



# Q409



**DEEP SEA SUPPLY PLC**  
25th of February 2010

Presentation



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.

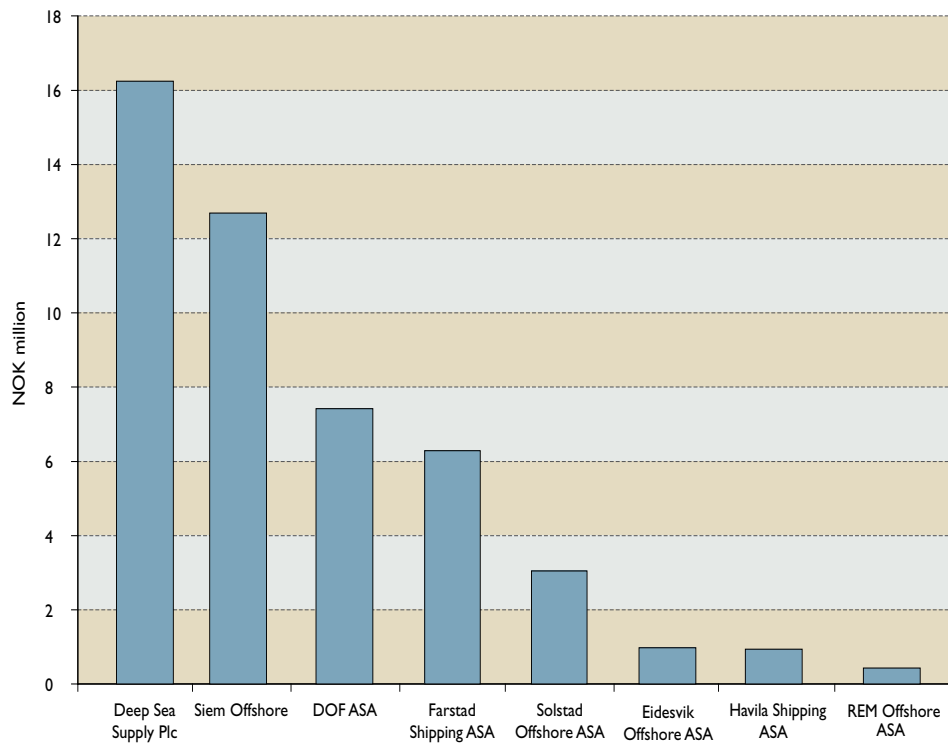
The Company has management companies in Cyprus, Singapore, Brazil and Norway with a total staff of 18 people.

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.





### 4Q 2009 Average Monthly Volume



Source: DNB Nor Markets.

### 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

\*\* Ordinary dividend from profit



<i>(Unaudited figures in USD 1,000)</i>	<b>4Q 2008</b>	<b>4Q 2009</b>
<b>Operating revenue</b>	<b>56 366</b>	<b>30 287</b>
Vessel operating expenses	-16 222	-17 162
Other gains / (losses)	-15 603	406
Gain on sale	2 076	2 271
Other operating expenses	-2 522	-2 981
<b>Total operating costs</b>	<b>-32 271</b>	<b>-17 467</b>
<b>EBITDA</b>	<b>24 095</b>	<b>12 820</b>
Depreciation	-8 633	-9 115
<b>EBIT</b>	<b>15 462</b>	<b>3 704</b>
Financial income	181	157
Financial expenses	-8 578	-7 877
Net currency items	3 562	-994
Change in value of financial derivatives	-4 515	267
<b>Net financial items</b>	<b>-9 351</b>	<b>-8 447</b>
<b>Pre-tax result</b>	<b>6 113</b>	<b>-4 743</b>
Taxes	3 330	8 095
<b>Net result</b>	<b>9 441</b>	<b>3 351</b>
Average number of shares	126 863 860	126 863 860
Earnings per share	0,07	0,03
Earnings per share diluted	0,07	0,03
Cash flow per share	0,12	0,04

## ANALYSES Q409 VS Q408:

### Freight income:

- AHTS: Reduced by 64%
- PSV: Unchanged

### Vessel operating expenses:

- Increased by 5%
- Adjusted for fleet growth: Reduced by 1%



<i>(Unaudited figures in USD 1,000)</i>	<b>2008</b>	<b>2009</b>
<b>Operating revenue</b>	<b>190 405</b>	<b>167 633</b>
Vessel operating expenses	-60 199	-66 163
Other gains / (losses)	-16 759	9 160
Gain on sale	29 440	8 765
Other operating expenses	-7 971	-7 696
<b>Total operating costs</b>	<b>-55 489</b>	<b>-55 933</b>
<b>EBITDA</b>	<b>134 916</b>	<b>111 700</b>
Depreciation	-30 277	-36 369
<b>EBIT</b>	<b>104 639</b>	<b>75 332</b>
Financial income	2 122	665
Financial expenses	-41 545	-30 012
Net currency items	-2 951	-12 471
Change in value of financial derivatives	-11 972	3 752
<b>Net financial items</b>	<b>-54 346</b>	<b>-38 066</b>
<b>Pre-tax result</b>	<b>50 293</b>	<b>37 266</b>
Taxes	3 110	8 084
<b>Net result</b>	<b>53 404</b>	<b>45 350</b>
Average number of shares	126 863 860	126 863 860
Earnings per share	0,42	0,36
Earnings per share diluted	0,42	0,35
Cash flow per share	0,75	0,65

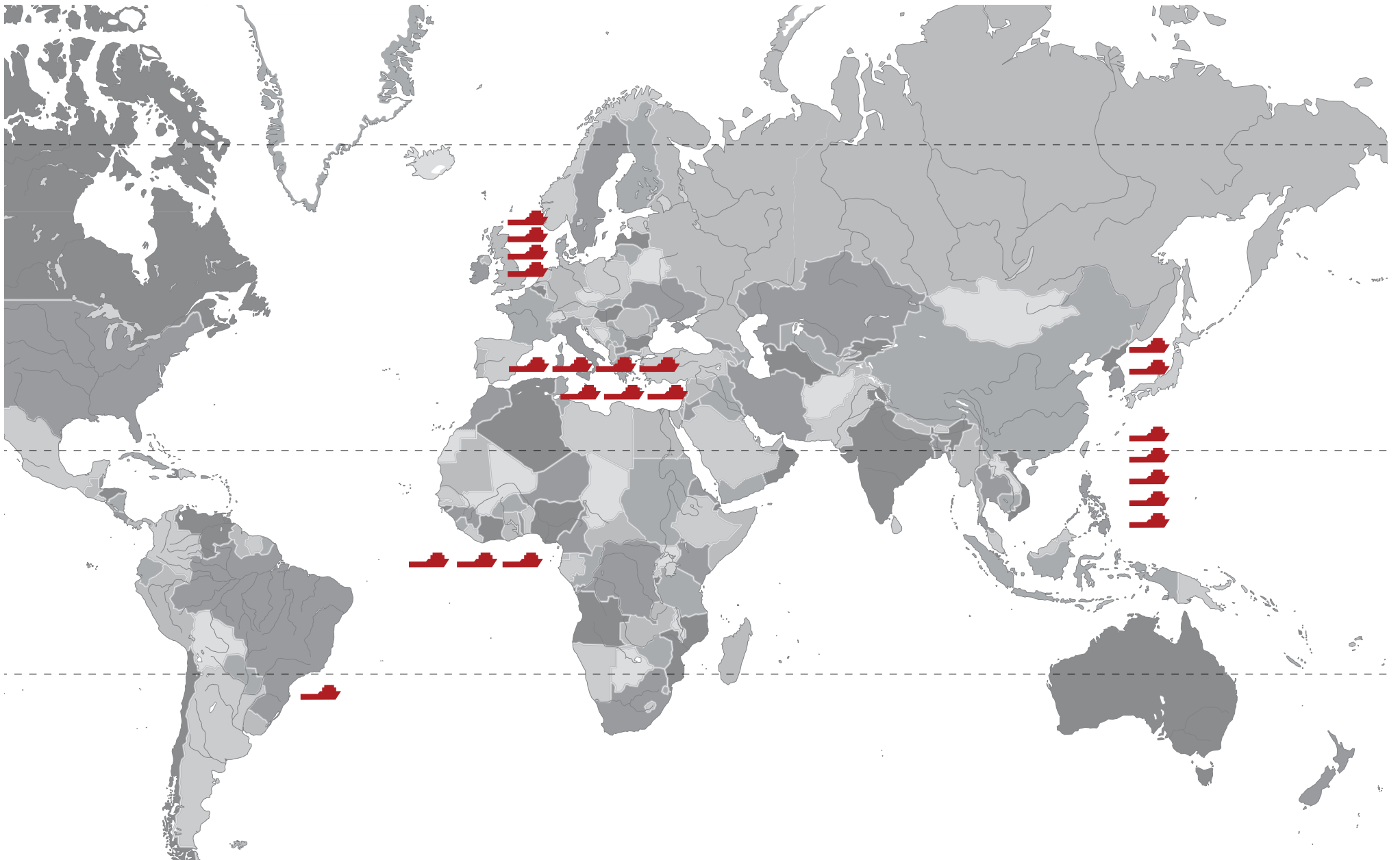
## ANALYSES 2009 VS 2008:

### Freight income:

- AHTS: Reduced by 28%
- PSV: Increased by 38%

### Vessel operating expenses:

- Increased by 10%
- Adjusted for fleet growth: Reduced by 7%





The segment results for the year ended 31 December 2009 is as follows:

	North Sea	Africa	Australia/ Far East	North/South America	Mediterranean	Unallocated items	Total
<b>Segment revenues</b>	20 822	15 893	45 295	8 535	77 089	0	<b>167 633</b>
Vessel operating expenses	-17 166	-5 574	-10 815	-3 180	-29 426	0	-66 163
Other gains/(losses)	0	0	0	0	0	9 160	9 160
Gain on sale	0	659	0	1 689	6 863	-447	8 765
Other operating expenses	-956	-730	-2 079	-392	-3 539	0	-7 696
<b>EBITDA per segment</b>	<b>2 700</b>	<b>10 248</b>	<b>32 401</b>	<b>6 653</b>	<b>50 988</b>	<b>8 713</b>	<b>111 700</b>
<b>EBITDA margin per segment</b>	<b>13 %</b>	<b>64 %</b>	<b>72 %</b>	<b>78 %</b>	<b>66 %</b>		<b>67 %</b>
Depreciation	-7 140	-1 967	-5 764	-3 077	-18 361	-60	-36 369
<b>EBIT per segment</b>	<b>-4 440</b>	<b>8 281</b>	<b>26 636</b>	<b>3 576</b>	<b>32 627</b>	<b>8 653</b>	<b>75 332</b>
<b>EBIT margin per segment</b>	<b>-21 %</b>	<b>52 %</b>	<b>59 %</b>	<b>42 %</b>	<b>42 %</b>		<b>45 %</b>
Net Financial Items							-38 066
<b>Pre-tax result</b>							<b>37 266</b>
Taxes							8 084
<b>Net Result</b>							<b>45 350</b>



The segment results for the year ended 31 December 2009 is as follows:	AHTS	PSV	Un-allocated items	Total
<b>Segment revenues</b>	<b>105 971</b>	<b>61 662</b>	<b>0</b>	<b>167 633</b>
Vessel operating expenses	-48 502	-17 659	0	-66 163
Other gains/(losses)	0	0	9 160	9 160
Gain on sale	7 828	937	0	8 765
Other operating expenses	-4 865	-2 831	0	-7 696
<b>EBITDA per segment</b>	<b>60 432</b>	<b>42 110</b>	<b>9 160</b>	<b>111 700</b>
<b>EBITDA margin per segment</b>	<b>57 %</b>	<b>68 %</b>		<b>67 %</b>
Depreciation	-28 704	-7 603	-61	-36 369
<b>EBIT per segment</b>	<b>39 556</b>	<b>34 507</b>	<b>9 160</b>	<b>75 332</b>
<b>EBIT margin per segment</b>	<b>37 %</b>	<b>56 %</b>		<b>45 %</b>
Net Financial Items				-38 066
<b>Pre-tax result</b>				<b>37 266</b>
Taxes				8 084
<b>Net Result</b>				<b>45 350</b>

# Q409 CASH FLOW STATEMENT



<i>(Unaudited figures in USD 1,000)</i>	2009	2008
<b>Cash flows from operating activities</b>		
Cash generated from operations	110 598	127 132
Interest paid	-20 911	-38 351
<b>Net cash generated from operating activities</b>	<b>89 687</b>	<b>88 780</b>
<b>Cash flows from investing activities</b>		
Acquisitions of vessels and construction contracts	-61 052	-133 756
Disposals of vessels and construction contracts	0	58 611
<b>Net cash used in investing activities</b>	<b>-61 052</b>	<b>-75 145</b>
<b>Cash flows from financing activities</b>		
Payment of dividend to shareholders	0	-140 896
Proceeds from borrowings	9 660	430 099
Repayments of borrowings	-40 478	-300 435
<b>Net cash used in financing activities</b>	<b>-30 818</b>	<b>-11 232</b>
<b>Total changes in liquidity in the period/year</b>	<b>-2 183</b>	<b>2 403</b>
<b>Cash and cash equivalents at beginning of period/year</b>	<b>33 799</b>	<b>31 396</b>
<b>Cash and cash equivalents at end of the period/year</b>	<b>31 616</b>	<b>33 799</b>



## FUTURE CAPITAL EXPENDITURE NEWBUILDING CONTRACTS\*\*

<i>(Unaudited figures in USD 1,000)</i>	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Total
Contractual yard payments	0	12 000	24 000	36 000	72 000
Maximum committed bank borrowings*	0	12 200	0	0	12 200

\* Based on current market values of the vessels, the total available bank commitment is USD 9.66 mill.

\*\* Does not include the newbuilding in Brazil.



<i>(Unaudited figures in USD 1,000)</i>	<b>31.12.09</b>	<b>31.12.08</b>
<b>Non-current assets</b>		
Vessels	412 342	369 404
Vessels under sale and leaseback contracts	236 197	285 285
Construction contracts	26 534	31 735
Equipment	65	95
<b>Total property, plant and equipment</b>	<b>675 138</b>	<b>686 520</b>
CIRR deposit	49 426	44 799
<b>Total non-current assets</b>	<b>724 564</b>	<b>731 319</b>
<b>Current assets</b>		
CIRR deposit - short term portion	5 038	4 144
Inventories	2 221	878
Trade and other receivables	22 483	47 866
Other short term receivables	6 349	6 172
Financial assets at fair value through profit and loss	0	6 335
Cash and cash equivalents	31 616	33 799
<b>Total current assets</b>	<b>67 707</b>	<b>99 195</b>
<b>Total assets</b>	<b>792 271</b>	<b>830 515</b>





<i>(Unaudited figures in USD 1,000)</i>	<b>31.12.09</b>	<b>31.12.08</b>
<b>Shareholder equity</b>		
Share capital	2 599	2 599
Share premium and reverse acquisition reserve	16 207	16 203
Other paid in capital	1 720	1 242
Treasury shares	-9 787	-9 787
Retained earnings and currency translation	151 463	101 965
<b>Total equity and minority interest</b>	<b>162 202</b>	<b>112 221</b>
<b>Liabilities</b>		
Bank borrowings	260 698	266 998
Finance lease liability	210 901	225 199
CIRR loan	49 374	44 799
Deferred gain	53 057	92 178
Long term tax liability	0	5 336
Pension scheme	80	30
<b>Total long-term liabilities</b>	<b>574 110</b>	<b>634 541</b>
Trade and other payables	3 588	25 039
Current income tax liability	0	667
Bank borrowings falling due within 1 year	25 207	23 724
Finance lease liability falling due within 1 year	14 298	15 495
CIRR loan falling due within 1 year	5 038	4 144
Deferred gain falling due within 1 year	6 058	9 430
Financial derivatives	1 770	5 254
<b>Total short-term liabilities</b>	<b>55 959</b>	<b>83 752</b>
<b>Total liabilities</b>	<b>630 068</b>	<b>718 294</b>
<b>Total equity and liabilities</b>	<b>792 271</b>	<b>830 515</b>


**THE LARGEST SHAREHOLDERS AS PER 18 FEBRUARY 2010 REGISTERED IN VPS**


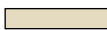

	<b>Citizen</b>	<b>No. of shares:</b>	<b>%</b>
HEMEN HOLDING LIMITED	CYP	44 583 853	34,30 %
SKAGEN KON-TIKI	NOR	11 096 000	8,54 %
PERESTROIKA AS	NOR	4 805 000	3,70 %
ORKLA ASA	NOR	3 366 500	2,59 %
SVENSKA HANDELSBANKEN	NOR	3 091 415	2,38 %
STICHTING SHELL PENSIOENFONDS	GBR	1 442 746	1,11 %
MLPF&S NORWEGIAN	USA	1 366 506	1,05 %
TERRA SPAR	NOR	1 130 000	0,87 %
DNB NOR MARKETS	NOR	1 039 093	0,80 %
CARNEGIE ASA	NOR	1 000 000	0,77 %
HETI AS	NOR	900 000	0,69 %
CITIBANK N.A.	USA	825 181	0,63 %
LIVSFÖRSÄKRINGSAKTIEBOLAGET	GBR	780 500	0,60 %
J.P.MORGAN CHASE BANK	GBR	754 200	0,58 %
MP PENSJON	NOR	658 800	0,51 %
VPF NORDEA SMB	NOR	644 000	0,50 %
NORDNET BANK AB	SWE	598 086	0,46 %
NATIXIS BLEICHROEDER LLC	USA	589 086	0,45 %
J.P.MORGAN CHASE BANK	GBR	545 500	0,42 %
G STRAND EIENDOM AS	NOR	500 000	0,38 %
<b>Total 20 largest shareholders:</b>		<b>79 716 466</b>	<b>61,34 %</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>47 147 395</b>	<b>36,28 %</b>
<b>Total number of shares:</b>		<b>129 964 861</b>	<b>100,00 %</b>



 FLEET LIST & CHARTER STATUS AS PER 19 FEBRUARY 2010



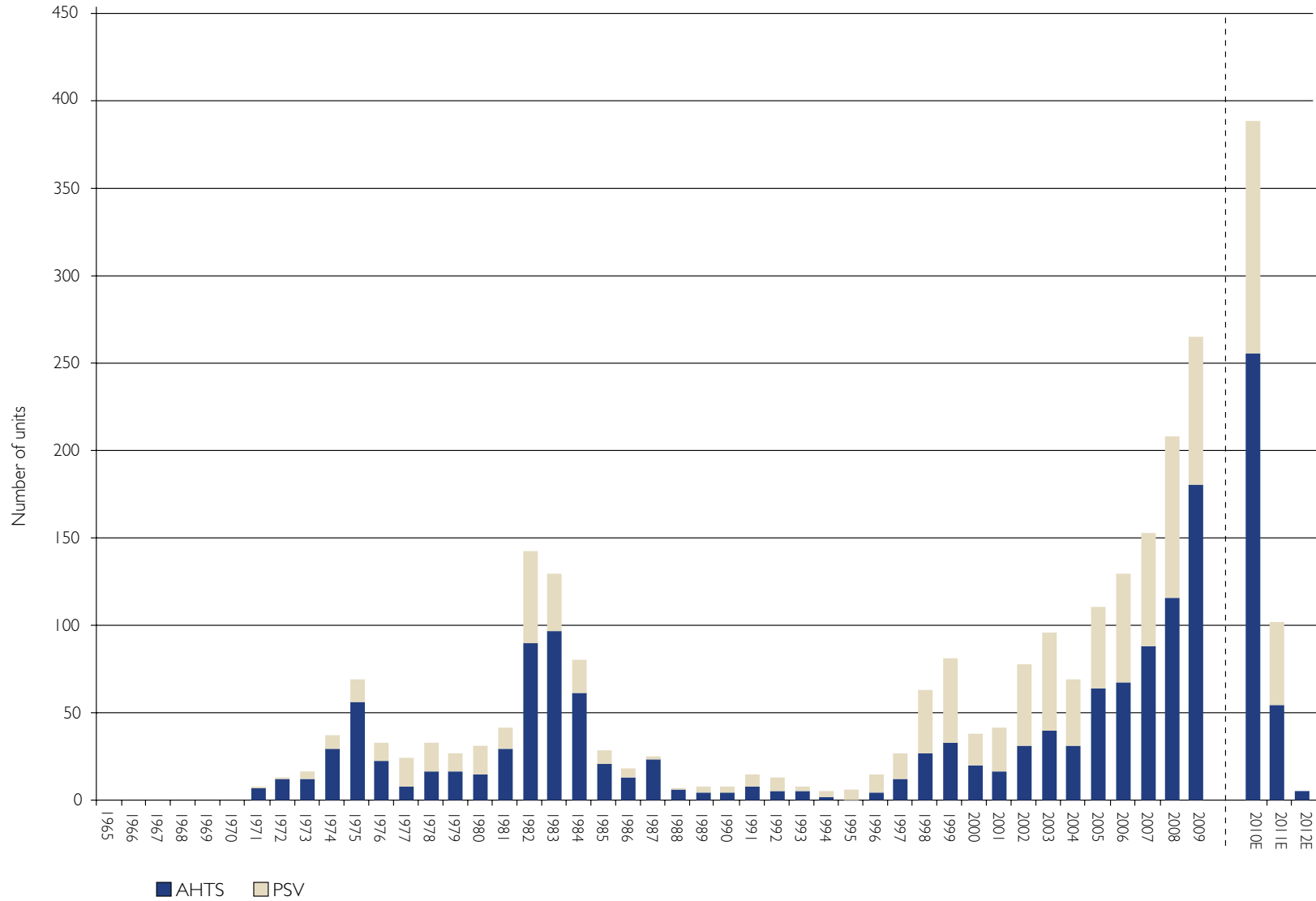
Vessel	Type	Bhp/Dwt	Year built	2010				2011	2012
				1Q	2Q	3Q	4Q		
<b>AHTS Vessels</b>									
Sea Lion	AHTS Havyard 842	17520 BHP	04.11.08	Egypt					
Sea Tiger	AHTS KMAR 404	15000 BHP	1998	North Sea					
Sea Lynx	AHTS KMAR 404	15000 BHP	1999	North Sea	Tunis				
Sea Panther	AHTS KMAR 404	15000 BHP	1999	North Sea					
Sea Leopard	AHTS KMAR 404	15000 BHP	1998	Brazil	Brazil				
Sea Bear	AHTS KMAR 404	15000 BHP	1999	North Sea	Tunis				
Sea Wolf I	AHTS KMAR 404	15000 BHP	1999	West Africa					
Sea Cougar	AHTS KMAR 404	16000 BHP	1999	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	Mediterranean					
Sea Eagle I	AHTS Khiam Chuang	12000 BHP	20.04.09	KNOG Korea					
Sea Ocelot	AHTS Khiam Chuang	10800 BHP	01.10.07	KNOG Korea					
Sea Otter	AHTS Seatech P-729	6500 BHP	17.08.07						
Sea Weasel	AHTS Seatech P-729	6500 BHP	29.10.09	Petronas Malaysia					
<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	Mediterranean					
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	ENI Indonesia					

Firm:  Option:  Spot: 



Vessel no	Vessel	Yard	Type	Bhp/Dwt	Expected Delivery
<b>AHTS Vessels</b>					
270	Sea Marten	ABG	AHTS Seatech P-729	6800 BHP	Apr 10
271	Sea Fox	ABG	AHTS Seatech P-729	6800 BHP	Aug 10
272	Sea Jackal	ABG	AHTS Seatech P-729	6800 BHP	Sep 10
273	Sea Badger	ABG	AHTS Seatech P-729	6800 BHP	Oct 10
274	Sea Vixen	ABG	AHTS Seatech P-729	6800 BHP	Nov 10
275	Sea Stoat	ABG	AHTS Seatech P-729	6800 BHP	Dec 10
<b>PSV's</b>					
28	TBN	STX Offshore Brazil S.A.	STX PSV 09 CD	4700 DWT	Jan 12





<b>AHTS</b>	<b>PSV</b>
Vessels > 20 years: 41,0 % of total fleet	Vessels > 20 years: 25,5 % of total fleet
Vessels > 30 years: 12,5 % of total fleet	Vessels > 30 years: 8,2 % of total fleet

Source: ODS Petrodata



Supply vessels	Total fleet		AHTS		PSV	
Existing fleet	2218		1301		917	
Orderbook	503	23 %	306	24 %	197	21 %
Average age	14,0		15,2		12,5	
Rig market	Total fleet		Semis/drillships		Jackups	
Existing fleet	696		237		459	
Orderbook	130	19 %	73	31 %	57	12 %

Source: ODS Petrodata





## Deep Sea Supply Group Contact information

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