Q408

DEEP SEA SUPPLY PLC
31st of December 2008

Complete version

DEEP SEA SUPPLY PLC – 4th QUARTER AND YTD FINANCIAL REPORT 2008

Deep Sea Supply Plc (DESSC or Company) is an offshore supply company listed on Oslo Stock Exchange with a modern fleet operating world-wide. The fleet can be divided into two segments; Anchor Handling Tug Supply Vessels (AHTS) and Platform Supply Vessels (PSVs).

Summary:

4Q08 and 2008; Highest revenues and EBITDA in the Company's history;

(3Q08 and - where relevant - 2007 numbers in brackets)

Improved commercial and technical utilization combined with a bigger fleet of vessels increased DESSC's revenues to a record high level in the Company's history of USD 56,4 mill. in 4Q08 (USD 48,4 mill.) and USD 190,4 mill. for 2008 (USD 146,7 mill.). Vessels' operating expenses continued to show a satisfactory development; Adjusted for fleet growth and an extraordinary bonus payment to seafarers in December, the vessels' operating expenses actually reduced by 2% from 3Q08.

EBITDA for 4Q08 improved to USD 37,6 mill. (USD 32,2 mill.) and for 2008 to USD 122,2 mill. (USD 100,5 mill.) which are the highest in the Company's history. The EBITDA margin for 4Q08 improved to 66,7% (66,5%).

EBIT in 4Q08 was USD18,5 mill. (USD 21,6 mill.) after allocation for losses of USD 12,6 mill. related to unrealized losses of USD 4 mill. on shares acquired in an offshore supply company and allocation for losses of USD 8 mill. on other short term receivables related to possible losses on Scan Geophysical ASA (see more information below). EBIT for 2008 was USD 104,6 mill (USD 85,5 mill.) after gain on sales of vessels of USD 29,4 mill. and allocation for losses on shares of USD8,2 mill. and other receivables of USD 8 mill.

Net result for 2008 was USD 53,4 mill. (USD 53,8 mill.) or USD 0,42 per share (USD 0,43).

Deep Sea Supply has committed financing in place for all delivered vessels and its newbuilding program.

The Board suggests a further break in dividend distributions in the 4th quarter due to the continued low visibility in the financial markets paired with uncertainty about the future markets following the international financial crises. The Company however intends to continue pursuing its shareholder friendly strategy.

Earnings, rate levels and market conditions

Total revenues in 4Q08 were USD 56,4 mill. or an increase of 16% compared to 3Q08 and 6% compared to 4Q07. Total revenues for 2008 increased with 30% compared to 2007.

Market conditions for AHTS and PSVs have been satisfactory despite the current financial turmoil having a negative impact on the world economy.

The rate levels for the total DESSC fleet increased with approximately 10% from 3Q08, but this was more than offset by a weaker EURO and GBP, resulting in a decrease in USD rate levels with 2% from 3Q08. The following analysis of AHTS and PSV rate levels is based on USD rate levels.

<u>Anchor Handling Tug Supply Vessels (AHTS)</u>

By the end of 4Q08, DESSC had 12 AHTS vessels in operation of which 2 have partly operated in the North Sea spot market and the remaining 10 in the international term market. In addition to this fleet, DESSC has 9 AHTS vessels on order/under construction. The fleet of AHTS vessels has increased from 11 vessels in 4Q07 to 12 vessels in 4Q08.

Rate levels

DESSC's large AHTS decreased with 6% from 3Q08 whilst the rate level for DESSC's medium and small AHTS vessels improved by 2% and 7% respectively.

Freight revenues

From 3Q08 to 4Q08, DESSC's total revenues from AHTS vessels increased by 21%. The increase is mainly due to (i) less technical offhire (less surveys and mobilization of vessels to new operational areas), (ii) improved commercial utilization and (iii) the impact from the bigger fleet (the delivery of AHTS vessel "Sea Lion" which was delivered in November 2008). Weaker GBP and Euro have affected revenues negatively for charters done in these currencies.

Total revenues from AHTS vessels have reduced by 7% compared to 4Q07 mainly due to reduced rates. When comparing the 11 vessels operating in 4Q07 and 4Q08, the reduction in revenues were 11%.

New charters

In 4Q08, DESSC entered new charters for the AHTS "Sea Panther" for a period of approximately 200 days.
The Company's strategy is to have a mix of spot charters and long term charters for its AHTS vessels.

<u>Platform Supply Vessels (PSVs)</u>

By the end of 4Q08, DESSC had 8 PSVs in operation of which all were committed on long term charters. DESSC's fleet of PSV in operation has increased from 3 vessels by the end of 4Q07 to 8 vessels in 4Q08. The Company has currently no PSVs under construction/on order.

Rate levels

The rate levels for DESSC's PSVs reduced with 10% from 3Q08.

Freight revenues

From 3Q08 to 4Q08, DESSC's total revenues from PSV vessels increased with 6% mainly due to an increased fleet.

From 4Q07 to 4Q08, DESSC's total revenues from PSV vessels increased by 145% mainly due to an increased fleet.

Chartering
DESSC's strategy is to operate its fleet of PSVs on long term charters.

Vessel operation and construction supervision:

Vessels' operating expenses:
Vessels' operating expenses in 4Q08 were USD 16,2 mill. compared to USD 15,1 mill. in 3Q08 or an increase of 7%. However, when adjusting for the bigger fleet in 4Q08 compared to 3Q08, the daily operating expenses per vessel have increased by a marginal 2%. In 4Q08 DESSC made a USD 700,000 bonus payment to seafarers onboard some vessels. Adjusting for this extraordinary payment, operating expenses actually reduced by 2% from 3Q08. The trend of continuous reducing operating expenses hence continues.

Compared to 4Q07, the vessels' operating expenses have reduced significantly. We are very pleased with this development as an increased price level has put an upward pressure on the operating expenses during this period.

Vessels' surveys
"Sea Panther" completed her 10 years' major survey and installation of DP2 during 4Q08.

Vessels under construction - construction supervision:
DESSC has vessels under construction at yards in Singapore and India. External technical management companies are responsible for the daily construction supervision at the shipyards and have teams located at the yards. These teams' performance is monitored by DESSC's own Fleet Managers who regularly visit the shipyards.

Technical and crew management of the Fleet
DESSC's vessels are all managed by external ship management companies. The performance is monitored by Fleet Managers employed with DESSC. DESSC considers it vital to do proactive maintenance and ensure the vessels are safe and in a technical good condition and hence avoid offhire due to technical problems. At the same time, we focus a lot on reducing the operating expenses. This is done by imposing restrictions on the external technical and crew managers, by better planning and control and by selecting the right external managers for the right vessel. Monitoring external managers in order to keep the vessels in good operational condition and to keep cost down will be a continuous effort.

Other expenses:

Other operating expenses
These are general and administrative expenses for the offices in Cyprus, Singapore and Norway.

Depreciations
All vessels are depreciated to zero when 30 years old.

Other Losses
Allocation for loss on shares; DESSC has through 1H08 acquired shares in an offshore supply company booked as financial assets at fair value through profit and loss. The shares have reduced in value and caused an unrealized loss of
-USD 4,0 mill. in 4Q08 and -USD8,2 mill. in 2008.

In 2006, DESSC sold 3 of its 12 shipbuilding contracts at ABG Shipyard to Scan Geophysical ASA ("Scan") for a total price of USD 22,6 mill., of which USD 10,2 mill. was paid in 2006 and 1/3 of the balance of USD 12,4 mill. would be paid upon delivery of each of the respective vessels to Scan. A profit of NOK 56,9 mill. was booked following this sale in DESSC' 2006 financial statements. The balance of USD 12 mill. payable upon delivery of the vessels has been posted as "other short term receivables". There is currently uncertainty related to whether and when the vessels, or some of them, will be delivered by the yard, as well as to Scan's ability to obtain financing and take delivery. One vessel is approaching completion in the very near future, while two vessels are scheduled to be delivered later this year. In light of the uncertainties, and in line with prudent accounting principles, DESSC has made a provision in the Q408 accounts for 2/3 of the outstanding receivable from Scan. Even if it cannot be ruled out that even the last portion of the receivable in the amount of USD 4 mill could be exposed, DESSC believes, based on publicly available information, that it is appropriate in the circumstances to maintain and treat said amount as a receivable.

Gain on sale
The USD 2 mill. gain on sale in 4Q08 is mainly related to the sale of vessels to Ship Finance International in 2007 and 2008 where the gain on sale is recorded as revenue over a period of 12 years (deferred gain on sale).

In the YTD figures, gain on sale furthermore includes gain on sale of the vessels "Sea Trout" and "Sea Wolverine" sold earlier in 2008.

Net financial items
Interest income is reduced somewhat compared to 3Q08 mainly due to reduced interest rates. Interest expenses are reduced compared to 3Q08. One of the main reasons was the refinancing of Sea Ocelot with the senior bank loan facility in October 2008 reducing the interest expenses related to this vessel in excess of USD1,0 mill. for the quarter. Interest expenses on the Bank Loan Facility are expected to increase due to new vessels being delivered and financed.

4Q08 contained currency gains of USD 3,5 mill. of which USD1,5 mill. unrealized and USD1,9 mill. realized and mainly related to customers and payables.

Changes in accounting treatment of two 5 years interest rate swaps
Prior to the 4th quarter of 2008, changes in fair value of interest rate swap arrangements have been recorded through profit and loss. Effective from 1 October 2008, DESS have obtained hedge accounting for recording of changes in fair value of the interest rate swap agreements on the long term leasing debt. Gains and losses recognised on the interest rate swap arrangements in 4th quarter of 2008, of USD - 11.759 mill are recognised in the hedging reserve in equity. In the first three quarter of 2008 changes in fair value of

the interest rate swap arrangements are expensed in the profit and loss account of USD 13.476 mill. In 2008 the net effect recorded in the profit and loss account on changes in financial derivative equals USD - 11.929 mill, of which USD 1.547 mill is a positive changes in the fair value of other financial derivatives than interest rate swap arrangements. As per 31 December 2008 financial derivative liability equals USD 23.909 mill.

Impact on P&L and Balance Sheet from sale and leaseback transaction:
The impact from the sale and leaseback transactions (including the bareboat of "Sea Ocelot" now cancelled) on the P&L and Balance sheet is as follows;

P&L Impact for period ending 31 December 2008:

	USD mill.
Interest for the period	-23,3
Deferred gain recognized in P&L	9,2
Depreciation charge of leased vessels	-11,5

Balance sheet value of assets and liabilities from sale and leaseback (incl. bareboat of "Sea Ocelot" until refinanced) at 31 December 2008:

	USD mill.
Cost of leased vessels	324,0
Sale and leaseback debt – long term	-225,2
Sale and leaseback debt – short term	-15,5
Deferred gain – long term	-90,8
Deferred gain – short term	-9,2

Cash, cashflow and equity
The Company's cash balance by the end of 2008 was USD 33,8 mill. compared to USD 31,4 mill. by end of 2007.

Equity by the end of 2008 was USD 96,6 mill. to USD 159,3 mill. by end of 2007. The reduction is primarily due to payment of dividend.

Other issues

Newbuildings
15 out of the total 24 newbuildings were delivered by end of 4Q08. 2 of these were sold in 1H08 and the remaining 13 are in operation. One PSV, "Sea Witch" (Cochin Shipyard) and one AHTS, "Sea Lion" (Havyard) were delivered in 4Q08. ABG Shipyard has informed that the first 4 of the 7 newbuildings are further delayed with another approximately 3 months per vessel. "Sea Hawk 1" was expected to be delivered from Jaya Shipbuilding & Engineering in January/February, but is delayed until July/August. "Sea Eagle 1" is expected to be delivered on schedule in April/May 2009.

Tax
The remaining one third of the untaxed profits will be waived by the tax authorities, unless distributed, if an amount equal to the related tax is spent on qualifying environmental investments within 15 years. The Norwegian Government had stated its intention that this arrangement should not create a tax liability, but the legislation and the secondary regulations issued by the Finance Ministry were not clear and the Company recognized a liability of USD 12.9 million at 31 December 2007.

The Norwegian Parliament and Government further clarified the interpretation of the legislation during 2008 and based on this the Ministry of Finance acknowledged that there was a conflict between the transition rules enacted by the Parliament and secondary regulations issued by the Ministry of Finance. As a consequence of this, the Ministry of Finance announced on 20 January 2009 that the 15 year time limit would be withdrawn so that no tax liability exists at 2008. This clarification means that the remaining one third of untaxed equity will not be taxed unless it is distributed. The liability of USD 3.3 million has been derecognised at 31 December 2008.

Tax issue related to 2006 year's financials
The Norwegian tax authorities have raised questions about the 2006 tax return for Deep Sea Supply ASA related to the sales price of the shipbuilding contracts that were sold to Cyprus subsidiaries later the same year and claiming that the sales price should have been higher. The Company has explained and provided background for the terms of the sale and strongly disagree with the Tax Authorities' view.

Book value of vessels and newbuildings - impairments
The market values of vessels have reduced in 4Q08. However, no impairment has been found necessary.

Trade and other receivables
The Company has recognized losses on trade receivables of GBP 374,000. No further provisions have been deemed necessary.

CIRR Loans
During the period ended 31 December 2008 the Group has applied for Commercial Interest Reference Rate (CIRR) loans from the Norwegian Export Credit Agency. The total loan amount was USD 48,9 mill. The duration of the loans is 12 years and the cash proceeds from the loans have been deposited in fixed deposit account with a Norwegian bank at a higher interest rate than that of the loans. The agreed period of the deposits is identical with the one of the loans. The loans and the interest thereof will be repaid from that account and the difference has been recognized as deferred gain and will be amortized over the period of the life of the loans.

Deferred gain
A gain from the sale of the vessels to Ship Finance International Ltd. (in 2007 and 2008) of currently approx. USD 100,0 mill has been deferred in the balance as liabilities (long and short term), and will be amortized over the lease term which is 12 years. In the balance, the seller's credit is deducted from the gross long term debt related to the leasing transaction.

Currencies of revenues and costs
Revenues are in USD, Euro, GBP and NOK. Operating expenses are mainly in USD with the exception of NOK salaries on the NOR flagged vessels. Financial expenses are in USD and NOK.

Events after 31 December 2008
The first two months of 2009 has shown a soft spot market in the North Sea. DESSC has during January and February 2009 signed three long term charters for the vessels "Sea Leopard", "Sea Ocelot" and "Sea Eagle 1" at good rates.

Future outlook
The World is currently experiencing a financial turmoil which creates a level of general uncertainty. A lower oil price provides weaker market fundamentals for the offshore supply industry. DESSC has secured financing of all its newbuildings from respective delivery. The contract situation for the remainder of 2009 is considered good. The markets for AHTS and PSVs still remain active with good rates with the exception of a volatile and currently weak North Sea spot market.

The financial turmoil has so far had some consequences for DESSC; Shares acquired in an OSV company has reduced and resulted in an unrealized loss of USD 8,2 mill. in 2008, loss provisions equivalent to 2/3rd of the USD12 mill. of receivables to Scan Geophysical AS has been made as Scan lost their long term financing for the newbuildings, the market value of the fleet has seen a reduction although no impairment is considered necessary at this stage.

The longer term consequences of a continued financial turmoil on the AHTS and PSV markets and the market values remains to be seen. Vessel sales concluded in January 09 have however been done at strong levels.

We remain cautiously optimistic on the future market outlook for AHTS and PSV markets for 2009.

Company's shareholders
As per the end of 4Q08, the Company's largest shareholder is Hemen Holding Limited with a shareholding of 34,30%.

Main risks factors and uncertainties
A number of the Company's vessels are on short or medium term charters and the earnings on these vessels are hence sensitive to changes in the charter rates. Charterer's payments are normally 30 days after end of months which expose the Company to credit risk from its charterers. By end of 4Q08, the Company has 9 newbuildings remaining and DESSC is hence exposed to delays in delivery which may impact future revenues negatively. The Company is furthermore sensitive to changes in exchange rates and interest rates and has experienced a reduction in revenues due to a weakened GBP and Euro in the 4Q08. Financial turmoil can cause changes in the number of delivered offshore supply vessels and rigs and floaters and hence affect the supply and demand situation for the offshore supply sector.

Transaction between related parties
DESSC has entered into two sale and leaseback transactions with Ship Finance International Limited ("SFI") in 2007 and 2008. SFI's largest shareholder is Hemen Holding Ltd. who is also DESSC's largest shareholder. The sale and leaseback transactions are done on fully competitive terms.

Corporate Governance - Audit Committee
In accordance with new principles for good corporate governance, DESSC has established an Audit Committee. The Audit Committee has had its first meeting related to the 4Q08 financials and the meeting was conducted together with Management of DESSC and the auditors PWC.

Responsibility statement:
We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 31 December 2008 has been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the Company's assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties transactions.

Limassol, 25 February 2009
The Board of Deep Sea Supply PLC

Svein Aaser
Chairman

Frixos Savvides

Anna Cecilie Holst

Bjørn Giaever

SOME IMPORTANT MILESTONES

Deep Sea Supply is an offshore supply company with a modern fleet of anchor handling tug and supply vessels (AHTS) and platform supply vessels (PSV). The parent company is based in Cyprus with management companies in Cyprus, Singapore and Norway. Deep Sea Supply Plc (DESSC) is listed on Oslo Stock Exchange.

The company's focus is on the following main strategic areas;

- Chartering
- Business development
- Finance / Investor relations
- Monitoring of external suppliers

Technical and crew management of all vessels are outsourced to external companies.

July 2005
Purchase of 6 AHTS vessels (15,000 BHP/ 1998-99 built) and a private placement of NOK 420 mill (NOK 10,00 per share).

September 2005
Listed on Oslo Stock Exchange – IPO of NOK 35 mill (NOK 11,50 per share).

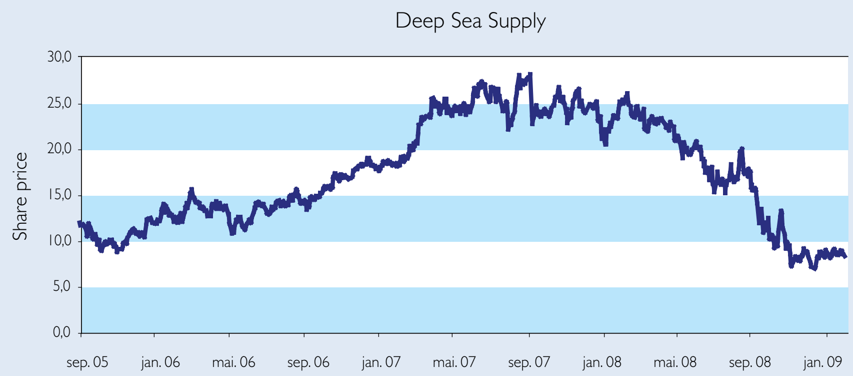
January 2006
NOK200 mill. Bond issued to Norwegian institutional investors.

April 2006
Purchase of 22 newbuilding contracts from Sea-tankers Management and a private placement of NOK 1,150 mill (NOK 13,60 per share). Hemen Holding became the largest shareholder, approximately 23,5% (increased during 2006 to 34,3%).

July 2006
Sale of 3 AHTS (6,500 BHP) newbuilding contracts entered into with ABG Shipyard.
Purchase of a newbuilding contract for an AHTS vessel (17,520 BHP - tbn Sea Lion) with delivery September 2008 at Havyard (Norway).

August 2006
Purchase of a 1999-built AHTS vessel (15,000 BHP) from Bourbon Offshore (renamed Sea Cougar).

December 2006
The Company changed its domicile from Norway to Cyprus.



Distribution to shareholders	Amount per share	Ex. dividend date	Payment date
2006*	NOK 0,80	08-05-07	28-06-07
Q1 2007*	NOK 0,20	22-06-07	04-10-07
Q2 2007*	USD 0,85 (NOK 4,62)	24-09-07	29-10-07
Q3 2007*	USD 0,40 (NOK 2,18)	11-12-07	31-01-08
Q4 2007*	USD 0,40 (NOK 2,00)	26-03-08	29-05-08
Q1 2008**	USD 0,13 (NOK 0,68)	14-05-08	16-06-08
Q2 2008**	NOK 1,00	02-09-08	17-09-08

* Dividend by way of reducing the share premium account
** Ordinary dividend from profit

January 2007
Delivery of Sea Trout, the first PSV from Cochin Shipyard in India.

February 2007
Delivery of Sea Cheetah, the first AHTS vessel (15,000 BHP) from Jaya Shipbuilding & Engineering in Singapore.

March 2007
Deeep Sea Supply bareboat chartered an AHTS-vessel, Sea Ocelot (10,800 BHP), with delivery from Jaya in September 2007 with purchase option after 1 year.

April 2007
Delivery of Sea Halibut, the second PSV from Cochin.

May 2007
Sea Angler and Sea Pike enters 3 + 1 years time charter with ENI Congo commencing in 3rd quarter.

July 2007
Delivery of Sea Angler, the third PSV from Cochin.
Delivery of Sea Jaguar, the second AHTS vessel (15,000 BHP) from Jaya.

August 2007
Delivery of Sea Otter, the first AHTS vessel (6,500 BHP) from ABG Shipyard in India.

Sale and leaseback transaction entered into with Ship Finance International Limited ("SFI") for Sea Cheetah, Sea Jaguar, Sea Trout, Sea Halibut and Sea Pike.

Gross sales proceeds are $198,5 mill. (net $181 mill.). The transaction improves the Company's cash position with $96 mill. after repayment of existing debt. 12 years term with several purchase options.

September 2007
The Company acquired three newbuilding contracts; One PSV (VS470 MKII) built in Norway with expected delivery in May 2008, and two AHTS-vessels (12,000 BHP) built at Jaya with expected deliveries in December 2008 and March 2009.

October 2007
Delivery of Sea Ocelot, the third AHTS vessel (10,800 BHP) from Jaya.

Delivery of Sea Pike, the fourth PSV from Cochin.

January 2008
Second sale and leaseback transaction with SFI for Sea Leopard and Sea Bear. Gross sales proceeds are $126 mill. (net $104 mill.). The transaction improves the Company's cash position with $63 mill. 12 years term with several purchase options.

Sale of Sea Trout, the first PSV delivered from Cochin. Sales price $36,5 mill.

Delivery of Sea Bass, the fifth PSV from Cochin.
2 years t/c entered into with Melittah Gas (ENI) Libya for Sea Bass and Sea Cheetah.

April 2008
Delivery of Sea Pollock, the sixth PSV from Cochin.

May 2008
Sale of Sea Wolverine, the second AHTS from ABG, following delivery. Sales price $21,9 mill.

4 years time charters from August 2008 entered into with Exxon Exploration Inc for Sea Pollock and Sea Turbot.

June 2008
Refinancing the Senior Bank Loan by a USD240 mill. and NOK970 mill. Loan facility.

Delivery of "Sea Trout", a PSV design VS470 from Karmsund Maritime Services AS in Norway. The vessel is chartered to Petrofac for operations in North Sea.

1 year time charter with option for another 2 years entered into with ENI North Africa for the AHTS vessel "Sea Jaguar".

July 2008
Prepayment of the NOK200 mill. Bond Loan facility for the purposes of facilitating further growth and enhanced financial flexibility.

August 2008
Delivery of "Sea Turbot", the 7th PSV from Cochin.

September 2008
1 year bareboat charter contract entered into for the PSV "Sea Witch" with commencement from delivery of the vessel at Cochin Shipyard in December 2008.

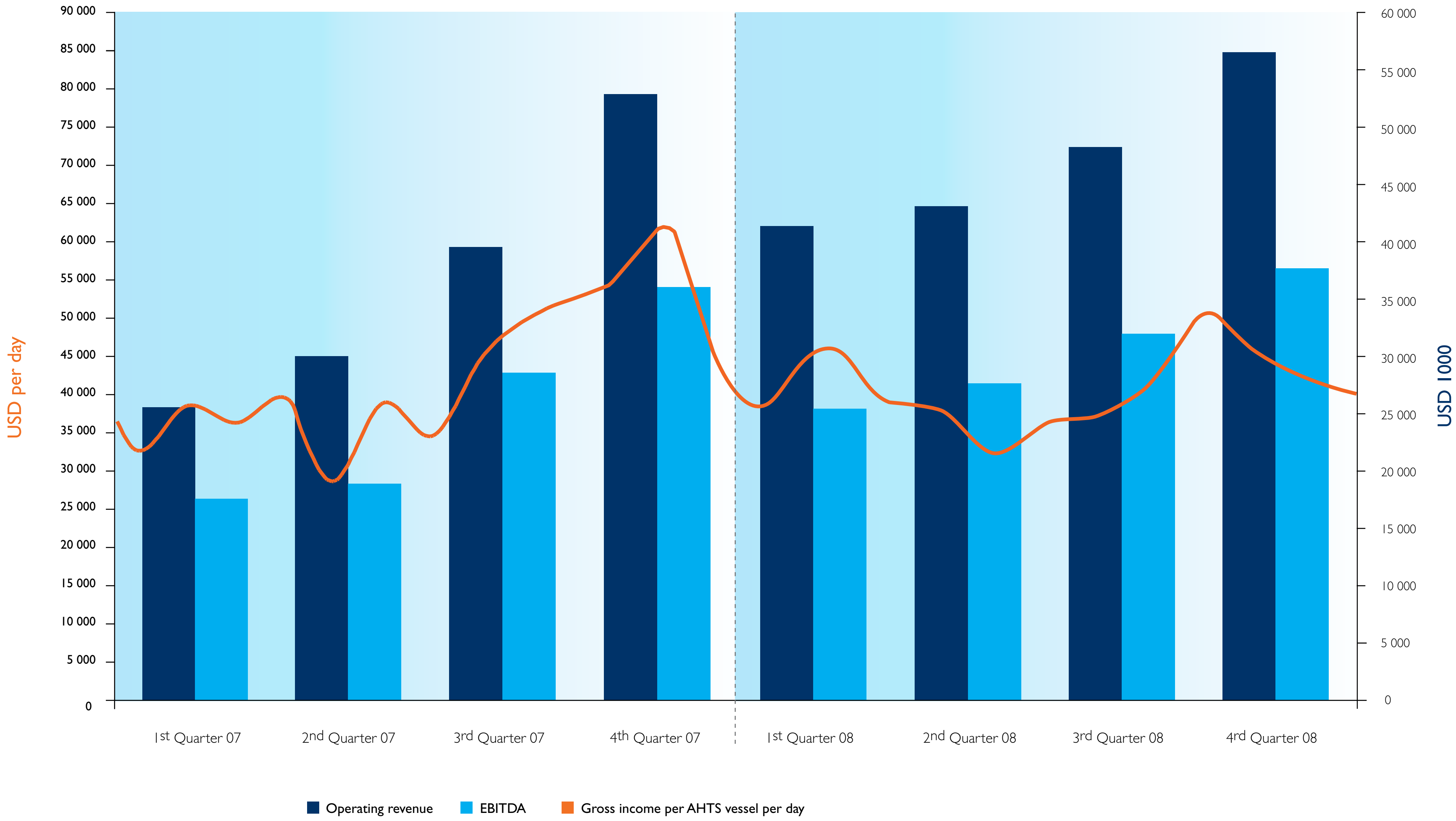
October 2008
The Company obtained GBP 160,000 per day in the North Sea spot market for the vessel "Sea Tiger", the highest freight rates in the Company's history.

After finishing a 12 month bareboat charter that commenced directly upon delivery from Jaya Shipyard, the option to purchase "Sea Ocelot" was exercised.

November 2008
Delivery of "Sea Lion", a Havyard 842 design with 17,520 BHP, from Havyard Leirvik.

December 2008
Delivery of "Sea Witch", the 8th and last in a series of 8 newbuilding PSVs delivered to Deep Sea Supply from Cochin Shipyard.

QUARTERLY OPERATING REVENUE AND EBITDA



CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

Accounts prepared in accordance with IFRS

(Unaudited figures in USD 1,000)	Note	YTD 2008	YTD 2007	4Q 2008	4Q 2007
Operating revenue	**4**	**190 405**	**146 660**	**56 366**	**53 365**
Vessel operating expenses	4	-60 199	-40 176	-16 222	-14 789
Other operating expenses	4	-7 970	-5 952	-2 522	-2 449
Total operating costs		**-68 168**	**-46 128**	**-18 743**	**-17 238**
EBITDA		**122 237**	**100 532**	**37 623**	**36 127**
Depreciation	5	-30 277	-16 561	-8 633	-5 293
Other losses	6	-16 759	0	-12 593	0
Gain on sale		29 440	1 518	2 076	1 173
EBIT		**104 641**	**85 489**	**18 473**	**32 008**
Financial income		2 122	2 616	181	680
Financial expenses		-41 545	-19 878	-8 578	-6 777
Net currency items		-2 951	-4 535	3 562	545
Change in value of financial derivatives		-11 929	2 928	-4 515	-1 345
Net financial items		**-54 303**	**-18 869**	**-9 350**	**-6 898**
Pre-tax result		**50 338**	**66 620**	**9 123**	**25 110**
Taxes		3 110	-12 843	3 330	-12 843
Net result		**53 448**	**53 776**	**12 452**	**12 267**
Average number of shares		126 863 860	125 607 818	126 863 860	126 863 860
Earnings per share	10	0,42	0,43	0,10	0,10
Earnings per share diluted	10	0,42	0,42	0,10	0,10
Cash flow per share 1)		0,86	0,64	0,27	0,25

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

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

Accounts prepared in accordance with IFRS

(Unaudited figures in USD 1,000)	Note	31.12.2008	31.12.2007
Non-current assets			
Vessels	5	360 920	275 738
Vessels under sale and leaseback contracts	5	279 028	231 323
Drydocking cost	5	8 484	4 760
Drydocking cost under sale and leaseback	5	6 257	2 005
Construction contracts	5	31 735	83 871
Equipment	5	95	88
Total property, plan and equipment		**686 520**	**597 785**
Pension Schemes		0	103
CIRR deposit		44 799	0
Total non-current assets		**731 319**	**597 888**
Current assets			
Financial derivatives		0	2 074
Trade and other receivables	7	47 866	41 631
Other short term receivables		9 307	18 981
CIRR deposit - short term portion		4 144	0
Inventories		878	1 767
Financial assets at fair value through profit and loss		6 335	0
Cash and cash equivalents		33 799	31 396
Total current assets		**102 330**	**95 849**
Total assets		**833 650**	**693 737**

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

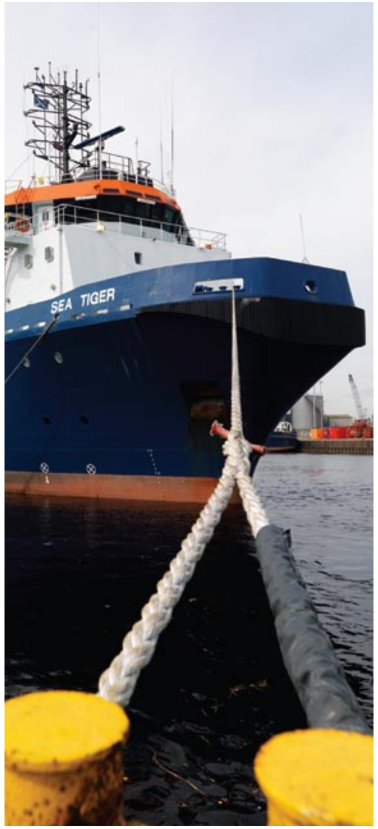
Accounts prepared in accordance with IFRS

(Unaudited figures in USD 1,000)	Note	31.12.08	31.12.07
Shareholder equity			
Share capital	8	2 599	2 639
Share premium and reverse acquisition reserve	8	15 276	66 021
Other paid in capital	8	1 242	231
Treasury shares		-9 787	-9 787
Hedging reserve		-11 759	0
Retained earnings and currency translation		99 007	100 221
Total equity and minority interest		**96 578**	**159 325**
Liabilities			
Bank borrowings	9	266 998	179 012
Leasing debt	9	225 199	169 707
CIRR loan	9	44 799	0
Deferred gain on sale		90 752	56 087
Deferred gain on CIRR loan		1 426	0
Long term tax liability		5 336	11 565
Total long-term liabilities		**634 511**	**416 371**
Bank borrowings falling due within 1 year	9	23 724	13 453
Leasing debt falling due within 1 year	9	15 495	39 578
CIRR loan falling due within 1 year	9	4 144	0
Deferred gain falling due within 1 year		9 201	0
Deferred gain on CIRR loan falling due within 1 year		229	0
Current income tax liability		667	1 338
Financial derivatives		23 909	0
Other short-term liabilities		25 163	12 928
Pension Schemes		30	0
Dividend payable		0	50 746
Total short-term liabilities		**102 561**	**118 041**
Total liabilities		**737 072**	**534 411**
Total equity and liabilities		**833 650**	**693 737**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

(Unaudited figures in USD 1,000)	Share Capital	Reverse acquisition reserves	Share premium reserves	Treasury shares	Other paid-in -equiy	Hedging Reserve	Retained earnings	Minority interest	Currency translation differences	Total
Balance at 1 January 2007	**2 487**	**-123 386**	**349 753**	**0**	**496**	**0**	**37 380**	**17 472**	**0**	**284 202**
Currency translation differences									9 065	9 065
Net income recognised directly in equity									**9 065**	**9 065**
Result for the year							53 776			53 776
Total income recognised for the year ended 31 December 2007							**53 776**		**9 065**	**62 841**
Issuance of new shares in January 2007 from mandatory offering	116		15 929					-17 472		-1 427
Issuance of new shares in August 2007 relating to exercise of share warrant agreement	36		3 644		-496					3 184
Value of share option scheme, issued in December 2007					231					231
Buy back of own shares				-9 787						-9 787
Payment of dividend			-179 919							-179 919
Balance at 31 December 2007	**2 639**	**-123 386**	**189 407**	**-9 787**	**231**	**0**	**91 156**	**0**	**9 065**	**159 325**
Balance at 1 January 2008	**2 639**	**-123 386**	**189 407**	**-9 787**	**231**		**91 156**	**0**	**9 065**	**159 325**
Currency translation differences									-15 259	-15 259
Net income recognised directly in equity									**-15 259**	**-15 259**
Result for the year							53 448			53 448
Total income recognised for the year ended 31 December 2008							**53 448**		**-15 259**	**38 189**
Cancelation of own shares (non traded)	-40									-40
Value of share option scheme, issued in December 2007					1 011					1 011
Fair value changes on items that qualify for hedge accounting						-11 759				-11 759
Payment of dividend			-50 746				-39 404			-90 150
Balance at 31 December 2008	**2 599**	**-123 386**	**138 661**	**-9 787**	**1 242**	**-11 759**	**105 200**	**0**	**-6 194**	**96 578**

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT



(Unaudited figures in USD 1,000)	**2008**	**2007**
Cash flows from operating activities		
Cash generated from operations	123 343	79 642
Interest paid	-38 351	-12 799
Income tax paid	3 789	555
Net cash generated from operating activities	**88 780**	**67 398**
Cash flows from investing activities		
Acquisitions and disposals of vessels and construction contracts	-75 145	-159 329
Net cash used in investing activities	**-75 145**	**-159 329**
Cash flows from financing activities		
Payment of dividend to shareholders	-140 896	-125 898
Proceeds from borrowings	430 099	307 300
Repayments of borrowings	-300 435	-93 194
Cash flow from acquisition of own shares	0	-9 787
Cash flow from acquisition of shares in Deep Sea Supply ASA / Change in domicile	0	-6 539
Net cash used in financing activities	**-11 232**	**71 882**
Total changes in liquidity in the year	**2 403**	**-20 049**
Cash and cash equivalents at beginning of year	31 396	51 445
Exchange gains/loss	0	0
Cash and cash equivalents at end of the year	**33 799**	**31 396**

FUTURE CAPITAL EXPENDITURE NEWBUILDING CONTRACTS

(Unaudited figures in USD 1,000)	**2009**	**2010**	**Total**
Contractual yard payments	36 753	112 048	148 801
Committed bank borrowings from delivery	36 600	48 800	85 400

NOTES

1. General information

Deep Sea Supply PLC ("the Company") and its subsidiaries, hereinafter collectively ("the Group") principal activities are to engage and invest, directly or indirectly, by itself or through subsidiaries or part-owned companies, partnerships or other forms of entities, in the international offshore supply vessel business.

The Company was incorporated as a public limited liability company on 7 November 2006 in Cyprus in accordance with the provisions of the Companies Law, Cap. 113.

The Company was established for the purpose of acquiring all shares of Deep Sea Supply ASA.

The Company has its primary and only listing on the Oslo Stock Exchange.

These unaudited condensed consolidated financial statements have been approved for issue by the Board of Directors on 6 November 2008.

2. Basis of preparation

These condensed unaudited consolidated interim financial information for the year ended 31 December 2008 have been prepared in accordance with IFRS as adopted by the E.U. applicable to interim financial reporting, IAS 34 'Interim Financial Reporting'. The interim financial report should be read in conjunction with the annual financial statements for the year ended 31 December 2007, which have been prepared in accordance with IFRS as adopted by the European Union.

3. Summary of significant accounting policies

3.1 Statement of Compliance and Basis for preparation

These condensed consolidated financial statements have been prepared in accordance with, and comply with, International Financial Reporting Standards as adopted by the EU; the regulations of Oslo Stock Exchange.

All International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and effective as at 1 January 2008 have been adopted by the EU through the endorsement procedure established by the European Commission, with the exception of certain provisions of IAS 39 "Financial Instruments: Recognition and Measurement" relating to portfolio hedge accounting and IFRIC 12 'Service concession arrangements).

Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2007, as described in those financial statements.
Taxes on income in the interim period are accrued using the tax rate that would be applicable to expected annual earnings.
The Group has also applied an accounting policy on government grants. Government grants on non-current assets acquisitions are presented as deferred income and recognised as income on a systematic and rational basis over the useful life of the asset.

The following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2008 and have not been early adopted:

- IAS 1 (Revised 2007) "Presentation of financial statements" (effective 1 January 2009).*
- IAS1 "Presentation of financial statements" on current / non-current classification of derivatives
- IAS 8 "Accounting policies, changes in accounting estimates and errors"; Status of implementation guidance.
- IAS 10 "Events after the reporting period"; Dividends declared after the end of the reporting period.
- IAS16 "Property, plant and equipment" on recoverable amount.
- IAS 18 " Revenue" ; Costs of originating a loan
- IAS 19 "Employee benefits"
- IAS 20 "Accounting for government grants and disclosure of government assistance" (I); Government loans with a below the market rate of interest.
- IAS 20 "Accounting for government grants and disclosure of government assistance" (II); Consistency of terminology with other IFRs
- IAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009).*

• IAS 27 "Consolidated and Separate Financial Statements"* (revised January 2008, effective for annual periods beginning on or after 1 July 2009).

• IAS 28 "Investment in Associates", required disclosure when investments in associates are accounted for at fair value through profit or loss.

• IAS 29 "Financial reporting in hyperinflationary economies"; Consistency of terminology with other IFRSs

• IAS 29 "Financial reporting in hyperinflationary economies"; Description of measurement basis in financial statements.

• IAS 31 "Interests in joint ventures" ;Required disclosure when interests in jointly controlled entities are accounted for at fair value through profit or loss.

• IAS 32 and IAS 1 Amendment "Puttable financial instruments arising on liquidation"* (effective from 1 January 2009).

• IAS 34 "Interim financial reporting"; Earnings per share disclosures in interim financial reports.

• IAS 36 "Impairment of Assets"; disclosure of estimates used to determine recoverable amount.

• IAS 38 "Intangible assets";Advertising and promotional activities and unit of production method of amortization.

• IAS 39 "Financial instruments: Recognition and measurement"; Reclassification of derivatives into and out of the classification of at fair value through profit or loss. Designating and documenting hedges at the segment level.

• IAS 39, "Financial instruments: Recognition and Measurement" * (effective from 1 January 2010).

• IAS 40 "Investment property" ; Consistency of terminology with IAS8

• IAS 40 "Investment property"; Property under construction or development for future use as investment property

• IAS 41 "Agriculture"; Discount rated for fair value calculations and additional biological transformation.

• IAS 41 "Agriculture"; Examples of agricultural produce and products and point of sale costs.

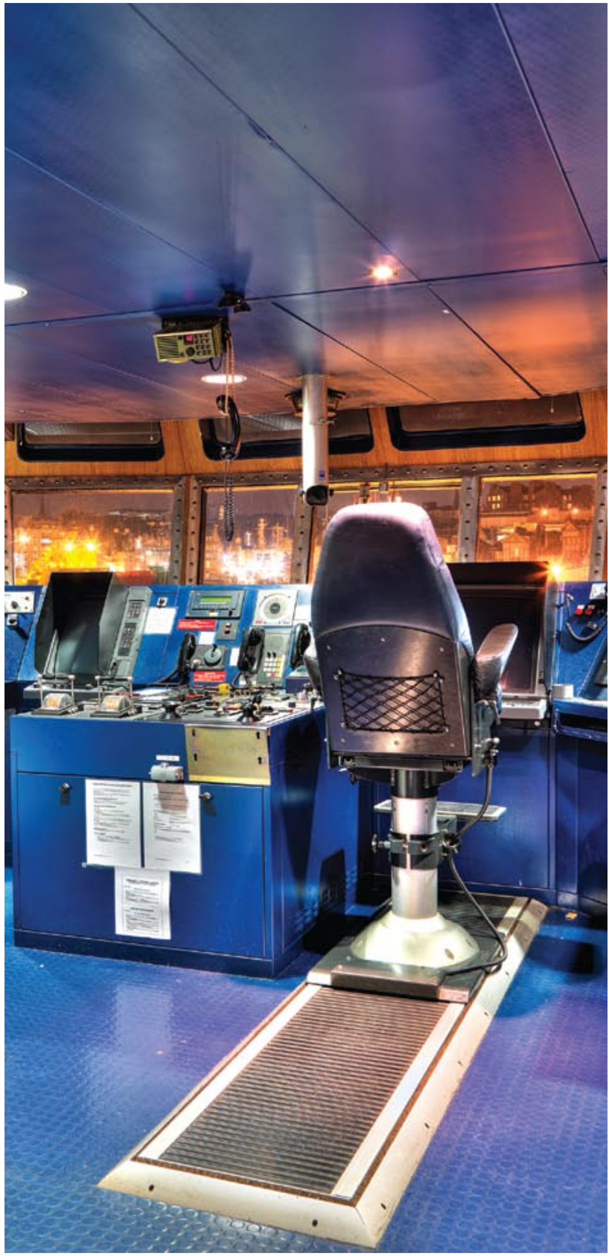
• IFRS 7 " Financial instruments: Disclosures" ; Presentation of finance costs.

• IFRS 8, 'Operating segments ' (effective from 1 January 2009). IFRS 8 replaces IAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131.

• IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction' (effective from 1 January 2008). *

• IFRS 8, "Operating Segments" (effective from 1 January 2009).

• IFRIC 11, "IFRS 2—Company and Treasury Share Transactions" (effective for annual periods beginning on or after 1 March 2007)*



• IFRIC 13, "Customer loyalty programmes"* (effective for annual periods beginning on or after 1 July 2008)

• IFRIC 15, "Agreements for the construction of real estate"* (effective for annual periods beginning on or after 1 January 2009).

• IFRS 3 "Business Combinations"* (revised January 2008; effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009)

• IFRIC 16, "Hedges of a net investment in a foreign operation"* (effective for annual periods beginning on or after 1 October 2008).

• IFRS 2 "Share-based Payment" (issued in January 2008; effective for annual periods beginning on or after 1 January 2009).

• IFRIC 12, "Service Concession Arrangements"* (effective for annual periods beginning on or after 1 January 2008).

• IFRS 1 'First time adoption of IFRS' and IAS 27 " Consolidated and separate financial statements' on the 'Cost of an investment in a subsidiary, jointly controlled entity or associate.

The following interpretations to existing standards have been published and are mandatory for the group's accounting periods beginning on or after 1 January 2008 or later periods but are not relevant for the group's operations:

• IFRIC 11, Group and treasure shares transactions. IFRIC 11 addresses how to apply IFRS 2 – Share Based Payments to share-based payments arrangements involving an entity`s own equity instruments or equity instruments of another entity in the same group. The Group will apply IFRIC 11 from annual periods beginning 1 January 2008.

• IFRIC 12, 'Service concession arrangements' (effective from 1 January 2008). *

• IFRIC 13, 'Customer loyalty programmes' (effective from 1 July 2008). *

• Amendment to IFRS 2 "Share-based Payment" (issued in January 2008; effective for annual periods beginning on or after 1 January 2009).

• IFRIC 14, "IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"* (effective for annual periods beginning on or after 1 January 2008).

• IFRIC Interpretation 7 "Applying the restatement approach under IAS 29, Financial Reporting in Hyperinflationary Economies".

• IFRIC Interpretation 10 "Interim Financial Reporting and Impairment".

• IAS 39 "Financial instruments: Recognition and measurement" and IFRS 7 "Financial instruments: Disclosures" ; From 1 July 2008, reclassifications of financial assets classified as held for trading (but not designated under the fair value option), are permitted in certain cases: (a) If the financial asset meets the definition of a loan or receivable at the date of reclassification and the company now has the intent and ability to hold it for the foreseeable future or to maturity; or (b) For other financial assets (i.e. those that meet the definition of a loan or receivable at the date of reclassification). In addition from 1 July 2008, assets classified as available-for-sale (AFS) may be reclassified as loans and receivables provided (a) they would have met the definition of a loan or receivable and (b) the company has the intent and ability to hold the asset for the foreseeable future or to maturity.

• IAS 39 "Financial instruments: Recognition and measurement – effective date and transition" This amendment clarifies the transition provisions to IAS 39 as revised and explained above. *

* Have not been endorsed by the European Union. The Group will be able to apply these standards only if they are endorsed by the European Union.

4. Segment information

Primary Segment - Area of Operations

The segment results for the year ended 31 December 2008 is as follows:

	North Sea	Africa	Australia/ Far East	North/South America	Mediterranean	Un-allocated items	Total
Segment revenues	33 832	35 349	34 274	25 512	61 438	0	190 405
Vessel operating expenses	-11 183	-9 643	-8 272	-9 179	-21 922	0	-60 199
Other operating expenses	-1 416	-1 480	-1 435	-1 068	-2 572	0	-7 970
EBITDA per segment	**21 233**	**24 226**	**24 567**	**15 265**	**36 944**	**0**	**122 237**
Depreciation	-4 455	-3 096	-4 240	-3 738	-14 703	-46	-30 277
Other gains/(losses)	0	0	0	0	0	-16 759	-16 759
Gain on sale		1 387		21 614	6 411	27	29 440
EBIT per segment	**16 778**	**22 518**	**20 327**	**33 142**	**28 653**	**-19**	**104 641**
Net Financial Items							-54 303
Pre-tax result							**50 338**
Taxes							3 110
Net Result							**53 448**

The corresponding segment results for the year ended 31 December 2007 is as follows:

	North Sea	Africa	Australia/ Far East	North/South America	Mediterranean	Un-allocated items	Total
Segment revenues	53 651	29 314	20 702	42 993	0	0	146 660
Vessel operating expenses	-15 043	-5 702	-5 031	-14 400	0	0	-40 176
Other operating expenses	-2 177	-1 190	-840	-1 745	0	0	-5 952
EBITDA per segment	**36 431**	**22 422**	**14 831**	**26 848**	**0**	**0**	**100 532**
Depreciation	-5 808	-2 712	-3 975	-4 066	0	0	-16 561
Other gains/(losses)	0	0	0	0	0	0	0
Gain on sale	0	844	675	0	0	0	1 518
EBIT per segment	**30 623**	**20 554**	**11 531**	**22 782**	**0**	**0**	**85 490**
Net Financial Items							-18 869
Pre-tax result							**66 620**
Taxes							-12 843
Net Result							**53 776**

Secondary Segment - Type of Vessel

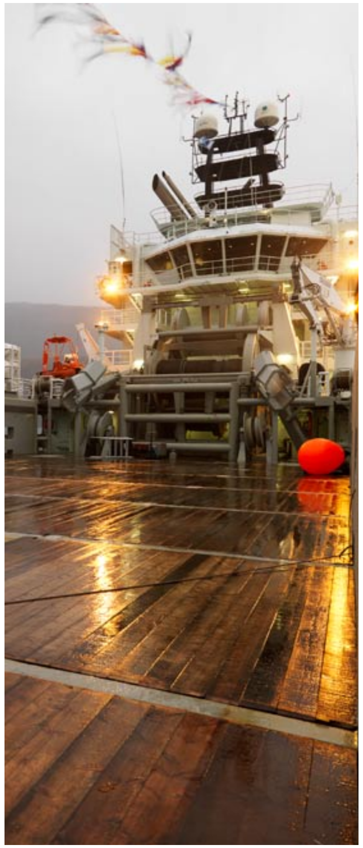
The segment results for the year ended 31 December 2008 is as follows:

	AHTS	PSV	Un-allocated items	Total
Segment revenues	**146 061**	**44 344**	**0**	**190 405**
Vessel operating expenses	-46 907	-13 292	0	-60 199
Other operating expenses	-6 114	-1 856	0	-7 970
EBITDA per segment	**93 040**	**29 196**	**0**	**122 237**
Depreciation	-24 657	-5 574	-47	-30 277
Other gains/(losses)			-16 759	-16 759
Gain on sale	13 695	15 717	27	29 440
EBIT per segment	**82 079**	**39 339**	**0**	**104 641**
Net Financial Items				-54 303
Pre-tax result				**50 338**
Taxes				3 110
Net Result				**53 448**

The corresponding segment results for the year ended 31 December 2007 is as follows:

	AHTS	PSV	Un-allocated items	Total
Segment revenues	**127 943**	**18 717**	**0**	**146 660**
Vessel operating expenses	-35 552	-4 624	0	-40 176
Other operating expenses	-5 192	-760	0	-5 952
EBITDA per segment	**87 199**	**13 333**	**0**	**100 532**
Depreciation	-14 497	-2 064	0	-16 561
Other gains/(losses)	0	0	0	0
Gain on sale	914	604	0	1 518
EBIT per segment	**73 616**	**11 873**	**0**	**85 489**
Net Financial Items				-18 869
Pre-tax result				**66 620**
Taxes				-12 843
Net Result				**53 776**

5. Property Plant and equipment and intangible assets



	Vessels	Finance lease vessels	Vessels in progress	Vehicles & equipment	Total
Opening net book value as at 1 January 2007	**228 432**	**0**	**134 846**	**94**	**363 372**
Additions	124 195	39 175	0	0	163 370
Vessels leased	-110 895	198 500	0	0	87 605
Disposals	0	0	0	0	0
Delivered new buildings	50 975	0	-50 975	0	0
Depreciation and amortisation	-12 209	-4 347	0	-5	-16 561
Closing net book value as at 31 December 2007	**280 498**	**233 328**	**83 871**	**88**	**597 785**
Opening net book value as at 1 January 2008	**280 498**	**233 328**	**83 871**	**89**	**597 785**
Additions	17 733	0	77 753	54	95 540
Vessels leased	-28 451	89 500	0	0	61 049
Disposals	0	-21 847	-15 731	0	-37 578
Delivered new buildings	114 158	0	-114 158	0	0
Depreciation and amortisation	-14 534	-15 696	0	-47	-30 277
Closing net book value as at 31 December 2008	**369 404**	**285 285**	**31 735**	**95**	**686 520**

FUTURE CAPITAL EXPENDITURE NEWBUILDING CONTRACTS

(Unaudited figures in USD 1,000)	**2009**	**2010**	**Total**
Contractual yard payments	36 753	112 048	148 801
Committed bank borrowings from delivery	36 600	48 800	85 400

6. Other losses

The other losses for the year ended 31 December 2008 are:

Change in value of financial assets at fair value through profit and loss	8 192
Impairment of other receivables	8 021
Impairment of trade receivables	546
	16 759

Change in value of financial assets at fair value through profit and loss

DESSC has through 2008 acquired shares in an offshore supply company. The shares have reduced in value and caused an unrealized loss of -USD 4,0 mill. in 4Q08 and -USD8,2 mill.YTD 2008.

Impairment of other receivables

In 2006, DESSC sold 3 of its 12 shipbuilding contracts at ABG Shipyard to Scan Geophysical ASA ("Scan") for a total price of USD 22,6 mill., of which USD 10,2 mill. was paid in 2006 and 1/3 of the balance of USD 12,4 mill. would be paid upon delivery of each of the respective vessels to Scan. A profit of NOK 56,9 mill. was booked following this sale in DESSC' 2006 financial statements. The balance of USD 12 mill. payable upon delivery of the vessels has been posted as "other receivables". There is currently uncertainty related to whether and when the vessels, or some of them, will be delivered by the yard, as well as to Scan's ability to take delivery. One vessel is approaching completion in the very near future, while two vessels are scheduled to be delivered later this year. In light of the uncertainties, and in line with prudent accounting principles, DESSC has elected to make a provision in the Q408 accounts for 2/3 of the outstanding receivable from Scan. Even if it cannot be ruled out that even the last portion of the receivable in the amount of USD 4 mill could be exposed, DESSC believes, based on publicly available information, that it is appropriate in the circumstances to maintain and treat said amount as a receivable.

7. Trade and other receivables

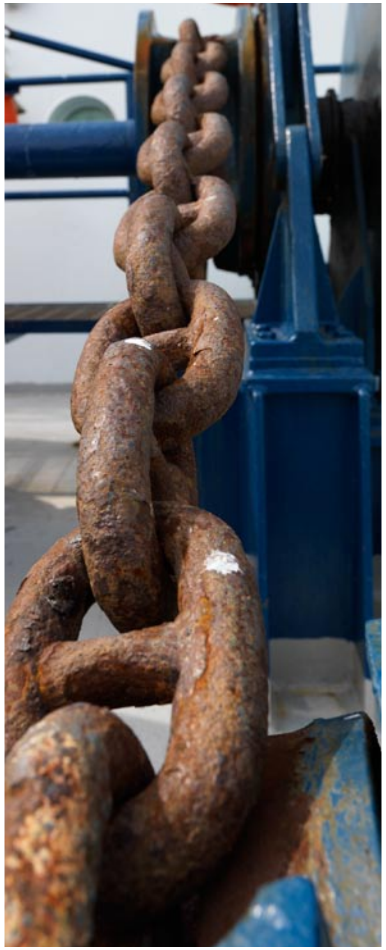
	As at 31 December 2008	As at 31 December 2007
Trade receivables	47 866	41 631
Less:Provision for impairment of receivables	0	0
Trade receivables -Net	47 866	41 631
Less non-current portion: loans to related parties	0	0
Current Portion	**47 866**	**41 631**

Trade receivables that are less than four months due are not considered impaired. As of 31 December 2008, trade receivables of USD 6,525 mill. (2007: USD 16,392 mill.) were past due but not impaired. These relate to a number of independent customers for whom there has been one case of default amounting USD 0,546 mill. which the Group has written off as other losses. None of the receivables due for more than four months are considered impaired. The aging analysis of these trade receivables is as follows:

Aging	As at 31 December 2008	As at 31 December 2007
Up to one month	40 690	22 502
One to four months	6 525	16 392
More than four months	651	2 737
Total	**47 866**	**41 631**

The carrying amount of the group's trade and other receivables are denominated in the following currencies:

Currency	As at 31 December 2008	As at 31 December 2007
United State Dollars (USD)	23 328	28 869
Great British Pounds (GBP)	7 482	9 733
Norwegian Kroner (NOK)	0	3 029
Euro (EUR)	17 056	0
Total	**47 866**	**41 631**



The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

8. Share Capital

	Number of Shares (thousands)	Share Capital	Share premium	Other paid-in-equity	Total
Opening balance as at 1 January 2007	124 374	2 487	226 367	496	**229 350**
Issuance of new shares in January 2007 from mandatory offering	5 799	116	0	0	**116**
Reclassification of minority interest	0		15 929		**15 929**
Issuance of new shares in August 2007 relating to exercise of share warrant agreement	1 792	36	3 644	-496	**3 184**
Valuation of share option scheme, issued in September 2007	0	0	0	231	**231**
Payment of dividend	0		-179 919		**-179 919**
At 31 December 2007	**131 965**	**2 639**	**66 021**	**231**	**68 891**

	Number of Shares (thousands)	Share Capital	Share premium	Other paid-in-equity	Total
Opening balance as at 1 January 2008	131 965	2 639	66 021	231	**68 891**
Payment of dividend from share premium	0		-50 746		**-50 746**
Valuation of share option scheme				1 011	**1 011**
Cancelation of own shares (non traded)	-2 000	-40			**-40**
At 31 December 2008	**129 965**	**2 599**	**15 275**	**1 242**	**19 117**

9. Borrowings and loans

	As at 31 December 2008	As at 31 December 2007
Borrowings		
Non-current	266 998	179 012
Current	23 724	13 453
	290 721	**192 465**
Sale and leaseback and bareboat		
Non-current	225 199	169 707
Current	15 495	39 578
	240 694	**209 285**
CIRR Loan		
Non-Current	44 799	0
Current	4 144	0
	48 944	**0**
Total Borrowings	**580 358**	**401 750**

The outstanding loan of the Group's borrowings are denominated in the following currencies

	As at 31 December 2008	As at 31 December 2007
Borrowings		
NOK	44 928	118 771
USD	245 793	73 694
Sale and leaseback and bareboat		
USD	240 694	209 285
CIRR Loan		
NOK	48 944	0
	580 358	**401 750**

The maturity of non-current assets is as follows

	As at 31 December 2008	As at 31 December 2007
Borrowings		
Between 1 and 2 years	49 016	26 907
Between 2 and 5 years	73 524	76 529
Over 5 years	144 458	75 576
	266 998	**179 012**
Sale and leaseback and bareboat		
Between 1 and 2 years	29 604	16 793
Between 2 and 5 years	47 567	26 406
Over 5 years	148 028	126 508
	225 199	**169 707**
CIRR Loan		
Between 1 and 2 years	4 144	0
Between 2 and 5 years	8 574	0
Over 5 years	32 082	0
	44 799	**0**

Borrowings

During the period ended 31 December 2008 the Group has replaced its existing senior loan facility with a NOK 783 mill (USD 154 mill) and a USD 102 mill 1st priority loan facility.

In November the group has converted part of its NOK (630m) facility to USD (90m).

The Group issued a 5 years NOK 200 mill (USD 39m) bond in January 2006. The Group has exercised the issuer's call option for early settlement of the bond, in Quarter 3, 2008. The early call option included a 10% premium on the NOK 200 mill which has been recognised in the financial expenses.

Sale and leaseback and bareboat

In January 2008 the Group has entered into the second sale and leaseback transaction with Ship Finance International Ltd. for another two of its vessels. Gross sales proceeds were USD 126 mill. A seller's credit of USD 22 mill has been agreed and the net sales proceeds are USD 104 mill. A gain from the sale of vessels to Ship Finance International Ltd. of USD 61 mill has been deferred in the balance sheet as a long term liability and will amortised over the lease term which is 12 years. In the balance sheet the seller's credit is deducted from the gross long term debt related to the leasing transaction.

The term is 12 years with several purchase options.

CIRR loan

During the year ended 31 December 2008 the Group has applied for two Commercial Interest Reference Rate (CIRR) loan from the Norwegian Export Credit Agency. The amount of the loans was NOK 132 mill (USD 19 mill) and NOK 216 mill (USD 31 mill).. The duration of the loans is 12 years and the cash proceeds from the loans have been deposited in fixed deposit account with a Norwegian bank at a higher interest rate than that of the loans. The agreed period of the deposits is identical with the one of the loans. The loans and the interest thereof will be repaid from that account and the difference has been recognised as deferred gain and will be amortised over the period of the life of the asset.

10. Earnings per share

Basic	As at 31 December 2008	As at 31 December 2007
Profit attributable to equity holders of the company	53 448	53 776
Weighted average number of ordinary shares (thousands)	126 863 860	125 607 818
Basic earnings per share (USD per share)	0,42	0,43

Diluted	As at 31 December 2008	As at 31 December 2007
Profit attributable to equity holders of the company	53 448	53 776
“Weighted average number of ordinary shares diluted (thousands)”	126 863 860	126 825 170
Diluted earnings per share (USD per share)	0,42	0,42

11. Related party transactions

As per 31 December 2008 the Group has entered into the second sale and leaseback transaction with Ship Finance International Ltd for 2 of its supply vessels. The major shareholder of Ship Finance International Ltd is Hemen Holding Ltd who is also the major shareholder of the Group.

Gross proceeds from the sale and lease back of the 2 vessels are USD 126 mill. A seller's credit of USD 22 mill has been agreed and the net sales proceeds are USD 104 mill. A gain from the sale of vessels to Ship Finance International Ltd. of USD 61 mill has been deferred in the balance sheet as a long term liability and will amortised over the lease term which is 12 years with several purchase options. In the balance sheet the seller's credit is deducted from the gross long term debt related to the leasing transaction.
The bareboat rates for the 2 vessels are as follows:

Years of bareboat agreement period	2 x AHTS (Anchor handling tug Supply Vessels)
1-2	19 520
3-5	17 736
6-7	16 750
8-12	13 750

12. Events after the balance sheet date

The Group has signed three long term charters for the vessels "Sea Leopard", "Sea Ocelot" and "Sea Eagle 1" at good rates, during January and February.

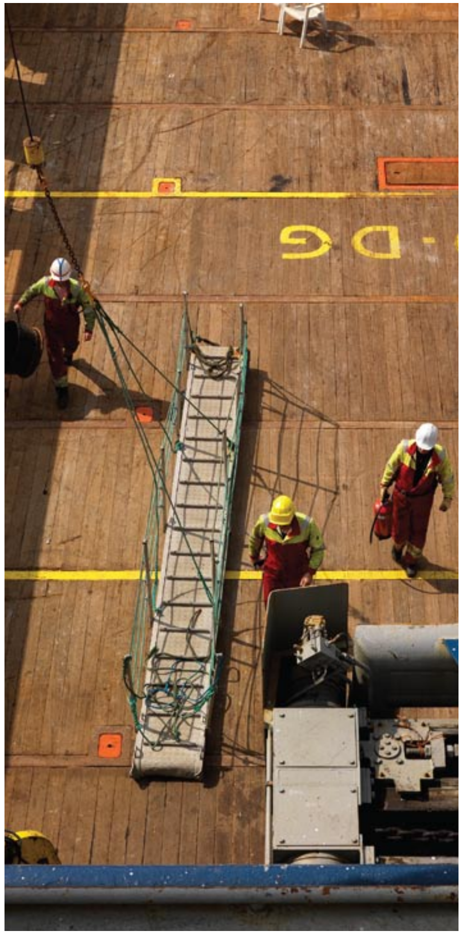
The first two months of 2009 has shown a soft spot market in the North Sea.

13. Seasonality

Operating income and expenses are not subject to seasonable fluctuations, other than changes in spot rates due to changes in the underlying market conditions.

SHAREHOLDERS

THE LARGEST SHAREHOLDERS AS PER 17 FEBRUARY 2009 REGISTRED IN VPS



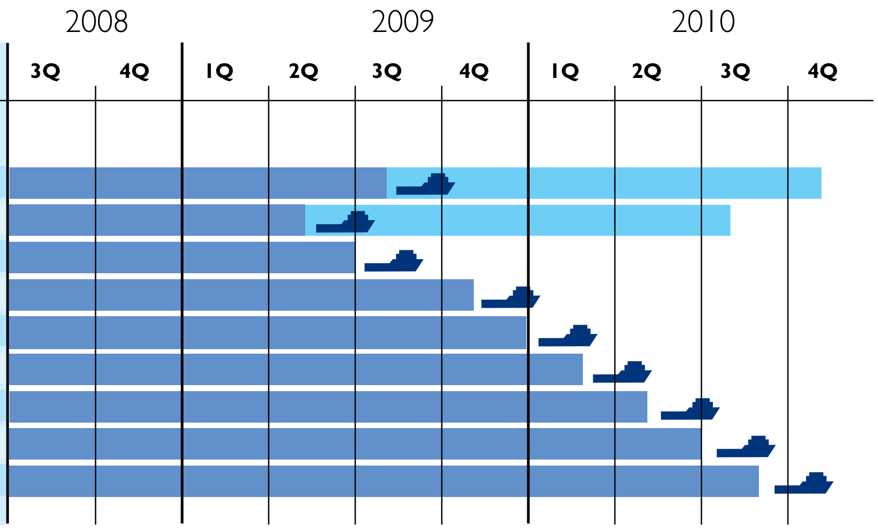
	Citizen	No. of shares:	%
HEMEN HOLDING LIMITED	CYP	44 583 853	34,30 %
SVENSKA HANDELSBANKEN	SWE	4 725 415	3,64 %
SKANDINAVISKA ENSKILDA BANKEN	SWE	4 000 000	3,08 %
ORKLA ASA	NOR	3 779 000	2,91 %
J.P. MORGAN CHASE BANK	LUX	2 799 813	2,15 %
DNB NOR MARKETS	NOR	2 607 000	2,01 %
MLPF&S NORWEGIAN	USA	2 334 005	1,80 %
SEB ENSKILDA	NOR	2 235 000	1,72 %
CITIBANK	USA	1 809 792	1,39 %
DNB NOR SMB VPF	NOR	1 500 000	1,15 %
J.P. MORGAN CHASE BANK	LUX	1 240 804	0,95 %
STICHTING SHELL PENSIOENFONDS	NLD	1 136 000	0,87 %
TERRA SPAR VPF	NOR	1 030 000	0,79 %
CARNEGIE ASA	NOR	997 000	0,77 %
CITIBANK	USA	959 363	0,74 %
SEB LONDON	GBR	886 000	0,68 %
BANK OF NEW YORK	CAN	782 427	0,60 %
J.P. MORGAN CHASE BANK	GER	754 200	0,58 %
STATE STREET BANK	USA	674 000	0,52 %
CITIBANK	USA	665 000	0,51 %
Total 20 largest shareholders:		**79 498 672**	**61,17 %**
Total shares owned by Deep Sea Supply Plc		**3 101 000**	**2,39 %**
Total other shareholders:		**47 365 189**	**36,44 %**
Total number of shares:		**129 964 861**	**100,00 %**

FLEET LIST AS PER 17 FEBRUARY 2009

Existing Vessels	Yard	Built	Type	BHP/DWT
AHTS VESSELS				
Sea Lion	Havyard Leirvik	04.11.08	AHTS Havyard 842	17520 BHP
Sea Tiger	Kværner Leirvik	1998	AHTS KMAR 404	15000 BHP
Sea Leopard	Kværner Kleven	1998	AHTS KMAR 404	15000 BHP
Sea Lynx	Kværner Leirvik	1999	AHTS KMAR 404	15000 BHP
Sea Panther	Kværner Leirvik	1999	AHTS KMAR 404	15000 BHP
Sea Wolf I	Kværner Leirvik	1999	AHTS KMAR 404	15000 BHP
Sea Bear	Kværner Kleven	1999	AHTS KMAR 404	15000 BHP
Sea Cougar	Kværner Leirvik	1999	AHTS KMAR 404	16000 BHP
Sea Cheetah	Jaya Shipbuilding	25.01.07	AHTS Khiam Chuang	15000 BHP
Sea Jaguar	Jaya Shipbuilding	06.07.07	AHTS Khiam Chuang	15000 BHP
Sea Ocelot	Jaya Shipbuilding	01.10.07	AHTS Khiam Chuang	10800 BHP
Sea Otter	ABG Shipyard Ltd	17.08.07	AHTS Seatech P-729	6500 BHP
PSVs				
Sea Halibut	Cochin Shipyard Ltd	27.04.07	PSV UT 755 L	3250 DWT
Sea Angler	Cochin Shipyard Ltd	19.07.07	PSV UT 755 L	3250 DWT
Sea Pike	Cochin Shipyard Ltd	10.10.07	PSV UT 755 L	3250 DWT
Sea Bass	Cochin Shipyard Ltd	18.01.08	PSV UT 755 L	3250 DWT
Sea Pollock	Cochin Shipyard Ltd	30.04.08	PSV UT 755 L	3250 DWT
Sea Trout	Karmsund Maritime Services	18.06.08	VS 470 MK II	3300 DWT
Sea Turbot	Cochin Shipyard Ltd	20.08.08	PSV UT 755 L	3250 DWT
Sea Witch	Cochin Shipyard Ltd	17.12.08	PSV UT 755 L	3250 DWT

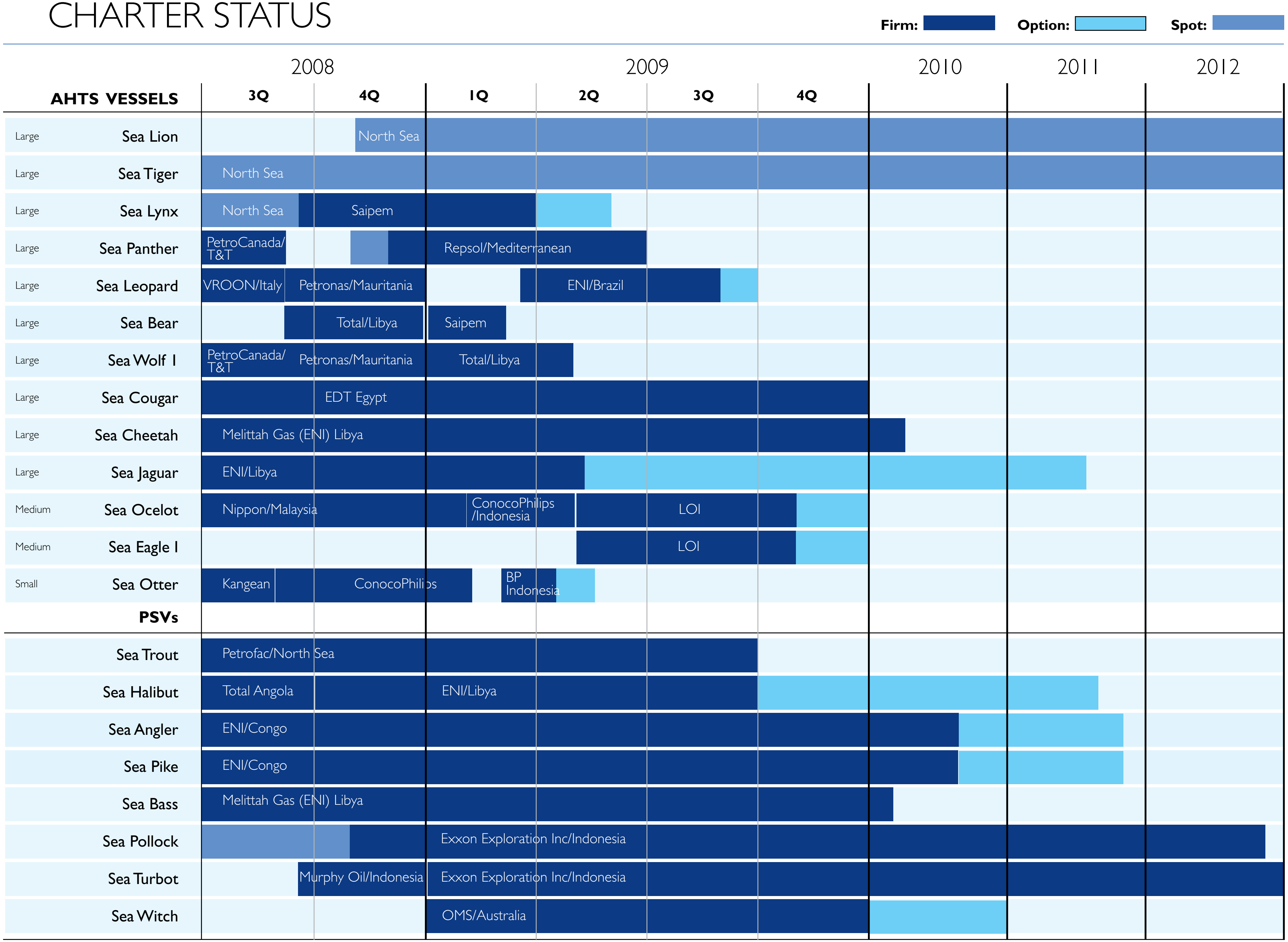
NEWBUILDING DELIVERY

Vessel no	Vessel	Yard	Type	Bhp/Dwt	Expected Delivery
	AHTS VESSELS				
875	Sea Hawk I	Jaya	AHTS Khiam Chuang	12000 BHP	July 2009
878	Sea Eagle I	Jaya	AHTS Khiam Chuang	12000 BHP	April 2009
258	Sea Weasel	ABG	AHTS Seatech P-729	6500 BHP	June 2009
270	Sea Marten	ABG	AHTS Seatech P-729	6800 BHP	October 2009
271	Sea Fox	ABG	AHTS Seatech P-729	6800 BHP	December 2009
272	Sea Jackal	ABG	AHTS Seatech P-729	6800 BHP	February 2010
273	Sea Badger	ABG	AHTS Seatech P-729	6800 BHP	April 2010
274	Sea Vixen	ABG	AHTS Seatech P-729	6800 BHP	June 2010
275	Sea Stoat	ABG	AHTS Seatech P-729	6800 BHP	August 2010



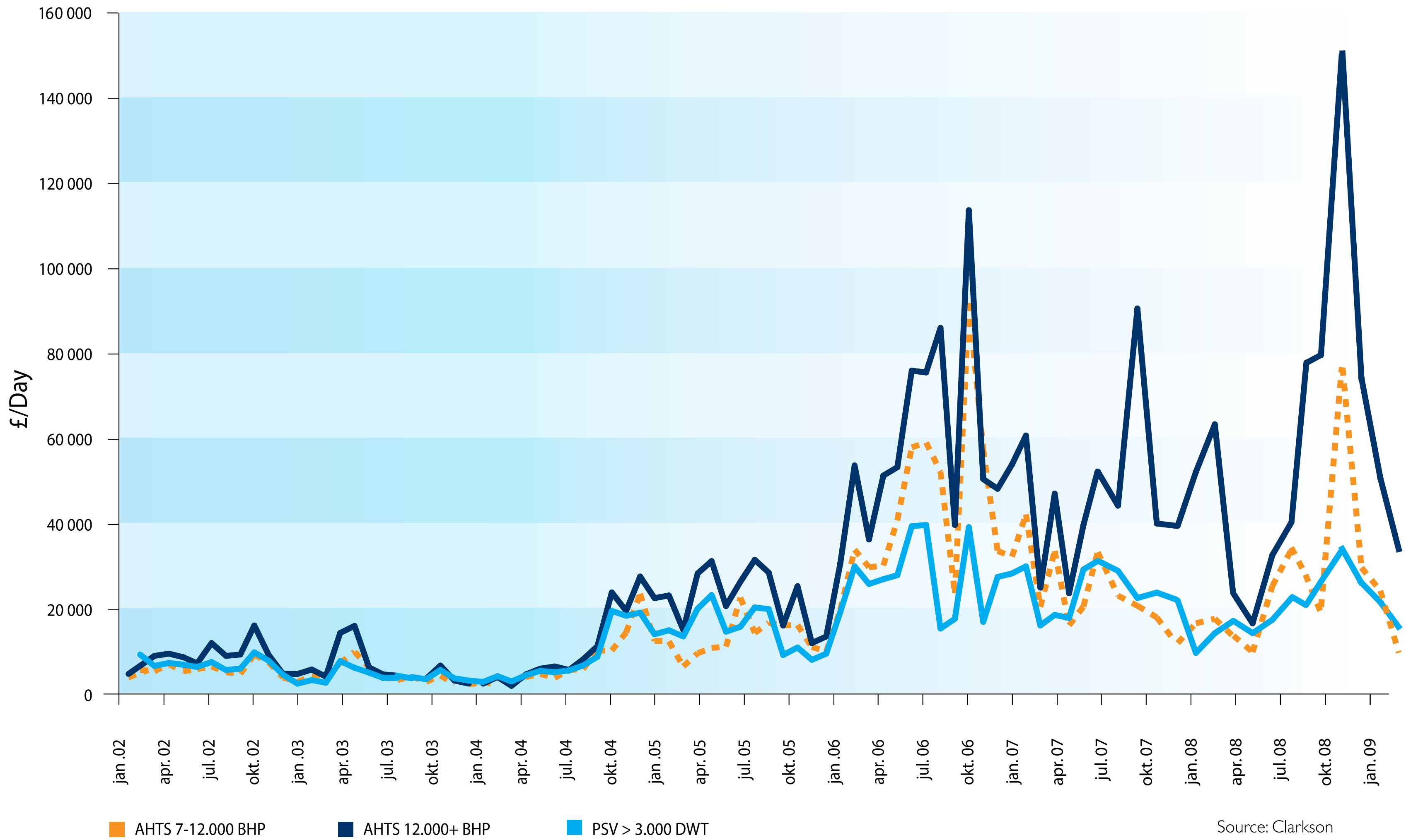
Deep Sea Supply Plc secured a purchase option at the end of the bareboat charter.

CHARTER STATUS



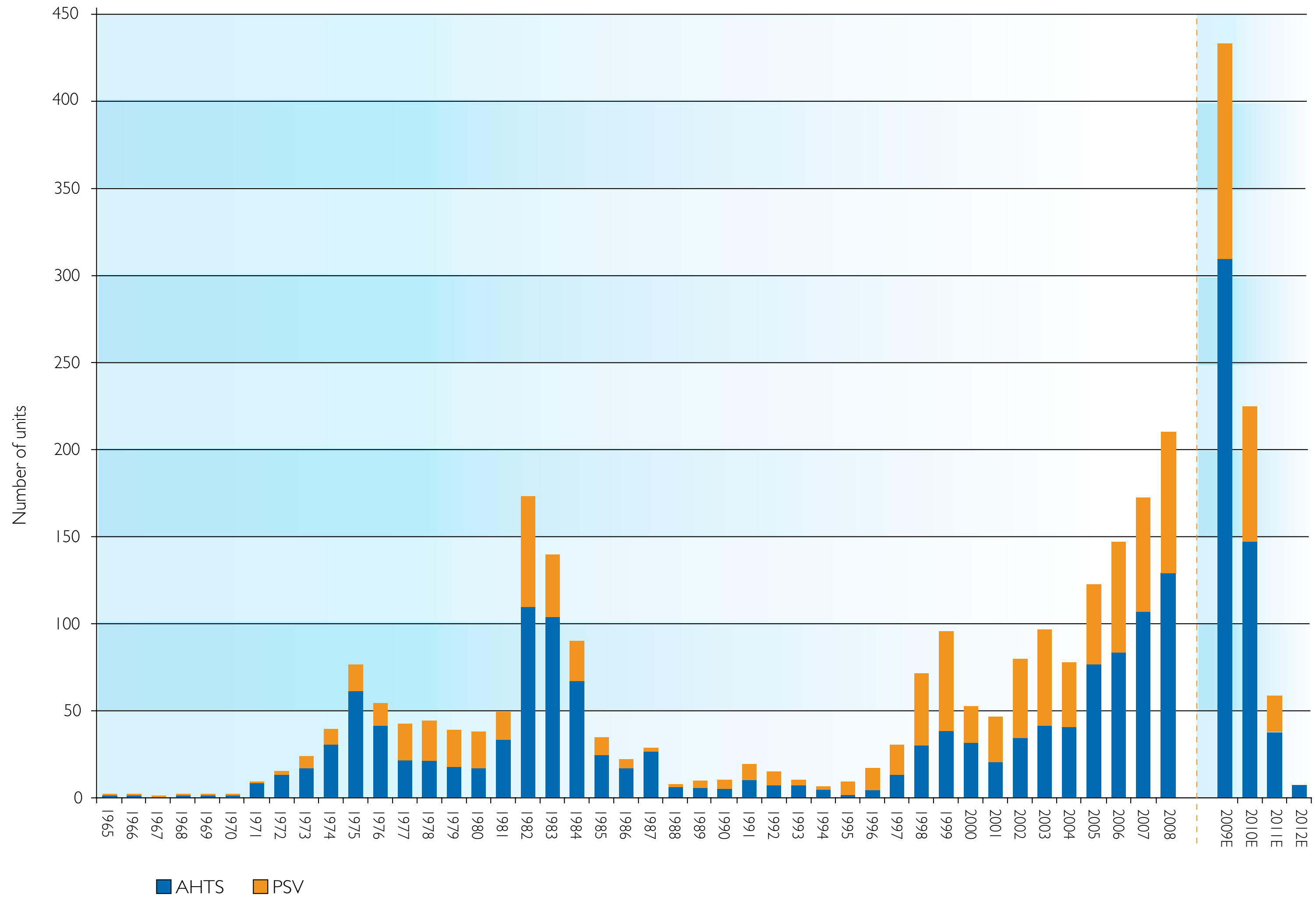
MONTHLY AVERAGE SPOT RATES NORTH SEA

for ATHS and PSV



Source: Clarkson

AGE DISTRIBUTION CURRENT FLEET AND ORDER BOOK

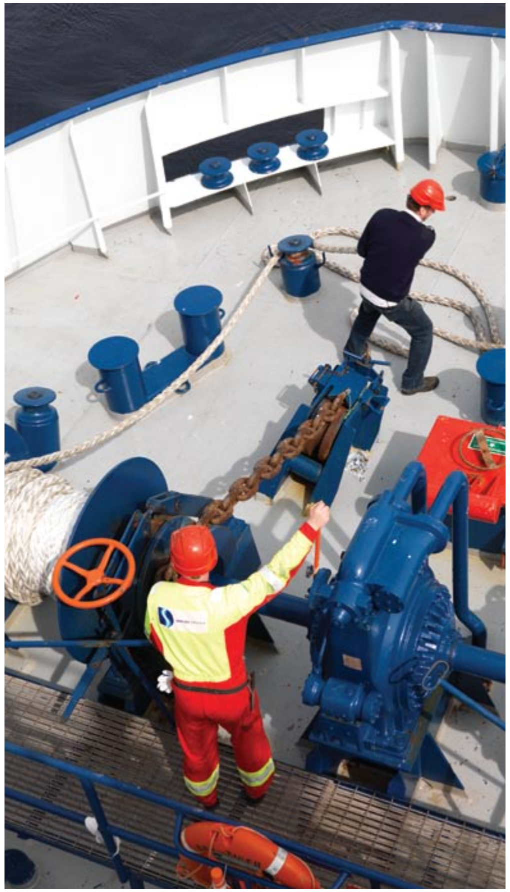


AHTS
Vessels > 20 years: 47,2 % of total fleet
Vessels > 30 years: 32,7 % of total fleet

PSV
Vessels > 20 years: 15,9 % of total fleet
Vessels > 30 years: 10,8 % of total fleet

Source: ODS Petrodata

MARKET SUMMARY



Supply vessels	**Total fleet**		**AHTS**		**PSV**	
Existing fleet	2227		1325		902	
Orderbook	703	32 %	481	36 %	222	25 %
Average age	15,4		16,5		13,7	

Rig market	**Total fleet**		**Semis/drillships**		**Jackups**	
Existing fleet	630		214		416	
Orderbook	157	25 %	90	42 %	67	16 %
Average age	23,0		22,7		23,2	

Key drivers	**P.t.**	**2011E**	**Chg.**	**Chg. %**
Number of offshore rigs	630	779	149	24 %
Number of FPSOs	126	190	64	51 %
Number of other floating production installations	73	90	17	23 %
World fleet AHTS / PSV vessels	2227	2919	692	31 %

Source: ODS Petrodata

DEEP SEA SUPPLY Plc

Deep Sea Supply Group Contact information

www.deepseasupply.no

Cyprus
Deep Sea Supply Plc
John Kennedy Ave.
Iris House
7th Floor
Office no.740B
Limassol 3100
Cyprus

Deep Sea Supply Management (Cyprus) Ltd
Deana Beach Apts, Block 1, Flat 411
Promachon Elefterias Street Agios Athanasios 4013
Limassol
Cyprus

Postal address:
P.O. Box 53340
CY-3302 Limassol
Cyprus

Norway
Deep Sea Supply Management AS
Tromøyveien 22
4841 Arendal
Norway

Singapore
Deep Sea Supply
16 Raffles Quay
43-01 Hong Leong Building
Singapore 048581

Postal address:
PO Box 2844
Singapore 904844