SEVAN MARINE ASA

INTERIM FINANCIAL REPORT
FIRST HALF OF 2010

INTERIM FINANCIAL REPORT - FIRST HALF OF 2010

Main figures, second quarter 2010 (previous quarter figures in brackets)[1]

Operating income for the quarter amounted to USD 58.2 million (USD 49.7 million). EBITDA was USD 22.0 million (USD 7.0 million). Operating loss was USD 0.2 million (loss of USD 15.8 million), and net profit was USD 0.5 million (net loss of USD 22.2 million).

Operating income was USD 8.5 million higher than previous quarter mainly as a result of an increase in revenue from the *Goliat* project and commencement of operation for *Sevan Driller* at the end of the quarter.

Operating expense was USD 3.0 million lower than previous quarter mainly due to reduced operating expense on *FPSO Sevan Voyageur* and *FPSO Sevan Piranema*. These effects were partly offset by an increase in operating expense on *Sevan Driller* following commencement of operation.

A net foreign exchange gain relating to financing of USD 25.2 million (gain of USD 8.8 million) was mainly a result of unrealized agio on the NOK-nominated bond loans following a strengthening in USD compared to NOK during the quarter.

Financial expense through profit and loss increased by USD 3.4 million to USD 24.5 million (USD 21.1 million) mainly due to changes in amortization schedules for financing fees following refinancing of debt during the quarter.

As of June 30, 2010, total assets amounted to USD 2,395.5 million (USD 2,350.2 million), of which USD 2,029.8 million (USD 1,977.8 million) was capitalized as 'Sevan Capital Assets'. Cash and cash equivalents amounted to USD 61.7 million (USD 72.0 million).

As of June 30, 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 secured commitments for a USD 525 million bank facility for *Sevan Driller II* and for a USD 230 million bank facility to refinance *FPSO Sevan Voyageur*. In order to refinance *FPSO Sevan Hummingbird*, a USD 200 million bond was issued in August and is therefore not reflected on the balance sheet as of June 30, 2010.

[1] Figures in brackets refer to first quarter 2010

Business segments

The Group is organized in four business segments: Floating Production, Topside and Process Technology, Drilling and Corporate.

The activities within the **Floating Production** area relate to the design, engineering, construction, and operation of the Sevan platforms. This includes the project phase of the *Sevan 1000 Goliat FPSO* as well as *FPSO Sevan Piranema* which has been operating for Petrobras since October 2007; *FPSO Sevan Hummingbird* which has been operating for Centrica Energy Upstream since September 2008; *FPSO Sevan Voyageur* which has been operating for Premier Oil and Gas Services Ltd since August 2009, and the *FPSO hulls Sevan 300 no. 4 and 5.*

The Topside and Process Technology segment consists of the activities of KANFA AS, KANFA-TEC AS, KANFA Aragon AS and Mator AS (the 'KANFA group').

The primary business activities of the KANFA group relate to the provision of services and equipment to the processing plants of the Sevan FPSOs and external clients.

The activities within **Drilling** relate mainly to the design, engineering, construction and operation of the Sevan drilling units. This includes *Sevan Driller* which has been operating for Petrobras since June 2010 and *Sevan Driller II* which has been contracted to Petrobras on a 6-year contract.

The activities within **Corporate** relate to business development, R&D, studies made for clients and general administration activities.

Business activities

Operations Unit Uptime on *FPSO Sevan Piranema* was 93.6% for the quarter. The downtime relates to an electrical short circuit incident in May. Revenue Utilization was 84.4% for the quarter. Revenue Utilization and operating expense continued to improve during second quarter. The unit delivered a Unit Uptime of 100% and Revenue Utilization of 96.3% for June isolated. Daily operating expense for the quarter was USD 71 thousand compared to USD 77 thousand in previous quarter.

FPSO Sevan Hummingbird accomplished a Unit Uptime for the quarter of 99.7%. Revenue Utilization for the quarter was as high as 107.6% due to bonus achieved for high production levels.

FPSO Sevan Voyageur accomplished a Unit Uptime for the quarter of 98.7%. Production at the Shelley field has continued at low levels, and decommissioning of the field commenced in July 2010. The FPSO departed from the Shelley field in August. The upgrade work required for Huntington operations will be undertaken at the Nymo yard in Arendal, Norway.

Sevan Driller was formally accepted by Petrobras on June 11 and commenced operations on June 24. The rig is currently operating on approximately 1,900 meters water depth in the Campos basin and delivered a Unit Uptime of 100% and Revenue Utilization of 90.0% for the operating period in June.

The activity level relating to project management and engineering of the *Sevan 1000 Goliat FPSO* was high during second quarter with a Revenue Utilization of 115%.

Contract awards In May, Sevan and E.ON Ruhrgas UK E&P Limited entered into a Letter of Intent (LOI) to progress negotiations on a charter party for the potential use of the *FPSO Sevan Voyageur* as the production unit for the Huntington field in block 22/14 of the UK continental shelf. The LOI has been extended until October 1, 2010. The Huntington partners have agreed to continue to fund certain Sevan costs and Long Lead items for the upgrade work in order to maintain the Huntington project schedule for first oil production. The contract will be for a firm fixed term of five years with extension options. The estimated contract value would be USD 535 million for the fixed term.

Studies/FEEDs Sevan is discussing the potential use of *FPSO Sevan 300 no. 5* on the Frøy field with Det norske oljeselskap ('Det norske') as operator for Frøy. An agreement with Det norske would include a joint ownership structure. Sevan continues to work on several other feasibility studies for various clients.

Construction projects The hulls for *FPSO Sevan 300 no. 4 and 5* will be relocated to Cosco's Nantong Shipyard. The intention is to complete the construction of these units at Cosco upon securing contracts with clients.

Sevan Driller II was launched at the COSCO Shipyard in Qidong in August. The project is progressing according to plan and schedule. Block construction has been completed up to 24.5 meters. 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 first quarter of 2012.

Negotiations with ONGC continue.

Acquisitions In August, Centrica Energy Upstream and Sevan Marine ASA, through their respective wholly owned subsidiaries, entered into and effectuated an agreement for Sevan to acquire Centrica's 20% equity interest in *FPSO Sevan Hummingbird* for a consideration of USD 39 million. Following the transaction, Sevan became the 100% indirect owner of the FPSO. Centrica retains the right to 20% of any profit above the transaction value in the event of a sale of the FPSO within five years.

Financing activities In May, Sevan secured commitment for a USD 525 million senior debt project finance facility for *Sevan Driller*

II with ING Bank N.V. as Mandated Lead Arranger. The facility is structured as a limited recourse construction financing and is fully underwritten by ING, GIEK/Eksportfinans and Sinosure.

In June, the bondholders in the NOK 870 million bond loan for *FPSO Sevan Voyageur* accepted proposed amendments to the loan agreement, whereby interest on the facility was increased by 450 bps to NIBOR+1,000 bps. The amendments allow for Sevan to increase the 1st lien debt on the unit from USD 150 million to USD 230 million and will become effective upon final agreement being reached for the charter contract and the 1st lien financing facility.

In June, a term sheet was agreed between Sevan and ING Bank for a financing facility for *FPSO Sevan Voyageur*. In July, Sevan received commitment from ING Bank to arrange and underwrite the USD 230 million Senior Secured Credit Facility. The facility will be used to fund of the installation of a gas compression plant on *FPSO Sevan Voyageur* to upgrade the unit for operation on the Huntington field.

In July, Sevan Drilling AS, a wholly owned subsidiary of Sevan Marine ASA, signed a mandate letter and term sheet with DVB Group Merchant Bank (Asia) Pte Ltd and NIBC Bank N.V. for the arrangement of a USD 530 million limited recourse secured term loan facility. The facility will replace the existing debt of the *Sevan Driller* rig which includes a 1st lien bank facility of USD 250 million and a 2nd lien bond facility of NOK 1 billion and is subject to syndication and documentation.

In July, Sevan Marine carried out a bond issue of USD 200 million with a fixed interest rate of 12.0% (USD tranche)/13.25% (NOK tranche), thereby increasing the loan amount on *FPSO Sevan Hummingbird* and extending the maturity from 2011 to 2015. The bond has a term of 5 years with call options. The proceeds were used to refinance the existing USD 135 million 'SEVAN03' debt in full, to acquire the 20% stake in *FPSO Sevan Hummingbird* from Centrica Energy Upstream and for general corporate purposes.

In August, the bondholders in the USD 135 million facility for *FPSO Sevan Hummingbird* accepted proposed amendments that facilitates early redemption of the bonds at 102.5% of par value plus accrued interest.

Outlook

Over the last months, Sevan has made improvements to its financing structure, through securing commitments for a USD 525 million bank loan for *Sevan Driller II* and a USD 230 million bank loan to refinance *FPSO Sevan Voyageur* as well as completing a USD 200 million bond issue to refinance *FPSO Sevan Hummingbird*.

The Company will continue to emphasize improving its financial position including the ongoing refinancing of *Sevan Driller*. Operationally, Sevan will continue to focus on reducing operating cost whilst maintaining a high uptime on operating units.

Sevan has one of the most modern FPSO fleets in the world and the Board sees good opportunities for cost efficient solutions going forward. Activity in the market place continues to pick up and Sevan is well positioned to benefit from this development.

Arendal, August 24, 2010

The Board of Directors
Sevan Marine ASA

Interim financial statements

Condensed consolidated income statement						
Unaudited figures in USD million	**Q2 10**	**Q1 10**	**30.06.10**	**Q2 09**	**30.06.09**	**2009**
Operating income	58,2	49,7	107,9	50,1	95,8	194,8
Operating expense	-41,1	-44,1	-85,2	-46,3	-93,6	-206,5
EBITDAFX	**17,1**	**5,6**	**22,7**	**3,8**	**2,2**	**-11,7**
Foreign exchange gain/(loss) relating to operation	4,9	1,4	6,3	-5,9	-5,7	-6,7
EBITDA	**22,0**	**7,0**	**29,0**	**-2,1**	**-3,5**	**-18,4**
Depreciation, amortization and impairment	-22,2	-22,8	-45,1	-15,0	-29,0	-64,7
Operating profit/(loss)	**-0,2**	**-15,8**	**-16,0**	**-17,1**	**-32,6**	**-83,1**
Income from associated companies	0,1	0,1	0,2	0,2	0,1	0,4
Financial income/(expense)	-24,5	-21,1	-45,6	-12,3	-29,2	-61,6
Foreign exchange gain/(loss) relating to financing	25,2	8,8	34,0	-13,4	-24,8	-36,0
Net financial items	**0,7**	**-12,2**	**-11,4**	**-25,6**	**-53,8**	**-97,3**
Profit/(loss) before tax	**0,5**	**-28,0**	**-27,5**	**-42,7**	**-86,4**	**-180,3**
Tax income/(expense) *	-0,1	5,7	5,7	4,9	11,7	36,9
Net profit/(loss)	**0,5**	**-22,2**	**-21,8**	**-37,8**	**-74,7**	**-143,4**

* *Income tax expense for the interim reporting periods is based on 'best estimate' and may differ from actual tax computation.*

Statement of Comprehensive Income						
Unaudited figures in USD million	**Q2 10**	**Q1 10**	**30.06.10**	**Q2 09**	**30.06.09**	**2009**
Net profit/(loss)	**0,5**	**-22,2**	**-21,8**	**-37,8**	**-74,7**	**-143,4**
Foreign currency translation	-1,4	-0,1	-1,5	0,2	1,1	3,4
Total comprehensive income	**-0,9**	**-22,4**	**-23,3**	**-37,6**	**-73,6**	**-140,0**

Condensed consolidated balance sheet				
Unaudited figures in USD million	**30.06.10**	**31.03.10**	**30.06.09**	**31.12.09**
Sevan Capital Assets	2 029,8	1 977,8	1 728,8	1 904,3
Other fixed assets	45,1	42,1	46,9	48,9
Intangible assets	14,1	14,3	15,8	14,7
Investments in associates	1,2	1,2	1,5	1,4
Deferred income tax assets	114,7	114,1	76,1	109,1
Other non-current assets	47,4	54,5	12,7	31,8
Total non-current assets	**2 252,3**	**2 204,1**	**1 881,9**	**2 110,2**
Inventories	14,9	22,4	12,1	21,3
Trade and other receivables	66,6	51,8	40,4	54,2
Cash and cash equivalents **	61,7	72,0	147,4	163,0
Total current assets	**143,2**	**146,1**	**200,0**	**238,6**
Total assets	**2 395,5**	**2 350,2**	**2 081,8**	**2 348,8**
Share capital	16,6	16,6	10,4	16,6
Other equity	935,2	935,8	792,6	957,9
Total shareholders' equity	**951,9**	**952,4**	**803,1**	**974,5**
Minority Interest	38,2	37,8	38,5	38,0
Total equity	**990,0**	**990,2**	**841,5**	**1 012,5**
Interest-bearing debt *	1 046,8	86,5	32,8	85,9
Retirement benefit obligations	1,4	1,3	0,4	1,7
Other long-term liabilities/provisions	2,5	2,5	2,2	2,5
Total non-current liabilities	**1 050,6**	**90,3**	**35,4**	**90,1**
Interest-bearing debt *	128,7	1 091,6	1 046,8	1 103,0
Current liabilities	226,2	178,0	158,1	143,1
Total current liabilities	**354,9**	**1 269,6**	**1 204,9**	**1 246,1**
Total liabilities	**1 405,5**	**1 360,0**	**1 240,3**	**1 336,3**
Total equity and liabilities	**2 395,5**	**2 350,2**	**2 081,8**	**2 348,8**

* *As described in further detail in the Q1 2010 report, a reclassification of interest-bearing debt from non-current to current took place subsequent to the Q4 2009 interim reporting which has resulted in a restatement of interest-bearing debt for the periods ending December 31, 2009, and June 30, 2009, compared to previous interim reporting. All issues and formalities relating to the interpretation of the duration of interest-bearing debt have been resolved by the date of this report, and applicable debt has therefore been classified back to non-current.*

** *The cash balance includes restricted cash. Approx. USD 80 million in a long term vendor credit facility relating to Sevan Driller II is not reflected on the balance sheet as per June 30, 2010. In addition, the Group has secured commitments for a USD 525 million bank facility for Sevan Driller II and for a USD 230 million bank facility to refinance FPSO Sevan Voyageur which is not reflected on the balance sheet as per June 30, 2010. The USD 200 million bond issued to refinance FPSO Sevan Hummingbird wasexecuted in August and is therefore not reflected on the balance sheet as per June 30, 2010.*

Condensed consolidated cash flow statement			
Unaudited figures in USD million	**30.06.10**	**30.06.09**	**31.12.09**
Cash flows from operation activities			
Cash from operations	19,8	-7,7	-32,2
Interest paid	-29,3	-28,1	-74,1
Net cash generated from operating activities	**-9,5**	**-35,8**	**-106,3**
Cash flows from investment activities			
Purchases of property, plant and equipment (PPE)	-117,0	-126,9	-344,1
Purchases of intangible assets	-0,3	-0,4	-0,6
Net cash flow from investment activities	**-117,3**	**-127,3**	**-344,7**
Cash flows from financing activities			
Net proceeds from issuance of ordinary shares	0,0	162,5	396,1
Net proceeds from interest-bearing debt	42,6	97,8	175,6
Repayment of interest bearing debt	-20,0	0,0	-5,0
Purchase/sale of own bond loan	2,9	0,0	-2,9
Net cash flow from financing activities	**25,5**	**260,3**	**563,7**
Net cash flow for the period	**-101,3**	**97,2**	**112,7**
Cash balance at beginning of period	163,0	50,3	50,3
Cash balance at end of period	**61,7**	**147,4**	**163,0**

Condensed consolidated statement of changes in equity						
	Share capital	Share premium	Other reserves	Other unrestricted equity	Minority interest	Total equity
Equity as of December 31, 2009	**16,6**	**954,1**	**1,9**	**1,9**	**38,0**	**1012,5**
Expensed portion of value of share options				0,8		0,8
Comprehensive income for the period			-1,5	-22,1	0,2	-23,3
Equity as of June 30, 2010	**16,6**	**954,1**	**0,4**	**-19,4**	**38,2**	**990,0**
	Share capital	Share premium	Other reserves	Other unrestricted equity	Minority interest	Total equity
Equity as of December 31, 2008	**6,2**	**562,4**	**-1,5**	**133,4**	**38,6**	**739,1**
Proceeds from shares issued	4,3	167,1				171,3
Share issue costs		-8,8				-8,8
Tax effect of share issue costs		2,5				2,5
Expensed portion of value of share options				0,9		0,9
Convertible Bond				14,0		14,0
Tax effect of Convertible bond				-3,9		-3,9
Comprehensive income for the period			1,3	-74,8	-0,1	-73,6
Equity as of June 30, 2009	**10,4**	**723,3**	**-0,2**	**69,6**	**38,5**	**841,5**

Key figures							
Unaudited figures	**Note**	**Q2 10**	**Q1 10**	**30.06.10**	**Q2 09**	**30.06.09**	**2009**
Earnings per share (USD)	1	0,00	-0,04	-0,04	-0,18	-0,37	-0,31
Earnings per share fully diluted (USD)	2	0,00	-0,04	-0,04	-0,18	-0,37	-0,31
Equity ratio	3	40 %	41 %	41 %	39 %	39 %	42 %
No. of outstanding shares (million)		526,1	526,1	526,1	333,6	333,6	526,1
No. of shares fully diluted (million)		526,1	526,1	526,1	333,6	333,6	526,1
Average no. of outstanding shares (million)		526,1	526,1	526,1	212,7	204,5	455,9
Average no. of shares fully diluted (million)		526,1	526,1	526,1	212,7	204,5	455,9
Share price (NOK)		4,77	9,30	4,77	8,26	8,26	10,16
Market capitalization (NOK, million)	4	2 509	4 892	2 509	2 756	2 756	5 345
Number of employees		472	431	472	345	345	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

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 CO2 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 the changes to the balance sheet values of these assets for the full year of 2009 and as per June 30, 2010.

Property, plant and equipment			
Unaudited figures in USD million	**Construction in Progress (CIP)**	**Unit in Operation (UIO)**	**Sevan Capital Assets**
Year ended December 31, 2009:			
Book value January 1,	**658,3**	**1 034,7**	**1 693,0**
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
Book value December 31,	**894,1**	**1 010,2**	**1 904,3**
At December 31, 2009:			
Cost	900,3	1 094,5	1 994,8
Accumulated depreciation and write-down	-6,2	-84,3	-90,5
Book value December 31,	**894,1**	**1 010,2**	**1 904,3**
	Construction in Progress (CIP)	**Unit in Operation (UIO)**	**Sevan Capital Assets**
Period ended June 30, 2010:			
Book value January 1,	**894,1**	**1 010,2**	**1 904,3**
Assets reclassified from "CIP" to "UIO"	-646,3	646,3	0,0
Reclassified from 'Other fixed assets'	0,0	7,5	7,5
Additions	111,8	47,6	159,4
Depreciation charge	0,0	-41,4	-41,4
Write-down	0,0	0,0	0,0
Book value June 30,	**359,6**	**1 670,2**	**2 029,8**
At June 30, 2010:			
Cost	365,8	1 795,9	2 161,7
Accumulated depreciation and write-down	-6,2	-125,7	-131,9
Book value June 30,	**359,6**	**1 670,2**	**2 029,8**

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 cost		Drilling		Eliminations		Total	
	Q2 10	Q2 09	Q2 10	Q2 09	Q2 10	Q2 09	Q2 10	Q2 09	Q2 10	Q2 09	Q2 10	Q2 09
External income	50,0	46,3	1,1	2,9	1,0	0,2	6,0	0,6	0,0	0,0	58,2	50,1
Internal income	0,0	0,3	0,5	0,3	6,1	4,4	0,0	0,0	-6,6	-5,0	0,0	0,0
Total income	50,0	46,6	1,6	3,2	7,2	4,6	6,0	0,6	-6,6	-5,0	58,2	50,1
Operating expense	-24,7	-33,6	-1,7	-2,6	-15,1	-8,8	-6,0	-6,2	6,4	4,8	-41,1	-46,3
EBITDAFX	25,3	13,1	-0,1	0,6	-7,9	-4,2	0,0	-5,6	-0,2	-0,2	17,1	3,8
Foreign exch. gain/(loss), operation	0,4	-3,2	0,1	0,0	1,4	-1,2	3,0	-1,5	0,0	0,0	4,9	-5,9
EBITDA	25,7	9,9	0,0	0,6	-6,5	-5,3	3,0	-7,1	-0,2	-0,2	22,0	-2,1
Depreciation, amortization and impairment	-13,0	-13,2	0,0	-0,1	-0,7	-0,8	-7,4	-0,5	-1,2	-0,5	-22,2	-15,0
Operating profit/(loss)	12,7	-3,3	0,0	0,5	-7,2	-6,1	-4,3	-7,6	-1,4	-0,7	-0,2	-17,1
Income from associates											0,1	0,2
Financial income/(expense)											-24,5	-12,3
Foreign exch. gain/(loss), financing											25,2	-13,4
Net financial items											0,7	-25,6
Profit/(loss) before tax											0,5	-42,7
Tax income/(expense)											-0,1	4,9
Net profit/(loss)											0,5	-37,8
Segment assets	1 513,1	1 341,6	24,7	27,0	2 096,0	1 701,2	971,4	692,0	-2 210,9	-1 681,6	2 394,3	2 080,3
Inv.m. in assoc. (equity method)	0,0	0,0	1,2	1,5	0,0	0,0	0,0	0,0	0,0	0,0	1,2	1,5
Total assets*	1 513,1	1 341,6	25,9	28,6	2 096,0	1 701,2	971,4	692,0	-2 210,9	-1 681,6	2 395,5	2 081,8
Segment liabilities	714,1	858,7	4,1	5,9	657,4	640,5	839,3	526,2	-809,5	-791,0	1 405,5	1 240,3
Total liabilities*	714,1	858,7	4,1	5,9	657,4	640,5	839,3	526,2	-809,5	-791,0	1 405,5	1 240,3
Capital expenditure	21,6	8,4	0,0	0,0	0,3	0,1	46,9	16,9	8,2	3,1	77,1	28,5
Non-cash exp. other than depr.	0,0	0,0	0,0	0,0	0,6	0,2	0,0	0,5	0,0	0,0	0,6	0,7

* 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 cost		Drilling		Eliminations		Total	
	30.06.10	30.06.09	30.06.10	30.06.09	30.06.10	30.06.09	30.06.10	30.06.09	30.06.10	30.06.09	30.06.10	30.06.09
External income	96,6	84,0	2,9	10,7	2,4	0,4	6,0	0,6	0,0	0,0	107,9	95,8
Internal income	0,0	0,6	0,9	0,8	11,5	10,5	0,0	0,0	-12,4	-12,0	0,0	0,0
Total income	96,6	84,6	3,8	11,6	14,0	10,9	6,0	0,6	-12,4	-12,0	107,9	95,8
Operating expense	-54,3	-63,6	-4,3	-11,2	-28,2	-17,8	-10,4	-12,6	12,0	11,6	-85,2	-93,6
EBITDAFX	42,3	21,0	-0,5	0,4	-14,2	-6,9	-4,4	-12,0	-0,4	-0,4	22,7	2,2
Foreign exch. gain/(loss), operation	0,1	-3,1	0,0	0,0	1,8	-2,0	4,4	-0,6	0,0	0,0	6,3	-5,7
EBITDA	42,4	18,0	-0,6	0,4	-12,5	-8,9	0,0	-12,6	-0,4	-0,4	29,0	-3,5
Depreciation, amortization and impairment	-26,0	-25,9	-0,1	-0,1	-1,4	-1,5	-15,2	-0,5	-2,3	-1,0	-45,1	-29,0
Operating profit/(loss)	16,3	-7,9	-0,6	0,3	-13,8	-10,4	-15,2	-13,1	-2,7	-1,3	-16,0	-32,6
Income from associates											0,2	0,1
Financial income/(expense)											-45,6	-29,2
Foreign exch. gain/(loss), financing											34,0	-24,8
Net financial items											-11,4	-53,8
Profit/(loss) before tax											-27,5	-86,4
Tax income/(expense)											5,7	11,7
Net profit/(loss)											-21,8	-74,7
Segment assets	1 513,1	1 341,6	24,7	27,0	2 096,0	1 701,2	971,4	692,0	-2 210,9	-1 681,6	2 394,3	2 080,3
Inv.m. in assoc. (equity method)	0,0	0,0	1,2	1,5	0,0	0,0	0,0	0,0	0,0	0,0	1,2	1,5
Total assets*	1 513,1	1 341,6	25,9	28,6	2 096,0	1 701,2	971,4	692,0	-2 210,9	-1 681,6	2 395,5	2 081,8
Segment liabilities	714,1	858,7	4,1	5,9	657,4	640,5	839,3	526,2	-809,5	-791,0	1 405,5	1 240,3
Total liabilities*	714,1	858,7	4,1	5,9	657,4	640,5	839,3	526,2	-809,5	-791,0	1 405,5	1 240,3
Capital expenditure	23,8	21,5	0,0	0,0	0,9	0,5	134,1	41,0	7,4	9,4	166,2	72,3
Non-cash exp. other than depr.	0,0	0,3	0,0	0,0	0,8	0,6	0,0	0,5	0,0	0,0	0,8	1,4

* 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 August 24, 2010		
Shareholders	**No. of shares**	**% of shares**
BANK OF NEW YORK MELLON S/A BNYM	21 875 204	4,16 %
STATE STREET BANK AND TRUST CO. A/C CLIENT OMNIBUS I	17 802 770	3,38 %
JPMORGAN CHASE BANK NA A/C FIDELITY	16 881 662	3,21 %
DEUTSCHE BANK AG LONDON	12 726 638	2,42 %
FIDELITY FUNDS-EUROPEAN	11 642 287	2,21 %
CITIBANK N.A. NEW YORK BRANCH	11 340 517	2,16 %
SKAGEN VEKST	9 675 000	1,84 %
JPMORGAN CHASE BANK NORDEA	9 353 208	1,78 %
BANK OF NEW YORK MELLON S/A MELLON	8 927 290	1,70 %
STATE STREET BANK & TRUST CO. A/C CLIENT FUND NUMBER: OM80	8 030 700	1,53 %
Total, 10 largest shareholders	**128 255 276**	**24,39 %**
No. of issued shares	**526 069 982**	**100,00 %**
Foreign ownership		**54,52 %**

Note 6 – Events after balance sheet date

In June, a term sheet was agreed between Sevan and ING Bank for a financing facility for *FPSO Sevan Voyageur*. In July, Sevan received commitment from ING Bank to arrange and underwrite the USD 230 million Senior Secured Credit Facility. The facility will replace the existing 1st lien financing of USD 150 million and completes the funding of the installation of a gas compression plant on *FPSO Sevan Voyageur* to upgrade the unit for operation on the Huntington field.

In July, Sevan Drilling AS, a wholly owned subsidiary of Sevan Marine ASA, signed a mandate letter and term sheet with DVB Group Merchant Bank (Asia) Pte Ltd and NIBC Bank N.V. for the arrangement of a USD 530 million limited recourse secured term loan facility. The facility will replace the existing debt of the *Sevan Driller* rig which includes a 1st lien bank facility of USD 250 million and a 2nd lien bond facility of NOK 1 billion and is subject to syndication and documentation.

In July Sevan Marine carried out a bond issue of USD 200 million with a fixed interest rate of 12.0% (USD tranche)/13.25% (NOK tranche), thereby increasing the loan amount on *FPSO Sevan Hummingbird* and extending the maturity from 2011 to 2015.. The bond has a term of 5 years with call options. The proceeds from the issue were used to refinance the existing USD 135 million 'SEVAN03' debt in full, to acquire the 20% stake in *FPSO Sevan Hummingbird* from Centrica Energy Upstream and for general corporate purposes.

In August, Centrica Energy Upstream and Sevan Marine ASA, through their respective wholly owned subsidiaries, entered into an effectuated an agreement for Sevan to acquire Centrica's 20% equity interest in *FPSO Sevan Hummingbird* for a consideration of USD 39 million. Following the transaction, Sevan became the 100% indirect owner of the FPSO. Centrica retains the right to 20% of any profit above the transaction value in the event of a sale of the FPSO within five years.

Responsibility Statement

We confirm, to the best of our knowledge, that the interim consolidated financial statements for the period January 1 to June 30, 2010, have been prepared in accordance with IAS 34 – Interim Financial Reporting, and give a true and fair view of the Group's assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the Interim Financial Report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties transactions.

Arendal, August 24, 2010

The Board of Directors
Sevan Marine ASA

Arne Smedal Chairman	Hilde Drønen Deputy Chairman	Kåre Syvertsen Board member
May Britt Myhr Board member	Stephan M. Zeppelin Board member	Mai-Lill Ibsen Board member
Aasulv Tveitereid Board member	Jorunn Haugen Employee representative	Jørgen Skotnes Employee representative

Jan Erik Tveteraas
CEO