



Q1

Q2

Q3

Q4



# Q4 10

**DEEP SEA SUPPLY PLC**  
24th of February 2010

Presentation



## HIGHLIGHTS

- Improved Revenues, EBITDA and Net Result
- Sale of vessels;
  - Sea Otter & Sea Marten – opportunistic sale (Q410)
  - Sea Cougar & Sea Wolf – strategic / fleet renewal (Q111)
  - Sea Weasel – market access Malaysia j/v (Q111)
- Good cost control
- Tax issues
- Soft market



- Continuous operational improvements
  - Established Deep Sea Supply Management (Singapore) Pte Ltd.
    - Technical management of DESS vessels
    - Crew management
    - Managing DESS vessels operating world-wide
    - Improved opex /quality
  - Established Deep Sea Supply Navegacao Maritima Ltda.
    - Technical management
    - Crew management
    - Managing vessels operating in Brazil
    - Eliminating expensive intermediaries
- Vessel operating expenses – short term / long term



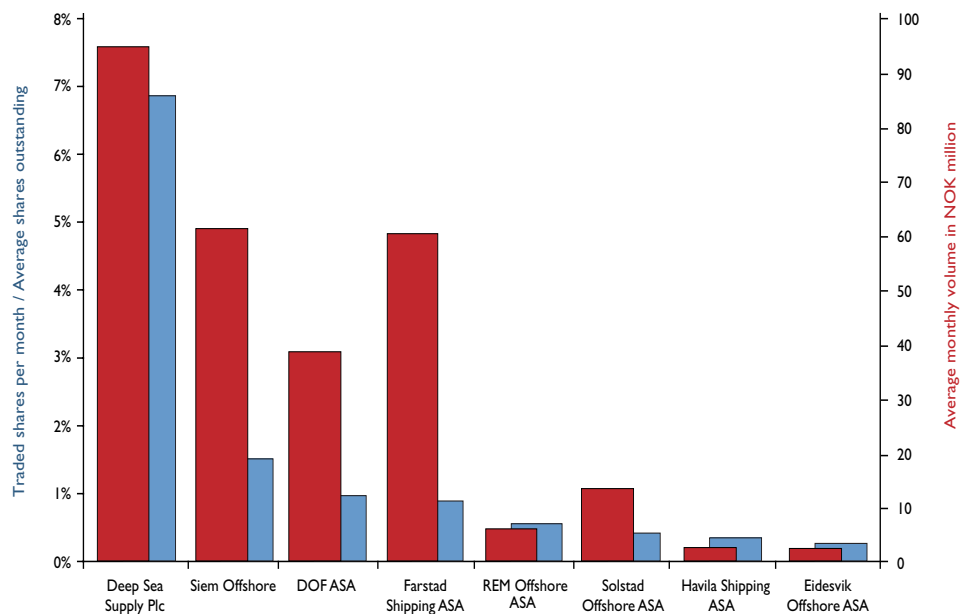
- Market access – becoming "local" globally;
  - South America:
    - 8 (10) vessels in Brazil – will work to increase fleet
    - EBN status expected shortly
  - Asia:
    - DESS now local player in Malaysia
    - Structure in place / first vessel done
  - West Africa:
    - Our next target
- Side effects; Tapping into new financial markets;
  - Brazil – BNDES
  - Malaysia – Development Bank / Investment fund



- Growing the Company's fleet
  - Pursuing several alternatives
  - Newbuildings - an attractive option (price/delivery)
  - Acknowledged designs – inexpensive yards
  - Larger vessels suited to Charterers' needs

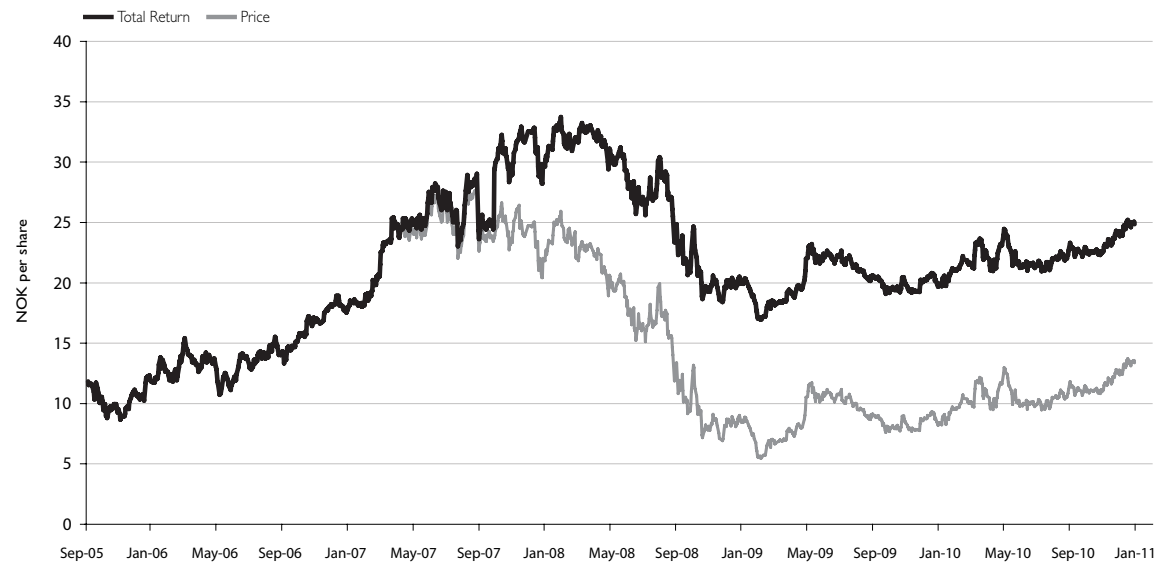


2010 average monthly volume and turnover velocity



Source: DNB Nor Markets.

Share price and total return



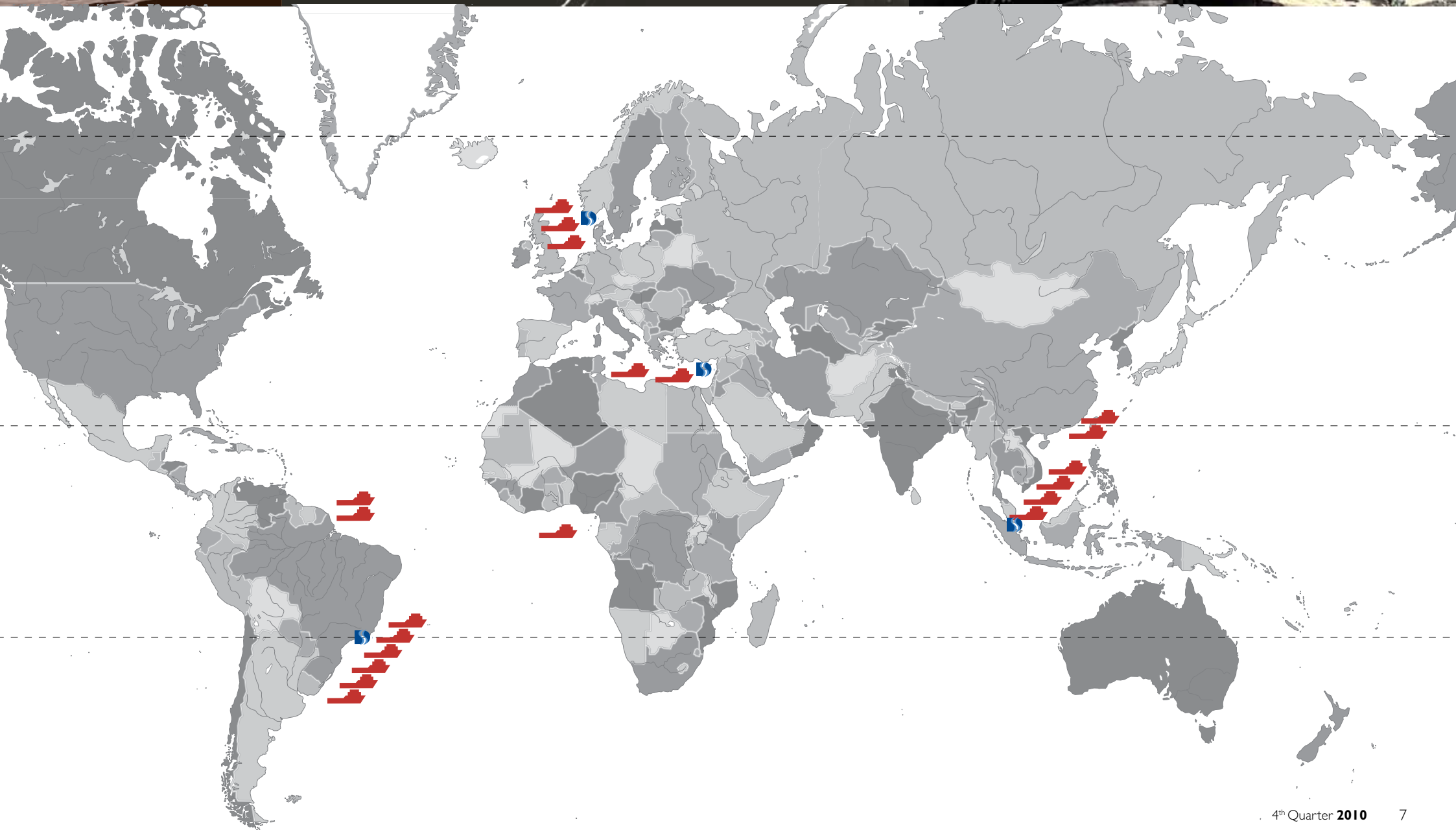
Distribution to shareholders	Amount per share	Ex. dividend date	Payment date
2006*	NOK 0,80	08-05-07	28-06-07
Q1 2007*	NOK 0,20	22-06-07	04-10-07
Q2 2007*	USD 0,85 (NOK 4,62)	24-09-07	29-10-07
Q3 2007*	USD 0,40 (NOK 2,18)	11-12-07	31-01-08
Q4 2007*	USD 0,40 (NOK 2,00)	26-03-08	29-05-08
Q1 2008**	USD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



AREAS OF CURRENT OPERATION





## Q4 10 INCOME STATEMENT

<i>(Unaudited figures in USD 1,000)</i>	<b>4Q 10</b>	<b>4Q 09</b>	<b>3Q 10</b>
<b>Operating revenue</b>	<b>37,337</b>	<b>30,287</b>	<b>33,906</b>
Vessel operating expenses	-18,807	-17,162	-19,651
Operating lease	-1,104	0	-1,104
Other gains / (losses)	0	199	0
Gain on sale	11,441	2,271	1,463
Other operating expenses	-2,881	-2,981	-2,012
<b>Total operating costs</b>	<b>-11,352</b>	<b>-17,674</b>	<b>-21,305</b>
<b>EBITDA</b>	<b>25,984</b>	<b>12,613</b>	<b>12,600</b>
Depreciation	-9,447	-9,115	-9,148
<b>EBIT</b>	<b>16,538</b>	<b>3,498</b>	<b>3,452</b>
Financial income	160	157	67
Financial expenses	-7,693	-5,879	-8,100
Net currency items	-960	-1,333	1,423
Change in value of financial derivatives	631	267	227
<b>Net financial items</b>	<b>-7,863</b>	<b>-6,788</b>	<b>-6,383</b>
<b>Pre-tax result</b>	<b>8,675</b>	<b>-3,290</b>	<b>-2,931</b>
Taxes	-2,475	8,095	-2
<b>Total comprehensive income</b>	<b>6,200</b>	<b>4,805</b>	<b>-2,933</b>
Average number of shares	126,863,860	126,863,860	126,863,860
Earnings per share	0.05	0.04	-0.02
Earnings per share diluted	0.05	0.04	-0.02
Cash flow per share 1)	0.15	0.05	0.04

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





## 2010 INCOME STATEMENT

<i>(Unaudited figures in USD 1,000)</i>	<b>YTD 2010</b>	<b>YTD 2009</b>
<b>Operating revenue</b>	<b>132,346</b>	<b>167,633</b>
Vessel operating expenses	-73,681	-66,163
Operating lease	-2,925	0
Other gains / (losses)	0	8,953
Gain on sale	15,819	8,765
Other operating expenses	-8,710	-7,696
<b>Total operating costs</b>	<b>-69,497</b>	<b>-56,142</b>
<b>EBITDA</b>	<b>62,849</b>	<b>111,491</b>
Depreciation	-36,447	-36,368
<b>EBIT</b>	<b>26,402</b>	<b>75,123</b>
Financial income	337	665
Financial expenses	-29,065	-28,013
Net currency items	1,164	-8,316
Change in value of financial derivatives	1,241	3,752
<b>Net financial items</b>	<b>-26,323</b>	<b>-31,913</b>
<b>Pre-tax result</b>	<b>79</b>	<b>43,210</b>
Taxes	-2,617	8,084
<b>Total comprehensive income</b>	<b>-2,538</b>	<b>51,294</b>
Average number of shares	126,863,860	126,863,860
Earnings per share	-0.02	0.40
Earnings per share diluted	-0.02	0.40
Cash flow per share 1)	0.27	0.66

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



## Q4 10 SEGMENT INFORMATION - AREA OF OPERATIONS

The segment results for the year ended 31 December 2010 is as follows:

	North Sea	Africa	Asia / Australia	North / South America	Mediterranean	Unallocated items	Total
<b>Segment revenues</b>	21,582	11,804	38,408	26,873	33,678	0	132,346
Vessel operating expenses	-18,703	-5,795	-17,143	-15,971	-16,069	0	-73,681
Operating lease	0	0	-2,736	-189	0	0	-2,925
Other gains/(losses)	0	0	0	0	0	0	0
Gain on sale	248	659	-13	11,487	3,438	0	15,819
Other operating expenses	-1,420	-777	-2,528	-1,769	-2,216	0	-8,710
<b>EBITDA per segment</b>	<b>1,706</b>	<b>5,891</b>	<b>15,988</b>	<b>20,432</b>	<b>18,831</b>	<b>0</b>	<b>62,849</b>
<b>EBITDA margin per segment</b>	<b>8%</b>	<b>50%</b>	<b>42%</b>	<b>76%</b>	<b>56%</b>		<b>47%</b>
Depreciation	-8,365	-2,139	-7,309	-6,162	-12,376	-97	-36,447
<b>EBIT per segment</b>	<b>-6,659</b>	<b>3,752</b>	<b>8,680</b>	<b>14,270</b>	<b>6,455</b>	<b>-97</b>	<b>26,402</b>
<b>EBIT margin per segment</b>	<b>N/A</b>	<b>32%</b>	<b>23%</b>	<b>53%</b>	<b>19%</b>		<b>20%</b>
Net Financial Items							-26,323
<b>Pre-tax result</b>							<b>79</b>
Taxes							-2,617
<b>Net Result</b>							<b>-2,538</b>



## Q4 10 SEGMENT INFORMATION - TYPE OF VESSEL

The segment results for the year ended 31 December 2010 is as follows:

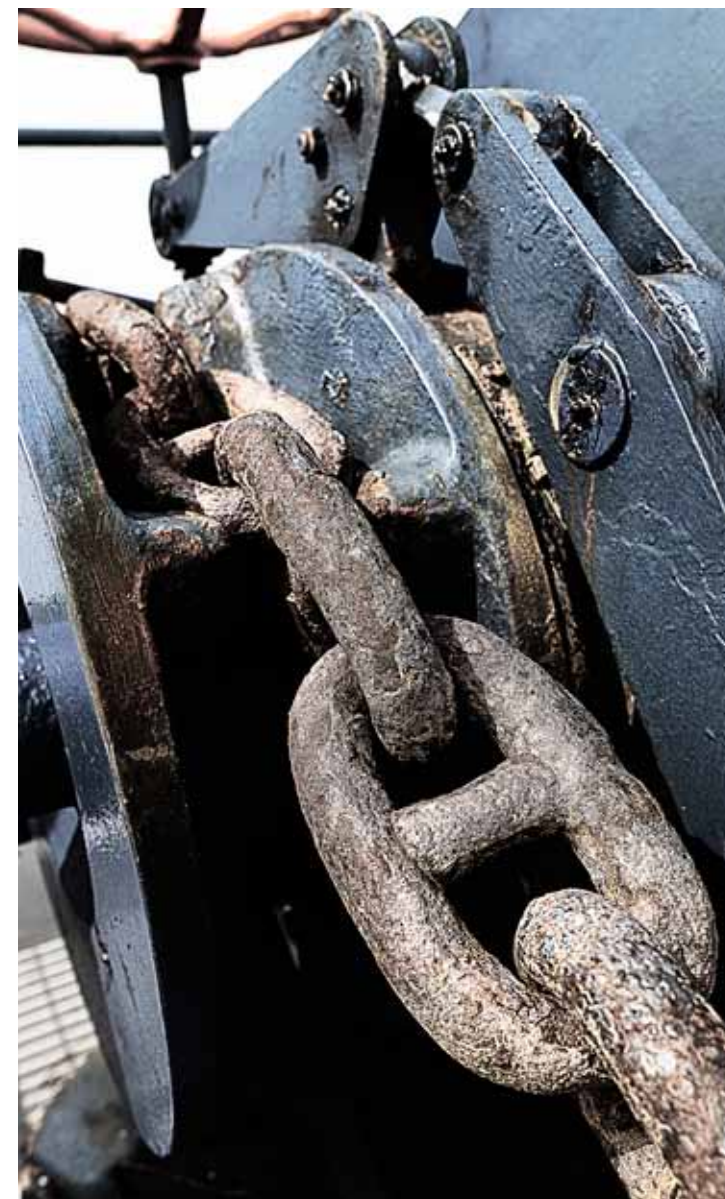
	AHTS	PSV	Unallocated items	Total
<b>Segment revenues</b>	92,351	39,995	0	132,346
<b>Vessel operating expenses</b>	-53,581	-20,101	0	-73,681
Operating lease	-2,925	0	0	-2,925
Other gains/(losses)	0	0	0	0
Gain on sale	14,429	1,384	5	15,819
Other operating expenses	-6,078	-2,632	0	-8,710
<b>EBITDA per segment</b>	<b>44,196</b>	<b>18,646</b>	<b>5</b>	<b>62,849</b>
<b>EBITDA margin per segment</b>	<b>48%</b>	<b>47%</b>		<b>47%</b>
Depreciation	-29,012	-7,338	-97	-36,447
<b>EBIT per segment</b>	<b>15,185</b>	<b>11,308</b>	<b>-92</b>	<b>26,402</b>
<b>EBIT margin per segment</b>	<b>16%</b>	<b>28%</b>		<b>20%</b>
Net Financial Items				-26,323
<b>Pre-tax result</b>				<b>79</b>
Taxes				-2,617
<b>Net Result</b>				<b>-2,538</b>





## Q410 CASH FLOW STATEMENT

	Year ended 31 December	
	2010	2009
<i>(Unaudited figures in USD 1,000)</i>		
<b>Cash flows from operating activities</b>		
Cash generated from operations	36,409	116,995
<b>Net cash generated from operating activities</b>	<b>36,409</b>	<b>116,995</b>
<b>Cash flows from investing activities</b>		
Acquisitions of vessels and construction contracts	-20,915	-61,052
Disposals of vessels and construction contracts	40,969	0
<b>Net cash used in investing activities</b>	<b>20,054</b>	<b>-61,052</b>
<b>Cash flows from financing activities</b>		
Interest paid	-27,138	-27,308
Proceeds from borrowings	39,482	9,660
Repayments of borrowings	-58,491	-40,478
<b>Net cash used in financing activities</b>	<b>-46,147</b>	<b>-58,126</b>
<b>Total changes in liquidity in the period/year</b>	<b>10,316</b>	<b>-2,183</b>
Cash and cash equivalents at beginning of period/year	31,616	33,799
<b>Cash and cash equivalents at end of the period/year</b>	<b>41,932</b>	<b>31,616</b>





## BALANCE SHEET

<i>(Unaudited figures in USD 1,000)</i>	<b>31.12.10</b>	<b>31.12.09</b>
<b>Non-current assets</b>		
Vessels cost	603,322	650,537
Construction contract	24,736	26,327
Equipment	659	65
Deferred income tax	234	0
Other long term receivables	455	0
CIRR deposit	43,693	49,426
<b>Total non-current assets</b>	<b>673,098</b>	<b>726,355</b>
<b>Current assets</b>		
Inventories	2,909	2,221
Other short term receivables	9,374	6,349
CIRR deposit	4,959	5,038
Freight income not received	26,017	22,483
Cash and cash equivalents	41,932	31,616
<b>Total current assets</b>	<b>85,192</b>	<b>67,707</b>
<b>Total assets</b>	<b>758,290</b>	<b>794,062</b>





## BALANCE SHEET

<i>(Unaudited figures in USD 1,000)</i>	<b>31.12.10</b>	<b>31.12.09</b>
<b>Liabilities</b>		
Borrowings	456,496	471,599
CIRR loan	43,647	49,374
Deferred gain	36,573	53,057
Long term tax liabilities	1,806	0
Other long term liabilities	11	79
<b>Total long term liabilities</b>	<b>538,535</b>	<b>574,109</b>
Borrowings	35,768	39,505
CIRR loan	4,959	5,038
Trade payables	11,519	3,588
Deferred gain	4,493	6,059
Tax payable	903	0
Other short term liabilities	529	1,770
<b>Total short term liabilities</b>	<b>58,171</b>	<b>55,960</b>
<b>Total liabilities</b>	<b>596,706</b>	<b>630,069</b>
<b>Net assets</b>	<b>161,584</b>	<b>163,994</b>
<b>Shareholders equity</b>		
Share capital, share premium and treasury shares	10,861	10,735
Retained earnings and currency translation	150,723	153,259
<b>Total shareholders equity</b>	<b>161,584</b>	<b>163,994</b>



## SHAREHOLDERS

## THE LARGEST SHAREHOLDERS AS PER 17 FEBRUARY REGISTERED IN VPS

	Citizen	No. of shares:	%
HEMEN HOLDING LIMITED	CYP	44,583,853	35.14%
SKAGEN KON-TIKI	NOR	11,096,000	8.75%
PERESTROIKA AS	NOR	6,350,000	5.01%
SVENSKA HANDELSBANKEN	SWE	3,255,577	2.57%
ORKLA ASA	NOR	3,025,275	2.38%
VARMA MUTUAL PENSION INSURANCE	GBR	2,764,109	2.18%
DNB NOR MARKETS	NOR	2,643,717	2.08%
KLP AKSJE NORDEN VPF	NOR	1,700,000	1.34%
TERRA SPAR	NOR	1,280,000	1.01%
CENTRA INVEST AS	NOR	900,000	0.71%
VERDIPAPIRFONDET HANDELSBANKEN	NOR	800,000	0.63%
TD AMERITRADE	USA	769,757	0.61%
J.P.MORGAN CHASE BANK	GBR	754,200	0.59%
J.P.MORGAN CHASE BANK	GBR	747,239	0.59%
CITIBANK N.A.	USA	689,312	0.54%
LIVSFÖRSÄKRINGSAKTIEBOLAGET	GBR	669,933	0.53%
MP PENSJON PK	NOR	658,800	0.52%
E TRADE CLEARING LLC	GBR	640,990	0.51%
SKANDINAVISKA ENSKILDA BANKEN	SWE	635,012	0.50%
DNB NOR SMB	NOR	600,000	0.47%
<b>Total 20 largest shareholders:</b>		<b>84,563,774</b>	<b>66.66%</b>
<b>Total other shareholders:</b>		<b>42,300,086</b>	<b>33.34%</b>
<b>Total number of shares:</b>		<b>126,863,860</b>	<b>100.00%</b>



## FLEET LIST &amp; CHARTER STATUS AS PER 24 FEBRUARY 2010

Vessel	Type	Bhp/Dwt	Year built	2011				2012	2013	2014
				IQ	2Q	3Q	4Q			
<b>AHTS Vessels</b>										
Sea Lion	AHTS Havyard 842	17520 BHP	04.11.08	Mediterranean						
Sea Tiger	AHTS KMAR 404	15000 BHP	1998	Maersk Oil/Statoil Brasil						
Sea Lynx	AHTS KMAR 404	15000 BHP	1999	North Sea						
Sea Panther	AHTS KMAR 404	15000 BHP	1999	Maersk Oil/Statoil Brasil						
Sea Leopard	AHTS KMAR 404	15000 BHP	1998	Brazil						
Sea Bear	AHTS KMAR 404	15000 BHP	1999	North Sea						
Sea Cheetah	AHTS Khiam Chuang	15000 BHP	25.01.07	Mellittah Gas Libya						
Sea Jaguar	AHTS Khiam Chuang	15000 BHP	06.07.07	ENI China						
Sea Eagle I	AHTS Khiam Chuang	12000 BHP	20.04.09	ENI China						
Sea Ocelot	AHTS Khiam Chuang	10800 BHP	01.10.07	Singapore						
Sea Weasel	AHTS Seatech P-729	6500 BHP	29.10.09	Petronas Malaysia						
Sea Fox	AHTS Seatech P-729	6800 BHP	13.01.11	Singapore						
<b>PSVs</b>										
Sea Trout	VS 470 MK II	3300 DWT	18.06.08	EnQuest North Sea						
Sea Halibut	PSV UT 755 L	3250 DWT	27.04.07	Petrobras Brazil						
Sea Angler	PSV UT 755 L	3250 DWT	19.07.07	ENI Congo						
Sea Pike	PSV UT 755 L	3250 DWT	10.10.07	Petrobras Brazil						
Sea Bass	PSV UT 755 L	3250 DWT	18.01.08	Petrobras Brazil						
Sea Pollock	PSV UT 755 L	3250 DWT	30.04.08	Petrobras Brazil						
Sea Turbot	PSV UT 755 L	3250 DWT	20.08.08	Petrobras Brazil						
Sea Witch	PSV UT 755 L	3250 DWT	17.12.08	Singapore						

Firm:  Option:  Spot:



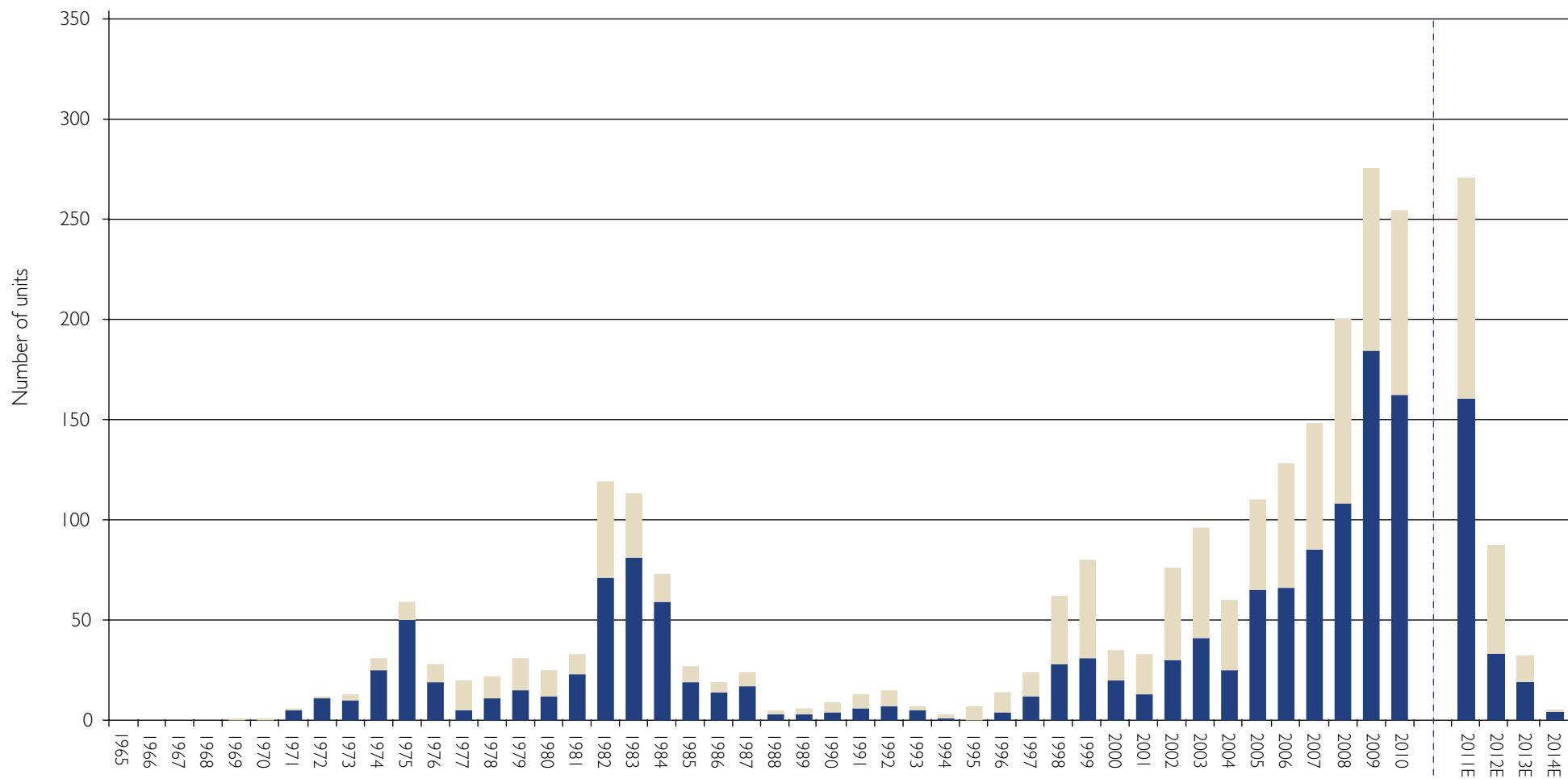
## NEWBUILDING DELIVERY

Vessel no	Vessel	Yard	Type	Bhp/Dwt	Expected Delivery
<b>AHTS Vessels</b>					
272	Sea Jackal	ABG	AHTS Seatech P-729	6800 BHP	Mar 11
273	Sea Badger	ABG	AHTS Seatech P-729	6800 BHP	May 11
274	Sea Vixen	ABG	AHTS Seatech P-729	6800 BHP	Jun 11
275	Sea Stoat	ABG	AHTS Seatech P-729	6800 BHP	Jul 11
<b>PSV's</b>					
28	TBN	STX Offshore Brazil S.A.	STX PSV 09 CD	4700 DWT	Jan 12





# AGE DISTRIBUTION CURRENT FLEET AND ORDER BOOK



■ AHTS   ■ PSV

**AHTS**  
 Vessels > 20 years: 34.3 % of total fleet  
 Vessels > 30 years: 13.8 % of total fleet

**PSV**  
 Vessels > 20 years: 23.5 % of total fleet  
 Vessels > 30 years: 9.9 % of total fleet

Source: ODS Petrodata



# THE RIG AND SUPPLY MARKET SEEMS TO BE IN BALANCE

Supply vessels	Total fleet		AHTS		PSV	
Existing fleet	2318		1351		967	
Orderbook	393	17%	215	16%	178	18%
Average age	12.9		13.7		11.8	
Rig market	Total fleet		Semis/drillships		Jackups	
Existing fleet	733		259		474	
Orderbook	135	18%	69	27%	66	14%





- Long term market fundamentals are strong
  - high oil price
  - increase in E&P spending in 2011
  - increase in rig fleet
- Soft market expected in the short term
- Trend of old vessels leaving the market continuing
- Positive market developments
  - a tighter North Sea spot market
  - sharp increase in international tender activity
  - solid demand from Brazil
- DESSC;
  - expected to benefit from strategic moves in South America and Asia
  - one of the youngest fleets
  - quickly established among top ten in Brazil
  - positioned for further growth





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