

FIRST QUARTER 2011

FINANCIAL STATEMENTS

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STX OSV HOLDINGS LIMITED
Incorporated in Singapore
Company Registration No. 201012504K

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

stxosv

Offshore & Specialized Vessels

www.stxosv.com

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First Quarter 2011 Financial Statements

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

(All amounts in NOK millions unless otherwise stated)

1 UNAUDITED FINANCIAL STATEMENTS

(a)(i) Statement of Comprehensive Income (Group)

| | Group | | |
|--|------------------------------|------------------------------|-------------|
| | 1Q-2011 ended 31/03/11 | 1Q-2010 ended 31/03/10 | Change % |
| Revenue | 3,192 | 2,646 | 20.7% |
| Materials, subcontract costs and others | (2,201) | (1,815) | 21.2% |
| Salaries and related costs | (441) | (431) | 2.3% |
| Other operating expenses | (111) | (114) | -2.0% |
| EBITDA | 439 | 286 | 53.6% |
| Depreciation, impairment and amortization | (30) | (30) | 0.4% |
| Operating profit | 409 | 256 | 59.9% |
| Financial income | 27 | 137 | -80.1% |
| Financial costs | (13) | (11) | 25.2% |
| Net | 14 | 126 | -89.1% |
| Share of results of associates | 2 | 1 | 45.4% |
| Profit before tax | 425 | 383 | 10.9% |
| Income tax expense | (113) | (138) | -18.6% |
| Profit for the period | 312 | 245 | 27.6% |
| Profit for the period attributable to: | | | |
| Equity holders of the Company | 310 | 242 | 28.1% |
| Non-controlling interest | 2 | 3 | -11.8% |
| Profit for the period | 312 | 245 | 27.6% |
| Other comprehensive income: | | | |
| Exchange differences on translation of foreign operations | 5 | (2) | -381.1% |
| Other comprehensive income/(expense) for the period, net of income tax | 5 | (2) | -381.1% |
| Total comprehensive income for the period | 317 | 243 | 30.6% |
| Total comprehensive income attributable to: | | | |
| Equity holders of the Company | 315 | 240 | 31.1% |
| Non-controlling interest | 2 | 3 | -11.8% |
| Total comprehensive income for the period | 317 | 243 | 30.6% |

First Quarter 2011 Financial Statements

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

(All amounts in NOK millions unless otherwise stated)

1 UNAUDITED FINANCIAL STATEMENTS (cont.)

(a)(ii) Notes to the Statement of Comprehensive Income

| | Group | | |
|--|------------------------------|------------------------------|-------------|
| | 1Q-2011 ended 31/03/11 | 1Q-2010 ended 31/03/10 | Change % |
| Interest income | 10 | 9 | 12.6% |
| Dividend income | - | - | n/m |
| Net foreign exchange gain | 4 | 2 | 137.6% |
| Unqualified hedges and embedded derivatives | 3 | 116 | -97.2% |
| Other financial income | 10 | 10 | 2.9% |
| Financial income | 27 | 137 | -80.1% |
| Interest expense | (3) | (4) | -38.6% |
| Unqualified hedges and embedded derivatives | - | - | n/m |
| Other financial expenses | (10) | (7) | 61.1% |
| Financial expenses | (13) | (11) | 21.2% |
| Net financial items | 14 | 126 | -88.8% |
| Ordinary Depreciation | (29) | (29) | -0.5% |
| Amortization of intangibles | (1) | (1) | -28.8% |
| Depreciation, impairment charges and amortization | (30) | (30) | -1.3% |
| Bad debt | - | - | n/m |
| Provisions for bad debt | - | - | n/m |
| Allowance for doubtful debts and bad debts written off | - | - | n/m |

Notes:

(i) N/M - Not meaningful.

(ii) As a result of rounding differences, numbers or percentages may not add up to the total.

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UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

(All amounts in NOK millions unless otherwise stated)

1 UNAUDITED FINANCIAL STATEMENTS (cont.)

(b)(i) Statement of Financial Position

| | Group | | | Company | | |
|--|-------------------|-------------------|---------------|-------------------|-------------------|--------------|
| | As at 31/03/11 | As at 31/12/10 | Change % | As at 31/03/11 | As at 31/12/10 | Change % |
| Property, plant and equipment | 1,006 | 1,012 | -0.6% | - | - | n/m |
| Intangible assets | 348 | 348 | 0.1% | - | - | n/m |
| Investment in subsidiary | - | - | n/m | 2,123 | 2,123 | 0.0% |
| Investment in associates | 202 | 169 | 19.8% | - | - | n/m |
| Other investments | 7 | 8 | -2.8% | - | - | n/m |
| Interest-bearing receivables | 1 | 1 | -32.2% | - | - | n/m |
| Other receivables | 22 | 27 | -17.3% | - | - | n/m |
| Deferred tax assets | 18 | 100 | -82.3% | - | - | n/m |
| Employee benefits | 3 | 3 | -19.7% | - | - | n/m |
| NON-CURRENT ASSETS | 1,607 | 1,668 | -3.6% | 2,123 | 2,123 | 0.0% |
| Inventories | 285 | 310 | -8.0% | - | - | n/m |
| Construction work in progress | 5,699 | 5,608 | 1.6% | - | - | n/m |
| Trade and other receivables | 1,858 | 1,816 | 2.3% | 190 | - | n/m |
| Cash and cash equivalents | 3,141 | 2,851 | 10.2% | 623 | 623 | 0.1% |
| CURRENT ASSETS | 10,983 | 10,585 | 3.8% | 814 | 623 | 30.6% |
| TOTAL ASSETS | 12,590 | 12,253 | 2.7% | 2,937 | 2,746 | 7.0% |
| Paid up capital | 4,138 | 4,138 | 0.0% | 4,138 | 4,138 | 0.0% |
| Restructuring reserve | (3,190) | (3,190) | 0.0% | (1,411) | (1,411) | 0.0% |
| Other reserves | (76) | (81) | -6.2% | - | - | n/m |
| Retained earnings | 1,821 | 1,511 | 20.5% | 186 | 1 | n/m |
| Total equity attributable to equity holders of the Comp. | 2,693 | 2,378 | 13.3% | 2,913 | 2,728 | 6.8% |
| Non-controlling interest | 42 | 40 | 4.7% | - | - | n/m |
| TOTAL EQUITY | 2,735 | 2,418 | 13.1% | 2,913 | 2,728 | 6.8% |
| Loans and borrowings | 253 | 266 | -5.0% | - | - | n/m |
| Deferred tax liabilities | 147 | 230 | -35.9% | - | - | n/m |
| Employee benefits | 28 | 28 | 0.4% | - | - | n/m |
| Provisions | 81 | 74 | 9.8% | - | - | n/m |
| NON-CURRENT LIABILITIES | 509 | 598 | -14.8% | - | - | n/m |
| Loans and borrowings | 49 | 44 | 11.5% | - | - | n/m |
| Construction loans | 3,302 | 4,398 | -24.9% | - | - | n/m |
| Construction work in progress | 696 | 1,115 | -37.6% | - | - | n/m |
| Trade and other payables | 4,757 | 3,209 | 48.2% | 14 | 18 | -22.2% |
| Income tax payable | 419 | 357 | 17.1% | 10 | - | n/m |
| Provisions | 100 | 93 | 7.3% | - | - | n/m |
| Other current liabilities | 23 | 21 | 6.0% | - | - | n/m |
| CURRENT LIABILITIES | 9,346 | 9,237 | 1.2% | 24 | 18 | 33.6% |
| TOTAL LIABILITIES | 9,855 | 9,835 | 0.2% | 24 | 18 | 33.6% |
| TOTAL EQUITY AND LIABILITIES | 12,590 | 12,253 | 2.7% | 2,937 | 2,746 | 6.9% |

First Quarter 2011 Financial Statements

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

(All amounts in NOK millions unless otherwise stated)

1 UNAUDITED FINANCIAL STATEMENTS (cont.)

(b)(ii) Aggregate amount of Group's Borrowings and Debt Securities

| | As at 31.03.11 | | As at 31.12.10 | |
|---|----------------|-----------|----------------|------------|
| | Secured | Unsecured | Secured | Unsecured |
| Loans and borrowings | 35 | 14 | 19 | 25 |
| Construction loans * | 3,302 | - | 4,398 | - |
| Other current liabilities | - | 23 | - | 21 |
| Total Amount repayable in one year or less, or on demand | 3,337 | 37 | 4,417 | 46 |
| <i>* Construction loans are in general treated as short term maturing on vessel delivery.</i> | | | | |
| Loans and borrowings | 234 | 18 | 158 | 108 |
| Total Amount repayable after one year | 234 | 18 | 158 | 108 |

Details of any collaterals

The secured portion of the Group's borrowings and debt securities refers mainly to the long-term loans from "Innovation Norway" (a state-owned entity which promotes industrial development in Norway) which are secured by mortgages of an aggregate value of NOK 250 million. The loans are secured by investments, fixed assets such as property and plant as well as the dock at the Langsten yard. In 2009, the existing loans were restructured and the same mortgages were used to secure the restructured loans. Innovation Norway loans were granted to STX OSV AS.

STX OSV Singapore Pte Ltd has a long term loan investment facility of USD 15 million with Nordea Bank. The loan is used towards financing of investments in its Vietnam subsidiary with purpose of building the Vietnam shipyard. The loan is secured by pledge of shares.

Vessels under construction generally have a construction loan where the vessel itself functions as security.

First Quarter 2011 Financial Statements

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

(All amounts in NOK millions unless otherwise stated)

1 UNAUDITED FINANCIAL STATEMENTS (cont.)

(c) Statement of Cash Flows (Group)

| | Group | |
|--|------------------------------|------------------------------|
| | 1Q-2011 ended 31/03/11 | 1Q-2010 ended 31/03/10 |
| OPERATING ACTIVITIES | | |
| Profit before tax | 425 | 383 |
| <i>Adjustments for:</i> | | |
| Net interest | 3 | 4 |
| (Gain)/loss on disposal of property, plant and equipment, net | 1 | - |
| Unrealised foreign exchange gain | (3) | 3 |
| Depreciation, impairment and amortization | 30 | 30 |
| Provisions | 14 | (10) |
| Share of results of associates | (2) | (1) |
| <i>Operating cash flows before movements in working capital</i> | 468 | 409 |
| Inventories | 25 | 28 |
| Construction work in progress (including construction loans) | (1,619) | (217) |
| Trade and other receivables | (42) | (27) |
| Trade and other payables | 1,612 | (66) |
| <i>Cash generated from operations</i> | 444 | 128 |
| Interest received | 4 | 2 |
| Interest paid | - | (2) |
| Income tax paid | (50) | (48) |
| <i>Cash flows from operating activities</i> | 398 | 80 |
| INVESTING ACTIVITIES | | |
| Proceeds from disposal of property, plant and equipment | (1) | - |
| Proceeds from disposal of investments | - | 2 |
| Purchase of property, plant and equipment | (25) | (29) |
| Issuance of new non-current interest bearing receivables | - | (349) |
| Acquisition of shares in subsidiary | (4) | - |
| Acquisition of shares in associates | (32) | (2) |
| <i>Cash flows from investing activities</i> | (62) | (378) |
| FINANCING ACTIVITIES | | |
| Proceeds from loans and borrowings | 12 | 15 |
| Repayment of loans and borrowings | (2) | 2 |
| Change in other financial liabilities | 1 | - |
| <i>Cash flows from financing activities</i> | 11 | 17 |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | 347 | (280) |
| Effects of currency translation difference on cash and cash equivalents | (17) | 2 |
| Cash and cash equivalents at beginning of financial period | 2,551 | 1,267 |
| Cash and cash equivalents excluding restricted cash at end of financial period | 2,881 | 989 |
| Restricted cash at end of financial period | 260 | 11 |
| Cash and cash equivalents at end of financial period | 3,141 | 1,000 |

First Quarter 2011 Financial Statements

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

(All amounts in NOK millions unless otherwise stated)

1 UNAUDITED FINANCIAL STATEMENTS (cont.)

| (d)(i) Group | | | | | | Total Equity Attributable To Equity Holders of the Company | Non- controlling Interest | Total Equity |
|--|--------------------|----------------------------|------------------------|--------------------------|----------------------|--|---------------------------------|-----------------|
| | Paid up Capital | Restructu- ring Reserve | Translation Reserve | Fair Value Reserve | Retained Earnings | | | |
| At 1 January 2011 | 4,138 | (3,190) | (79) | (2) | 1,511 | 2,378 | 40 | 2,418 |
| <i>Comprehensive income</i> | | | | | | | | |
| Profit for the period | - | - | - | - | 310 | 310 | 2 | 312 |
| <i>Other comprehensive income</i> | | | | | | | | |
| Exchange differences on translation of foreign operations | - | - | 5 | - | - | 5 | - | 5 |
| Total comprehensive income for the period | - | - | 5 | - | 310 | 315 | 2 | 317 |
| <i>Transactions with owners</i> | | | | | | | | |
| Change in non-controlling interest | - | - | - | - | - | - | - | - |
| Total transactions with owners | - | - | - | - | - | - | - | - |
| At 31 March 2011 | 4,138 | (3,190) | (74) | (2) | 1,821 | 2,693 | 42 | 2,735 |
| At 1 January 2010 | 343 | - | (55) | (1) | 728 | 1,015 | 19 | 1,034 |
| <i>Comprehensive income</i> | | | | | | | | |
| Profit for the period | - | - | - | - | 242 | 242 | 3 | 245 |
| <i>Other comprehensive income</i> | | | | | | | | |
| Exchange differences on translation of foreign operations | - | - | (2) | - | - | (2) | - | (2) |
| Total comprehensive income for the period | - | - | (2) | - | 242 | 240 | 3 | 243 |
| <i>Transactions with owners</i> | | | | | | | | |
| Change in non-controlling interest | - | - | - | - | - | - | - | - |
| Total transactions with owners | - | - | - | - | - | - | - | - |
| At 31 March 2010 | 343 | - | (57) | (1) | 970 | 1,255 | 22 | 1,277 |

First Quarter 2011 Financial Statements

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

(All amounts in NOK millions unless otherwise stated)

1 UNAUDITED FINANCIAL STATEMENTS (cont.)

| (d)(i) Statements of Changes in Equity | | | | | | | Total Equity Attributable To Equity Holders of the Company | Non-controlling Interest | Total Equity |
|---|-----------------|-----------------------|---------------------|--------------------|-------------------|-------|--|--------------------------|--------------|
| | Paid up Capital | Restructuring Reserve | Translation Reserve | Fair Value Reserve | Retained Earnings | | | | |
| Company | | | | | | | | | |
| At 1 January 2011 | 4,138 | (1,411) | - | - | 1 | 2,728 | - | 2,728 | |
| <i>Comprehensive income</i> | | | | | | | | | |
| Profit for the period | - | - | - | - | 185 | 185 | - | 185 | |
| Other comprehensive income | - | - | - | - | - | - | - | - | |
| Total comprehensive income for the period | - | - | - | - | 185 | 185 | - | 185 | |
| <i>Transactions with owners</i> | | | | | | | | | |
| Change in non-controlling interest | - | - | - | - | - | - | - | - | |
| Total transactions with owners | - | - | - | - | - | - | - | - | |
| At 31 March 2011 | 4,138 | (1,411) | - | - | 186 | 2,913 | - | 2,913 | |

Due to the Company being incorporated on 11 June 2010 (refer also paragraph 1 (d)(ii) below, Statement of Changes in Equity has not been prepared for the period ending Q1 2010

First Quarter 2011 Financial Statements
UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

(All amounts in NOK millions unless otherwise stated)

1 UNAUDITED FINANCIAL STATEMENTS (cont.)

(d)(ii) Share Capital

The Company was incorporated in Singapore on 11 June 2010 with a paid up capital of SGD 1 consisting of one ordinary share held by STX Europe Holding, of no par value.

On 25 October, 2010, STX Europe Holding and the Company entered into a sale and purchase agreement pursuant to which the Company acquired STX Norway Offshore and its subsidiaries by issuing paid up capital of SGD 789,999,999 consisting of 999,999,999 shares, of no par value.

On 12 November, 2010, the Company offered 180,000,000 new shares in the IPO at an offering price of SGD 0.79 per share.

| | Number of shares issued | Share capital | |
|---|----------------------------|------------------|----------------------|
| | | SGD | NOK |
| Issue of shares on date of incorporation | 1 | 1 | 4.47 |
| Shares issued pursuant to the restructuring exercise | 999,999,999 | 789,999,999 | 3,533,354,000 |
| Issue of shares pursuant to initial publ. offering exercise | 180,000,000 | 142,200,000 | 635,993,197 |
| Share issue expenses | - | | (30,868,202) |
| At 31 December 2010 and 31 March 2011 | 1,180,000,000 | | 4,138,478,999 |

(d)(iii) Number of Issued Shares excluding Treasury Shares

Please refer to the information provided in 1(d)(ii) Share Capital above.

(d)(iv) Sales, Transfers, Disposals, Cancellations and/or use of Treasury Shares

Not applicable. The Company has no Treasury Shares.

2 AUDIT

The figures have not been audited nor reviewed by the auditors.

3 AUDITORS REPORT

Not applicable.

4 ACCOUNTING POLICIES

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements for the year ended 31 December 2010.

5 CHANGES IN ACCOUNTING POLICIES

In the current financial period, the Group and the Company have adopted all the new and revised Financial Reporting Standards (FRSs) and Interpretations of FRSs (INT FRSs) that are relevant to its operations and are effective for annual periods beginning on 1 January 2011. The adoption of the new or revised FRSs and INT FRSs does not result in any significant changes to the accounting policies of the Group and the Company and has no material effect on the amounts reported for the current or prior periods.

6 EARNINGS PER ORDINARY SHARE

Earnings per ordinary share for the financial period attributable to Equity holders of the Parent:

| | Group | | |
|---|------------------------------|------------------------------|-------------|
| | 1Q-2011 ended 31/03/11 | 1Q-2010 ended 31/03/10 | Change % |
| (i) Earnings for the period (in NOK millions) | 310 | 242 | 28.1% |
| Earnings for the period (in SGD millions) | 71 | 57 | 24.9% |
| Number of shares in millions (weighted average) ¹⁾ | 1,180 | 1,000 | 18.0% |
| (ii) Earnings per share (NOK) | 0.26 | 0.24 | 8.5% |
| Earnings per share (SGD) | 0.06 | 0.06 | 5.9% |
| (iii) Diluted earnings per share (NOK) | 0.26 | 0.24 | 8.5% |
| Diluted earnings per share (SGD) | 0.06 | 0.06 | 5.9% |
| Exchange rates: | 31/03/11 | 31/03/10 | |
| SGD/NOK | 4.376 | 4.269 | 2.5% |

These earnings per share numbers are included for information purposes only. They do not represent actual FRS numbers. The SGD amounts are translated from NOK based on the exchange rates prevailing at the reporting date as shown above.

¹⁾ For weighted average number of shares as of 1Q-2011, please refer to paragraph 1(d)(ii) Share Capital.

First Quarter 2011 Financial Statements

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

(All amounts in NOK millions unless otherwise stated)

7 NET ASSET VALUE PER ORDINARY SHARE

Net asset value at the end of the financial period, and at the end of the last financial year:

| | Group | | | Company ¹⁾ | | |
|---|-------------------|-------------------|-------------|-----------------------|-------------------|-------------|
| | As at 31/03/11 | As at 31/12/10 | Change % | As at 31/03/11 | As at 31/12/10 | Change % |
| Net asset value at the end of the period (NOK millions) | 2,693 | 2,378 | 13.3% | 2,913 | 2,728 | 6.8% |
| Net asset value at the end of the period (SGD millions) | 616 | 521 | 18.2% | 666 | 598 | 11.4% |
| Number of shares (millions) | 1,180 | 1,180 | 0.0% | 1,180 | 1,180 | 0.0% |
| Net asset value per ordinary share (NOK) | 2.28 | 2.02 | 13.3% | 2.47 | 2.31 | 6.8% |
| Net asset value per ordinary share (SGD) | 0.52 | 0.44 | 18.2% | 0.56 | 0.51 | 11.4% |
| Exchange rates: | 31/03/11 | 31/12/10 | | 31/03/11 | 31/12/10 | |
| SGD/NOK | 4.376 | 4.565 | -4.1% | 4.376 | 4.565 | -4.1% |

These net asset value numbers are included for information purposes only. They do not represent actual FRS numbers. The SGD amounts are translated from NOK based on the exchange rates prevailing at the reporting date as shown above.

¹⁾Net asset value per ordinary share of the Company, NOK 2.47 (SGD 0.56), represents the net asset value before dividend of SGD 0.03 per share was declared at the recent AGM of the Company, held on 27 April 2011.

8 REVIEW OF GROUP PERFORMANCE

(a) Statement of comprehensive income (Group):

STX OSV reported operating revenues of NOK 3,192 million for the first quarter 2011, up from NOK 2,646 million in the corresponding period of 2010. This represents a 20.7% increase quarter-on-quarter.

Operating profit for the quarter was NOK 409 million, up from NOK 256 million in the first quarter of 2010. Our operating margin, representing operating profit to total operating revenues, increased to 12.8% from 9.7% in the corresponding period last year.

Profit before tax increased from NOK 383 million in the first quarter of 2010 to NOK 425 million in 2011, reflecting a profit before tax margin of 13.3%.

With an effective tax rate of 26.6% in the first quarter, STX OSV achieved a net profit margin (after tax) of 9.8% in the first quarter, up from 9.3% for the first quarter 2010. The company uses an estimated tax percentage for the interim (quarterly) reporting and complete calculation only for the year-end tax calculation. The interim tax percentage may therefore deviate from the final year-end tax percentage.

Our EBITDA margin for the first quarter 2011 was 13.8%, up from 10.8% in the corresponding quarter of 2010. STX OSV successfully delivered six vessels during the quarter. Good project execution contributed to the margin improvement. Additionally, as a response to anticipated increasing competition, we have implemented efficiency improvement measures, which have led to increased cost efficiency earlier than expected. Improved operational performance and advances in engineering capabilities in Romania have also had an effect on margin for both delivered and ongoing projects.

8 REVIEW OF GROUP PERFORMANCE (cont.)

(b) Statement of financial position:

Total assets were up 2.7% from NOK 12.3 billion at year end 2010 to NOK 12.6 billion at the end of the first quarter. The increase is a reflection of the result of the quarter, and is visible primarily as an increase in cash and cash equivalent. During the quarter there was a NOK 1.1 billion reduction in construction loans and NOK 1.6 billion increase in trade and other payables. The reduction in construction loans is related to the six vessel deliveries made during the quarter, and the increase in trade and other payables are mainly due to provisions related to projects and accounts payable.

Total interest-bearing liabilities, excluding construction loans, amounted to NOK 302 million at 31 March 2011 down from NOK 310 million at the end of 2010. The difference is mainly attributable to the set-off of loans with STX Europe prior to the IPO.

Cash and cash equivalents increased from NOK 2,851 million as of 31 December 2010 to NOK 3,141 million as of 31 March 2011. Of the total cash and bank deposits as of 31 March 2011, NOK 260 million relates to restricted escrow accounts, used as security for customer advance payment guarantees, and restricted bank accounts for employees' tax deduction (31 March 2010: NOK 11 million, 31 December 2010: NOK 300 million).

(c) Statement of cash flows:

Cash flows from operating activities were at a healthy NOK 398 million for the first quarter of 2011. Cash and cash equivalents increased to NOK 3,141 million during the quarter.

Cash flows from investing activities were at a negative NOK 62 million due to increased investments in associates (according to the progress of construction of the related vessels), the minor acquisition of local supplier Emil Langva AS, as well as general investments in PP&E.

Cash flows from financing activities amounted to NOK 11 million for the first quarter of 2011. This is mainly due to proceeds from loans and borrowings during the period.

Cash and cash equivalents at end of period increased by NOK 347 million due to the above reasons.

9 VARIANCE FROM FORECAST STATEMENT

Not applicable. No forecast statement was previously provided.

10 PROSPECTS

At the end of the first quarter, the order book amounted to NOK 15,016 million compared with NOK 17,031 million at the end of 2010. The order intake was NOK 1,182 million including three new vessel contracts and variation orders on existing orders. At the end of the first quarter, STX OSV's order book comprised 46 vessels for delivery between 1 January 2011 and 31 December 2013. 34 of these vessels are of STX OSV design.

At the end of the quarter, STX OSV reached a major milestone in the plans to build a second yard in Brazil when its subsidiary, Estaleiro Promar SA, was granted the environmental license for the construction of the new shipyard in Suape, in the state of Pernambuco, Brazil. With the environmental license in place, the yard development project progresses without delay. Shipyard construction is expected to start in mid-2011, with construction of the first vessels estimated to start in 2012 and full operations of the new shipyard scheduled for 2013. The first project to be realized at the new shipyard will be the construction of eight LPG carriers for Transpetro. The contracts with Transpetro will be made effective following financing approval from Brazil's Merchant Marine Fund (FMM).

Higher activity level in the offshore market translates into increased level of project inquiries for STX OSV. Industry expectations are that utilization will continue to increase and that day rates for PSVs and AHTS vessels will pick up in 2012. We expect this will accelerate new order momentum towards the second half of 2011 and onwards. Demand for OSCVs is also likely to improve through 2011 and accelerate in 2012-13.

The shift towards deeper water exploration and operations in harsh environments will continue to drive order momentum for advanced vessels. STX OSV believes it is fundamentally well-positioned to seize opportunities when the market picks up, and reinforce its market position.

11 DIVIDEND

First quarter ended 31 March 2011:

No dividend has been declared or recommended in respect of the first quarter ended 31 March 2011.

Any dividend declared for the corresponding period of the immediately preceding financial year?

No

12 INTERESTED PERSON TRANSACTIONS

The nature of the Group's Interested person transactions has been explained in the Prospectus (page 173). As the Company was listed on 12 November 2010, specific details of transactions are disclosed below.

| | Non-mandated | | Mandated | |
|--|--------------|------------|--------------|--------------|
| | Q1-2011 | FY2010 | Q1-2011 | FY2010 |
| STX Corporation Group | | | | |
| Purchase of raw materials, shipbuilding parts and ancillary equipment from STX Corporation Group | | | | |
| - Steel | - | - | 11 | 17 |
| - Generator sets | - | - | 26 | 300 |
| Purchase of ship design services and provision of manpower from STX Canada Marine | - | - | - | 0.4 |
| Project management services provided to STX Dalian Marine Engineering Co. Ltd | 11 | - | - | - |
| Sale of vessels to STX Pan Ocean | - | - | - | 1,029 |
| Sub-total | 11 | - | 37 | 1,347 |
| STX Europe Group | | | | |
| Amounts outstanding under guarantees by STX Europe Group | - | - | 4,645 | 5,386 |
| Commission fees paid to STX Europe Group | - | - | 4 | 28 |
| Aggregate value of hedges guaranteed by STX Europe | 618 | 618 | - | - |
| Management fees for corporate services by STX Europe | - | - | - | 33 |
| Licensing of software licenses to STX Europe Group | - | 3 | - | - |
| Purchase of ship designs from Aker Arctic Technology Oy (owned by STX Europe) | - | - | 6 | - |
| Joint sourcing office in Shanghai | - | - | 1 | 1 |
| Management service agreement with STX Norway Florø AS | - | - | 2 | 0.4 |
| STX OSV Tulcea – Hull for Hopper Dredger to STX Europe France | - | - | 18 | - |
| Docking services STX Norway Florø AS | - | - | 6 | - |
| Sub-total | 618 | 622 | 4,682 | 5,449 |
| <i>Total</i> | <i>629</i> | <i>622</i> | <i>4,718</i> | <i>6,796</i> |

13 CONFIRMATION BY THE BOARD

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the first quarter ended 31 March 2011 unaudited financial results to be false or misleading.

On Behalf of the Board of Directors

BY ORDER OF THE BOARD

Mr Roy Reite
Executive Director & CEO
9 May 2011