b>Net cash generated from operating activities</b>	<b>(6 555)</b>	<b>2 166</b>
<b>Cash flows from investing activities</b>		
Acquisitions of vessels and construction contracts	(29 171)	(1 014)
Disposals of vessels and construction contracts	74 780	0
<b>Net cash used in investing activities</b>	<b>45 609</b>	<b>(1 014)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(5 649)	(6 013)
Proceeds from borrowings	18 489	19 822
Repayments of borrowings	(56 548)	(10 114)
<b>Net cash used in financing activities</b>	<b>(43 708)</b>	<b>3 695</b>
<b>Total changes in liquidity in the period/year</b>	<b>(4 654)</b>	<b>4 847</b>
Cash and cash equivalents at beginning of period/year	41 932	31 616
<b>Cash and cash equivalents at end of the period/year</b>	<b>37 278</b>	<b>36 463</b>

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# BALANCE SHEET

(Unaudited figures in USD 1,000)	31.03.11	31.12.10
<b>Non-current assets</b>		
Vessels cost	557 209	603 322
Construction contract	17 676	24 736
Equipment	625	659
Total property, plant and equipment	575 510	628 717
Deferred income tax	216	234
Other long term receivables	455	455
Investment in associates	581	0
CIRR deposit	45 936	43 693
<b>Total non-current assets</b>	<b>622 697</b>	<b>673 098</b>
<b>Current assets</b>		
Inventories	2 690	2 909
Other short term receivables	7 213	9 374
CIRR deposit	5 214	4 959
Freight income not received	24 475	26 017
Cash and cash equivalents	37 278	41 932
<b>Total current assets</b>	<b>76 870</b>	<b>85 191</b>
<b>Total assets</b>	<b>699 568</b>	<b>758 289</b>

	31.03.11	31.12.10
<b>Liabilities</b>		
Borrowings	430 278	467 819
CIRR loan	45 888	43 647
Deferred gain	35 533	36 573
Long term tax liabilities	1 899	1 806
Other long term liabilities	12	11
<b>Total long term liabilities</b>	<b>513 610</b>	<b>549 856</b>
Borrowings	24 645	24 446
CIRR loan	5 214	4 959
Trade payables	2 922	11 519
Deferred gain	4 493	4 493
Tax payable	950	903
Other short term liabilities	470	529
<b>Total short term liabilities</b>	<b>38 693</b>	<b>46 849</b>
<b>Total liabilities</b>	<b>552 303</b>	<b>596 706</b>
<b>Net assets</b>	<b>147 265</b>	<b>161 584</b>
<b>Shareholders equity</b>		
Share capital, share premium and treasury shares	10 861	10 861
Retained earnings and currency translation	136 404	150 723
<b>Total shareholders equity</b>	<b>147 265</b>	<b>161 584</b>



# SHAREHOLDERS

The largest shareholders as per 3 May 2011

	Citizen	No. of shares	%
HEMEN HOLDING LIMITED	CYP	44 583 853	35,14%
SKAGEN KON-TIKI	NOR	11 096 000	8,75%
PERESTROIKA AS	NOR	6 350 000	5,01%
SVENSKA HANDELSBANKEN	SWE	3 924 177	3,09%
DNB NOR MARKETS	NOR	3 083 188	2,43%
ORKLA ASA	NOR	3 076 935	2,43%
VARMA MUTUAL PENSION INSURANCE	GBR	2 987 725	2,36%
KLP AKSJE NORDEN VPF	NOR	1 700 000	1,34%
UTHALDEN A/S	NOR	1 500 000	1,18%
TERRA SPAR	NOR	1 280 000	1,01%
UBS AG	GBR	1 000 000	0,79%
VERDIPAPIRFONDET HANDELSBANKEN	NOR	900 000	0,71%
CENTRA INVEST AS	NOR	900 000	0,71%
JPMORGAN CHASE BANK	GBR	754 200	0,59%
DNB NOR SMB	NOR	750 000	0,59%
TD AMERITRADE CLEARING INC	USA	741 752	0,58%
JPMORGAN CHASE BANK	GBR	683 124	0,54%
MP PENSJON PK	NOR	658 800	0,52%
CITIBANK N.A.	USA	627 945	0,49%
SG NANTES	NOR	625 000	0,49%
<b>Total 20 largest shareholders:</b>		<b>87 222 699</b>	<b>68,75%</b>
<b>Total other shareholders:</b>		<b>39 641 161</b>	<b>31,25%</b>
<b>Total number of shares:</b>		<b>126 863 860</b>	<b>100,00%</b>

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# FLEET LIST & CHARTER STATUS AS PER 3 MAY 2011

Vessel	Type	BHP/DWT	Year built	2011				2012	2013	2014
				1Q	2Q	3Q	4Q			
<b>AHTS Vessels</b>										
Sea Lion	AHTS Havyard 842	17520 BHP	2008	Mediterranean	North Sea					
Sea Tiger	AHTS KMAR 404	15000 BHP	1998	Maersk oil / Statoil						
Sea Lynx	AHTS KMAR 404	15000 BHP	1999	North Sea						
Sea Panther	AHTS KMAR 404	15000 BHP	1999	Maersk oil/Statoil						
Sea Leopard	AHTS KMAR 404	15000 BHP	1998	Brazil						
Sea Bear	AHTS KMAR 404	15000 BHP	1999	North Sea	Melitah Gas					
Sea Cheetah	AHTS Khiam Chuang	15000 BHP	2007	Melitah Gas	Gazflot					
Sea Jaguar	AHTS Khiam Chuang	15000 BHP	2007	ENI China	Gazflot					
Sea Eagle I	AHTS Khiam Chuang	12000 BHP	2009	ENI China	Singapore					
Sea Ocelot	AHTS Khiam Chuang	10800 BHP	2007	Singapore	Gazflot					
Sea Weasel	AHTS Seatech P-729	6500 BHP	2009	Petronas Malaysia						
Sea Fox	AHTS Seatech P-729	6800 BHP	2011	Singapore						
Sea Jackal	AHTS Seatech P-729	6800 BHP	2011	Singapore						
<b>PSV's</b>										
Sea Trout	VS 470 MK II	3300 DWT	2008	EnQuest North Sea						
Sea Halibut	PSV UT 755 L	3250 DWT	2007	Petrobras Brazil						
Sea Angler	PSV UT 755 L	3250 DWT	2007	ENI Congo						
Sea Pike	PSV UT 755 L	3250 DWT	2007	Petrobras Brazil						
Sea Bass	PSV UT 755 L	3250 DWT	2008	Petrobras Brazil						
Sea Pollock	PSV UT 755 L	3250 DWT	2008	Petrobras Brazil						
Sea Turbot	PSV UT 755 L	3250 DWT	2008	Petrobras Brazil						
Sea Witch	PSV UT 755 L	3250 DWT	2008	Singapore						

Firm  Option  Spot



# DETAILS CHARTER STATUS PER VESSEL

## NORTH SEA



### SEA LION

Operating in the North Sea spot market as from 04/2011.



### SEA LYNX

Operating in the North Sea spot market.



### SEA TROUT

On charter with EnQuest. Expected to end 2011.



### SEA CHEETAH

On charter to Gazflot for operation in Sakhalin from 7 May.



### SEA JAGUAR

On charter to Gazflot for operation in Sakhalin from 12 May.



### SEA EAGLE 1

Awaiting confirmation for long term charter in West Africa.



### SEA OCELOT

On charter to Gazflot for operation in Sakhalin from 7 May.

## ASIA



### SEA WEASEL

Sold to Malaysian Joint Venture and is operating for Petronas.



### SEA FOX

The newbuild was delivered to DESS 12 Jan 2011. Expected on-hire 13 May for in Vietnam.



### SEA JACKAL

The newbuild was delivered to DESS 28 March 2011. Expected on-hire 13 May in Vietnam.



### SEA WITCH

On charter in Malaysia.



# DETAILS CHARTER STATUS PER VESSEL

## BRAZIL



**SEA TIGER**  
On charter to Statoil Brazil until 6/2011 with option for extension to a second well.



**SEA PIKE**  
On charter to Petrobras. Charter started 12/2010 and is scheduled to end 11/2014. Option for 4 years extension.



**SEA PANTHER**  
On charter to Statoil Brazil until 6/2011 with option for extension to a second well.



**SEA BASS**  
On charter to Petrobras. Charter started 07/2010 and is scheduled to end 07/2014.



**SEA LEOPARD**  
Operating in the spot market and is located in Brazil. Last employment was with Devon Energy from 3 May to 10 May 2011.



**SEA POLLOCK**  
On charter to Petrobras. Charter started 12/2010 and is scheduled to end 12/2014. Option for 4 years extension.



**SEA HALIBUT**  
On charter to Petrobras. Charter started 07/2010 and is scheduled to end 07/2014.



**SEA TURBOT**  
On charter to Petrobras. Charter started 01/2011 and is scheduled to end 12/2014. Option for 4 years extension.

## WEST AFRICA



**SEA ANGLER**  
On charter to ENI Congo. Charter started 08/2007 and is scheduled to end 07/2012.

## MEDITERRANEAN



**SEA BEAR**  
On charter in Mediterranean. Replaced Sea Cheetah 04/2011 and is scheduled to end 01/2012.

# VESSEL OPERATING EXPENSES

Figures in USD mill.	
<b>Increase from 1Q 10 to 1Q 11:</b>	<b>2.810</b>
Variances:	
New Vessels	- 1.376
Sold Vessels	1.027
Vessels operated in both periods	- 2.462

#### Vessels operated in both periods:

Increase is mainly crew expenses which is higher in Brazil compared to previous areas of operation, but in line with expectations.

#### Initiatives to control and reduce vessel operating expenses:

- In-house technical and crew management of the fleet
- Reduction in number of intermediaries
- Local EBN status in Brazil

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## NEWBUILDING DELIVERY

Vessel No	Vessel	Yard	Type	BHP/DWT	Expected Delivery
<b>AHTS Vessels</b>					
273	Sea Badger	ABG	AHTS Seatech P-729	6800 BHP	Jun 2011
274	Sea Vixen	ABG	AHTS Seatech P-729	6800 BHP	Aug 2011
275	Sea Stoat	ABG	AHTS Seatech P-729	6800 BHP	Sept 2011
<b>PSV's</b>					
28	TBN	STX Offshore Brazil S.A	STX PSV 09 CD	4700 DWT	Jan 2012



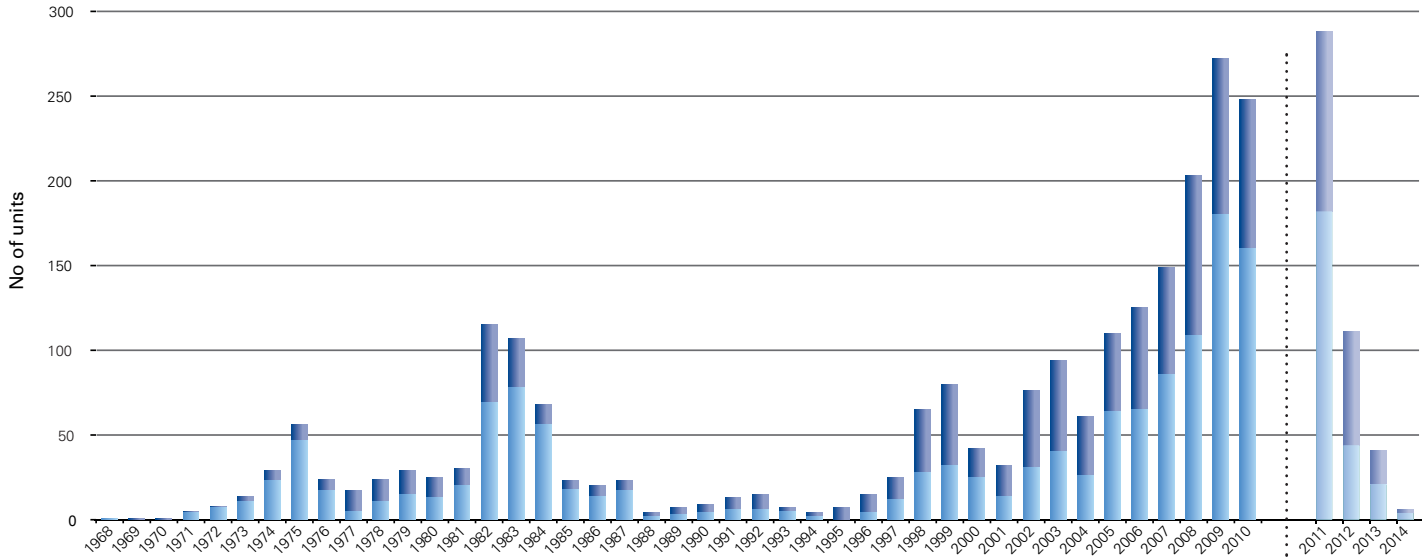
# AGE DISTRIBUTION CURRENT FLEET AND ORDER BOOK

## AHTS

Vessels > 20 years: 32.4% of total fleet  
Vessels > 30 years: 12.8% of total fleet

## PSV

Vessels > 20 years: 21.9% of total fleet  
Vessels > 30 years: 9.3% of total fleet



Source: ODS Petrodata



# THE RIG AND SUPPLY MARKET

Supply vessels	Total fleet		AHTS		PSV	
<b>Existing fleet</b>	<b>2331</b>		<b>1363</b>		<b>968</b>	
Orderbook	398	17%	218	16%	180	19%
Average age	12,6		13,3		11,7	
Rig market	Total fleet		Semis/drillships		Jackups	
<b>Existing fleet</b>	<b>743</b>		<b>266</b>		<b>474</b>	
Orderbook	147	20%	73	27%	66	14%

## Fewer deliveries of OSVs expected in 2011 than 2010;

- 1) May 2010 total number of vessels delivered was: 60 vessels (PSV:20 / AHTS: 40)  
Actual number of vessels delivered in 2010: 248 vessels
- 2) May 2011 total number of vessels delivered was: 48 vessels (PSV: 15 / AHTS: 33)  
Est. number of vessels to be delivered in 2011 based on 2010 ratio: 198 vessels

## More deliveries of Rigs expected in 2011 than 2010.

- 1) 2010 total number of Rigs delivered: 47 rigs
- 2) 2011 total number of Rigs expected to be delivered: 57 rigs

Source: ODS Petrodata

## COMPANY ADDRESSES

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