Q109

Deep Sea Supply Plc

13th of May 2009

Complete version

DEEP SEA SUPPLY PLC – Q109

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).

Strong performance in weaker OSV market

Significant reduction in vessels' operating expenses in Q109 maintained a high EBITDA-margin of 63,4% despite weaker rates for AHTS and PSVs. By the end of Q109 the Company's cash position has increased significantly from USD 33,8 mill. from year end 08 to USD 49,1 mill by the end of Q109. DESSC owns close to 5% of CH Offshore Ltd., a public listed offshore supply company based in Singapore with a fleet of small and medium sized AHTS vessels. The acquisition of shares is done on an opportunistic basic.

The operating revenues increased to USD 44,2 mill. in Q109 from USD 42,6 mill. in Q108. The increase in operating revenues is mainly a consequence of an increased fleet. Adjusting for the increased fleet from Q108 to Q109, the vessels' operating expenses reduced by a significant 20% from Q108 to Q109.

EBITDA for Q109 improved to USD 28 mill. compared to USD 25,5 mill. in Q108. The EBITDA margin for Q109 improved to 63,4% from 59,8% in Q108.

EBIT in Q109 was USD 21,7 mill. compared to USD 35,8 in Q108. However, EBIT in Q108 contained approximately USD17 mill. in gain on sale of a vessel.

Net result after taxes for Q109 was USD 13,7 mill. or USD 0,11 per share compared to USD 17,4 mill. in Q108 and USD 0,14 per share.

One vessel, the "Sea Eagle 1" was delivered on 20 April 2009 and one shipbuilding contract ("Sea Hawk") was cancelled by the Company in Q109 due to late delivery from the shipyard. "Sea Eagle 1" is on a bareboat charter from a subsidiary of the shipyard and a purchase option can be declared in July 2010.

Deep Sea Supply has committed financing in place for all delivered vessels and its newbuilding program except for "Sea Eagle" (if purchased in July 2010).

DESSC has good employment contracts in place throughout 2009.

The Board suggests no dividend distributions in Q109 due to the uncertain market conditions as a consequence of the current international financial turmoil. The Company however intends to continue pursuing its shareholder friendly strategy and aims at distributing dividend as and when the markets show more visibility.

Earnings, rate levels and market conditions

Total revenues in Q109 were USD 44,2 mill. This is an increase of 4% compared to Q108.

Market conditions for offshore supply vessels have been negatively affected following the international financial crises. In particular, the North Sea spot market has experienced low rates in Q109.

Rate levels for the Company's fleet have reduced with 29% compared to Q108. The main reason is reduced rate levels from the large AHTS vessels primarily due to a weak North Sea spot market in Q109, where the Company has two vessels in operation.

The PSVs show steady performance due to long term charter contracts.

Anchor Handling Tug Supply Vessels (AHTS)
In Q109 DESSC had 12 AHTS vessels in operation of which 2 have operated in the North Sea spot market and the remaining 10 in the international term market. One vessel, "Sea Leopard", has been offhire in Q109. The vessel has relocated to Brazil where the vessel commenced a new charter contract early April 2009. In Q108, the Company had 11 AHTS in operation.

In addition to this fleet, DESSC had by end of Q109 another 8 AHTS vessels on order/under construction of which one vessel, "Sea Eagle 1" was delivered 20 April 2009.

Rate levels
The rate levels for DESSC's AHTS decreased with 28% compared to Q108.

Freight revenues
Compared with Q108, total revenues from AHTS vessels reduced by 18%. The reduction is mainly due to (i) lower rate levels particularly in the North Sea, (ii) the effect of weaker GBP, Euro and NOK exchange rates against USD as the Company has part of its charter revenues in these currencies in addition to USD.

New charters
In Q109, DESSC entered new charters for the AHTS "Sea Leopard" (changed from "Sea Bear") for operations in Brazil for ENI Brazil for a term of 150 days. "Sea Eagle 1" and "Sea Ocelot" were chartered for a period of 6-8 months for operations in Asia. The Company's strategy is to look for medium to long term charters for its AHTS vessels.

Platform Supply Vessels (PSVs)
By the end of Q109, DESSC had 8 PSVs in operation, all committed on long term charters. DESSC's fleet of PSVs in operation has increased from 4 vessels in operation by the end of Q108 to 8 vessels in operation by end of Q109.

Rate levels
The rate levels for DESSC's PSVs reduced with 9% compared to Q109 and 5% compared with Q408.

Freight revenues
Compared with Q109, DESSC's total revenues from PSVs increased with 102% mainly due to an increased fleet.

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

Vessels' operating expenses, operations and newbuildings

Vessels' operating expenses:
Vessels' operating expenses in Q109 were USD 14,7 mill. compared to USD 14,5 mill. in Q108 or an increase of 2%. However, when adjusting for the bigger fleet in Q109 compared to Q108, the daily operating expenses per vessel have reduced by as much as 20%. The Company has now reduced the vessels' operating expenses in five consecutive quarters.

Vessel operation, technical and crew management, newbuildings and construction supervision:
The vessels have been employed worldwide in Q109 and by end of the quarter, the vessels operated in the following geographical areas;

North Sea	: 3 vessels
Mediterranean	: 10 vessels
West Africa	: 2 vessels
Asia and Australia	: 5 vessels

DESSC has a chartering department in Singapore and Norway responsible for the marketing and chartering of all vessels.

Of the 20 vessels by end of Q109, 14 vessels had Cyprus flag and 6 vessels had Norwegian flag. The NOR flagged vessels are primarily crewed with Norwegians and EU seafarers. The Cyprus' flagged vessels have full Filipino crew, a combination of Filipino crew and European Officers or a combination of Filipino and Indonesians.

Newbuildings:
On 17 April 2009, "Sea Eagle 1" was delivered from Jaya, Singapore. The newbuilding "Sea Hawk" was cancelled in March 2009 due to delayed delivery from the shipyard. The remaining newbuildings are the 7 newbuildings from ABG Shipyard where 3 vessels are scheduled to be delivered in 2009 and 4 vessels in 2010.

Other expenses

Other operating expenses
These are general and administrative expenses for the offices in Cyprus, Singapore and Norway and were reduced in Q109 compared to Q108.

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

Gain on sale
The USD 2,3 mill. gain on sale in Q109 is 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).

Net financial items
Interest income is reduced compared to Q108 due to lower NOK and USD interest rate levels.

Q109 contained furthermore some currency losses (mostly unrealised) and a positive change in the Company's derivatives (which are entered into for hedging purposes).

Cash, cash flow and equity

The Company's cash balance by the end of Q109 was USD 49,1 mill. or a considerable increase from USD 33,8 mill. by end of 2008.

Q109 cash flow from operating activities were USD 22,5 mill., cash flow from investing activities a negative –USD1 mill., cash flow from financing activities a negative –USD6,2 mill. resulting in total changes in cash in Q109 of USD15,3 mill. to a cash balance by end of Q109 of USD 49,1 mill.

Equity by the end of Q109 was USD 125,1 mill. following a result for the period Q109 of USD 13,7 mill.

Financing of the vessels is done by a senior bank loan from a group of international shipping banks and through a sale and leaseback arrangement with Ship Finance International.

Balance sheet

Trade and other receivables
Total receivables from customers were USD 37,4 mill. or a reduction from USD 43,6 mill. in Q108. Of the USD 37,4 mill. receivables, 87% were less than 1 month old.

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 99,4 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 Q109

The Company took delivery of the AHTS vessel "Sea Eagle I" from Jaya on 20 April 2009. The Company has settled all outstanding issues with Scan Geophysical and received USD 1 mill. compensation as a cash settlement. The vessel "Sea Otter" has been chartered for a period of 4 months for operations in Asia.

Future outlook

The financial turmoil creates uncertainty about the future demand for oil and hence the oil price and the level of activity in the offshore sector. Hence, it is difficult to make predictions about the future rate levels for AHTS and PSVs. When the world economy picks up, the demand for oil is expected to increase and also the oil price. This is expected to increase exploration activity which again will increase the demand for AHTS and PSVs.

Market value of offshore supply vessels has reduced somewhat. Vessel sales concluded in Q109 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 Q109, 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. Reduced charter rate can result in a drain of the Company's cash. Payments from charterers are normally 30 days after the end of the month which expose the Company to credit risk from its charterers. By end of Q109, the Company has 8 newbuildings under construction or on order from shipyards and the Company is hence exposed to delays in deliveries which may impact future revenues negatively and further delays may take delivery beyond the banks' availability date for financing. The Company is furthermore sensitive to changes in interest rates as part of its NOK and USD loans have floating interest. Financial turmoil can cause further reductions in value of vessels which can cause reduced financing of newbuildings and trigger the minimum value clauses on the loans. The financial turmoil may also change 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 established in 2008 an Audit Committee.

Responsibility statement:

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 31 March 2009 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, 12 May 2009
The Board of Deep Sea Supply PLC

Svein Aaser
Chairman

Frixos Savvides

Anna Cecilie Holst

Bjørn Giaever

Kathrine Fredriksen

Deep Sea Supply (or the "Company") is an offshore supply company with a modern fleet of Anchor Handling Tug Supply vessels (AHTS) and Platform Supply Vessels (PSVs). The parent company is based in Cyprus and listed on Oslo Stock Exchange under the ticker "DESSC".

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

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

Deep Sea Supply's business model is to maintain an organization of qualified staff engaged in above activities.

The technical and crew management of the Fleet and construction supervision of the newbuilding program is outsourced to external professional management companies whose performance is closely monitored by the Company.

The Company's strategy is to become one of the world's leading offshore supply companies and to achieve this by being an active player and consolidator in this segment. The strategy is furthermore to be shareholder friendly with the aim of securing good return and dividend distributions to its shareholders. The Company practices an open investor relations strategy.

The Company has management companies in Cyprus, Singapore and Norway with a total staff of 14 people.

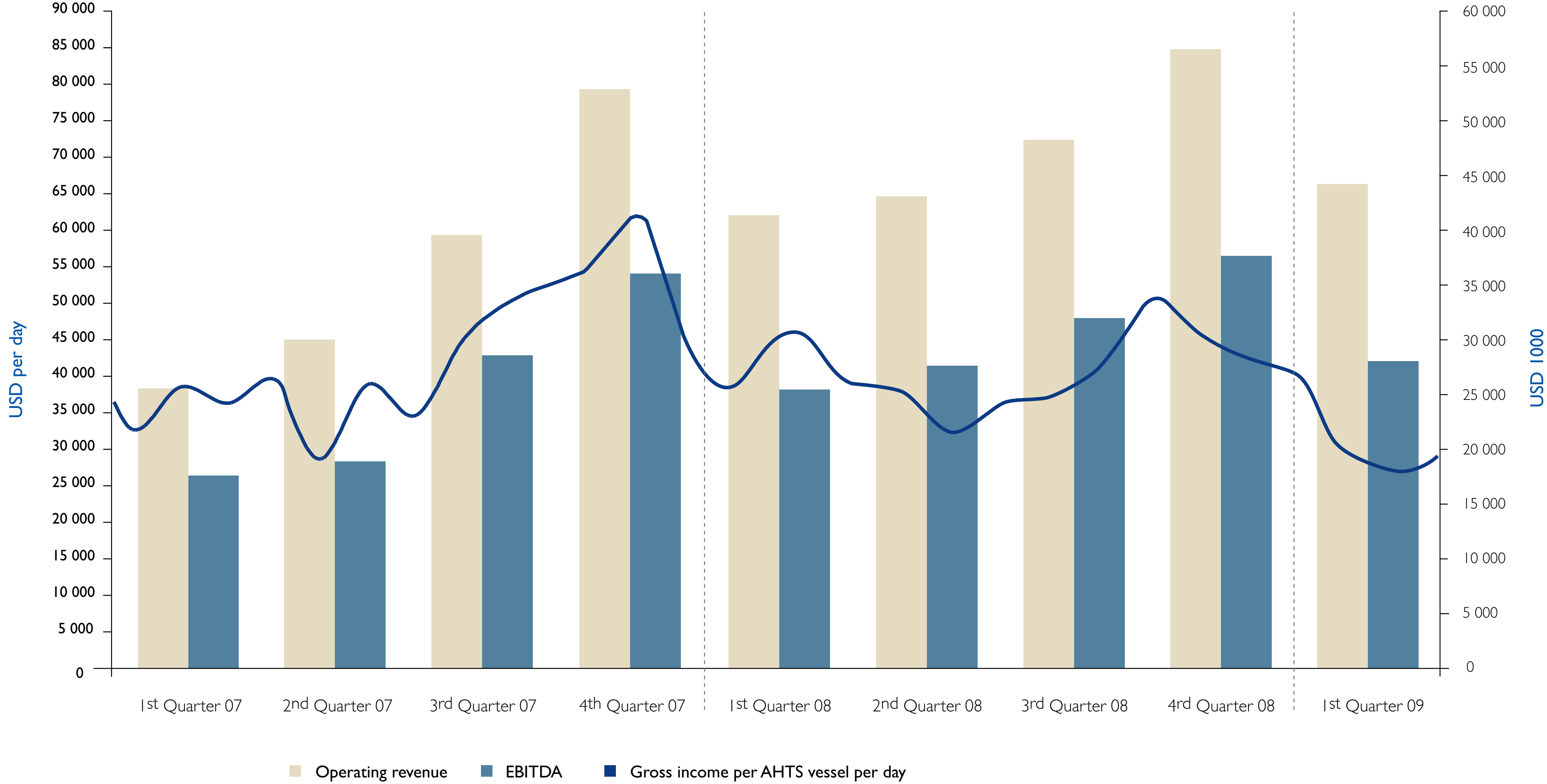
The Company's main shareholder is Hemen Holding Ltd., owning 34,3% of the shares of the Company. The DESSC share has been the most liquid offshore supply stock on Oslo Stock Exchange.

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

QUARTERLY OPERATING REVENUE AND EBITDA



CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

(Unaudited figures in USD 1,000)	Note	1Q 2009	1Q 2008	4Q 2008
Operating revenue	4	44,160	42,571	56,366
Vessel operating expenses	4	(14,683)	(14,465)	(16,222)
Other operating expenses	4	(1,469)	(2,646)	(3,075)
Total operating costs		**(16,152)**	**(17,111)**	**(19,296)**
EBITDA		**28,008**	**25,460**	**37,070**
Depreciation	5	(8,311)	(6,677)	(8,633)
Other (losses) / gains	6	(260)	121	(15,603)
Gain on sale		2,253	16,913	2,076
EBIT		**21,690**	**35,818**	**14,910**
Financial income		38	775	181
Financial expenses		(7,914)	(10,043)	(8,578)
Net currency items		(2,408)	(4,414)	3,562
Change in value of financial derivatives		2,279	(4,690)	(4,515)
Net financial items		**(8,005)**	**(18,373)**	**(9,350)**
Pre-tax result		**13,685**	**17,445**	**5,560**
Taxes		(13)	(20)	3,330
Net result		**13,672**	**17,424**	**8,890**
Average number of shares		126,863,860	126,863,860	126,863,860
Earnings per share	9	0.11	0.14	0.07
Earnings per share diluted	9	0.11	0.14	0.07
Cash flow per share 1)		0.16	0.23	0.15

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

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

(Unaudited figures in USD 1,000)	Note	31.03.09	31.12.08	31.03.08
Non-current assets				
Vessels	5	363,444	369,404	242,446
Vessels under sale and leaseback contracts	5	281,401	285,285	327,062
Construction contracts	5	28,287	31,735	85,878
Equipment	5	63	95	119
Total property, plan and equipment		**673,195**	**686,520**	**655,506**
Pension Schemes		0	0	140
CIRR deposit		44,637	44,799	0
Total non-current assets		**717,832**	**731,319**	**655,645**
Current assets				
CIRR deposit - short term portion		4,306	4,144	0
Inventories		801	878	1,508
Trade and other receivables	7	37,431	47,866	43,590
Other short term receivables		9,371	6,172	18,991
Financial assets at fair value through profit and loss		6,010	6,335	2,687
Cash and cash equivalents		49,130	33,799	48,568
Total current assets		**107,049**	**99,195**	**115,345**
Total assets		**824,881**	**830,515**	**770,990**
Shareholder equity				
Share capital		2,599	2,599	2,639
Share premium and reverse acquisition reserve		16,203	16,203	16,203
Other paid in capital		1,242	1,242	231
Treasury shares		-9,787	-9,787	-9,787
Retained earnings and currency translation		114,867	101,965	124,579
Total equity and minority interest		**125,125**	**112,221**	**133,864**

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

(Unaudited figures in USD 1,000)	Note	**31.03.09**	**31.12.08**	**31.03.08**
Liabilities				
Bank borrowings	8	262,848	266,998	154,994
Finance lease libility	8	221,478	225,199	266,273
CIRR loan	8	44,637	44,799	0
Deferred gain		89,927	92,178	97,577
Long term tax liability		5,304	5,336	12,118
Pension scheme		31	30	0
Total long-term liabilities		**624,226**	**634,541**	**530,962**
Trade and other payables		19,003	25,039	10,211
Current income tax liability		379	667	1,449
Bank borrowings falling due within 1 year	8	23,902	23,724	11,960
Leasing debt falling due within 1 year	8	15,266	15,495	16,438
CIRR loan falling due within 1 year	8	4,306	4,144	0
Deferred gain falling due within 1 year		9,431	9,430	9,201
Financial derivatives		3,243	5,254	6,160
Dividend payable		0	0	50,746
Total short-term liabilities		**75,530**	**83,753**	**106,165**
Total liabilities		**699,756**	**718,295**	**637,127**
Total equity and liabilities		**824,881**	**830,516**	**770,990**

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	Retained earnings	Currency translation differences	Total
Balance at 1 January 2008	2,639	-123,386	190,334	-9,787	231	95,085	8,138	163,254
Currency translation differences							3,932	3,932
Result for the period						17,424		17,424
Payment of dividend			(50,746)					-50,746
Balance at 31 March 2008	**2,639**	**-123,386**	**139,588**	**-9,787**	**231**	**112,509**	**12,070**	**133,864**
Balance at 1 January 2009	2,599	-123,386	139,588	-9,787	1,242	109,085	-7,120	112,221
Currency translation differences							-770	-770
Result for the period						13,672		13,672
Balance at 31 March 2009	**2,599**	**-123,386**	**139,588**	**-9,787**	**1,242**	**122,757**	**-7,890**	**125,125**

(Unaudited figures in USD 1,000)	**1Q 2009**	**1Q 2008**
Cash flows from operating activities		
Cash generated from operations	29,627	17,735
Interest paid	(7,119)	(8,150)
Net cash generated from operating activities	**22,508**	**9,585**
Cash flows from investing activities		
Acquisitions of vessels and construction contracts	(1,018)	(42,184)
Disposals of vessels and construction contracts	0	59,808
Net cash used in investing activities	(1,018)	17,624
Cash flows from financing activities		
Payment of dividend to shareholders	0	(50,746)
Proceeds from borrowings	0	104,000
Repayments of borrowings	(6,159)	(63,291)
Net cash used in financing activities	**(6,159)**	**(10,037)**
Total changes in cash and cash equivalents in the period	**15,331**	**17,172**
Cash and cash equivalents at beginning of period	**33,799**	**31,396**
Cash and cash equivalents at end of the period	**49,130**	**48,568**

FUTURE CAPITAL EXPENDITURE NEWBUILDING CONTRACTS

(Unaudited figures in USD 1,000)	**2009**	**2010**	**Total**
Contractual yard payments	36,600	79,500	116,100
Committed bank borrowings from delivery	36,600	48,800	85,400

STATEMENT OF COMPREHENSIVE INCOME

(Unaudited figures in USD 1,000)	**1Q 2009**	**1Q 2008**	**4Q 2008**
Profit for the period	13,672	17,424	8,890
Other comprehensive income			
Currency translation differences	(770)	3,932	(13,270)
Total comprehensive income for the period	**12,902**	**21,356**	**(4,380)**

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 13 May 2009.

2. Basis of preparation

These condensed unaudited consolidated interim financial information for the period ended 31March 2009 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 period ended 31 March 2008, 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.

Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the period ended 31 March 2009, 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.
At the date of approval of these financial statements the following accounting standards were issued by the International Accounting Standards Board but were not yet effective:

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2009.

- IAS 1 (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement.

Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

The group has elected to present two performance statements: the income statement and statement of comprehensive income. The interim financial statements have been prepared under the revised disclosure requirements.

- IFRS 8, 'Operating segments'. IFRS 8 replaces IAS 14, 'Segment reporting'. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has not resulted in an increase in the number of reportable segments presented.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the steering committee that makes strategic decisions.

There has been no further impact on the measurement of the company's assets and liabilities. Comparatives for 2008 have been restated.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2009, but are not currently relevant for the group:

Improvements to IFRSs – 2008
Amendments to IFRS 1 and International Accounting Standard (IAS) 27 "Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate"
Amendment to IFRS 2 "Share Based Payment: Vesting Conditions and Cancellations"
IAS 23 (Revised) "Borrowing Costs"
Amendments to IAS 32 and IAS 1 "Puttable Financial Instruments and Obligations arising on Liquidation"
International Financial Reporting Interpretation Committee (IFRIC) 12 "Service Concession Arrangements"
International Financial Reporting Interpretation Committee (IFRIC) 13 "Customer Loyalty Programmes"

The following new standards, amendments to standards and interpretations have been issued, but have not yet been adopted by the EU or are not effective for the financial year beginning 1 January 2009 and have not been early adopted:

Standard / Interpretation	Periods beginning on or after
(i) Adopted by the European Union but not yet effective	
International Financial Reporting Interpretation Committee (IFRIC) 12 "Service Concession Arrangements"	29 March 2009
(ii) Not adopted by the European Union	
IFRS 1 (Revised) "First Time Adoption of International Financial Reporting Standards"	1 January 2009
IFRS 3 (Revised) "Business Combinations"	1 July 2009
IFRS 7 (Amendments) "Financial Instruments: Disclosures: Improving disclosures about financial instruments"	1 January 2009
IAS 27 (Revised) "Consolidated and Separate Financial Statements"	1 July 2009
Amendment to IAS 39 "Eligible Hedged Items"	1 July 2009
Amendment to IAS 39 "Reclassification of Financial Assets: Effective date and Transition"	1 July 2008
IFRIC 15 "Agreements for the Construction of Real Estate"	1 January 2009
IFRIC 16 "Hedges of a Net Investment in a Foreign Operation"	1 October 2008
IFRIC 17 "Distributions of Non cash Assets to Owners"	1 July 2009
IFRIC 18 "Transfers of Assets from Customers"	1 July 2009

4. SEGMENT INFORMATION

Primary Segment - Area of Operations • The segment results for the period ended 31 March 2009 is as follows:

	North Sea	Africa	Australia/ Far East	North/South America	Mediterranean	Unallocated items	Total
Segment revenues	3,066	3,921	9,966	0	27,207	0	44,160
Vessel operating expenses	-3,002	-1,217	-2,045	0	-8,420	0	-14,683
Other operating expenses	-102	-130	-331	0	-905	0	-1,469
EBITDA per segment	**-38**	**2,574**	**7,590**	**0**	**17,882**	**0**	**28,008**
EBITDA margin per segment	-1%	66%	76%		66%		63%
Depreciation	-1,228	-492	-1,142	0	-5,438	-12	-8,311
Other gains/(losses)	0	0	0	0	0	-261	-261
Gain on sale	0	165	0	0	2,088	0	2,253
EBIT per segment	**-1,266**	**2,247**	**6,448**	**0**	**14,532**	**-12**	**21,690**
EBIT margin per segment	-41%	57%	65%		53%		49%
Net Financial Items							-8,005
Pre-tax result							**13,685**
Taxes							-13
Net Result							**13,672**

The corresponding segment results for the period ended 31 March 2008 is as follows:

	North Sea	Africa	Australia/ Far East	North/South America	Mediterranean	Unallocated items	Total
Segment revenues	7,547	7,790	6,857	13,554	6,823	0	42,571
Vessel operating expenses	-2,771	-2,241	-2,976	-3,953	-2,524	0	-14,465
Other operating expenses	-469	-484	-426	-843	-424	0	-2,646
EBITDA per segment	**4,307**	**5,065**	**3,455**	**8,758**	**3,875**	**0**	**25,460**
EBITDA margin per segment	57%	65%	50%	65%	57%		60%
Depreciation	-1,023	-735	-964	-1,600	-2,354	0	-6,676
Other gains/(losses)	0	0	0	0	0	121	121
Gain on sale	0	173	0	2,113	14,627	0	16,913
EBIT per segment	**3,284**	**4,503**	**2,491**	**9,271**	**16,148**	**0**	**35,818**
EBIT margin per segment	44%	58%	36%	68%	237%		84%
Net Financial Items							-18,373
Pre-tax result							**17,445**
Taxes							-20
Net Result							**17,424**

SECONDARY SEGMENT - TYPE OF VESSEL

The segment results for the period ended 31 March 2009 is as follows:	AHTS	PSV	Un allocated items	Total
Segment revenues	**28,453**	**15,707**	**0**	**44,160**
Vessel operating expenses	-10,480	-4,203	0	-14,683
Other operating expenses	-946	-522	0	-1,469
EBITDA per segment	**17,027**	**10,982**	**0**	**28,009**
EBITDA margin per segment	60%	70%		63%
Depreciation	-6,386	-1,913	-12	-8,311
Other gains/(losses)			-261	-261
Gain on sale	1,957	296	0	2,253
EBIT per segment	**12,598**	**9,366**	**0**	**21,690**
EBIT margin per segment	44%	60%		49%
Net Financial Items				-8,005
Pre-tax result				**13,685**
Taxes				-13
Net Result				**13,672**

The corresponding segment results for the period ended 31 March 2008 is as follows:				
Segment revenues	**34,793**	**7,782**	**0**	**42,575**
Vessel operating expenses	-12,094	-2,375	0	-14,469
Other operating expenses	-2,163	-484	0	-2,646
EBITDA per segment	**20,536**	**4,923**	**0**	**25,460**
EBITDA margin per segment	59%	63%		60%
Depreciation	-5,767	-910	0	-6,677
Other gains/(losses)	0	0	121	121
Gain on sale	1,931	14,982	0	16,913
EBIT per segment	**16,700**	**18,996**	**0**	**35,818**
EBIT margin per segment	48%	244%		84%
Net Financial Items				-18,373
Pre-tax result				17,445
Taxes				-20
Net Result				**17,424**

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 2008	**280,498**	**233,328**	**83,871**	**89**	**597,785**
Additions	0	0	2,007	31	2,038
Vessels leased	-34,464	118,330	0	0	83,866
Disposals	0	-21,507	0	0	-21,507
Delivered new buildings	0	0	0	0	0
Depreciation and amortisation	-3,588	-3,089	0	0	-6,677
Closing net book value as at 31 March 2008	**242,446**	**327,062**	**85,878**	**119**	**655,506**
Opening net book value as at 1 January 2009	**369,404**	**285,285**	**31,735**	**95**	**686,520**
Additions	0	461	413	0	874
Vessels leased	0	0	0	0	0
Disposals	-2,006	0	0	-20	-2,026
Cancellation of new buildings	0	0	-3,861	0	-3,861
Delivered new buildings	0	0	0	0	0
Depreciation and amortisation	-3,954	-4,345	0	-12	-8,311
Closing net book value as at 31 March 2009	**363,444**	**281,401**	**28,287**	**63**	**673,195**

FUTURE CAPITAL EXPENDITURE NEWBUILDING CONTRACTS

(Unaudited figures in USD 1,000)	2009	2010	Total
Contractual yard payments	36,600	79,500	116,100
Committed bank borrowings from delivery	36,600	48,800	85,400

6. OTHER (LOSSES) / GAINS

	3 months ended 31 March 2009	3 months ended 31 March 2008
Change in value of financial assets at fair value through profit and loss	0	121
Loss on cancellation of a new building contract	-260	0
	-260	**121**

7. TRADE AND OTHER RECEIVABLES

	31 March 2009	31 December 2008	31 March 2008
Trade receivables	37,431	47,866	43,590
Less:Provision for impairment of receivables	0	0	0
Trade receivables -Net	37,431	47,866	43,590
Less non-current portion: loans to related parties	**0**	**0**	**0**
Current Portion	**37,431**	**47,866**	**43,590**

Trade receivables that are less than four months due are not considered impaired. As of 31 March 2009, trade receivables of USD 4 713 (end of 2008: USD 7 176) 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 546 in 2008. The Group has not recognised any losses on its trade receivables during the period ended 31 March 2008 and none of the receivables due for more than four months are considered impaired. The aging analysis of these trade receivables is as follows:

Aging	**31 March 2009**		**31 December 2008**		**31 March 2008**	
Up to one month	32,718	87%	40,690	85%	19,355	44%
One to four months	4,827	13%	6,525	14%	15,370	35%
More than four months	-115	0%	651	1%	8,864	20%
Total	**37,431**	**100%**	**47,866**	**100%**	**43,590**	**100%**

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

Currency	**31 March 2009**		**31 December 2008**		**31 March 2008**	
United State Dollars (USD)	19,653	53%	23,328	49%	31,806	73%
Great British Pounds (GBP)	2,859	8%	7,482	16%	8,910	20%
Norwegian Kroner (NOK)	105	0%	0	0%	110	0%
Euro (EUR)	14,813	40%	17,056	36%	2,765	6%
Total	**37,431**	**100%**	**47,866**	**100%**	**43,590**	**100%**

8. BORROWINGS AND LOANS

	31 March 2009	31 December 2008	31 March 2008
Borrowings			
Non-current	262,848	266,998	154,994
Current	23,902	23,724	11,960
	286,750	**290,722**	**166,954**
Sale and leaseback and bareboat			
Non-current	221,478	225,199	266,273
Current	15,266	15,495	16,438
	236,743	**240,694**	**282,711**
CIRR Loan			
Non-Current	44,637	44,799	0
Current	4,306	4,144	0
	48,944	**48,943**	**0**
Total Borrowings	**572,437**	**580,358**	**449,665**

The outstanding loan of the Group's borrowings are denominated in the following currencies	31 March 2009	31 December 2008	31 March 2008
Borrowings			
NOK	46,196	44,928	119,174
USD	240,554	245,793	47,780
Sale and leaseback and bareboat			
USD	236,743	240,694	282,711
CIRR Loan			
NOK	48,944	48,943	0
	572,437	**580,358**	**449,665**

8. BORROWINGS AND LOANS

The maturity of non-current assets is as follows	31 March 2009	31 December 2008	31 March 2008
Borrowings			
Between 1 and 2 years	49,016	49,016	59,503
Between 2 and 5 years	73,524	73,524	35,880
Over 5 years	140,308	144,458	59,611
	262,848	**266,998**	**154,994**
Sale and leaseback and bareboat			
Between 1 and 2 years	29,604	29,604	44,681
Between 2 and 5 years	47,567	47,567	46,292
Over 5 years	144,307	148,028	175,300
	221,478	**225,199**	**266,273**
CIRR Loan			
Between 1 and 2 years	4,144	4,144	0
Between 2 and 5 years	8,574	8,574	0
Over 5 years	31,919	32,082	0
	44,637	**44,799**	0

9. EARNINGS PER SHARE

Basic	3 months ended 31 March 2009	3 months ended 31 March 2008
Profit attributable to equity holders of the company	13,672	17,424
Weighted average number of ordinary shares (thousands)	126,863,860	126,863,860
Basic earnings per share (USD per share)	**0.11**	**0.14**

Diluted	As at 31 December 2008	As at 31 December 2007
Profit attributable to equity holders of the company	13,672	17,424
"Weighted average number of ordinary shares diluted (thousands)"	126,863,860	126,863,860
Diluted earnings per share (USD per share)	**0.11**	**0.14**

10. EVENTS AFTER THE BALANCE SHEET DATE

The Group took delivery of the AHTS vessel "Sea Eagle 1" from Jaya on 20 April 2009.

11. 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.

12. SALE AND LEASEBACK EFFECT

The impact from the sale and leaseback transtactions (including the bareboat of "Sea Ocelot" until acquired and refinanced) on the profit and loss and balance sheet is as follows:

	3 months ended 31 March 2009	**3 months ended 31 March 2008**
Interest paid	-4,526	-3,588
Deferred gain recognised in profit and loss	2,303	2,286
Depreciation charge of leased vessels	-3,954	-3,588

THE LARGEST SHAREHOLDERS AS PER 6 MAY 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 %**

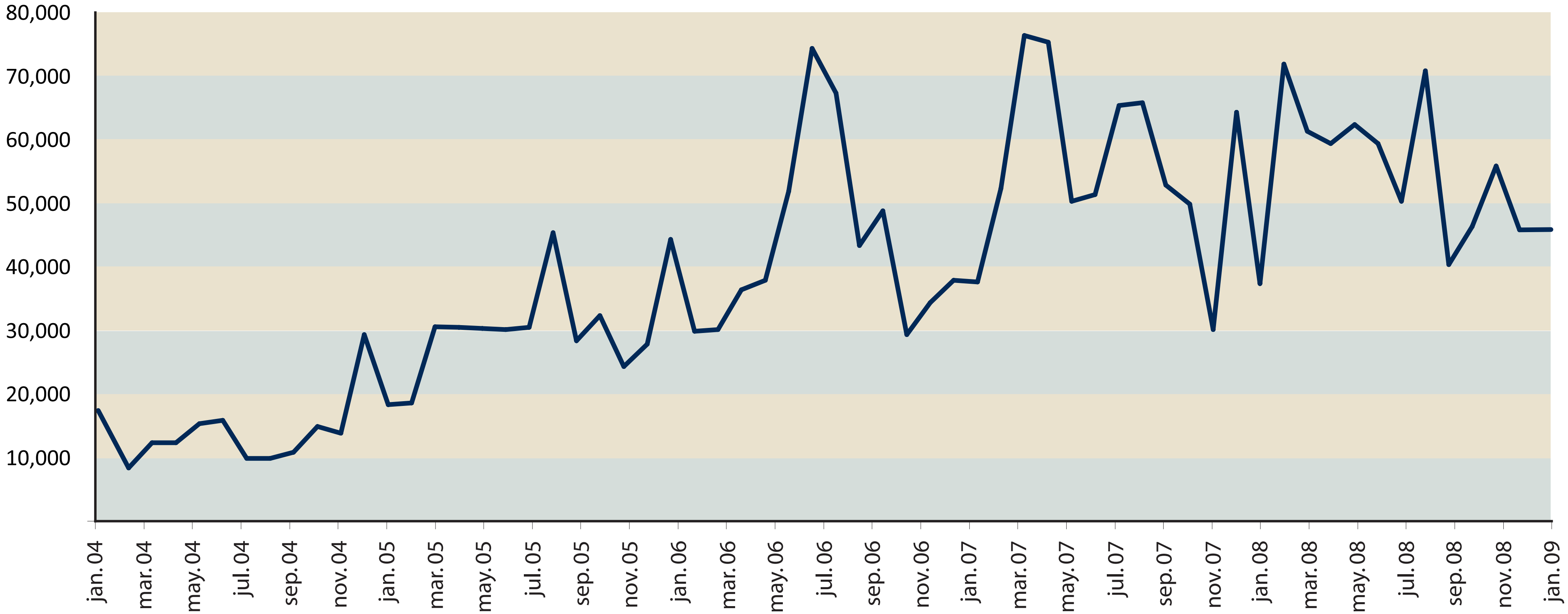
Vessel no	Vessel	Yard	Type	Bhp/Dwt	Expected Delivery
AHTS Vessels					
258	Sea Weasel	ABG	AHTS Seatech P-729	6500 BHP	Jun-09
270	Sea Marten	ABG	AHTS Seatech P-729	6800 BHP	Oct-09
271	Sea Fox	ABG	AHTS Seatech P-729	6800 BHP	Dec-09
272	Sea Jackal	ABG	AHTS Seatech P-729	6800 BHP	Feb-10
273	Sea Badger	ABG	AHTS Seatech P-729	6800 BHP	Apr-10
274	Sea Vixen	ABG	AHTS Seatech P-729	6800 BHP	Jun-10
275	Sea Stoat	ABG	AHTS Seatech P-729	6800 BHP	Aug-10

FLEET LIST & CHARTER STATUS AS PER 6 MAY 2009

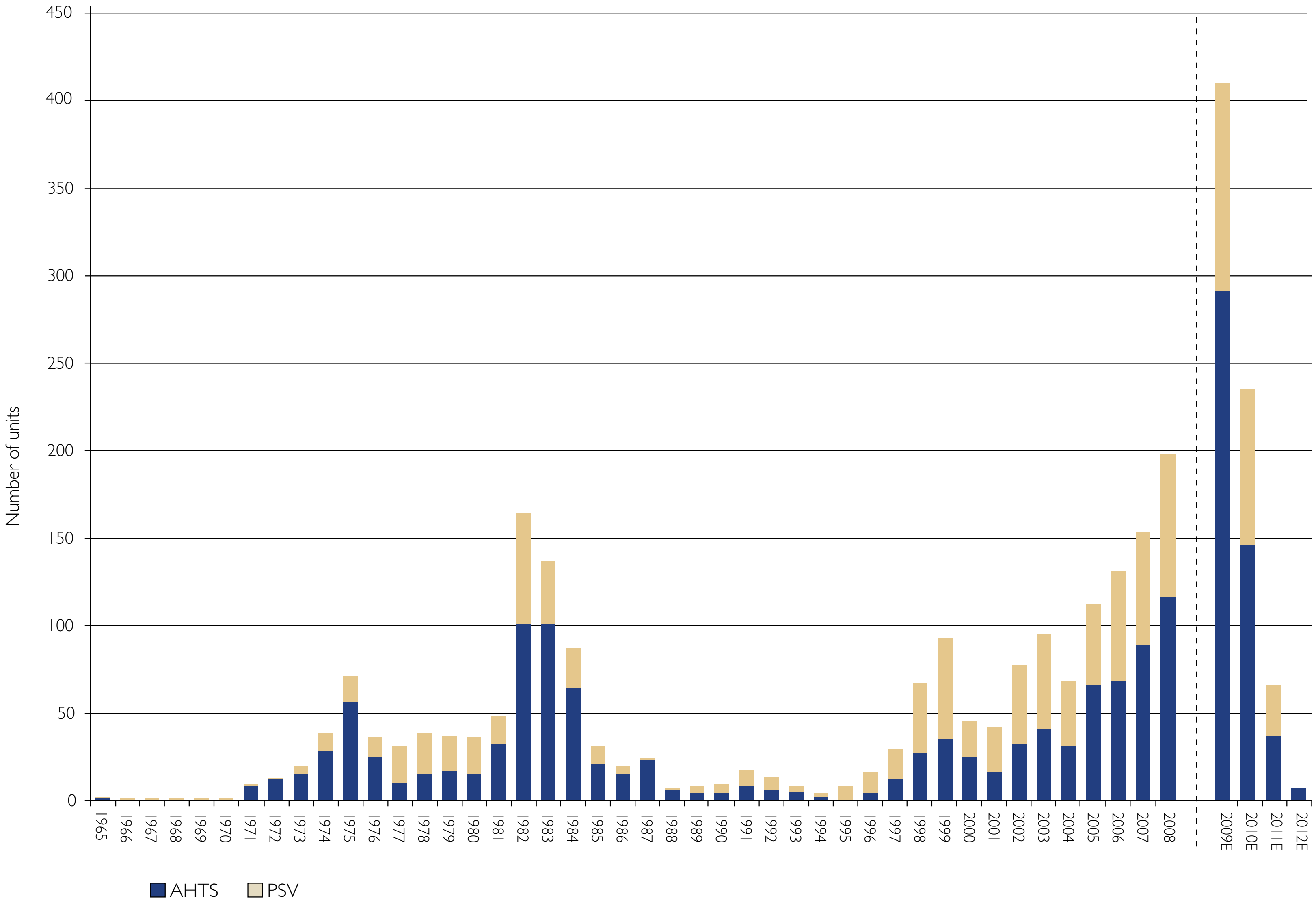
Vessel	Type	Bhp/Dwt	Year built	2009 2Q	2009 3Q	2009 4Q	2010	2011	2012
AHTS Vessels									
Sea Lion	AHTS Havyard 842	17520 BHP	04.11.08	North Sea					
Sea Tiger	AHTS KMAR 404	15000 BHP	1998	AGR	North Sea				
Sea Lynx	AHTS KMAR 404	15000 BHP	1999		North Sea				
Sea Panther	AHTS KMAR 404	15000 BHP	1999	Repsol/Mediterranean					
Sea Leopard	AHTS KMAR 404	15000 BHP	1998	ENI/Brazil					
Sea Bear	AHTS KMAR 404	15000 BHP	1999	Total/Libya					
Sea Wolf I	AHTS KMAR 404	15000 BHP	1999	Total/Libya					
Sea Cougar	AHTS KMAR 404	16000 BHP	1999	EDT Egypt					
Sea Cheetah	AHTS Khiam Chuang	15000 BHP	25.01.07	Melittah Gas (ENI) Libya					
Sea Jaguar	AHTS Khiam Chuang	15000 BHP	06.07.07	ENI/Libya					
Sea Eagle I	AHTS Khiam Chuang	12000 BHP	20.04.09	Gazflot Shakalin					
Sea Ocelot	AHTS Khiam Chuang	10800 BHP	01.10.07	Gazflot Shakalin					
Sea Otter	AHTS Seatech P-729	6500 BHP	17.08.07	Total	Huskey				
PSVs									
Sea Trout	VS 470 MK II	3300 DWT	18.06.08	Petrofac/North Sea					
Sea Halibut	PSV UT 755 L	3250 DWT	27.04.07	ENI/Libya					
Sea Angler	PSV UT 755 L	3250 DWT	19.07.07	ENI/Congo					
Sea Pike	PSV UT 755 L	3250 DWT	10.10.07	ENI/Congo					
Sea Bass	PSV UT 755 L	3250 DWT	18.01.08	Melittah Gas (ENI) Libya					
Sea Pollock	PSV UT 755 L	3250 DWT	30.04.08	Exxon Exploration Inc/Indonesia					
Sea Turbot	PSV UT 755 L	3250 DWT	20.08.08	Exxon Exploration Inc/Indonesia					
Sea Witch	PSV UT 755 L	3250 DWT	17.12.08	OMS/Australia					

Firm: **Option:** **Spot:**

GLOBAL AHTS 15,000+ BHP AVARAGE TERM DAY RATES (USD)



AGE DISTRIBUTION CURRENT FLEET AND ORDER BOOK



AHTS		PSV	
Vessels > 20 years:	47,0 % of total fleet	Vessels > 20 years:	31,7 % of total fleet
Vessels > 30 years:	14,1 % of total fleet	Vessels > 30 years:	10,2 % of total fleet

Source: ODS Petrodata

Supply vessels	Total fleet		AHTS		PSV	
Existing fleet	**2116**		**1203**		**913**	
Orderbook	653	31%	434	36%	219	24%

Rig market	Total fleet		Semis/drillships		Jackups	
Existing fleet	**635**		**206**		**429**	
Orderbook	158	25%	85	41%	73	17%

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