



Q309



DEEP SEA SUPPLY PLC
11th of November 2009

Complete version



DEEP SEA SUPPLY PLC – 3RD QUARTER AND YTD FINANCIAL REPORT 2009

Deep Sea Supply Plc (DESSC or Company) is an offshore supply company 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).

Another solid quarter

YTD revenues 30 Sept. 09 were USD 137.3 mill. compared to USD 134.0 mill. for the same period in 2008 or an increase of 2.5%. EBITDA was USD 83.6 mill. compared to USD 84.6 for the same period in 2008 or a reduction of 1.2%. The pre-tax profit YTD 30 Sept. 09 was USD 42.0 mill. compared to USD 44.2 mill. for the same period in 2008 or a reduction of 5.0%.

Earnings per share (EPS) YTD 09 were USD 0,33 compared to USD 0,35 for the same period in 2008.

Total revenues for 3Q09 were USD 45.8 mill. or a reduction of 5.5% compared to 3Q08 (USD 48.4 mill.). EBITDA in 3Q09 was USD 27.3 mill. compared to USD 32.2 mill. in 3Q08 or a reduction of 15.2%. The pre-tax profit for 3Q09 was USD 12.8 mill. compared to USD 12 mill. in 3Q08 or an increase of 6.7%.

The AHTS vessel “Sea Eagle 1” was acquired on 03 August 09. The Vessel was delivered from the shipyard in April 2009 and was on a bareboat contract until July 2010 with a purchase obligation attached. The difficult circumstances in the banking sector and amongst the yards made it possible for the Company to acquire the vessel and achieve savings of approximately USD 6 mill. compared to the original transaction. The vessel was paid using the Company’s own cash resources.

Deep Sea Supply’s entire shareholding in CH Offshore Ltd., Singapore was sold during the 3rd quarter at a profit of USD 2.9 mill. in 3Q09 and accumulated profits of USD 8.5 mill. as per 30 Sept. 09.

In October 2009, Deep Sea Supply established a company in Rio, Brazil and placed an order for one large Platform Supply Vessel of design STX 09 CD at STX Brazil. The vessel is expected to be delivered in Q1 2012. Brazil is a big market for Offshore Supply Vessels and forecasted to grow considerably in the years to come.

The AHTS vessel “Sea Weasel” was delivered from ABG Shipyard on 29 October and financed in accordance with the current loan agreements with the banks.

Deep Sea Supply has committed financing in place for its fleet including its newbuilding program consisting of 6 AHTS to be delivered in 2010 from ABG Shipyard. The newbuilding in Brazil will be financed through a local financing scheme.

The Board suggests no dividend distributions in Q309 because the current market situation is uncertain. It is the Company’s intention to revert to its former dividend strategy as and when the market improves and show more visibility.

Earnings, rate levels and market conditions

The lower level of activity in the offshore sector combined with many deliveries of newbuilding OSVs have resulted in lower rates in the offshore supply sector. The North Sea spot market has deteriorated further in Q309.

AHTS vessels

In Q309 DESSC had 13 AHTS vessels in operation of which 4 have operated in the North Sea spot market and the remaining 9 in the international term market. In addition, DESSC had 7 AHTS vessels on order/under construction (of which one was delivered late October 2009).

Freight revenues

Total revenues from the AHTS vessels YTD 30 Sept. 09 reduced by 13% compared to the same period in 2008. The reduction was mainly due to (i) lower rates especially in the North Sea spot market and (ii) weaker currencies (Euro and GBP against USD). This impact was partly offset by the impact of new AHTS vessels and lower technical offhire.

PSVs

DESSC has 8 PSVs in operation worldwide committed on long term charters. In addition, the Company placed an order for a new PSV in Brazil after Q3. The PSV “Sea Halibut” was redelivered from her 2 years time charter by the end of 3rd quarter.

Freight revenues

Total revenues from the PSVs YTD 30 Sept. 09 increased by 56% compared to the same period in 2008. The increase was mainly due to revenues from new vessels.

Vessel operation and construction supervision:

Reduced operating expenses:

Vessel’s operating expenses YTD 30 Sept. 09 were USD 49.0 mill. compared to USD 44.0 mill. in the same period in 2008. Adjusting for fleet growth, the operating expenses have reduced by 8%, a reduction of 11% for the AHTS vessels and an increase of 4% for the PSVs.

Adjusting for fleet growth, the Vessels’ operating expenses are unchanged from Q308 to Q309.

Vessel operations:

The Vessels Fleet of 21 vessels have been employed worldwide in Q309 and by end of the quarter, the Vessels operated in the following geographical areas;

North Sea	: 5 vessels
Mediterranean	: 7 vessels
West Africa	: 2 vessels
Asia and Australia	: 6 vessels
South America	: 1 vessel

Deep Sea Supply has chartering departments in Singapore and Norway responsible for the marketing and chartering of the vessels.



Of the 21 vessels, by end of Q309 15 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.

"Sea Cougar" did her 10 years special survey in 3Q09. All DESSC' 10 year old vessels have now completed their 10 years special surveys.

Vessels under construction - Construction supervision:

Following the delivery of "Sea Weasel" in October 2009, DESSC has currently 6 vessels under construction at ABG Shipyard. An external management company is responsible for the construction supervision and have a team located at the shipyard. This team is monitored by our Fleet Managers who regularly visit the shipyard.

The newbuilding at STX Brazil has not yet commenced construction.

Technical management of the Fleet

DESSC's vessels are managed by external ship management companies. Their 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. At the same time, we have strong focus on reducing the operating expenses. This is done by imposing restrictions on the managers, by better planning and control and by selecting the right manager for the right vessel based on experience. This will be a continuous task.

Other expenses

Other operating expenses:

These are general and administration expenses for the offices in Cyprus, Singapore and Norway.

Depreciations:

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

Other gains:

The Company sold all its shares in CH Offshore Ltd. in the 3rd quarter 2009 at a book profit of USD 2.9 mill. in the 3Q09 and accumulated realized profits of USD 8.5 mill. as per 30 Sept. 09 constituting the main portion of "Other gains".

Gain on sale

This consists mainly of gain on 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.

Net financial items

Interest expenses are related to interest on the senior bank loan facility financing most of the Company's vessels and the interest portion of the bareboat paid to Ship Finance International regarding the vessels on sale and leaseback.

Net currency items

The main item was an unrealized revaluation of the Company's NOK Loan Facility due to a weaker USD/NOK exchange rate contributing negatively with USD9.2 mill.

Change in value of financial derivatives

The Company has entered into two interest rate swaps related to its senior bank loan facility for hedging purposes. The market value of these transactions was the same as by end of Q209.

The Company has done some currency forward transactions for hedging purposes which market values have improved by USD296,428 from Q209.

The current value of financial derivatives are still negative (USD 2.037 mill) as can be seen in under "Financial derivatives" in the Balance sheet .

Cash, cash flow and equity

The Company's cash balance by the end of 3Q09 was USD 43.4 mill. compared to USD 33.8 mill. by end of 2008. The increase in cash generated from operating activities was USD 80.9 mill., net cash from investing activities was - USD 40.8 mill. (acquisition of "Sea Eagle 1" and expenses related to special surveys), repayment of debt was USD 30.4 mill. and the increase in cash hence USD 9.6 mill.

Total Equity by the end of the quarter was USD 158.7 mill. compared to USD 112.2 mill. by end of 2008.

Balance sheet

Trade and other receivables

Total receivables from customers were USD 27.8 mill. which is a significant reduction from USD 47.9 mill. by end of 2008. Of the total receivables, 86% was less than 1 month old and 14% between 1 and 4 months old.

CIRR Loans

During 2008 the Group applied for Commercial Interest Reference Rate (CIRR) loans from the Norwegian Export Credit Agency. The total loan amount was in NOK equivalent to USD 48,9 mill. The duration of the loans is 12 years and the cash proceeds from the loans have been deposited in a 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.

Currencies of revenues and costs

Revenues are mainly in USD, Euro and GBP. 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 Q309

Delivery of "Sea Weasel" from ABG Shipyard

The AHTS vessel "Sea Weasel" was delivered from ABG Shipyard on 29 October and financed in accordance with the current loan agreements with the banks.

Establishing business in Brazil

Deep Sea Supply has entered into a contract to build a Platform Supply Vessel (PSV) at STX Brazil Offshore SA in Rio. In Brazil, the demand for offshore supply vessels is large and expected to grow considerably in the years to come. Offshore supply vessels built in Brazil are given priority ahead of international vessels when tendering for long term employment in Brazil. This should provide good opportunities for securing long term charters for the new vessel.

The vessel is a large Platform Supply Vessel of 4,700 dwt of design STX Europe design PSV 09 CD built for Brazilian pre-salt exploration challenges. The STX Europe yard in Rio is one of the few yards in Brazil with a proven track record in building offshore supply vessels, and Deep Sea Supply has secured the earliest available delivery slot for this type of vessel at the yard.

A further advantage to Deep Sea Supply in constructing offshore supply vessels in Brazil is the access to the local Brazilian market for 3-4 of its existing international vessels during the construction period of the vessel. Such imported vessels can compete on local terms, commencing late 2010.



Deep Sea Supply has as a consequence of the above mentioned newbuilding contract and market opportunities, established a Brazilian subsidiary, Deep Sea Supply Navegação Marítima Ltda. The company plans to gradually increase its presence in the Brazilian market from second half of 2010 with an ambition to have an operation covering 6-8 ships in Brazil, including ships from its international fleet.

The newbuild is scheduled for delivery to Deep Sea Supply early 2012 and will be financed with a combination of cash and a Brazilian financing scheme.

This contract brings Deep Sea Supply's fleet to a total of 29 Offshore Supply vessels, including newbuildings.

Future outlook

The activity level amongst the oil companies is reduced and hence the demand for offshore supply vessels. Despite a significant increase in the oil price so far this year, the psychology in the market is changed from last year. A significant number of new vessels are expected to be delivered during the next months. The above factors affect the market and rate levels for the offshore supply sector negatively.

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.

Estimated market value of offshore supply vessels has reduced somewhat also in Q309. We expect the North Sea spot market to remain low throughout 2009. Internationally, we see more tenders which can lead to more charter contracts at satisfactory levels.

Company's shareholders

As per the end of Q309, the Company's largest shareholder is Hemen Holding Limited with a shareholding of 34,30%.

Main risk factors and uncertainties

A number of the Company's vessels are in the spot market, 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. Currently the Company has 7 newbuildings under construction or on order from shipyards and the Company is hence exposed to delays in deliveries which may impact future revenues. Further delays may result in 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. The current low rate levels in the offshore supply market can cause further reductions in value of vessels and as a consequence 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. The banking sector is hit following the international financial turmoil which still impacts negatively on the international shipping/offshore banks' ability to lend money.

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 30 September 2009 have 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, 11 November 2009
The Board of Deep Sea Supply PLC*

*Svein Aaser
Chairman*

Frixos Sawides

Kathrine Fredriksen

Anna Cecilie Holst

Bjørn Gjaever



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.

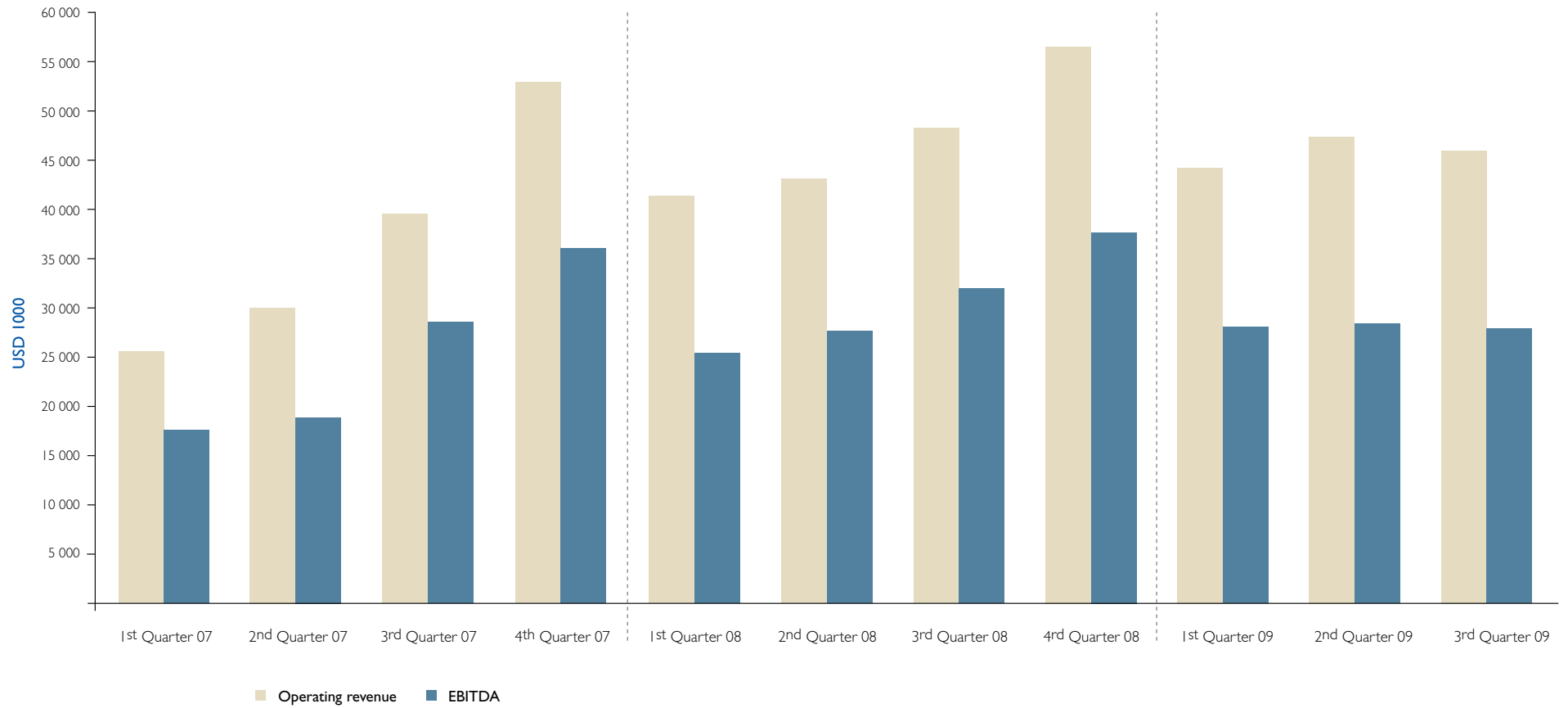
Share price and total return* since IPO



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



CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT



<i>(Unaudited figures in USD 1,000)</i>	Note	YTD 2009	YTD 2008	3Q 2009	3Q 2008	2Q 2009
Operating revenue	4	137 347	134 039	45 783	48 428	47 403
Vessel operating expenses	4	-49 000	-43 977	-17 107	-15 140	-17 210
Other operating expenses	4	-4 714	-5 448	-1 415	-1 092	-1 830
Total operating costs		-53 714	-49 425	-18 522	-16 232	-19 040
EBITDA		83 632	84 614	27 261	32 196	28 363
Depreciation	5	-27 253	-21 644	-9 308	-7 628	-9 634
Other (losses) / gains		8 754	-4 166	3 587	-5 295	5 428
Gain on sale		6 494	27 364	2 303	2 335	1 938
EBIT		71 628	86 168	23 843	21 609	26 095
Financial income		508	1 936	211	484	259
Financial expenses		-22 134	-32 967	-6 901	-9 657	-7 320
Net currency items		-11 477	-6 513	-4 695	83	-4 374
Change in value of financial derivatives		3 485	-4 443	296	-519	910
Net financial items		-29 619	-41 987	-11 088	-9 610	-10 525
Pre-tax result		42 009	44 181	12 754	12 001	15 570
Taxes		-11	-220	-3	-34	6
Net result		41 998	43 961	12 751	11 966	15 576
Average number of shares		126 863 860	126 863 860	126 863 860	126 863 860	126 863 860
Earnings per share	7	0,33	0,35	0,10	0,09	0,12
Earnings per share diluted	7	0,33	0,34	0,10	0,09	0,12
Cash flow per share I)		0,61	0,61	0,21	0,16	0,23

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





STATEMENT OF COMPREHENSIVE INCOME						
<i>Nine months ended 30 Sep</i>	2009	2008	3Q 09	3Q 08	2Q 09	
Profit for the period	41 998	43 961	12 751	11 966	15 576	
Other comprehensive income						
Currency translation differences	4 494	-1 989	2 361	5 453	2 903	
Total comprehensive income for the period	46 492	41 972	15 112	17 419	18 479	





CONDENSED CONSOLIDATED INTERIM BALANCE SHEET



<i>(Unaudited figures in USD 1,000)</i>	Note	30.09.09	31.12.08	30.09.08
Non-current assets				
Vessels	5	400 473	369 404	301 726
Vessels under sale and leaseback contracts	5	273 570	285 285	324 014
Construction contracts	5	22 594	31 735	50 216
Equipment	5	44	95	96
Total property, plan and equipment		696 681	686 520	676 053
Pension Schemes		0	0	121
CIRR deposit		51 387	44 799	19 152
Total non-current assets		748 068	731 320	695 327
Current assets				
CIRR deposit - short term portion		4 984	4 144	3 830
Inventories		2 535	878	1 272
Trade and other receivables		27 805	47 866	43 326
Other short term receivables		4 524	6 172	14 800
Financial assets at fair value through profit and loss		0	6 335	9 268
Cash and cash equivalents		43 410	33 799	34 461
Total current assets		83 258	99 195	106 957
Total assets		831 327	830 515	802 284

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET



<i>(Unaudited figures in USD 1,000)</i>	Note	30.09.09	31.12.08	30.09.08
Shareholder equity				
Share capital		2 599	2 599	2 639
Share premium and reverse acquisition reserve		16 203	16 203	16 202
Other paid in capital		1 242	1 242	231
Treasury shares		-9 787	-9 787	-9 787
Retained earnings and currency translation		148 456	101 965	105 791
Total equity and minority interest		158 714	112 221	115 076
Liabilities				
Bank borrowings	6	257 277	266 998	226 987
Finance lease liability	6	214 415	225 199	229 021
CIRR loan	6	51 387	44 799	19 152
Deferred gain		85 492	92 178	93 895
Long term tax liability		5 710	5 336	10 911
Pension scheme		36	30	0
Total long-term liabilities		614 318	634 541	579 966
Trade and other payables		2 192	25 039	25 921
Current income tax liability		741	667	1 262
Bank borrowings falling due within 1 year	6	24 396	23 724	20 532
Finance lease liability falling due within 1 year	6	14 504	15 495	45 695
CIRR loan falling due within 1 year	6	4 984	4 144	3 830
Deferred gain falling due within 1 year		9 441	9 430	9 261
Financial derivatives		2 037	5 254	741
Total short-term liabilities		58 295	83 752	107 242
Total liabilities		672 613	718 293	687 208
Total equity and liabilities		831 327	830 515	802 284

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY



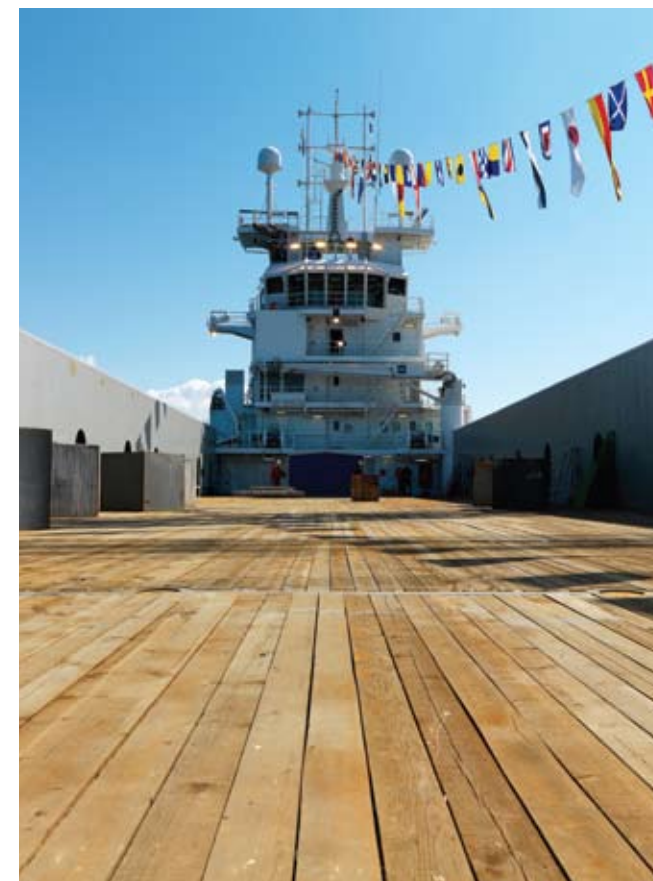
<i>(Unaudited figures in USD 1,000)</i>	Share Capital	Reverse acquisition reserves	Share premium reserves	Treasury shares	Other paid-in-equity	Retained earnings	Currency translation differences	Total
Balance at 1 January 2008	2 639	-123 386	190 334	-9 787	231	95 085	8 138	163 254
Currency translation differences							-1 989	-1 989
Result for the period						43 961		43 961
Payment of dividend			-50 746			-39 404		-90 150
Balance at 30 September 2008	2 639	-123 386	139 588	-9 787	231	99 642	6 149	115 076
Balance at 1 January 2009	2 599	-123 386	139 588	-9 787	1 242	109 085	-7 120	112 221
Currency translation differences							4 494	4 494
Result for the period						41 998		41 998
Balance at 30 September 2009	2 599	-123 386	139 588	-9 787	1 242	151 083	-2 626	158 714



CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT



(Unaudited figures in USD 1,000)	YTD 2009	YTD 2008
Cash flows from operating activities		
Cash generated from operations	101 788	100 279
Interest paid	-20 911	-31 453
Net cash generated from operating activities	80 877	68 826
Cash flows from investing activities		
Acquisitions of vessels and construction contracts	-40 824	-67 910
Disposals of vessels and construction contracts	0	22 111
Net cash used in investing activities	-40 824	-45 799
Cash flows from financing activities		
Payment of dividend to shareholders	0	-140 986
Proceeds from borrowings	0	249 200
Repayments of borrowings	-30 442	-128 176
Net cash used in financing activities	-30 442	-19 962
Total changes in liquidity in the period/year	9 611	3 065
Cash and cash equivalents at beginning of period/year	33 799	31 396
Cash and cash equivalents at end of the period/year	43 410	34 461



FUTURE CAPITAL EXPENDITURE NEWBUILDING CONTRACTS**				
(Unaudited figures in USD 1,000)	Q1 2010	Q2 2010	Q3 2010	Total
Contractual yard payments	12 000	36 000	24 000	72 000
Maximum committed bank borrowings*	12 200	36 600	24 400	73 200

* Based on current market values of the vessels, the total available bank commitment is USD 58 mill.

** Does not include the newbuilding in Brazil.



1. General information

Deep Sea Supply PLC (“the Company”) and its subsidiaries’, here after 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 xx November 2009.

2. Basis of preparation

These condensed unaudited consolidated interim financial information for the nine months ended 30 September 2009 have been prepared in accordance with IFRS as adopted by the E.U. applicable to interim financial reporting, IAS 34 ‘Interim Financial Reporting’ and the regulations of Oslo stock exchange. The interim financial report should be read in conjunction with the annual financial statements for the year ended 31 December 2008, which have been prepared in accordance with IFRS as adopted by the European Union.

3. Summary of significant accounting policies

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 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 total annual earnings. At the date of approval of these financial statements a number of accounting standards were issued by the International Accounting Standards Board but were not yet effective. The effect of those standards is not expected to be material for the Group. There has been no further impact on the measurement of the Group’s assets and liabilities. Comparatives for 2008 have been restated.

4. Segment information

The chief operating decision maker for the Group is the top management in matters that concern the day to day running of the business and in matters concerning acquisition and disposals of vessels, the chief operating decision maker is the top management together with the board of directors.

Day to day running of the business includes decision on where the vessels should be located and duration of the contracts with the customers.



The segment results for the period ended 30 September 2009 is as follows:	AHTS	PSV	Un-allocated items	Total
Segment revenues	89 710	47 637	0	137 347
Vessel operating expenses	-35 783	-13 217	0	-49 000
Other operating expenses	-3 079	-1 635	0	-4 714
EBITDA per segment	50 848	32 785	0	83 632
EBITDA margin per segment	57 %	69 %		61 %
Depreciation	-21 457	-5 758	-37	-27 253
Other gains/(losses)			8 754	8 754
Gain on sale	5 871	1 038	-414	6 494
EBIT per segment	35 262	28 066	0	71 628
EBIT margin per segment	39 %	59 %		52 %
Net Financial Items				-29 619
Pre-tax result				42 010
Taxes				-11
Net Result				41 998

The corresponding segment results for the period ended 30 September 2008 is as follows:				
Segment revenues	103 812	30 227	0	134 039
Vessel operating expenses	-35 132	-8 845	0	-43 977
Other operating expenses	-4 219	-1 229	0	-5 448
EBITDA per segment	64 461	20 153	0	84 614
EBITDA margin per segment	62 %	67 %		63 %
Depreciation	-17 783	-3 810	-52	-21 644
Other gains/(losses)	0	0	-4 166	-4 166
Gain on sale	11 767	15 568	27	27 364
EBIT per segment	58 445	31 912	0	86 168
EBIT margin per segment	56 %	106 %		64 %
Net Financial Items				-41 987
Pre-tax result				44 181
Taxes				-220
Net Result				43 961

5. PROPERTY, PLANT AND EQUIPMENT



	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	59 014	375	19 298	59	78 746
Vessels leased	-64 951	123 354	0	0	58 403
Disposals	0	-21 507	-15 731	0	-37 238
Delivered new buildings	37 222	0	-37 222	0	0
Depreciation and amortisation	-10 057	-11 535	0	-52	-21 644
Closing net book value as at 30 September 2008	301 726	324 014	50 216	96	676 053

Opening net book value as at 1 January 2009	369 404	285 285	31 735	95	686 520
Additions	40 354	-199	722	0	40 877
Currency effect translations	0	0	0	0	0
Disposals	0	0	0	-14	-14
Cancellation of new buildings	0	0	-3 448	0	-3 448
Delivered new buildings	6 416	0	-6 416	0	0
Depreciation and amortisation	-15 700	-11 515	0	-37	-27 253
Closing net book value as at 30 September 2009	400 473	273 570	22 594	44	696 681

FUTURE CAPITAL EXPENDITURE NEWBUILDING CONTRACTS**

<i>(Unaudited figures in USD 1,000)</i>	Q1 2010	Q2 2010	Q3 2010	Total
Contractual yard payments	12 000	36 000	24 000	72 000
Maximum committed bank borrowings*	12 200	36 600	24 400	73 200

* Based on current market values of the vessels, the total available bank commitment is USD 58 mill.

** Does not include the newbuilding in Brazil.

6. BORROWINGS AND LOANS



		30 September 2009	31 December 2008	30 September 2008	
Borrowings					
Non-current		257 277	266 998	226 987	
Current		24 396	23 724	20 532	
		281 673	290 722	247 518	
Sale and leaseback and bareboat					
Non-current		214 415	225 199	229 021	
Current		14 504	15 495	45 695	
		228 920	240 694	274 716	
CIRR Loan					
Non-Current		51 387	44 799	19 152	
Current		4 984	4 144	3 830	
		56 371	48 943	22 983	
Total Borrowings		566 964	580 359	545 217	

Movement in borrowings are analysed as follows:

Nine months ended 30 September 2008	Borrowings	Sale and leaseback	CIRR Loan	Total	
Opening balance as at 1 January 2008	192 465	209 285	0	401 750	
Loan drawn on new vessels	124 543	104 000	26 036	254 579	
5% Premium on early call of the bond	2 713			2 713	
Repayment of loans	-57 011	-38 569		-95 579	
Amortization of borrowing costs	41			41	
Currency translations	-15 233		-3 053	-18 286	
Closing amount as at 30 September 2008	247 518	274 716	22 983	545 217	

Nine months ended 30 September 2009	Borrowings	Sale and leaseback	CIRR Loan	Total	
Opening balance as at 1 January 2009	290 722	240 694	48 943	580 359	
Loan drawn on new vessels	0	28 500	0	28 500	
Repayment of loans	-18 700	-40 274	-2 270	-61 245	
Currency translations	8 964		9 698	18 663	
Amortization of borrowing costs	686			686	
Closing amount as at 30 September 2009	281 673	228 920	56 371	566 964	

7. EARNINGS PER SHARE



Basic	9 months ended 30 September 2009	9 months ended 30 September 2008	Q3 09	Q3 08
Profit attributable to equity holders of the company	41 998	43 961	12 751	11 966
Weighted average number of ordinary shares (thousands)	126 863 860	126 863 860	126 863 860	126 863 860
Basic earnings per share (USD per share)	0,33	0,35	0,10	0,09

Diluted	9 months ended 30 September 2009	9 months ended 30 September 2008	Q3 09	Q3 08
Profit attributable to equity holders of the company	41 998	43 961	12 751	11 966
“Weighted average number of ordinary shares diluted (thousands)”	128 453 034	127 858 855	128 458 855	127 858 855
Diluted earnings per share (USD per share)	0,33	0,34	0,10	0,09

8. SALE AND LEASEBACK EFFECT

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

	9 months ended 30 Sept 2009	9 months ended 30 Sept 2008
Interest paid	-14 471	-18 570
Deferred gain recognised in profit and loss	6 909	6 909
Depreciation charge of leased vessels	-11 515	-11 535

9. 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.



Delivery of “Sea Weasel” from ABG Shipyard

The AHTS vessel “Sea Weasel” was delivered from ABG Shipyard on 29 October and financed in accordance with the current loan agreements with the banks.

Establishing business in Brazil

Deep Sea Supply has entered into a contract to build a Platform Supply Vessel (PSV) at STX Brazil Offshore SA in Rio. In Brazil, the demand for offshore supply vessels is large and expected to grow considerably in the years to come. Offshore supply vessels built in Brazil are given priority ahead of international vessels when tendering for long term employment in Brazil. This should provide good opportunities for securing long term charters for the new vessel.

The vessel is a large Platform Supply Vessel of 4,700 dwt of design STX Europe design PSV 09 CD built for Brazilian pre-salt exploration challenges. The STX Europe yard in Rio is one of the few yards in Brazil with a proven track record in building offshore supply vessels, and Deep Sea Supply has secured the earliest available delivery slot for this type of vessel at the yard.



THE LARGEST SHAREHOLDERS PER 05 NOVEMBER



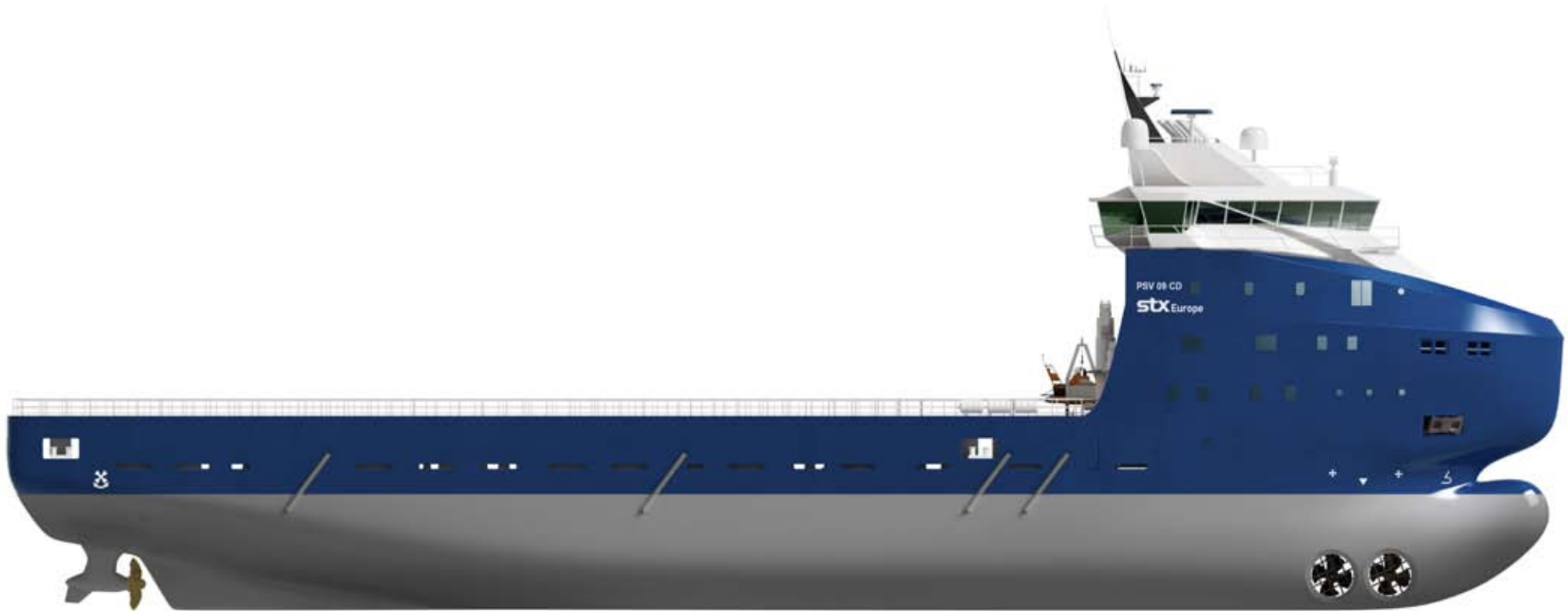
THE LARGEST SHAREHOLDERS AS PER 05 NOVEMBER 2009 REGISTERED IN VPS

	Citizen	No. of shares:	%
HEMEN HOLDING LIMITED	CYP	44 583 853	34,30 %
SKAGEN KON-TIKI	NOR	10 744 000	8,27 %
ORKLA ASA	NOR	3 366 500	2,59 %
SVENSKA HANDELSBANKEN	NOR	3 091 415	2,38 %
J.P.MORGAN CHASE BANK	GBR	2 799 813	2,15 %
DNB NOR MARKETS	NOR	1 783 861	1,37 %
MLPF&S NORWEGIAN	USA	1 489 491	1,15 %
DNB NOR SMB	NOR	1 326 392	1,02 %
SEB ENSKILDA ASA	NOR	1 150 000	0,88 %
TERRA SPAR	NOR	1 030 000	0,79 %
STICHTING SHELL PENSIOENFONDS	GBR	1 007 000	0,77 %
CARNEGIE ASA	NOR	1 000 000	0,77 %
CITIBANK N.A.	USA	955 631	0,74 %
BANK OF NEW YORK	BEL	782 427	0,60 %
CITIBANK N.A.	GBR	780 500	0,60 %
J.P.MORGAN CHASE BANK	GBR	754 200	0,58 %
DNB NOR NAVIGATOR	NOR	730 174	0,56 %
NORDNET BANK AB	SWE	721 165	0,55 %
NATIXIS BLEICHROEDER LLC	USA	660 207	0,51 %
MP PENSJON	NOR	658 800	0,51 %
Total 20 largest shareholders:		79 415 429	61,11 %
Total shares owned by Deep Sea Supply Plc:		3 101 000	2,39 %
Total other shareholders:		47 448 432	36,51 %
Total number of shares:		129 964 861	100,00 %





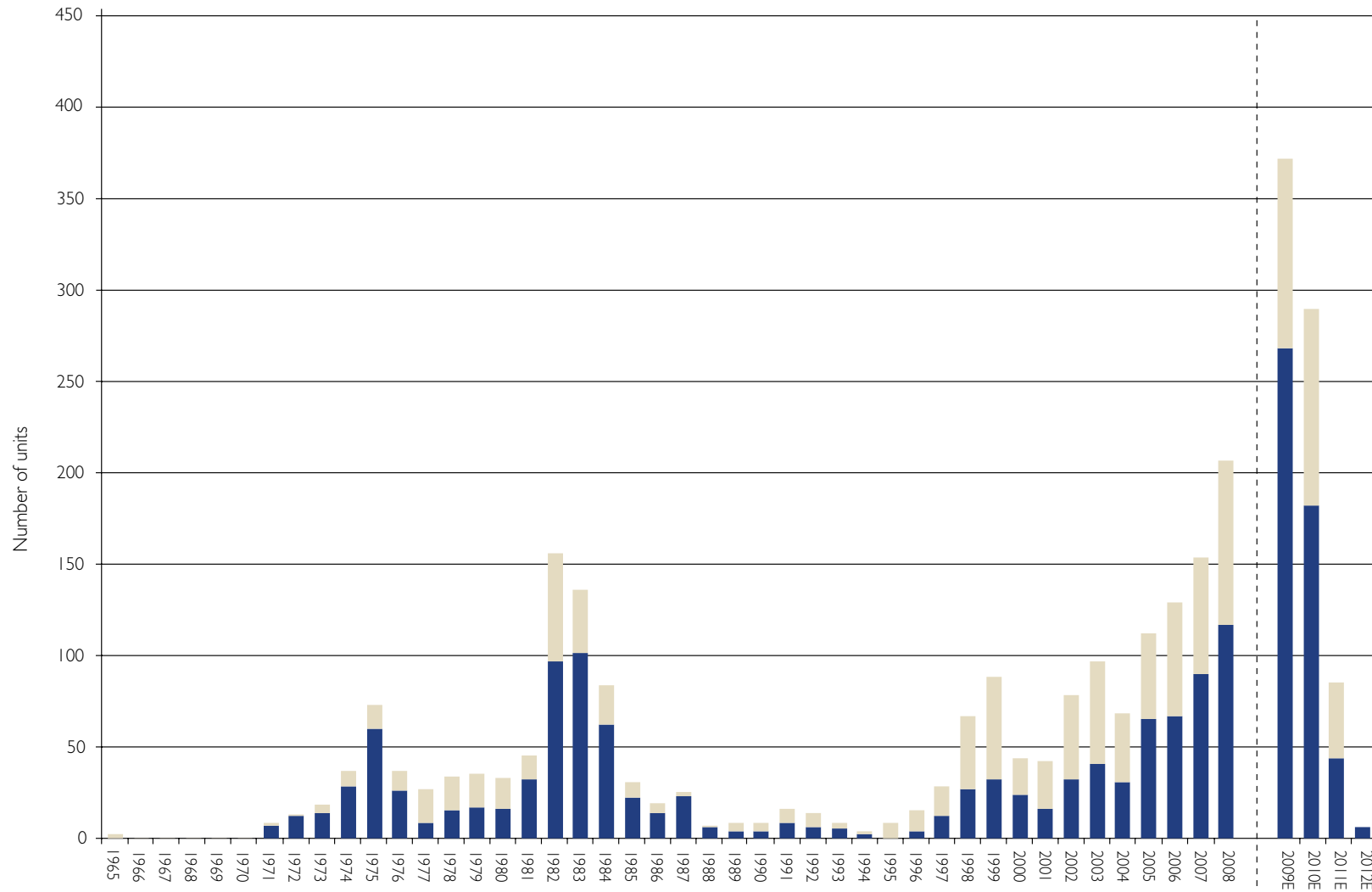
Vessel no	Vessel	Yard	Type	Bhp/Dwt	Expected Delivery
AHTS Vessels					
270	Sea Marten	ABG	AHTS Seatech P-729	6800 BHP	Feb 10
271	Sea Fox	ABG	AHTS Seatech P-729	6800 BHP	Apr 10
272	Sea Jackal	ABG	AHTS Seatech P-729	6800 BHP	May 10
273	Sea Badger	ABG	AHTS Seatech P-729	6800 BHP	Jun 10
274	Sea Vixen	ABG	AHTS Seatech P-729	6800 BHP	July 10
275	Sea Stoat	ABG	AHTS Seatech P-729	6800 BHP	Aug 10
28	TBN	STX Offshore Brazil S.A.	STX PSV 09 CD	4700 DWT	Jan 12





Vessel	Type	Bhp/Dwt	Year built	2009		2010	2011	2012
				3Q	4Q			
AHTS Vessels								
Sea Lion	AHTS Hayyard 842	17520 BHP	04.11.08	North Sea	Egypt			
Sea Tiger	AHTS KMAR 404	15000 BHP	1998	North Sea				
Sea Lynx	AHTS KMAR 404	15000 BHP	1999	North Sea				
Sea Panther	AHTS KMAR 404	15000 BHP	1999	Egypt	North Sea			
Sea Leopard	AHTS KMAR 404	15000 BHP	1998	ENI/Brazil				
Sea Bear	AHTS KMAR 404	15000 BHP	1999	EDT/Egypt				
Sea Wolf I	AHTS KMAR 404	15000 BHP	1999					
Sea Cougar	AHTS KMAR 404	16000 BHP	1999	EDT Egypt	North Sea			
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	KNOC Korea			
Sea Ocelot	AHTS Khiam Chuang	10800 BHP	01.10.07	Gazflot Shakalin	KNOC Korea			
Sea Otter	AHTS Seatech P-729	6500 BHP	17.08.07	Husky				
Sea Weasel	AHTS Seatech P-729	6500 BHP	29.10.09					
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:



■ AHTS ■ PSV

AHTS

Vessels > 20 years: 43,2 % of total fleet
 Vessels > 30 years: 13,2 % of total fleet

PSV

Vessels > 20 years: 28,3 % of total fleet
 Vessels > 30 years: 8,9 % of total fleet



Supply vessels	Total fleet		AHTS		PSV	
Existing fleet	2232		1298		934	
Orderbook	546	24 %	350	27 %	196	21 %
Average age	14,6		15,6		13,1	
Rig market	Total fleet		Semis/drillships		Jackups	
Existing fleet	688		235		453	
Orderbook	141	20 %	75	32 %	66	15 %





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