



# Q1 09



**DEEP SEA SUPPLY PLC**

13th of May 2009

Presentation of 1st quarter 09 financials

Odd Brevik, CEO • Finn Amund Norbye, CFO



## STRONG PERFORMANCE IN WEAKER OSV MARKET

- Significant reduction in vessels' operating expenses
- High EBITDA-margin of 63,4%
- Significant increase in cash
- Increased revenues compared to Q108
- Lower revenues compared to Q408
- One shipbuilding contract cancelled during quarter
- Long term financing for vessels/newbuildings except "Sea Eagle"
- Good employment contracts throughout 2009



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

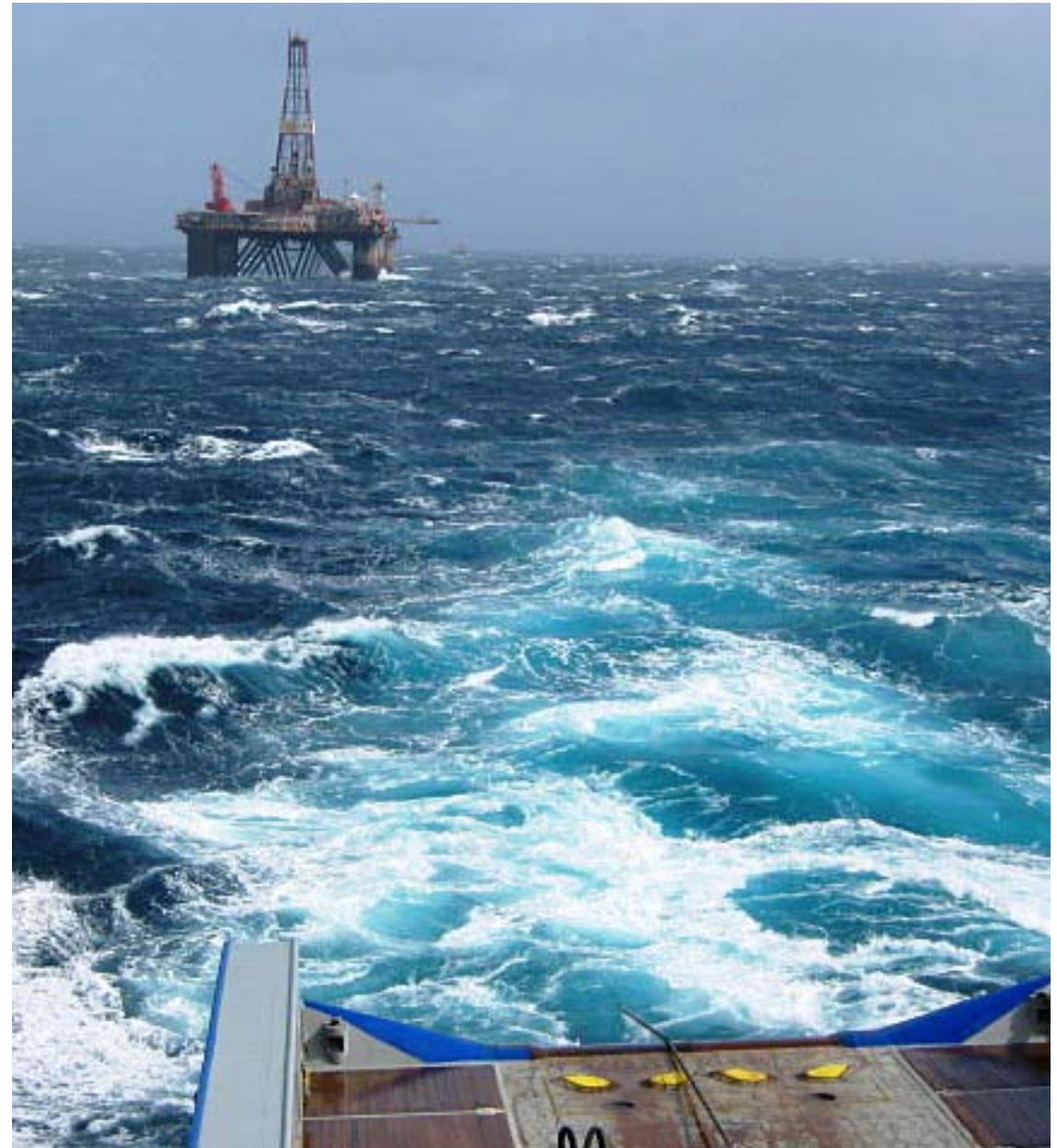
Deep Sea Supply’s business model is to maintain an organization of qualified staff engaged in above activities.

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.





## Share price Development



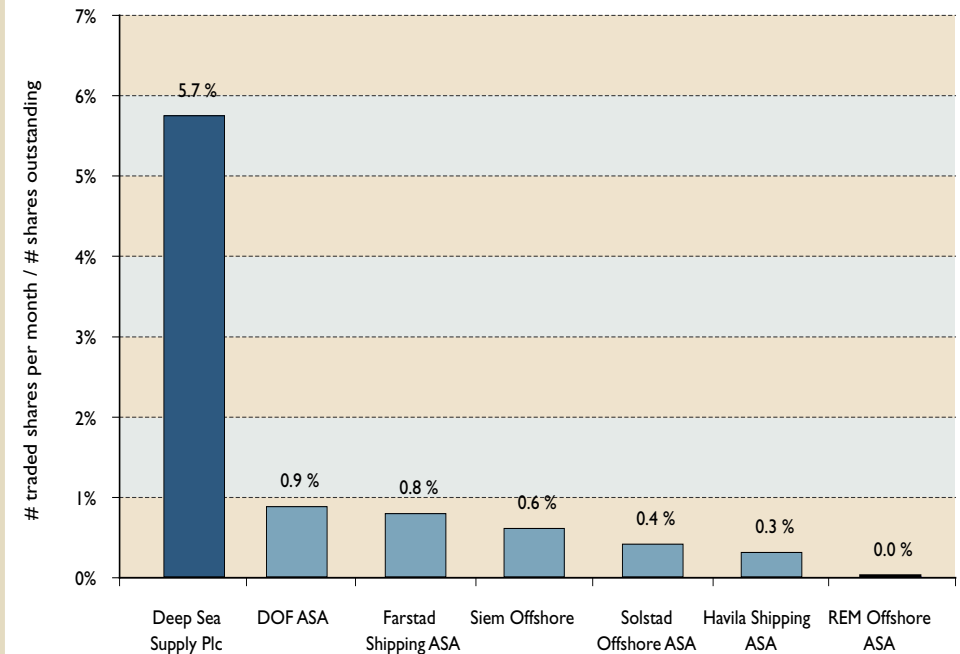
## Distribution to shareholders

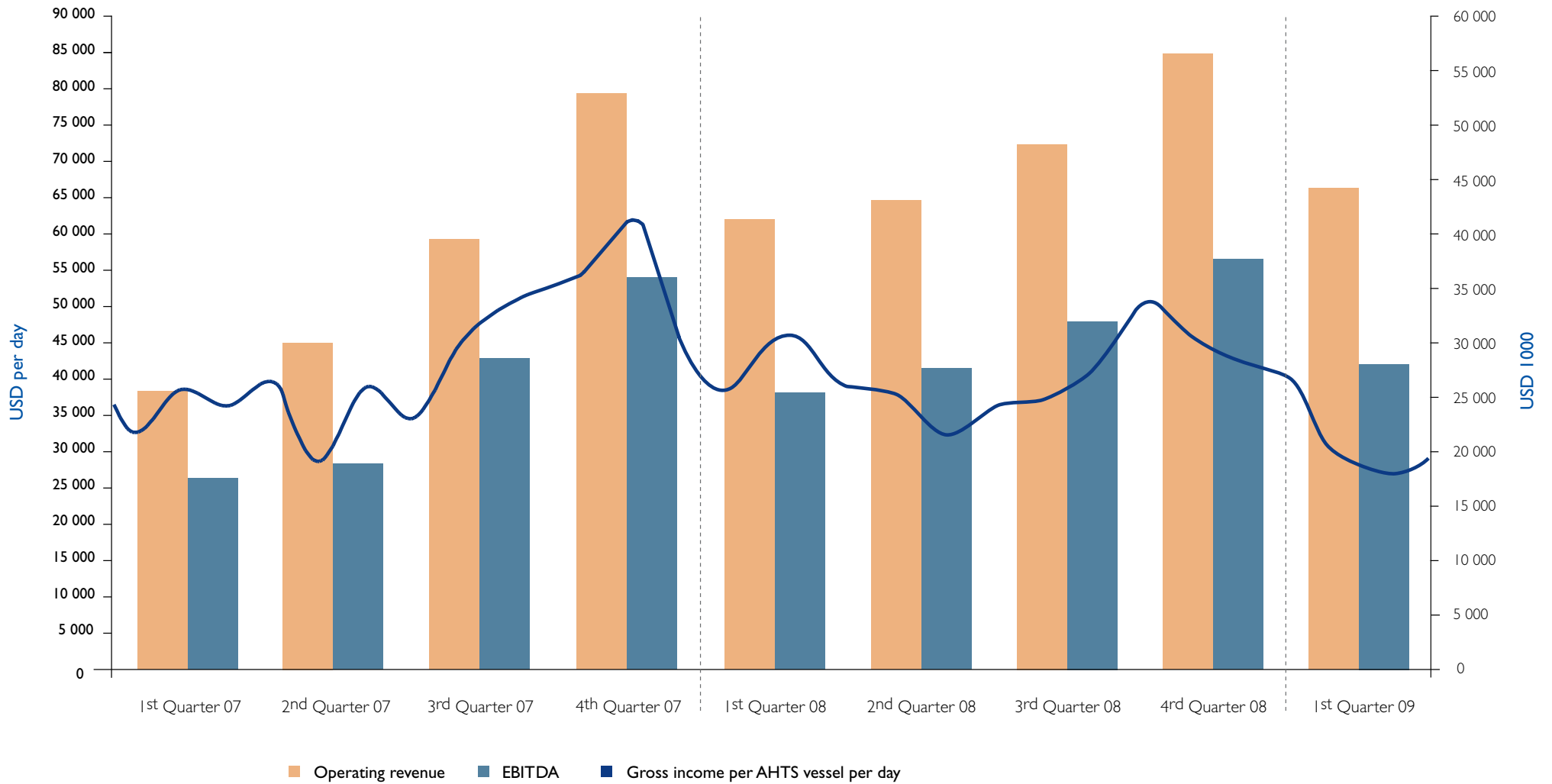
	Amount per share	Ex. dividend date	Payment date
2006*	NOK 0,80	08-05-07	28-06-07
Q1 2007*	NOK 0,20	22-06-07	04-10-07
Q2 2007*	USD 0,85 (NOK 4,62)	24-09-07	29-10-07
Q3 2007*	USD 0,40 (NOK 2,18)	11-12-07	31-01-08
Q4 2007*	USD 0,40 (NOK 2,00)	26-03-08	29-05-08
Q1 2008**	USD 0,13 (NOK 0,68)	14-05-08	16-06-08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

\* Dividend by way of reducing the share premium account (return of capital)

\*\* Ordinary dividend from profit

## IQ 2009 turnover velocity (monthly)







	<b>1 Q 2008</b>	<b>1 Q 2009</b>
<b>Operating revenue (excl. Sale of vessels)</b>	<b>42,571</b>	<b>44,160</b>
Vessel operating expenses	(14,465)	(14,683)
Other operating expenses	(2,646)	(1,469)
<b>Total operating costs</b>	<b>(17,111)</b>	<b>(16,152)</b>
<b>EBITDA</b>	<b>25,460</b>	<b>28,008</b>
Depreciation	(6,677)	(8,311)
Other (losses) / gains	121	(260)
Gain on sale	16,913	2,253
<b>EBIT</b>	<b>35,818</b>	<b>21,690</b>
Financial income	<b>775</b>	<b>38</b>
Financial expenses	<b>(10,043)</b>	<b>(7,914)</b>
Net currency items	(4,414)	(2,408)
Change in value of financial derivatives	(4,690)	2,279
<b>Net financial items</b>	<b>(18,373)</b>	<b>(8,005)</b>
<b>Pre-tax result</b>	<b>17,445</b>	<b>13,685</b>
Taxes	<b>(20)</b>	<b>(13)</b>
<b>Net result</b>	<b>17,424</b>	<b>13,672</b>
EBITDA - margin	59.8 %	63.4 %
Average number of shares	126,863,860	126,863,860
Earnings per share	0.14	0.11
Cash flow per share	0.23	0.16

## ANALYSES Q109 VS Q108:

### Freight income:

Increased by 4%

- AHTS: Reduced by 18% (North Sea)

- PSV: Increased by 102% (Fleet growth)

Adjusted for fleet growth: Reduced by 17%

### Operating expenses:

Increased by 2%

Adjusted for fleet growth: Reduced by 20%



	4Q 2008	1Q 2009
<b>Operating revenue (excl. Sale of vessels)</b>	<b>56,366</b>	<b>44,160</b>
Vessel operating expenses	(16,222)	(14,683)
Other operating expenses	(3,075)	(1,469)
<b>Total operating costs</b>	<b>(19,296)</b>	<b>(16,152)</b>
<b>EBITDA</b>	<b>37,070</b>	<b>28,008</b>
Depreciation	(8,633)	(8,311)
Other (losses) / gains	(15,603)	(260)
Gain on sale	2,076	2,253
<b>EBIT</b>	<b>14,910</b>	<b>21,690</b>
Financial income	181	38
Financial expenses	(8,578)	(7,914)
Net currency items	3,562	(2,408)
Change in value of financial derivatives	(4,515)	2,279
<b>Net financial items</b>	<b>(9,350)</b>	<b>(8,005)</b>
<b>Pre-tax result</b>	<b>5,560</b>	<b>13,685</b>
Taxes	3,330	(13)
<b>Net result</b>	<b>8,890</b>	<b>13,672</b>
EBITDA - margin	65.8 %	63.4 %
Average number of shares	126,863,860	126,863,860
Earnings per share	0.07	0.11
Cash flow per share	0.15	0.16

## ANALYSES Q109 VS Q408:

### Freight income:

Reduced by 22%

- AHTS: Reduced by 33% (North Sea)

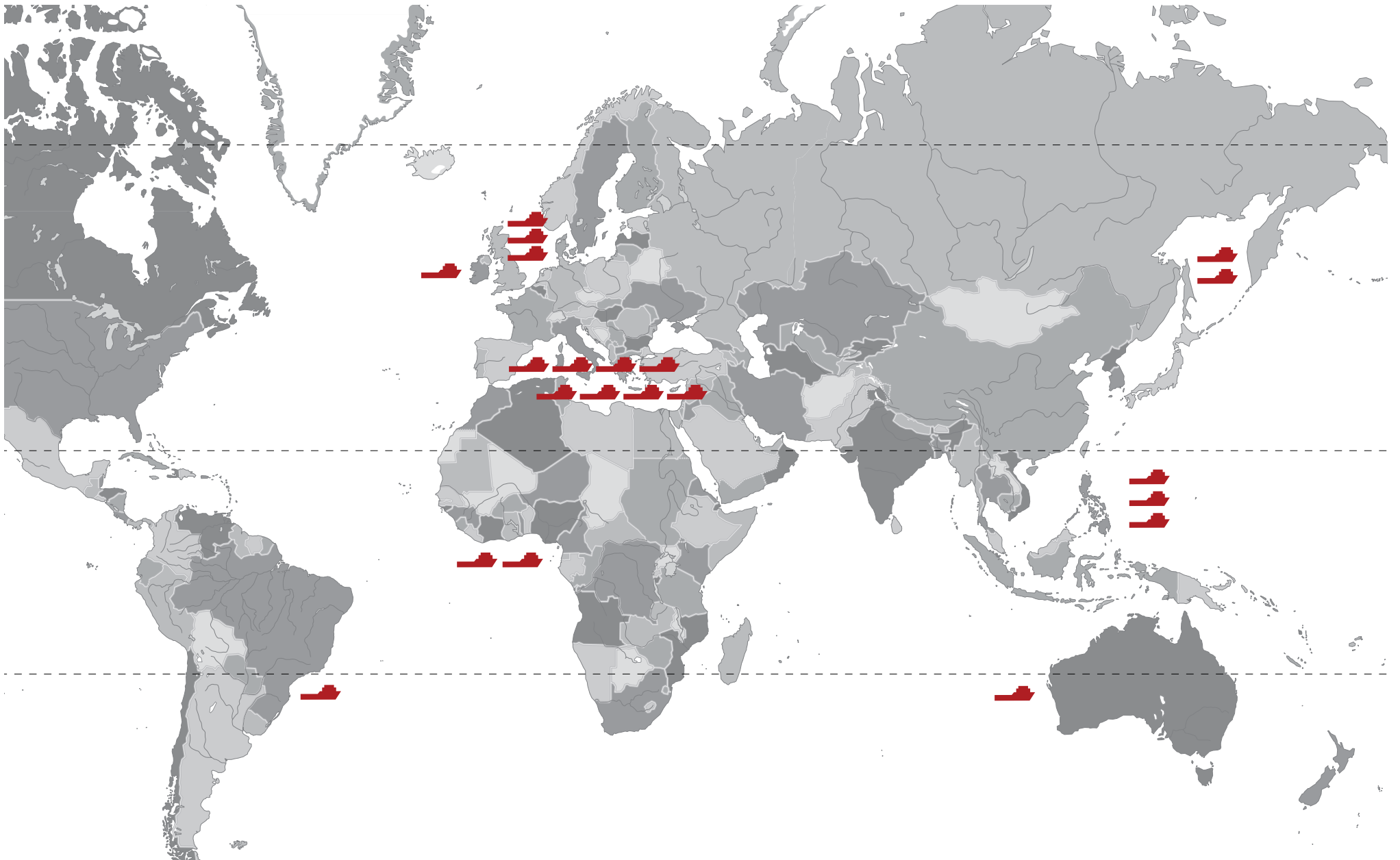
- PSV: Increased by 11% (Fleet growth)

Adjusted for fleet growth: Reduced by 29%

### Operating expenses:

Reduced by 9%

Adjusted for fleet growth: Reduced by 11%





	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
<b>EBITDA per segment</b>	<b>-38</b>	<b>2,574</b>	<b>7,590</b>	<b>0</b>	<b>17,882</b>	<b>0</b>	<b>28,008</b>
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
<b>EBIT per segment</b>	<b>-1,266</b>	<b>2,247</b>	<b>6,448</b>	<b>0</b>	<b>14,532</b>	<b>-12</b>	<b>21,690</b>
EBIT margin per segment	-41%	57%	65%		53%		49%
Net Financial Items							-8,005
<b>Pre-tax result</b>							<b>13,685</b>
Taxes							-13
<b>Net Result</b>							<b>13,672</b>



	AHTS	PSV	Un-allocated items	Total
<b>Segment revenues</b>	<b>28,453</b>	<b>15,707</b>	<b>0</b>	<b>44,160</b>
Vessel operating expenses	-10,480	-4,203	0	-14,683
Other operating expenses	-946	-522	0	-1,469
<b>EBITDA per segment</b>	<b>17,027</b>	<b>10,982</b>	<b>0</b>	<b>28,009</b>
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
<b>EBIT per segment</b>	<b>12,598</b>	<b>9,366</b>	<b>0</b>	<b>21,690</b>
EBIT margin per segment	44%	60%		49%
Net Financial Items				-8,005
<b>Pre-tax result</b>				<b>13,685</b>
Taxes				-13
<b>Net Result</b>				<b>13,672</b>

# IQ09 CASH FLOW STATEMENT



(Unaudited figures in USD 1,000)

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

## 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





<i>(Unaudited figures in USD 1,000)</i>	<b>31.03.09</b>	<b>31.03.08</b>
Shareholders' equity beginning of period	112,221	163,254
Result for the period	13,672	17,424
Dividend to shareholders	0	-50,746
Currency translation differences	-770	3,932
<b>Shareholders' equity at the end of period</b>	<b>125,125</b>	<b>133,864</b>





(Unaudited figures in USD 1,000)

	Note	31.03.09	31.12.08	31.03.08
<b>Non-current assets</b>				
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
<b>Total property, plan and equipment</b>		<b>673,195</b>	<b>686,520</b>	<b>655,506</b>
Pension Schemes		0	0	140
CIRR deposit		44,637	44,799	0
<b>Total non-current assets</b>		<b>717,832</b>	<b>731,319</b>	<b>655,645</b>
<b>Current assets</b>				
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
<b>Total current assets</b>		<b>107,049</b>	<b>99,195</b>	<b>115,345</b>
<b>Total assets</b>		<b>824,881</b>	<b>830,515</b>	<b>770,990</b>





(Unaudited figures in USD 1,000)

	Note	31.03.09	31.12.08	31.03.08
<b>Shareholder equity</b>				
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
<b>Liabilities</b>				
Bank borrowings	8	262,848	266,998	154,994
Finance lease liability	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
<b>Total long-term liabilities</b>		<b>624,226</b>	<b>634,541</b>	<b>530,962</b>
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
<b>Total short-term liabilities</b>		<b>75,530</b>	<b>83,753</b>	<b>106,165</b>
<b>Total liabilities</b>		<b>699,756</b>	<b>718,295</b>	<b>637,127</b>
<b>Total equity and liabilities</b>		<b>824,881</b>	<b>830,516</b>	<b>770,990</b>


**THE LARGEST SHAREHOLDERS AS PER 6 MAY 2009 REGISTERED IN VPS**

	<b>Citizen</b>	<b>No. of shares:</b>	<b>%</b>
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 %
<b>Total 20 largest shareholders:</b>		<b>79 498 672</b>	<b>61,17 %</b>
<b>Total shares owned by Deep Sea Supply Plc</b>		<b>3 101 000</b>	<b>2,39 %</b>
<b>Total other shareholders:</b>		<b>47 365 189</b>	<b>36,44 %</b>
<b>Total number of shares:</b>		<b>129 964 861</b>	<b>100,00 %</b>





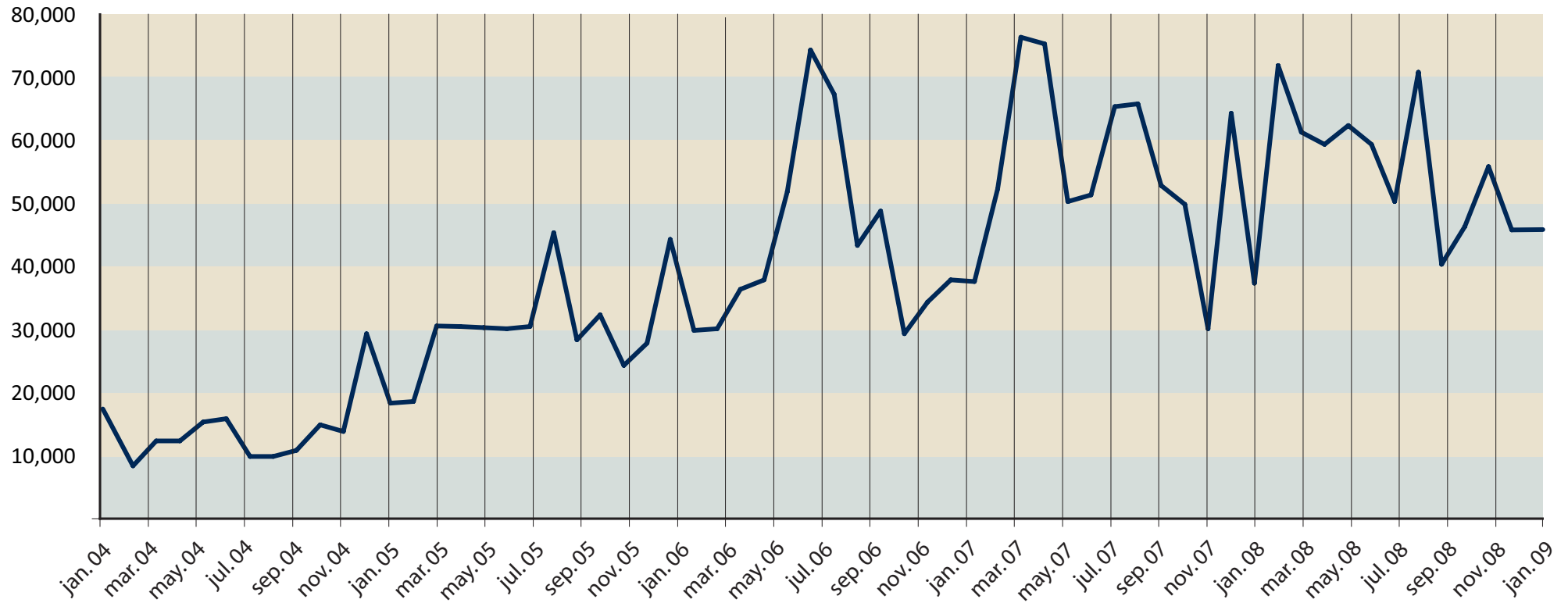
Vessel	Type	Bhp/Dwt	Year built		2009		2010	2011	2012
AHTS Vessels				2Q	3Q	4Q			
Sea Lion	AHTS Hayyard 842	17520 BHP	04.11.08	North Sea					
Sea Tiger	AHTS KMAR 404	15000 BHP	1998	AGR	North Sea				
Sea Lynx	AHTS KMAR 404	15000 BHP	1999		North Sea				
Sea Panther	AHTS KMAR 404	15000 BHP	1999	Repsol/Mediterranean					
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				
<b>PSVs</b>									
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					

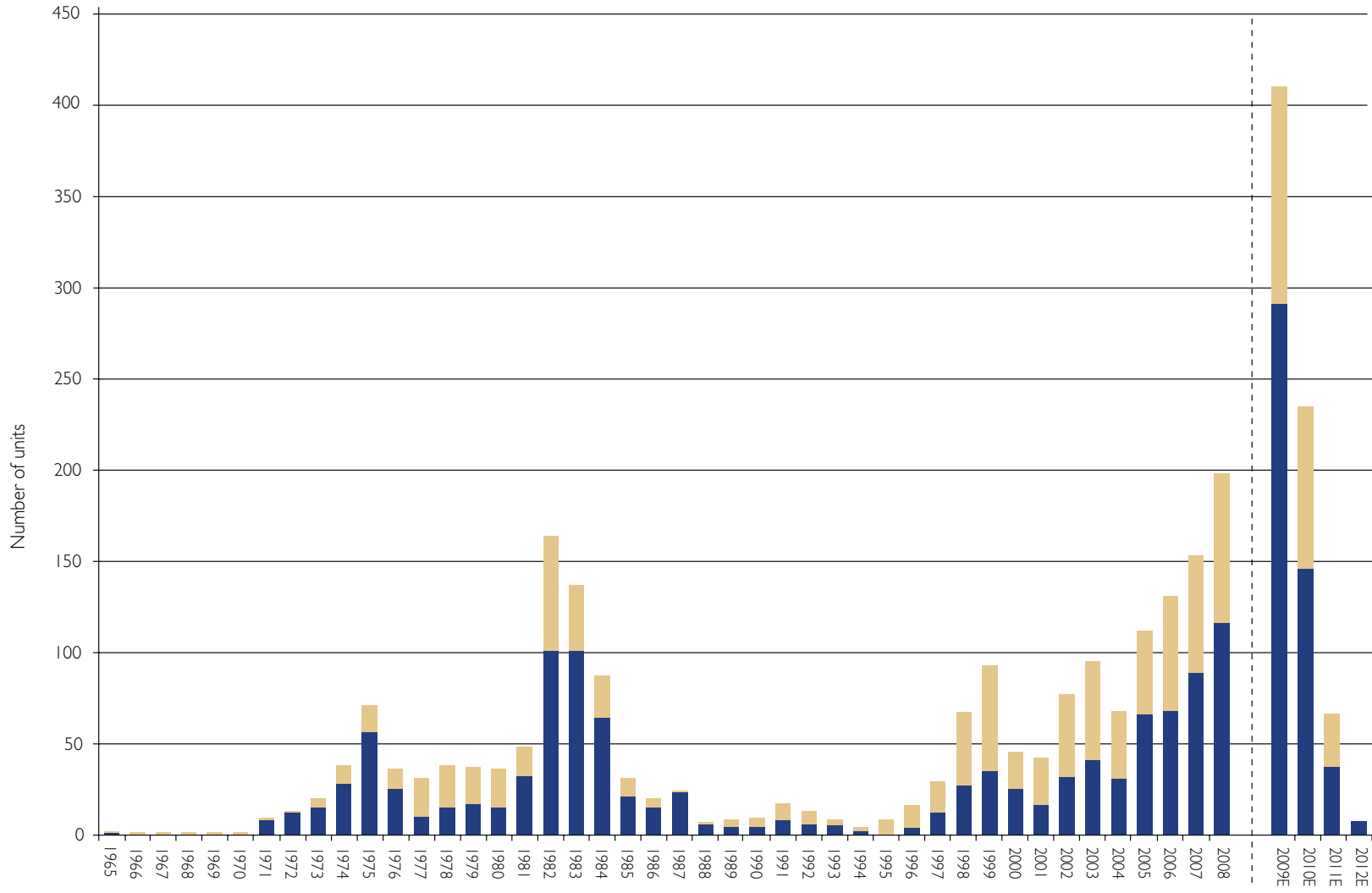
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Vessel no	Vessel	Yard	Type	Bhp/Dwt	Expected Delivery
<b>AHTS Vessels</b>					
258	Sea Weasel	ABG	AHTS Seatech P-729	6500 BHP	Jun-09
270	Sea Marten	ABG	AHTS Seatech P-729	6800 BHP	Oct-09
271	Sea Fox	ABG	AHTS Seatech P-729	6800 BHP	Dec-09
272	Sea Jackal	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







■ AHTS   ■ PSV

**AHTS**  
 Vessels > 20 years: 47,0 % of total fleet  
 Vessels > 30 years: 14,1 % of total fleet

**PSV**  
 Vessels > 20 years: 31,7 % of total fleet  
 Vessels > 30 years: 10,2 % of total fleet



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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