

**SEVAN MARINE ASA**

**INTERIM FINANCIAL REPORT**

**FOURTH QUARTER 2010**

## INTERIM FINANCIAL REPORT - FOURTH QUARTER 2010

### Main figures, fourth quarter 2010 (previous quarter figures in brackets)

Operating revenue for the quarter amounted to USD 74.5 million (USD 73.4 million). EBITDAFX was USD 31.7 million (USD 18.5 million). Operating profit was USD 1.8 million (loss of USD 19.5 million), and net loss was USD 68.6 million (net loss of USD 66.4 million).

Operating revenue was USD 1.1 million higher than the previous quarter mainly as a result of improvement in Commercial Uptime on *Sevan Driller* and compensation received from the Oilexco Administration for loss in revenue under the original Shelley charter contract. These effects were partly offset by lower other revenue from *FPSO Sevan Voyageur*.

Operating expense was USD 12.0 million lower than the previous quarter mainly due to a partial reversal of accrued decommissioning cost relating to the departure from the Shelley field as well as lower other operating expense on *FPSO Sevan Voyageur*. These effects were partly offset by an increase in operating expense in the Corporate segment.

A net foreign exchange gain relating to financing of USD 1.3 million (loss of USD 35.4 million) was mainly a result of unrealized agio on NOK-nominated bonds following a strengthening in USD compared to NOK of 0.3% during the quarter.

Financial expense through profit and loss increased by USD 31.0 million to USD 60.1 million (USD 29.1 million) mainly due to expensing of non-recurring items including call premiums and changes in amortization schedules for financing fees following refinancing of debt during the quarter.

As of December 31, 2010, total assets amounted to USD 2,587.4 million (USD 2,450.6 million), of which USD 2,145.6 million (USD 2,080.7 million) was capitalized

as 'Sevan Capital Assets'. Cash and cash equivalents amounted to USD 116.1 million (USD 67.7 million).

As of December 31, 2010, the Group had an undrawn long term vendor credit facility relating to *Sevan Driller II* of approximately USD 80 million. In addition, the Group has undrawn USD 525 million on a bank facility to fund the construction of *Sevan Driller II* and USD 52.1 million on a bank facility to fund the upgrade of *FPSO Sevan Voyageur* which is not reflected on the balance sheet as per December 31, 2010.

### Business segments

Floating Production Technical Uptime on *FPSO Sevan Piranema* was 93.3% for the quarter. The unit had 6 days of downtime in relation to a planned shutdown for annual maintenance. Commercial Uptime was 86.7% for the quarter due to problems with the booster compressor which is expected to be resolved during first half of 2011.

Technical Uptime on *FPSO Sevan Hummingbird* was 99.9% for the quarter. Commercial Uptime for the quarter was 112.1% due to bonus achieved for high production levels.

In November, Sevan and E.ON Ruhrgas UK E&P signed a contract for the lease of the *FPSO Sevan Voyageur* on the Huntington field in the UK North Sea. The contract is for a fixed term of five years with extension options. The estimated contract value is USD 535 million for the fixed term. Installation of the FPSO on the Huntington field is expected to take place in the fourth quarter of 2011 with first oil targeted for the first quarter of 2012.

The FPSO upgrade work required for Huntington operation has commenced at the Nymo yard in Arendal. Engineering activities and subcontractors' production work are ongoing. The upgrade comprises modification of existing process facilities to handle more gas, installation of two gas compression trains for gas export and gas lift and an increase in the water injection system.

The activities relating to project management and engineering of the *Sevan 1000 Goliat FPSO* continued during the quarter with a Commercial Uptime of 106.4%.

The hull for *FPSO Sevan 300 no. 4 and 5* has been relocated to Cosco's Nantong Shipyard. The intention is to complete the construction of the units at Cosco upon securing contracts with clients.

Sevan continues to work on several studies involving potential FPSO projects.

Drilling Technical Uptime on *Sevan Driller* was 53.0% for the quarter. Commercial Uptime was 53.1%. The downtime during the quarter was mainly caused by defects in the locking system on the BOP. One of ten locks was jammed and caused 36 days of downtime in November and December. Following cementing and plugging of the well, the BOP was pulled to the surface where all ten locks were retrofitted. All repair work and testing was executed by December 9 and the rig was back in operations from that date. The motion performance of the rig has been good and in accordance with model forecasts.

*Sevan Driller II* construction is progressing according to plan. Module fabrication from 24.5 to 36.5 meters has been completed and integrated with the main hull. Living quarter and drill floor fabrication is ongoing and is scheduled for integration with the main hull during the first quarter of 2011. The *Sevan Driller II* is based on the same design and major equipment items as *Sevan Driller* and is scheduled for delivery from the shipyard during the first quarter of 2012.

In relation to the third drilling contract, Sevan has issued a Notice of Arbitration to ONGC, informing ONGC of its intention to resolve certain disputes regarding the firm order for the deepwater drilling unit by reference to arbitration. In the arbitration, Sevan is disputing ONGC's right to call on a bank guarantee for the sum of USD 15.9 million. Sevan has filed a petition with Indian courts seeking an order to restrain ONGC from

invoking the bank guarantee until the disputes between ONGC and Sevan are resolved by way of arbitration.

Topside and Process Technology consists of the activities of the Kanfa group. The Kanfa group is currently working mostly on Sevan group projects as well as on the FLNG project with Samsung/Flex LNG. Tender activities continue to increase within the segment.

### **Financing activities**

In July, Sevan announced a commitment from ING Bank to arrange and underwrite a USD 230 million senior secured credit facility for *FPSO Sevan Voyager*. The fully documented loan agreement was completed and signed in November. The net proceeds of the refinancing replaced the 1st lien financing of USD 150 million and completed the funding of the upgrade of *FPSO Sevan Voyager* for operation on the Huntington field.

In a bondholders meeting held in June, the bondholders in ISIN NO 001039164.2 (FRN Sevan Marine Senior Secured Callable Notes 2007/2012) consented to certain changes in the loan conditions, including the increase from USD 150 million to USD 230 million of the higher ranking bank facility and an increase in the applicable interest margin. The amendments became effective in November upon the first drawdown on the bank facility.

In December, Sevan Marine carried out a bond issue of NOK 700 million with a fixed interest rate of 14.0%. The bond has a term of four years with call options. Net proceeds will be used for general corporate purposes.

In October, a USD 48 million senior secured callable convertible bond was repaid at 140% of par value, thereby removing a dilution potential of approximately 9.5%. The repurchase was funded by a new USD 83 million securitization facility from Investec Bank plc, Standard Bank plc and Macquarie Bank Limited which is secured by an assignment of certain future contracted cash flows.

In December, Sevan secured commitments, subject to documentation and conditions precedent, for a USD 480 million senior debt project finance facility for the Sevan Driller with DVB Group Merchant Bank (Asia) Pte Ltd ('DVB'), NIBC Bank N.V. ('NIBC') and ING Bank N.V. ('ING') as mandated lead arrangers. The facility is structured as a limited recourse financing and is fully underwritten by DVB, NIBC, ING, China Development Bank and GIEK/Eksportfinans. Net proceeds will be used to repay the existing USD 250 million 1st lien bank facility and NOK 1 billion 2nd lien bond, and for general corporate purposes.

### **Outlook**

The market outlook for deep water drilling and floating production continues to strengthen. This is positive for the Company's rig and FPSO divisions. The Board is making a concrete evaluation of an IPO for its ultra deepwater drilling business.

Arendal, February 14, 2011

The Board of Directors  
Sevan Marine ASA

## Interim financial statements

Condensed Consolidated Income Statement					
<i>Unaudited figures in USD million</i>	Q4 10	Q3 10	2010	Q4 09	2009
Operating revenue	74,5	73,4	255,9	53,8	194,8
Operating expense	-42,9	-54,9	-183,0	-65,7	-206,5
<b>EBITDAFX</b>	<b>31,7</b>	<b>18,5</b>	<b>72,9</b>	<b>-11,9</b>	<b>-11,7</b>
Foreign exchange gain/(loss) related to operation	0,8	-8,6	-1,5	1,8	-6,7
<b>EBITDA</b>	<b>32,5</b>	<b>9,9</b>	<b>71,4</b>	<b>-10,1</b>	<b>-18,4</b>
Depreciation, amortization and impairment	-30,7	-29,4	-105,1	-21,0	-64,7
<b>Operating profit/(loss)</b>	<b>1,8</b>	<b>-19,5</b>	<b>-33,7</b>	<b>-31,1</b>	<b>-83,1</b>
Income from associated companies	-0,1	-0,1	0,0	0,1	0,4
Financial income/(expense)	-60,1	-29,1	-134,8	-17,0	-61,6
Foreign exchange gain/(loss) related to financing	1,3	-35,4	-0,1	1,4	-36,0
<b>Net financial items</b>	<b>-58,8</b>	<b>-64,6</b>	<b>-134,8</b>	<b>-15,5</b>	<b>-97,3</b>
<b>Profit/(loss) before tax</b>	<b>-57,0</b>	<b>-84,1</b>	<b>-168,6</b>	<b>-46,6</b>	<b>-180,3</b>
Tax income/(expense) *	-11,6	17,7	11,7	5,8	36,9
<b>Net profit/(loss)</b>	<b>-68,6</b>	<b>-66,4</b>	<b>-156,8</b>	<b>-40,9</b>	<b>-143,4</b>

\* *Income tax expense for the interim reporting periods is based on 'best estimate' and may differ from actual tax computation. By the date of this report, the 2010 tax computation was completed and the tax for 2010 amounted to an income of USD 11.7 million. As actual tax income was lower than estimated tax income, an adjustment was included as a tax expense in Q4 2010.*

Statement of Comprehensive Income					
<i>Unaudited figures in USD million</i>	Q4 10	Q3 10	2010	Q4 09	2009
<b>Net profit/(loss)</b>	<b>-68,6</b>	<b>-66,4</b>	<b>-156,8</b>	<b>-40,9</b>	<b>-143,4</b>
Foreign currency translation	0,2	2,1	0,8	-0,3	3,4
<b>Total comprehensive income</b>	<b>-68,4</b>	<b>-64,3</b>	<b>-156,0</b>	<b>-41,2</b>	<b>-140,0</b>

<b>Condensed Consolidated Balance Sheet</b>			
<i>Unaudited figures in USD million</i>	<b>31.12.10</b>	<b>30.09.10</b>	<b>31.12.09</b>
Sevan Capital Assets	2 145,6	2 080,7	1 904,3
Other fixed assets	38,7	39,9	48,9
Intangible assets	13,6	13,7	14,7
Investments in associates	1,1	1,2	1,4
Deferred income tax assets	124,1	132,9	109,1
Other non-current assets	76,1	44,6	31,8
<b>Total non-current assets</b>	<b>2 399,3</b>	<b>2 313,1</b>	<b>2 110,2</b>
Inventories	14,5	15,9	21,3
Trade and other receivables	57,5	53,8	54,2
Cash and cash equivalents *	116,1	67,7	163,0
<b>Total current assets</b>	<b>188,1</b>	<b>137,4</b>	<b>238,6</b>
<b>Total assets</b>	<b>2 587,4</b>	<b>2 450,6</b>	<b>2 348,8</b>
Share capital	16,6	16,6	16,6
Other equity	791,5	870,0	957,9
<b>Total shareholders' equity</b>	<b>808,1</b>	<b>886,6</b>	<b>974,5</b>
Minority Interest	0,7	0,7	38,0
<b>Total equity</b>	<b>808,8</b>	<b>887,3</b>	<b>1 012,5</b>
Interest-bearing debt	1 245,6	1 152,2	85,9
Retirement benefit obligations	1,9	1,6	1,7
Other long-term liabilities/provisions	1,8	2,8	2,5
<b>Total non-current liabilities</b>	<b>1 249,4</b>	<b>1 156,6</b>	<b>90,1</b>
Interest-bearing debt	188,0	124,1	1 103,0
Current liabilities	341,2	282,6	143,1
<b>Total current liabilities</b>	<b>529,2</b>	<b>406,7</b>	<b>1 246,1</b>
<b>Total liabilities</b>	<b>1 778,5</b>	<b>1 563,3</b>	<b>1 336,3</b>
<b>Total equity and liabilities</b>	<b>2 587,4</b>	<b>2 450,6</b>	<b>2 348,8</b>

\* Cash and cash equivalents include restricted cash of USD 27.7 million (reference is also made to note 9).

<b>Condensed Consolidated Cash Flow Statement</b>		
<i>Unaudited figures in USD million</i>	<b>31.12.10</b>	<b>31.12.09</b>
<b>Cash flows from operation activities</b>		
Cash from operations	21,6	-32,2
Interest paid	-72,0	-74,1
<b>Net cash generated from operating activities</b>	<b>-50,4</b>	<b>-106,3</b>
<b>Cash flows from investment activities</b>		
Purchases of property, plant and equipment (PPE)	-163,6	-344,1
Purchase of minority interest	-39,0	0,0
Purchases of intangible assets	-0,5	-0,6
<b>Net cash flow from investment activities</b>	<b>-203,1</b>	<b>-344,7</b>
<b>Cash flows from financing activities</b>		
Net proceeds from issuance of ordinary shares	0,0	396,1
Net proceeds from interest-bearing debt	618,5	175,6
Repayment of interest bearing debt	-414,8	-5,0
Purchase/sale of own bond loan	2,9	-2,9
<b>Net cash flow from financing activities</b>	<b>206,6</b>	<b>563,7</b>
<b>Net cash flow for the period</b>	<b>-46,9</b>	<b>112,7</b>
Cash balance at beginning of period	163,0	50,3
<b>Cash balance at end of period</b>	<b>116,1</b>	<b>163,0</b>

<b>Condensed Consolidated Statement of Changes in Equity</b>						
<i>Unaudited figures in USD million</i>						
	<b>Share Capital</b>	<b>Share Premium</b>	<b>Other Reserves</b>	<b>Other Unrestricted Equity</b>	<b>Minority Interest</b>	<b>Total equity</b>
<b>Equity as of December 31, 2009</b>	<b>16,6</b>	<b>954,1</b>	<b>1,9</b>	<b>1,9</b>	<b>38,0</b>	<b>1 012,5</b>
Value of options				2,2		2,2
Purchase of minority interest				-1,3	-37,7	-39,0
Repayment of Convertible bond				-10,9		-10,9
Total comprehensive income for the period			0,8	-157,2	0,4	-156,0
<b>Equity as of December 31, 2010</b>	<b>16,6</b>	<b>954,1</b>	<b>2,7</b>	<b>-165,3</b>	<b>0,7</b>	<b>808,8</b>
<b>Equity as of December 31, 2008</b>	<b>6,2</b>	<b>562,4</b>	<b>-1,5</b>	<b>133,4</b>	<b>38,6</b>	<b>739,1</b>
Proceeds from shares issued	10,4	407,4				417,8
Share issue costs		-21,8				-21,8
Tax effect of share issue costs		6,1				6,1
Value of options				1,2		1,2
Convertible Bond				14,0		14,0
Tax effect of Convertible bond				-3,9		-3,9
Total comprehensive income for the period			3,3	-142,7	-0,6	-140,0
<b>Equity as of December 31, 2009</b>	<b>16,6</b>	<b>954,1</b>	<b>1,9</b>	<b>1,9</b>	<b>38,0</b>	<b>1 012,5</b>

<b>Key Figures</b>						
<i>Unaudited figures</i>	<b>Note</b>	<b>Q4 10</b>	<b>Q3 10</b>	<b>2010</b>	<b>Q4 09</b>	<b>2009</b>
Earnings per share (USD)	1	-0,13	-0,13	-0,30	-0,08	-0,31
Earnings per share fully diluted (USD)	2	-0,13	-0,13	-0,30	-0,08	-0,31
Equity ratio	3	31 %	36 %	31 %	42 %	42 %
No. of outstanding shares (million)		526,1	526,1	526,1	526,1	526,1
No. of shares fully diluted (million)		526,1	526,1	526,1	526,1	526,1
Average no. of outstanding shares (million)		526,1	526,1	526,1	526,1	455,9
Average no. of shares fully diluted (million)		526,1	526,1	526,1	526,1	455,9
Share price (NOK)		6,50	6,02	6,50	10,16	10,16
Market capitalization (NOK, million)	4	3 420	3 167	3 420	5 345	5 345
Number of employees		506	494	506	404	404

**Notes**

1 Net profit / average no. of outstanding shares  
2 Net profit / average no. of shares fully diluted  
3 (Total shareholders' equity / total assets) x 100  
4 Latest quoted share price of the reporting period x no. of outstanding shares

## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### Note 1 – General accounting principles

Sevan Marine ASA (the ‘Company’) and its subsidiaries (together with the Company; the ‘Group’) are engaged in development, construction, ownership, and chartering of floating production units and drilling units, which is based on the proprietary technology of the Company. The Group is also developing other application types for its cylindrical Sevan hull, including floating LNG production and power plants with CO<sub>2</sub> capture.

Sevan Marine ASA is a public limited company, incorporated and domiciled in Norway. The condensed consolidated interim financial statements consist of the Group and the Group’s interests in associated companies.

The Group prepares its financial statements in accordance with International Financial Reporting Standards (IFRS) and these financial statements have been prepared in accordance with the International Accounting Standard for Interim Financial Reporting (IAS 34). As the interim financial statements do not include the full information and disclosures as required in the annual financial statements, it should be read in connection with the Annual Financial Statements for 2009.

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Annual Financial Statements for the year ended December 31, 2009.

## Note 2 – Property, plant and equipment

The Group's main group of non-current assets relate to those classified as *Sevan Capital Assets* on the balance sheet. The table below summarizes changes to the balance sheet values of such assets for the full year of 2009 and as per December 31, 2010.

<b>Property, Plant and Equipment</b>			
<i>Unaudited figures in USD million</i>	<b>Construction in Progress (CIP)</b>	<b>Unit in Operation (UIO)</b>	<b>Sevan Capital Assets</b>
<b>Year ended December 31, 2009:</b>			
<b>Book value January 1,</b>	<b>658,3</b>	<b>1 034,7</b>	<b>1 693,0</b>
Assets reclassified from "CIP" to "UIO"	0,0	0,0	0,0
Additions	242,0	26,7	268,7
Depreciation charge	0,0	-51,2	-51,2
Write-down	-6,2	0,0	-6,2
<b>Book value December 31,</b>	<b>894,1</b>	<b>1 010,2</b>	<b>1 904,3</b>
<b>At December 31, 2009:</b>			
Cost	900,3	1 094,5	1 994,8
Accumulated depreciation and write-down	-6,2	-84,3	-90,5
<b>Book value December 31,</b>	<b>894,1</b>	<b>1 010,2</b>	<b>1 904,3</b>
	<b>Construction in Progress (CIP)</b>	<b>Unit in Operation (UIO)</b>	<b>Sevan Capital Assets</b>
<b>Period ended December 31, 2010:</b>			
<b>Book value January 1,</b>	<b>894,1</b>	<b>1 010,2</b>	<b>1 904,3</b>
Assets reclassified from "CIP" to "UIO"	-646,3	646,3	0,0
Reclassified from other fixed assets	0,0	7,5	7,5
Additions	244,1	82,8	326,9
Depreciation charge	0,0	-85,3	-85,3
Write-down *	-6,9	-0,9	-7,8
<b>Book value December 31,</b>	<b>485,0</b>	<b>1 660,6</b>	<b>2 145,6</b>
<b>At Deember 31, 2010:</b>			
Cost	498,1	1 831,1	2 329,2
Accumulated depreciation and write-down	-13,1	-170,5	-183,6
<b>Book value December 31,</b>	<b>485,0</b>	<b>1 660,6</b>	<b>2 145,6</b>

\* During Q4 2010, USD 6.9 million relating to capitalized value on the third drilling rig was written down. In addition, USD 0.9 million relating to replacement of equipment on Sevan Driller was written down during the quarter.

## Note 3 – Related party transactions

The Group does not have any transactions and balances relating to related party transactions regarded as material for the interim condensed consolidated financial statements for the reporting period. Further reference to related party transactions is made in note 28 in the Annual Report 2009.

## Note 4 – Segment information

Segments												
Quarterly data	Floating Production		Topside and Process Technology		Corporate		Drilling		Eliminations		Total	
	Q4 10	Q4 09	Q4 10	Q4 09	Q4 10	Q4 09	Q4 10	Q4 09	Q4 10	Q4 09	Q4 10	Q4 09
External revenue	50,0	50,7	1,9	1,5	1,7	1,6	21,0	0,0	0,0	0,0	74,5	53,8
Internal revenue	0,0	0,4	0,1	0,4	7,5	7,7	0,0	0,0	-7,6	-8,5	0,0	0,0
Total revenue	50,0	51,1	1,9	1,9	9,2	9,3	21,0	0,0	-7,6	-8,5	74,5	53,8
Operating expense	-13,8	-50,2	-1,6	-2,8	-15,6	-10,2	-18,2	-9,3	6,4	6,7	-42,9	-65,7
EBITDAFX	36,2	0,9	0,4	-0,9	-6,4	-0,9	2,7	-9,3	-1,2	-1,7	31,7	-11,9
Foreign exch. gain/(loss), operation	-0,1	0,9	0,0	0,0	0,0	-0,4	0,9	1,2	0,0	0,0	0,8	1,8
EBITDA	36,1	1,8	0,4	-0,9	-6,4	-1,2	3,6	-8,0	-1,2	-1,7	32,5	-10,1
Depreciation, amortization and impairment	-13,3	-18,0	0,0	-0,1	-0,5	-0,8	-15,6	-1,6	-1,2	-0,6	-30,7	-21,0
Operating profit/(loss)	22,8	-16,3	0,3	-0,9	-6,9	-2,0	-12,0	-9,6	-2,4	-2,3	1,8	-31,1
Income from associates											-0,1	0,1
Financial income/(expense)											-60,1	-17,0
Foreign exch. gain/(loss), financing											1,3	1,4
Net financial items											-58,8	-15,5
Profit/(loss) before tax											-57,0	-46,6
Tax income/(expense)											-11,6	5,8
Net profit/(loss)											-68,6	-40,9
Segment assets	1 638,4	1 333,5	28,0	28,1	2 281,5	1 936,8	1 112,2	912,8	-2 473,8	-1 863,7	2 586,3	2 347,5
Inv.m. in assoc. (equity method)	0,0	0,0	1,1	1,4	0,0	0,0	0,0	0,0	0,0	0,0	1,1	1,4
Total assets*	1 638,4	1 333,5	29,1	29,5	2 281,5	1 936,8	1 112,2	912,8	-2 473,8	-1 863,7	2 587,4	2 348,9
Segment liabilities	865,5	809,0	5,7	5,4	869,2	640,1	1 049,9	762,5	-1 011,7	-880,5	1 778,5	1 336,4
Total liabilities*	865,5	809,0	5,7	5,4	869,2	640,1	1 049,9	762,5	-1 011,7	-880,5	1 778,5	1 336,4
Capital expenditure	18,7	9,3	0,0	0,0	0,2	0,3	76,4	143,6	-1,1	2,0	94,3	155,3
Non-cash exp. other than depr.	0,0	0,0	0,0	0,0	0,8	0,0	0,0	0,0	0,0	0,0	0,8	0,0

\* For assets and liabilities are intra-segment balances eliminated within the segment, whilst inter-segment balances are eliminated in the elimination section.

Segments												
YTD data	Floating Production		Topside and Process Technology		Corporate		Drilling		Eliminations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
External revenue	202,2	177,8	5,9	14,3	7,2	2,1	40,6	0,6	0,0	0,0	255,9	194,8
Internal revenue	0,0	1,3	1,8	1,4	24,3	24,0	0,0	0,0	-26,1	-26,7	0,0	0,0
Total revenue	202,2	179,2	7,7	15,7	31,4	26,0	40,6	0,6	-26,1	-26,7	255,9	194,8
Operating expense	-98,9	-148,7	-8,4	-16,3	-55,3	-35,9	-44,5	-30,1	24,2	24,5	-183,0	-206,5
EBITDAFX	103,3	30,5	-0,8	-0,6	-23,9	-9,9	-3,9	-29,5	-1,8	-2,3	72,9	-11,7
Foreign exch. gain/(loss), operation	-0,8	-1,7	0,0	0,1	-0,4	-4,1	-0,4	-1,0	0,0	0,0	-1,5	-6,7
EBITDA	102,6	28,8	-0,8	-0,5	-24,3	-14,0	-4,3	-30,4	-1,8	-2,3	71,4	-18,4
Depreciation, amortization and impairment	-57,7	-57,3	-0,2	-0,2	-2,6	-3,1	-40,0	-2,1	-4,6	-2,0	-105,1	-64,7
Operating profit/(loss)	44,9	-28,5	-1,0	-0,7	-26,9	-17,0	-44,3	-32,5	-6,5	-4,3	-33,7	-83,1
Income from associates											0,0	0,4
Financial income/(expense)											-134,8	-61,6
Foreign exch. gain/(loss), financing											-0,1	-36,0
Net financial items											-134,8	-97,3
Profit/(loss) before tax											-168,6	-180,3
Tax income/(expense)											11,7	36,9
Net profit/(loss)											-156,8	-143,4
Segment assets	1 638,4	1 333,5	28,0	28,1	2 281,5	1 936,8	1 112,2	912,8	-2 473,8	-1 863,7	2 586,3	2 347,5
Inv.m. in assoc. (equity method)	0,0	0,0	1,1	1,4	0,0	0,0	0,0	0,0	0,0	0,0	1,1	1,4
Total assets*	1 638,4	1 333,5	29,1	29,5	2 281,5	1 936,8	1 112,2	912,8	-2 473,8	-1 863,7	2 587,4	2 348,9
Segment liabilities	865,5	809,0	5,7	5,4	869,2	640,1	1 049,9	762,5	-1 011,7	-880,5	1 778,5	1 336,4
Total liabilities*	865,5	809,0	5,7	5,4	869,2	640,1	1 049,9	762,5	-1 011,7	-880,5	1 778,5	1 336,4
Capital expenditure	57,1	39,2	0,0	0,0	1,4	1,4	278,3	228,6	-1,6	15,2	335,2	284,4
Non-cash exp. other than depr.	0,0	0,0	0,0	0,0	2,2	1,2	0,0	0,0	0,0	0,0	2,2	1,2

\* For assets and liabilities are intra-segment balances eliminated within the segment, whilst inter-segment balances are eliminated in the elimination section.

## Note 5 – Shareholder structure

The 10 largest shareholders as per February 14, 2011		
Shareholders	No. of shares	% of share
JPMORGAN CHASE BANK	22 217 876	4,22 %
BANK OF NEW YORK MELLON	21 177 130	4,03 %
STATE STREET BANK AND TRUST CO	20 173 142	3,83 %
CITIBANK N.A. NEW YORK BRANCH	13 346 315	2,54 %
SEB ENSKILDA ASA	12 851 000	2,44 %
FIDELITY FUNDS-EUROPEAN AGGRESSIVE	10 159 579	1,93 %
STATE STREET BANK AND TRUST CO. A&C	9 816 380	1,87 %
SKAGEN VEKST	9 675 000	1,84 %
VARMA MUTUAL PENSION	9 230 000	1,75 %
JPMORGAN CHASE BANK	8 304 034	1,58 %
<b>Total, 10 largest shareholder accounts</b>	<b>136 950 456</b>	<b>26,03 %</b>
<b>No. of issued shares</b>	<b>526 069 982</b>	<b>100,00 %</b>
<b>Foreign ownership</b>		<b>52,74 %</b>

### **Note 6 – Financial income/(expense)**

In October, a USD 48 million senior secured callable convertible bond was repaid at 140% of par value. USD 19.2 million in call premium and USD 2.1 million in remaining capitalized financing fees relating to the bond was therefore expensed in Q4 2010.

In November, a USD 45 million 1st lien bond relating to FPSO Sevan Voyageur was repaid at 105% of par value. USD 2.2 million in call premium and USD 2.1 million in remaining capitalized financing fees relating to the bond was therefore expensed in Q4 2010.

### **Note 7 – Operating revenue**

During Q4 2010, USD 5.9 million was recognized as Operating revenue in relation to a settlement received under a claim from the Oilexco administrator. The settlement was compensation for loss of revenue under the original charter contract for FPSO Sevan Voyageur operation for Oilexco on the Shelley field.

### **Note 8 – Operating expense**

During Q4 2010, USD 5.8 million of a total decommissioning provision made in Q4 2009 of USD 11.3 million relating to FPSO Sevan Voyageur's departure from the Shelley field was reversed.

### **Note 9 – Events after balance sheet date**

In relation to the third drilling contract, Sevan issued a Notice of Arbitration to ONGC in January, informing ONGC of its intention to resolve certain disputes regarding the firm order for the deepwater drilling unit by reference to arbitration. In the arbitration, Sevan is disputing ONGC's right to call on a bank guarantee for the sum of USD 15.9 million.

Sevan has filed a petition with Indian courts seeking an order to restrain ONGC from invoking the bank guarantee until the disputes between ONGC and Sevan are resolved by way of arbitration. The guarantee amount of USD 15.9 million is included as restricted cash on the balance sheet.

As it is currently not possible to provide an estimate with sufficient probability of the outcome of these proceedings, no provision has been made in the income statement by the date of these financial statements.