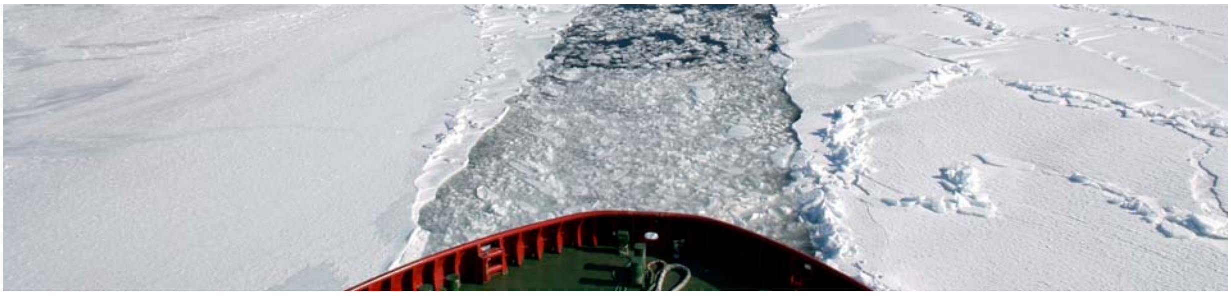
GC RIEBER SHIPPING ASA / INTERIM REPORT THIRD QUARTER 2010



HIGHLIGHTS IN THE QUARTER

- EBITDA in the period of NOK 56.6 million
- Net profit of NOK 12.3 million in the period
- Normalised profit in the period of NOK 13.4 million
- Contract backlog of NOK 994 million

OUTLOOK

- Investment in newbuildings at favourable terms provide opportunities for solid earnings from 2011/12
- Strategic initiatives to get involved in the value chain within the oil service market, where market outlook is regarded as positive from 2011/12, driven by a drop in oil production and corresponding need for extraction of new and existing petroleum resources
- Liquidity situation and gearing give room for manoeuvre

KEY FIGURES

Figures in NOK million	3Q 2010	3Q 2009	30.09.2010	30.09.2009	31.12.2009
Operating income	141.7	190.9	458.1	521.9	668.5
EBITDA	56.6	52.7	165.4	122.8	167.3
EBIT	23.5	19.1	255.7	24.7	-0.4
Net financial income and expenses	-19.5	-43.8	43.7	-54.3	-60.7
Profit before tax	4.0	-24.7	299.4	-29.6	-61.2
Taxes	0.3	-2.5	-13.6	0.4	139.2
Net profit	4.3	-27.2	285.8	-29.2	78.1
Minority share	8.0	11.1	7.2	19.6	38.4
Net profit in the period	12.3	-16.1	293.0	-9.7	116.5
Normalized profit before tax (1)	13.4	2.8	53.7	9.1	3.0

(1) Profit bef. tax adjusted for unrealised currency gains/losses, profit from disposals and write-downs (incl. write-downs from assoc. companies).

Earnings per share	3Q 2010	3Q 2009	30.09.2010	30.09.2009	31.12.2009
Shares outstanding (average)	43,662,000	43,633,500	43,658,555	43,630,000	43,630,882
Earnings & diluted earnings per share	0.28	-0.37	6.71	-0.22	2.67

ABOUT GC RIEBER SHIPPING

GC Rieber Shipping's business within offshore/shipping includes ownership in specialized vessels, high quality marine ship management, project development and industrial portfolio management within the segments subsea, ice/support, as well as marine seismic. The group has a unique competence in offshore operations in harsh environments as well as design, development and maritime operation of seismic vessels. Through strategic value chain investments the group has substantial knowledge and experience within subsea and marine seismic.

GC Rieber Shipping currently owns six and operates seven advanced, multifunctional special purpose vessels for defined markets within the subsea, ice/support and marine seismic segments. Furthermore, GC Rieber Shipping has two subsea IMR/CSV newbuildings for delivery early 2011 and mid 2011 as well as one IMR newbuilding for delivery in the first quarter 2011. GC Rieber Shipping also owns 65 % of Armada Seismic, which owns one high-capacity seismic vessel and has one newbuilding for delivery in the first quarter 2012. The group's strategic value chain investments include the subsea services company Reef Subsea (50 % stake) and the company Octio (73 % stake) which is in the business of permanent monitoring of existing oil fields. GC Rieber Shipping also manages nine offshore vessels for other owners.

The company has its registered office and headquarter in Bergen with ship management companies in Sevenoaks (England), Singapore and Yuzhno-Sakhalinsk (Russia), which provides global presence. The company is listed on Oslo Børs with ticker RISH. Further information is available on the company's website www.gcrieber-shipping.no

THIRD QUARTER 2010 – FINANCIAL REVIEW

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting" and follows the same accounting principles as in the annual financial statement.

OPERATING INCOME AND EBITDA

The group's operating income in the third quarter 2010 amounted to NOK 141.7 million, which is a decline of 26 % compared with the corresponding period 2009 (NOK 190.9 million). EBITDA in the third quarter 2010 amounted to NOK 56.6 million, which is an increase of 7 % compared with the corresponding period 2009 (NOK 52.7 million). EBITDA margin in the third quarter 2010 was 40 %, compared with 28 % in the third quarter 2009.

The group's operating income is positively affected by operating income from the "Greatship Maya", acquired at the end of January 2010. Negative contributions include a loss of operating income from Technocean and Scan Mudring, which are reported as associated companies from February 2010, as well as a loss of operating income from the "Polar Queen", which was sold in June 2010.

FOREIGN CURRENCY

The USD/NOK exchange rate has developed as follows:

Final exchange rate	30.09.2010	30.09.2009
	5.84	5.78

Average exchange rate	3Q 2010	3Q 2009	30.09.2010	30.09.2009
	6.17	6.11	6.08	6.50

As at 30 September 2010 there is a NOK 67 million reduction in equity compared with 31 December 2009, due to translation differences on vessels, debt and liquid assets in companies with USD as functional currency.

Net financial items as at 30 September 2010 include NOK 55.7 million in net currency gain (30 September 2009: gain of NOK 8.0 million), with a positive development in the market value for the group's portfolio of financial hedging instruments and bonds amounting to NOK 33.0 million (third quarter 2009: positive development of NOK 4.6 mill).

In accordance with IAS 39, changes in the market value of financial hedging instruments are recognised in the profit, as the group does not use hedge accounting for its financial instruments.

INTEREST-BEARING LIABILITIES

In the third quarter 2010 the group has paid NOK 17.3 million in ordinary loan instalments as well as NOK 50 million on its revolving credit facility. No new loans were drawn during the period. The average interest rate has increased compared with the third quarter 2009, due to redemption of loan for vessel which has been sold/disposed of.

The refinancing risk for the group's loan portfolio is low. The average remaining duration is 4.3 years. Annual loan instalments amount to approximately NOK 73 million, with a balloon payment of NOK 63 million in the second quarter 2011.

Interest-bearing liabilities	3Q 2010	3Q 2009	30.09.2010	30.09.2009
Liabilities at end period (NOK million)	1,067.0	982.0	1,067.0	982.0
Average liabilities (NOK million)	1,072.3	780.3	1,054.7	581.2
Average interest incl. margin	4.48 %	4.22 %	4.18 %	4.38 %
Proportion of liabilities in USD	68 %	74 %	68 %	74 %
Proportion of liabilities in NOK	19 %	26 %	19 %	26 %
Proportion of liabilities in EUR	14 %	0 %	14 %	0 %

LIQUIDITY/INVESTMENTS

The group's liquidity is primarily held in NOK. During the third quarter 2010 investments amounting to NOK 49 million in vessels/equipment have been made. This is mainly concerned with instalments to shipyards for subsea newbuildings.

Liquid assets	30.09.2010	30.09.2009
Bank and interest-bearing securities (NOK million)	559.8	381.5
Available through credit facility (NOK million)	50.0	20.0

NET LIQUIDITY / LIABILITIES

The group had net liabilities (liquid assets minus interest-bearing debt) of NOK 507.2 million as at 30 September 2010, compared with net liabilities of NOK 600.5 million as at 30 September 2009.

SEGMENTS

SUBSEA

The group owns two and operates three vessels within the subsea segment. The vessels are primarily used for inspection, maintenance and repair of subsea installations. The ”Polar Prince” is chartered to Technocean until July 2011. Technocean has a contract with the company Subocean to employ the vessel for subsea operations related to offshore wind-farm development projects until July 2011, with an option to extend for an additional year. The ”Polarbjørn” is employed in the spot market. The ”Greatship Maya” (on bare-boat charter) is sub-chartered to Bluestone Offshore until 2012.

In addition GC Rieber Shipping has a 50 % stake in the subsea service company Reef Subsea, which is a joint venture between GC Rieber Shipping and the private equity company HitecVision. Reef Subsea’s activities include the contractors Technocean (76 % stake) and Scan Mudring (76 % stake), as well as the geotechnical company Bluestone Offshore (95 % stake). The share in Reef Subsea’s profit is entered in the accounts as a financial item using the equity method and will not feature in the key figures in the table below.

Key figures (in NOK million)	3Q 2010	3Q 2009	30.09.2010	30.09.2009
Operating income	66.3	98.9	242.0	344.5
EBITDA	24.3	22.9	81.2	89.6
EBIT	13.6	0.6	320.5	33.0
Employment rate for chartered vessels (in %)	86 %	87 %	94 %	85 %

The average employment rate for vessels in the subsea segment was 86% in the third quarter 2010. The drop in operating income and EBITDA compared with the corresponding period 2009 is primarily due to loss of operating income from Technocean and Scan Mudring, booked as associated companies as of February 2010, as well as loss of operating income from the ”Polar Queen”, sold in June 2010. The ”Greatship Maya” has been on a bare-boat charter since the end of January 2010 and is sub-chartered to Bluestone Offshore.

MARINE SEISMIC

The segment consists of the 3D/4D vessel ”Geo Atlantic” and the 2D vessel ”Polar Explorer” (formerly “Geo Explorer”), as well as the subsidiary Octio Group (73 %), which focuses on permanent reservoir monitoring. The ”Geo Atlantic” is on a charter contract with Fugro until October 2013, after which Fugro has an option to extend the contract until October 2017. The “Polar Explorer” has been operating in the spot market since October 2010. GC Rieber Shipping also has a 65% stake in Armada Seismic, which owns one high-capacity seismic newbuilding and has one newbuilding for delivery in Q1 2012. The segment also includes ship management of nine vessels for other owners.

Key figures (in NOK million)	3Q 2010	3Q 2009	30.09.2010	30.09.2009
Operating income	59.0	73.2	163.4	123.6
EBITDA	22.0	19.2	50.6	-1.8
EBIT	4.3	12.0	-83.7	-29.0
Employment rate for chartered vessels (in %)	96 %	100 %	80 %	94 %

The ”Geo Atlantic” has had an employment rate of 100 % in the third quarter 2010, while the ”Polar Explorer” has had an employment rate of 91 % in the same period. Octio Group is still in a phase of establishment and has generated only limited earnings so far. During the quarter the company has continued the work to develop Octio’s ReM System to an attractive solution for both environmental monitoring and permanent monitoring of oil and gas fields.

ICE/SUPPORT

The group owns and operates two vessels within ice/support as well as two crew vessels. The ”Ernest Shackleton” is on a bareboat charter to the British Antarctic Survey until 2014, for operations in Antarctica. The ”Polar Pevek” and the crew boats ”Polar Piltun” and ”Polar Baikal” are owned through a 50/50 joint venture with Primorsk Shipping Corporation, and are operated by the group’s ship management company in Yuzhno-Sakhalinsk. The ”Polar Pevek” is chartered to Exxon Neftegas until 2021 and operates out of the DeKastri oil terminal, assisting tankers carrying oil from the Sakhalin I offshore field outside eastern Russia. The two crew boats are chartered to the Sakhalin Energy Investment Corporation until 2013 and are employed in the Sakhalin II field.

Key figures (in NOK million)	3Q 2010	3Q 2009	30.09.2010	30.09.2009
Operating income	16.4	18.8	52.7	53.7
EBITDA	10.3	10.6	33.6	35.0
EBIT	5.6	6.5	18.9	20.7
Employment rate (in %)	99 %	100 %	97 %	100 %

The ”Polar Pevek” has been fully employed in the period, while the two crew vessels have had an employment rate of 99 % in the period. The ”Ernest Shackleton” has been employed in the subsea segment in the third quarter 2010.

CONTRACTS AND OPERATIONS

All vessels are operating satisfactorily, without any significant technical downtime. Through its portfolio of charter parties the group had a contract backlog of NOK 994 million as at 30 September 2010, with an average contract duration of 2.7 years. The client portfolio consists of substantial and solid companies. Contract coverage for the period 2010-2012 is 76 %, 63 % and 46 %, respectively. All figures exclude charterers’ extension options.

SHAREHOLDER INFORMATION

The company’s shares are listed on Oslo Børs. The general meeting has authorised the board to buy back up to 10 % of own shares at a share price ranging from NOK 15 to NOK 60. This authorisation has not been exercised, and the holding of own shares is 150,800, i.e. 0.34 % of the shares in the company.

During the third quarter 2010, the group’s shares have been traded between NOK 29 and NOK 34. The last price recorded in the third quarter 2010 was NOK 30, which on the basis of a total of 43,662,000 outstanding shares values the group’s equity at approximately NOK 1.3 billion.

STRATEGIC DEVELOPMENT

Over the past years GC Rieber Shipping has carried out several strategic investments as part of the group’s commitment to expand the value chain within the oil service market. GC Rieber Shipping will maintain this strategy and expects the group to benefit from this in the future. Reef Subsea (50 % stake) has seen positive developments in operating income and profit as at 30 September 2010. The company is optimistic with respect to the potential for further profitable growth within Reef Subsea’s niches.

GC Rieber Shipping is currently in a process to renew its fleet. This includes five newbuildings – three subsea newbuildings and two high-capacity seismic newbuildings – at a total investment of NOK 1,9 billion. Three subsea newbuildings and one high-capacity seismic newbuilding are expected to be delivered in the time period Q1 2011 to Q1 2012, while one high-capacity newbuilding was delivered in June 2010.

GC Rieber Shipping's subsidiary Armada Seismic entered into agreements in June 2010 to acquire the two seismic newbuildings 532 and 533. Armada Seismic's newbuilding 532 was delivered in June 2010. The vessel will be upgraded to a 12-14 streamer capacity, a process which is expected to be completed in the first quarter 2011. The progress on newbuilding 533 has been limited, pending clarification concerning the financial situation of Factorias Vulcanos. The yard informs that it has initiated debt restructure proceedings and at the same time negotiating with the regional government and the shipyard association Pymar regarding pre-delivery financing for building no. 533. Based on a quick and positive clarification of the pre-delivery financing, we expect delivery of building no. 533 in the first quarter 2012. The vessels attract solid interest in the market and GC Rieber Shipping evaluates several employment alternatives for both 532 and 533.

The company has two advanced subsea IMR/CSV vessels under construction at the Freire Shipyard in Spain. The vessels are expected to be operational in the first and third quarters 2011 respectively. The price level for the investment in the vessels is considerably lower than comparable tonnage, which is expected to represent a competitive advantage. Both vessels attract solid interest in the market and GC Rieber Shipping evaluates several employment alternatives for both newbuildings.

At the beginning of November 2010 GC Rieber Shipping entered into an agreement with Otto Marine ("Otto") to dissolve the 51/49 joint venture companies Polar Marine I and Polar Marine II. Polar Marine I and II originally owned four newbuilding contracts (buildings no. 7037-7040), but during 2009 newbuilding 7037 and 7038 were cancelled due to substantial delays at the yard. According to the agreement with Otto, the joint ventures will be dissolved and Otto takes ownership of the vessels 7037, 7038 and 7039. At the same time the arbitrations related to 7037 and 7038 are withdrawn with no costs for GC Rieber Shipping. GC Rieber Shipping takes ownership of the IMR newbuilding 7040, with a total investment of slightly below NOK 300 million and contractual delivery at the end of February 2011.

OUTLOOK

There has been a gradual growth in the world economy during 2010, but the macro perspective, however, is still characterised by great uncertainty and a risk of setback. The oil and gas industry is experiencing growth, driven by a higher oil price, less risk aversion and improved access to financing. At the same time there is reason to expect that the effects of the Macondo accident, with more stringent requirements and increased economic responsibility for operators, could lead to delays of licenses and field development. In the short perspective this may put a damper on the growth in demand expected for specialized offshore vessels in the future.

GC Rieber Shipping's liquidity is good, the gearing is low, and the financial risk related to a possible setback of the world economy is considered to be manageable. The group's financial capacity may give relative advantages over competitors and thereby lead to strategic opportunities. The group's market segments subsea and marine seismic are exposed to postponements of large-scale subsea projects and phase-in of new capacity, including newbuildings. This situation is expected to continue into 2011. At the beginning of the fourth quarter 2010 the group has short-term contracts for two of its vessels, in addition to two newbuildings with expected completion in the first quarter 2011, currently without employment. The company's investments in the value chain are exposed to low activities in the oil service segment.

From the year 2012 onwards the group considers the market outlook in the subsea and seismic segments to be good. This is driven by a continued drop in oil production with a corresponding need to increase production on existing fields, as well as exploration and extraction of new petroleum resources.

Within the ice segment, a growing demand is expected in connection with increased oil extraction in Russia and in other arctic waters. No changes are expected within the market for ice-going expeditions to Antarctica. The group's fleet consists of multifunctional vessels that can operate within several of the group's business areas. This flexibility is expected to remain important also in the future.

Through the times, GC Rieber Shipping has documented its ability to create value from accumulated know-how and financial capacity, as well as making the values created visible. Successful counter-cyclical and early cyclical investments have yielded substantial returns in the past. The group will maintain the basic principles governing its strategy.

Bergen, 3 November 2010

The Board of Directors and acting Chief Executive Officer in
GC Rieber Shipping ASA

Paul-Chr. Rieber, chairman
Trygve Arnesen, vice chairman
Cecilie Astrup, board member
Jan Erik Clausen, board member
Inga Lise Moldestad, board member

Hans Petter Klohs, acting CEO

GC RIEBER SHIPPING ASA
3. quarter 2010
Consolidated accounts
(Unaudited)

Profit & Loss Account (NOK 1000)	**3Q 10**	**3Q 09**	**30.09.2010**	**30.09.2009**	**31.12.2009**
Charter income	126 643	170 156	400 063	452 732	586 282
Other operating income	15 011	20 768	57 991	69 121	82 173
Total income	**141 654**	**190 925**	**458 053**	**521 854**	**668 455**
Operating expenses	(85 082)	(138 177)	(292 629)	(399 032)	(501 192)
Operating profit before depreciation, write-downs and gains (losses) on sale of fixed assets	**56 572**	**52 747**	**165 425**	**122 822**	**167 263**
Depreciation	(33 362)	(33 638)	(99 779)	(85 114)	(117 284)
Write-downs	(254)	0	(103 509)	(13 018)	(50 385)
Gains (losses) on sale of fixed assets	553	0	293 548	0	0
Operating profit	**23 509**	**19 109**	**255 685**	**24 690**	**(406)**
Profit from associated companies	(1 366)	(33 705)	6 164	(41 939)	(34 819)
Financial income	3 188	6 117	8 262	25 090	29 809
Financial expenses	(11 002)	(13 635)	(36 891)	(33 917)	(44 663)
Realized currency gains (losses)	(611)	(8 788)	10 499	(11 540)	(19 768)
Unrealized currency gains (losses)	(9 712)	6 178	55 704	8 018	8 668
Net financial income and expenses	(19 503)	(43 832)	43 737	(54 288)	(60 772)
Profit before taxes	**4 007**	**(24 722)**	**299 422**	**(29 598)**	**(61 179)**
Taxes	319	(2 480)	(13 602)	363	139 241
PROFIT	**4 325**	**(27 203)**	**285 820**	**(29 235)**	**78 062**
Minority share	7 980	11 120	7 170	19 556	38 441
Profit after minority share	**12 305**	**(16 082)**	**292 990**	**(9 679)**	**116 503**
Earnings and deluted earnings per share	0,28	(0,37)	6,71	(0,22)	2,67

Statement of Comprehensive Income (NOK 1000)	**3Q 10**	**3Q 09**	**30.09.2010**	**30.09.2009**	**31.12.2009**
Profit for the period	4 325	(27 203)	285 820	(29 235)	78 062
Other comprehensive income	0	0	0	0	0
Foreign currency translation subsidiaries	(52 427)	(3 936)	(45 766)	(11 399)	(4 872)
Foreign currency translation vessels	(75 908)	(89 735)	1 977	(131 384)	(113 664)
Foreign currency translation long term liabilities and	36 799	44 439	(22 891)	76 385	84 819
Changes in pension estimates	0	0	(728)	0	(6 370)
Comprehensive income for the period	(87 211)	(76 435)	218 412	(95 633)	37 974
Minority interests	7 980	11 120	7 170	19 556	38 441
Comprehensive income for the period after minority share	(79 231)	(65 315)	225 582	(76 077)	76 415

GC RIEBER SHIPPING ASA
3. quarter 2010
Consolidated accounts
(Unaudited)

Balance Sheet (NOK 1000)	30.09.2010	30.09.2009	31.12.2009
ASSETS			
FIXED ASSETS			
Rights, patents etc.	52 139	11 150	70 926
Deferred tax asset	40 277	51 279	53 610
Goodwill	12 990	97 446	76 592
Vessels	1 329 595	1 364 809	1 318 124
Newbuilding contracts	883 441	602 241	628 073
Machinery and equipment	38 003	64 625	100 248
Financial fixed assets	111 172	5 264	11 808
Total fixed assets	2 467 616	2 196 814	2 259 382
CURRENT ASSETS			
Inventories	9 230	12 008	11 940
Receivables	216 350	284 701	247 391
Quoted financial investments	0	164 633	87 089
Cash and bank deposits	559 802	216 910	274 727
Total current assets	785 382	678 252	621 146
Total assets	**3 252 998**	**2 875 066**	**2 880 528**
EQUITY AND LIABILITIES			
EQUITY			
Restricted equity	95 196	97 941	95 145
Retained earnings	1 824 956	1 313 550	1 449 882
Total equity	1 920 152	1 411 492	1 545 026
LIABILITIES			
Provision for liabilities	28 835	120 764	31 025
Other long-term liabilities	1 041 611	1 026 969	981 067
Current liabilities	262 400	315 842	323 409
Total liabilities	1 332 847	1 463 575	1 335 502
Total equity and liabilities	**3 252 998**	**2 875 066**	**2 880 528**

GC RIEBER SHIPPING ASA
Notes to 3. quarter 2010
Consolidated accounts
(Unaudited)

The GC Rieber Shipping group uses the Norwegian krone (NOK) as its presentation currency. Several of the subsidiaries have US dollar (USD) as their functional currency, which means that the accounting standard IAS 21 applies. Any change in the USD/NOK exchange rate affects the company’s equity and profit, as the group’s debt is denominated mainly in USD, and most its vessels are valued in USD and translated at the USD/NOK exchange rate on the balance sheet date. Where subsidiaries have USD as their functional currency, translation differences arising in respect of vessels and debt are recognized directly in equity. Translation differences also arise in respect of subsidiaries that have the USD as their functional currency, and hold liquid assets in NOK. These holdings are translated into USD at the exchange rate on the balance sheet date, and the translation differences in profit as unrealized currency gains/losses

Cash Flow Statement (NOK 1000)	**30.09.2010**	**30.09.2009**	**31.12.2009**
Cash flow from operating activities	116 036	52 004	80 406
Cash flow from investment activities	(140 271)	(892 393)	(1 013 920)
Cash flow from financing activities	222 222	479 178	552 577
Net change in liquidity	197 987	(361 211)	(380 937)
Liquidity at beginning of period	361 816	742 753	742 753
Liquidity at end of period	**559 802**	**381 542**	**361 816**

Equity Statement (NOK 1000)	**30.09.2010**	**30.09.2009**	**31.12.2009**
Equity at 01.01.	1 545 026	1 507 300	1 507 300
Comprehensive income	218 412	(95 633)	37 975
Payment of equity	158 099	24 931	24 858
Other changes	(2 083)	(4 287)	(4 287)
Sale of own shares	697	997	997
Dividends to the share holders	0	(21 817)	(21 817)
Equity at end of period	**1 920 152**	**1 411 492**	**1 545 026**

Segment Reporting (NOK 1000)	**3Q 10**	**3Q 09**	**30.09.2010**	**30.09.2009**	**31.12.2009**
Ice/support	16 357	18 822	52 687	53 691	77 878
Subsea	66 309	98 873	242 015	344 526	439 989
Seismic	58 988	73 230	163 351	123 637	150 589
Operating income	**141 654**	**190 925**	**458 053**	**521 854**	**668 456**
Ice/support	10 298	10 590	33 605	34 997	51 293
Subsea	24 277	22 911	81 189	89 648	106 082
Seismic	21 997	19 245	50 631	(1 824)	9 887
Operating profit before depreciation, write-downs and gains (losses) on sale of fixed assets	**56 572**	**52 747**	**165 425**	**122 822**	**167 262**
Ice/support	5 618	6 514	18 946	20 720	28 443
Subsea	13 588	599	320 480	32 989	33 830
Seismic	4 302	11 997	(83 742)	(29 018)	(62 679)
Operating profit	**23 509**	**19 109**	**255 685**	**24 690**	**(406)**