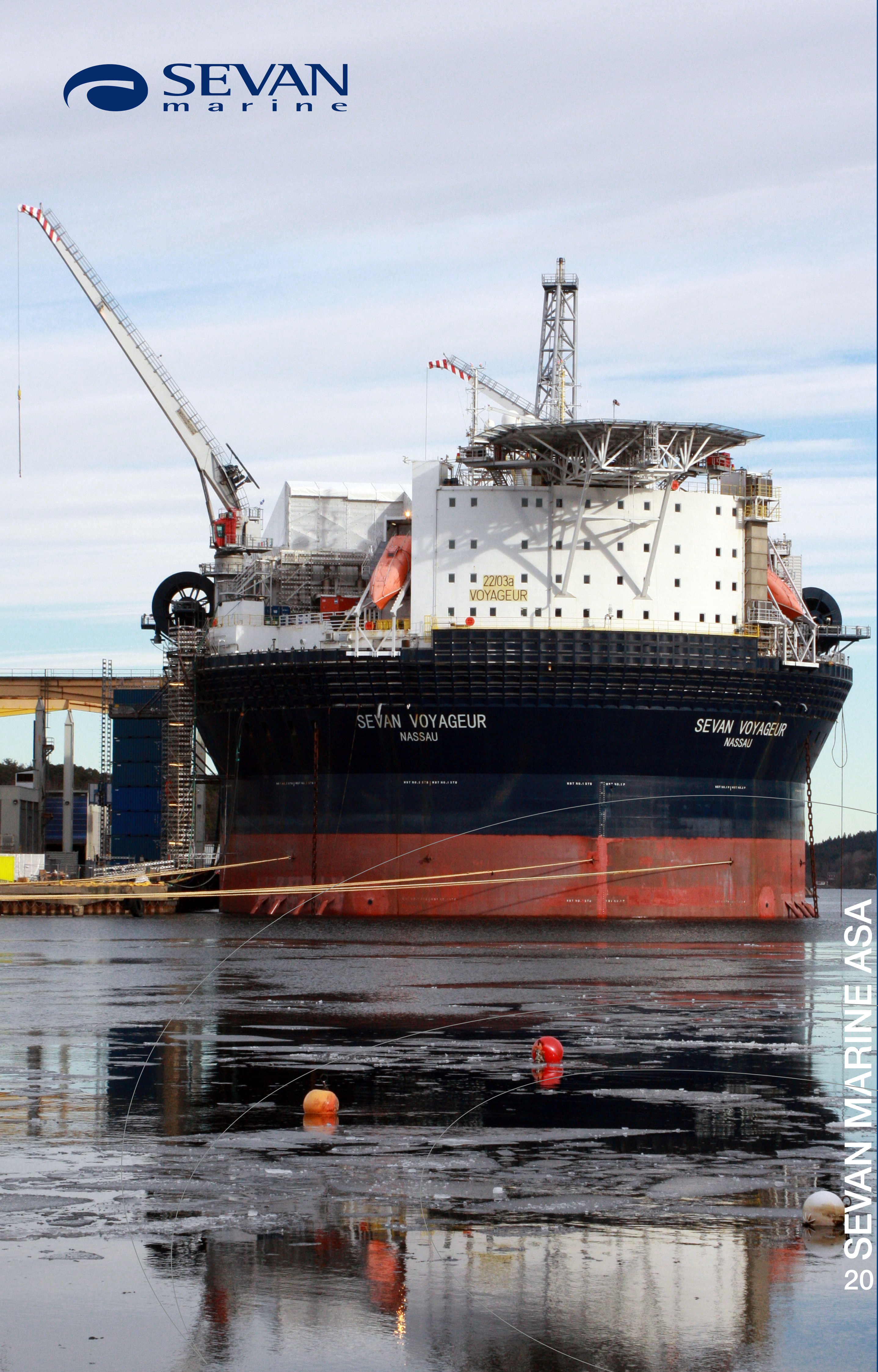
SEVAN marine



SEVAN MARINE ASA
INTERIM FINANCIAL REPORT - FIRST QUARTER
2012

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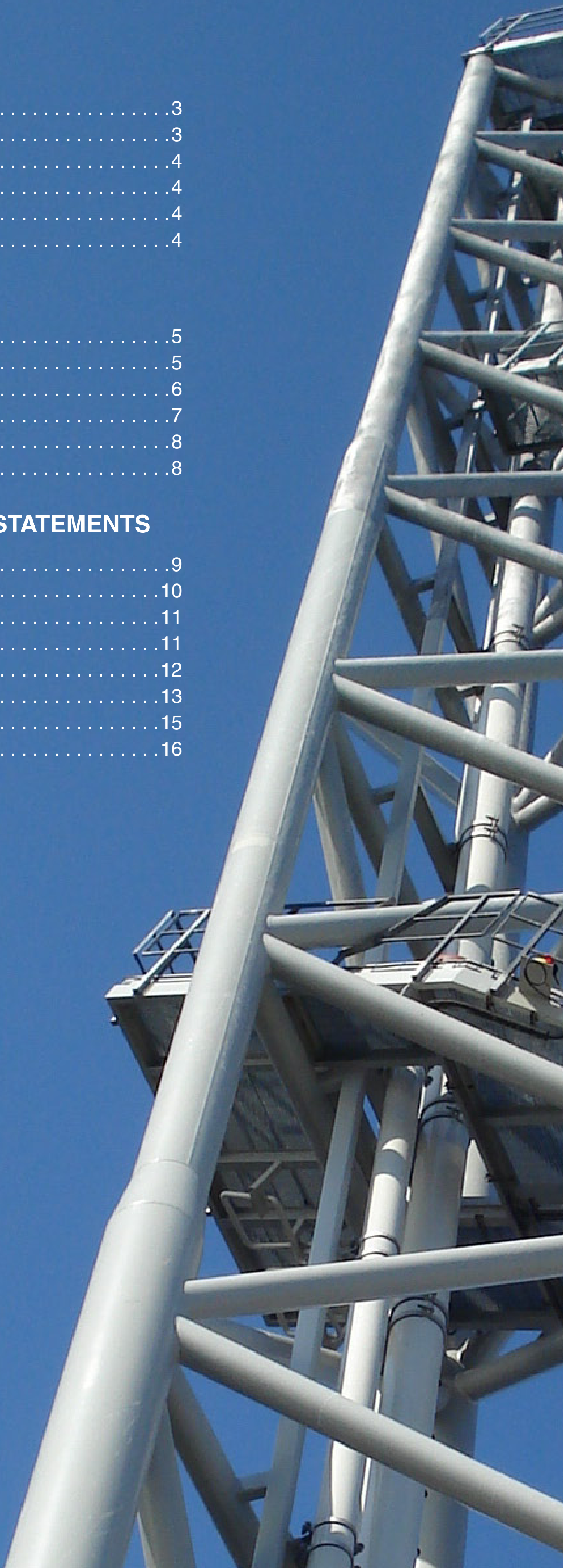

INTERIM FINANCIAL REPORT FIRST QUARTER 2012

FOR

SEVAN MARINE ASA

('SEVAN MARINE' OR THE 'COMPANY', AND TOGETHER WITH ITS SUBSIDIARIES THE 'GROUP')

MAIN FIGURES, FIRST QUARTER 2012

(previous quarter figures in brackets)

Operating revenue from continued operations for the quarter amounted to USD 24.4 million (USD 25.2 million). EBITDAFX was positive USD 11.8 million (positive USD 7.6 million). Operating profit was USD 10.3 million (loss of USD 9.4 million). Net profit from continued operations was USD 12.3 million (loss of USD 10.0 million).

Operating revenue from continued operations was USD 0.8 million lower than the previous quarter. This was mainly the result of lower revenue from studies.

Operating expense from continued operations was USD 5.0 million less than previous quarter. This is mainly due to the reversal of a USD 1.9 million accrual for an employee bonus affecting the 2011 income statement. In addition, USD 2.5 million was accrued in Q4 2011 in relation to legal disputes with customers and suppliers of Kanfa Aragon AS and Kanfa AS.

No additional impairments were recorded with respect to the disputed receivable with ONGC. Arbitration proceedings are now underway in India. Sevan will continue to pursue the claim although no guarantees can be given with respect to the amount or timing of potential recoveries.

Depreciation, amortization and impairment of USD 0.4 million from continued operations was USD 16.2 million lower than previous quarter due to impairments on Sevan hulls no. 4 and 5 during the previous quarter. No further impairment has been done during Q1 2012.

Foreign exchange gain relating to financing from continued operations was USD 1.7 million (loss of USD 1.1) The gain relates to NOK-nominated cash re-valued to USD.

As of March 31, 2012, total assets of the Group excluding discontinued operations amounted to USD 201.4 million (USD 201.2 million), of which USD 92.0 million (USD 92.0 million) was capitalized as "Sevan Capital Assets". Cash and cash equivalents amounted to USD 56.7 million (USD 52.1 million).

BUSINESS SEGMENTS

Floating Production

The assets remaining in the floating production segment post the Restructuring are the Sevan hulls no. 4 and 5 along with the Goliat project. The FPSO Sevan Voyageur is accounted for as discontinued operations.

The upgrade work on FPSO Sevan Voyageur is ongoing at the Nymo yard in Arendal, Norway. Teekay is providing Sevan Marine with required funding for completing the upgrade of the FPSO Sevan Voyageur. Under the terms of the bridge loan provided in Q3/2011, Teekay will cover any cost overruns.

The activities relating to project management and engineering of the Sevan 1000 Goliat FPSO continued during the quarter. The EBITDAFX of these activities was USD 13.7 million, of which USD 12.0 million was the license fee received. The license fee is securitized and payable to Investec Bank plc ("Investec") under the USD 83 million facility agreement (the "Investec Facility"). The license fee and the Investec Facility both expire in the third quarter 2012.

The Sevan 300 hulls no. 4 and 5 are located at the COSCO Nantong Shipyard. The intention is to complete the construction of the units only upon securing contracts with clients. Potential contracts including licensing arrangements with respect to the units are also being actively considered and pursued. These hulls represent a substantial portion of the Company's physical assets.

Topside and Process Technology

This consists of the activities of the KANFA group. The KANFA group is currently working on projects both inside and outside the Sevan Marine Group. Revenue for the KANFA group for the first quarter 2012 was USD 4.5 million and EBITDAFX was slightly positive.

Corporate

The activities within Corporate relate to business development, R&D, studies made for clients and general administration activities. Sevan Marine continues to work on several studies involving potential FPSO and FSO projects, license agreements and engineering support contracts. Revenue from such projects amounted to USD 2.7 million during the first quarter of 2012.

FINANCING ACTIVITIES

The bridge loan from Teekay is payable upon completion of the sale of the FPSO Sevan Voyageur and is to be repaid by way of setting off of the USD 108 million against the purchase price applicable to the sale of the FPSO Sevan Voyageur. The Teekay Bridge Loan may be terminated should it become clear that the FPSO Sevan Voyageur will not be completed by December 31, 2012. To date the Company has drawn USD 80 million under the Facility. The loan is secured by the Sevan 300 hulls no. 4 and 5 and a second ranking mortgage against the FPSO Sevan Voyageur.

COVENANT STATUS

A waiver of default and termination rights has been received with respect to the USD 83 million securitization facility led by Investec Bank plc, which subject to certain conditions, will apply through the full repayment of the facility in the third quarter of 2012.

On April 16, 2012, agreements were entered into between the bank facility syndicate led by ING Bank N.V. (“ING”), Teekay and E.ON regarding the Voyageur project and the amendment of agreements required to effectuate the sale of the FPSO Sevan Voyageur to Teekay. In exchange for certain guarantees and undertakings provided by Teekay, ING and E.ON have agreed to defer their step-in rights and amend financial covenants such that the Company is no longer in breach. Teekay will assume all obligations under the charter agreements and the USD 230 million ING led facility upon completion of the sale of the FPSO Sevan Voyageur.

RESTRUCTURING PROCESS

The completion of the sale of the FPSO Sevan Voyageur is expected to occur during the second half of 2012 and is the only remaining element of the agreed Restructuring.

At the time of the release of this report, the plan is that FPSO Sevan Voyageur will sail-away from the Nymo yard during July or August of 2012.

The Teekay Bridge Loan calls for completion of the sale of the FPSO Sevan Voyageur by December 31, 2012. The Company may require extensions to this deadline should completion not occur prior to this date. No guarantees can be given at this time that such extension would be granted.

GOING CONCERN AND OUTLOOK

Highlights during the first quarter 2012 include:

- Sevan Marine winning a study for Statoil for the Skrugard project in the Barents Sea;
- work on the FPSO Sevan Voyageur is proceeding according to schedule;
- increased focus on hulls no. 4 and 5;
- the organisation is being adapted to fit the new business model post restructuring; including systematic focus on effective operations and cash management;
- ongoing negotiations to resolve outstanding liabilities.

The Board confirms that the first quarter 2012 financial statements have been prepared based on a going concern assumption. This assumption is based on completion of the sale of the FPSO Sevan Voyageur during the second half of 2012. It is also based on an assumption that the Company is able to continue to successfully attract new business. Should the completion of the sale of the FPSO Sevan Voyageur be delayed and Sevan find it is unable to attract sufficient capital to cover its cost, the Company may be required to revisit the going concern assumption.

The market outlook for the Company’s core area is perceived to remain positive. Further, whilst keeping a firm focus on the core area, the Company will explore the possibility to capitalize on previous investments made for other applications of the Sevan technology and the possible application of new technologies. The Company targets to strengthen its balance sheet during 2012 and thereby improve its growth potential.

Arendal, May 21, 2012

The Board of Directors
Sevan Marine ASA

INTERIM FINANCIAL STATEMENTS

FIRST QUARTER OF 2012

CONDENSED CONSOLIDATED INCOME STATEMENT

Unaudited figures in USD million	Note	Q1 12	Q4 11*	Q1 11*	2011*
Operating revenue	3	24.4	25.2	20.8	100.0
Operating expense		-12.6	-17.6	-18.3	-94.4
EBITDAFX		**11.8**	**7.6**	**2.5**	**5.6**
Foreign exchange gain/(loss) relating to operation		-1.1	-0.4	-1.9	0.3
EBITDA		**10.7**	**7.2**	**0.7**	**5.9**
Depreciation, amortization and impairment	2	-0.4	-16.6	-0.7	-79.1
Operating profit/(loss)		**10.3**	**-9.4**	**0.0**	**-73.2**
Income from associated companies		0.0	0.0	0.0	1.9
Financial income/(expense)		0.2	0.1	-3.4	-292.7
Foreign exchange gain/(loss) relating to financing		1.7	-1.1	0.1	-1.2
Net financial items		**1.9**	**-0.9**	**-3.3**	**-292.0**
Profit/(loss) before tax		**12.3**	**-10.3**	**-3.3**	**-365.2**
Tax income/(expense)		0.0	0.4	-3.1	-38.6
Net profit/(loss) continued operations		**12.3**	**-10.0**	**-6.4**	**-403.8**
Net profit/(loss) discontinued operations	6	-4.2	256.8	-46.9	-337.4
Net profit/(loss)		**8.1**	**246.9**	**-53.3**	**-741.2**

* *In accordance with IFRS 5, comparable income statement amounts are reclassified as if the drilling segment and material part of the floating production segment was regarded as a discontinued operations also for previous periods*

STATEMENT OF COMPREHENSIVE INCOME

Unaudited figures in USD million	Q1 12	Q4 11	Q1 11	2011
Net profit/(loss)	8.1	246.9	-53.3	-741.2
Foreign currency translation	1.9	-4.5	1.4	-5.5
Total comprehensive income	**10.0**	**242.4**	**-51.8**	**-746.7**

CONDENSED CONSOLIDATED BALANCE SHEET

Unaudited figures in USD million	Note	31.03.12	31.03.11	31.12.11
Sevan Capital Assets	2	92.0	1,169.7	92.0
Other fixed assets		0.6	31.5	0.9
Intangible assets		11.7	13.7	11.5
Investments in associates		0.0	1.3	0.0
Deferred income tax assets		0.0	102.1	0.0
Other non-current assets		0.4	14.1	0.3
Total non-current assets		**104.7**	**1,332.4**	**104.8**
Inventories		0.0	6.7	0.0
Trade and other receivables	3	39.9	57.3	44.4
Financial assets available for sale		0.0	0.0	0.0
Cash and cash equivalents		56.7	29.2	52.1
Total current assets		**96.6**	**93.2**	**96.5**
Assets of disposal Group*	7	404.7	1,298.1	380.5
Total assets		**606.0**	**2,723.7**	**581.8**
Share capital	5	34.6	16.6	34.6
Other equity		97.8	740.6	87.9
Total shareholders' equity		**132.4**	**757.2**	**122.5**
Non-controlling interest		1.0	0.6	0.8
Total equity		**133.4**	**757.8**	**123.3**
Interest-bearing debt		0.0	0.0	0.0
Retirement benefit obligations		1.6	1.9	1.9
Other non-current liabilities/provisions		0.0	0.8	0.5
Total non-current liabilities		**1.6**	**2.7**	**2.5**
Interest-bearing debt		19.3	949.7	30.4
Current liabilities	3	44.4	92.7	47.5
Total current liabilities		**63.7**	**1,042.4**	**77.9**
Total liabilities		**65.3**	**1,045.1**	**80.4**
Liabilities of disposal Group*	7	407.3	920.8	378.1
Total equity and liabilities		**606.0**	**2,723.7**	**581.8**

* *IFRS 5 requires that operations constituting a major part of the business to be classified as discontinued when the assets are held for sale. Consolidated assets and liabilities of the material part of the floating production segment are therefore presented separately in the balance sheet as per March 31, 2012, as 'assets of disposal group' and 'liabilities of disposal group', respectively.*

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Unaudited figures in USD million	31.03.12	31.03.11*	31.12.11
Cash flows from operation activities			
Cash from operations	5.2	54.9	-18.6
Interest paid	-0.8	-26.5	-6.5
Taxes paid	-0.6	0.0	-0.1
Net cash generated from continued operating activities	**3.8**	**28.4**	**-25.2**
Net cash generated from discontinued operating activities	0.0	0.0	71.4
Net cash generated from operating activities	**3.8**	**28.4**	**46.2**
Cash flows from investment activities			
Purchases of property, plant and equipment (PPE)	0.0	-229.4	-0.1
Purchases of intangible assets	0.0	-0.5	-0.5
Net cash flow from continued investment activities	**0.0**	**-229.9**	**-0.6**
Net cash flow from discontinued investment activities	-20.7	0.0	-325.8
Net cash flow from investment activities	**-20.7**	**-229.9**	**-326.4**
Cash flows from financing activities			
Net proceeds from issuance of ordinary shares	0.0	0.0	46.9
Net proceeds from interest-bearing debt	0.0	639.1	4.8
Repayment of interest bearing debt	-11.2	-309.4	-41.5
Sale KANFA-TEC AS	0.0	0.0	6.4
Restructuring fees	0.0	0.0	-16.8
Net cash flow from continued financing activities	**-11.2**	**329.7**	**-0.2**
Net cash flow from discontinued financing activities	30.0	0.0	247.4
Net cash flow from financing activities	**18.8**	**329.7**	**247.2**
Net cash flow for the period	**1.9**	**128.2**	**-33.0**
Cash balance at beginning of period	83.1	116.1	116.1
Cash balance at end of period	**85.0**	**244.3**	**83.1**
Cash balance continued operations at end of period	56.7	244.3	52.1

* *Consolidated cash flow statement per 31.03.2011 is showing the Group as a whole, without distinguishing between continued and discontinued operations.*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Unaudited figures in USD million	Share Capital	Share Premium	Retained Earnings	Non-controlling Interest	Total Equity
Equity as of December 31, 2011	**34.6**	**21.0**	**66.9**	**0.8**	**123.3**
Total comprehensive income for the period	0.0	0.0	9.8	0.2	10.0
Equity as of March 31, 2012	**34.6**	**21.0**	**76.7**	**1.0**	**133.4**
Equity as of December 31, 2010	**16.6**	**954.1**	**-162.7**	**0.7**	**808.8**
Value of share options	0.0	0.0	0.8	0.0	0.8
Total comprehensive income for the period	0.0	0.0	-51.7	-0.1	-51.8
Equity as of March 31, 2011	**16.6**	**954.1**	**-213.6**	**0.6**	**757.8**

KEY FIGURES

Unaudited figures in USD million	Note	Q1 12	Q4 11	Q1 11	2011
Basic earnings per share (USD)					
From continued operations	a)	0.23	-0.03	-0.01	-0.84
From discontinued operations		-0.08	0.72	-0.09	-0.70
Diluted earnings per share (USD)					
From continued operations	b)	0.23	-0.03	-0.01	-0.84
From discontinued operations		-0.08	0.72	-0.09	-0.70
Equity ratio	c)	21.8 %	21.2 %	27.8 %	21.2 %
No. of outstanding shares (million)		52.6	52.6	526.1	526.1
No. of shares fully diluted (million)		52.6	52.6	526.1	526.1
Average no. of outstanding shares (million)		52.6	356.1	526.1	483.2
Average no. of shares fully diluted (million)		52.6	356.1	526.1	483.2
Share price (NOK)		15.9	8.33	6.06	8.33
Market capitalization (NOK, million)	d)	836	438	3,188	438
Number of employees		156	166	502	166

Notes

a) Net profit / average no. of outstanding shares

b) Net profit / average no. of shares fully diluted

c) Total shareholders' equity / total assets) x 100

d) 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 is specializing in design, engineering and project execution of floating units for offshore applications.

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 2011.

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, 2011.

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 2011 and as per March 31, 2012.

Property, Plant and Equipment

Unaudited figures in USD million	**Sevan Capital Assets**	**Discontinued Drilling operations**	**Discontinued FPSO operations**	**Total Capital Assets**
Year ended December 31, 2011:				
Book value January 1,	**167.2**	**990.0**	**988.4**	**2,145.6**
Assets reclas. From "Other Fixed Assets" to "Discontinued FPSO"	0.0	0.0	31.4	31.4
Additions	1.2	18.0	122.1	141.3
Disposals	0.0	-995.7	-344.0	-1,339.7
Depreciation charge	0.0	-12.3	-37.3	-49.6
Write-down	-76.4	0.0	-413.4	-489.8
Book value December 31,	**92.0**	**0.0**	**347.3**	**439.3**
At December 31, 2011:				
Cost	173.0	1,051.4	1,247.1	2,471.5
Assets reclas. From "Other Fixed Assets" to "Discontinued FPSO"	0.0	0.0	31.4	31.4
Accumulated disposals	0.0	-995.7	-344.0	-1,339.7
Accumulated depreciation and write-down	-81.0	-55.7	-587.2	-723.9
Book value December 31,	**92.0**	**0.0**	**347.3**	**439.3**

	Sevan Capital Assets	**Discontinued Drilling operations**	**Discontinued FPSO operations**	**Total Capital Assets**
Period ended March 31, 2012:				
Book value January 1,	**92.0**	**0.0**	**347.3**	**439.3**
Additions	0.0	0.0	20.7	20.7
Depreciation charge	0.0	0.0	0.0	0.0
Write-down	0.0	0.0	0.0	0.0
Book value March 31,	**92.0**	**0.0**	**368.0**	**460.0**
At March 31, 2012:				
Cost	173.0	0.0	1,267.7	1,440.7
Accumulated depreciation	0.0	0.0	-171.9	-171.9
Accumulated write-down	-81.0	0.0	-383.9	-464.9
Accumulated disposal	0.0	0.0	-344.0	-344.0
Book value March 31,	**92.0**	**0.0**	**368.0**	**460.0**

NOTE 3 RELATED PARTY TRANSACTIONS

The Group has the following transactions and balances relating to related party transactions:

Unaudited figures in USD million	Q1 2012
Sale to related party	
Sale to Teekay	0.2
Receivable from related party	
Receivable from Teekay	0.4
Payable to related party	
Payable to Teekay	4.0

Sale to Teekay mainly relates to sale of services/man-hours.

NOTE 4 SEGMENT INFORMATION

	Segments											
Quarterly data	**Floating Production**		**Topside and Process Technology**		**Corporate**		**Drilling (discontinued operation)**		**Adjustments and eliminations**		**Total**	
	Q1 12	**Q1 11**	**Q1 12**	**Q1 11**	**Q1 12**	**Q1 11**	**Q1 12**	**Q1 11**	**Q1 12**	**Q1 11**	**Q1 12**	**Q1 11**
External revenue	16.4	15.4	4.5	2.9	3.5	2.1	0.0	0.0	0.0	0.0	24.4	20.4
Internal revenue	0.0	0.0	0.2	0.4	2.7	6.1	0.0	0.0	-2.9	-6.1	0.0	0.4
Total revenue	**16.4**	**15.4**	**4.6**	**3.3**	**6.2**	**8.2**	**0.0**	**0.0**	**-2.9**	**-6.1**	**24.4**	**20.8**
Operating expense	-3.0	-2.8	-4.3	-3.9	-7.5	-16.3	0.0	0.0	2.2	4.6	-12.6	-18.3
EBITDAFX	**13.4**	**12.6**	**0.3**	**-0.6**	**-1.2**	**-8.1**	**0.0**	**0.0**	**-0.7**	**-1.4**	**11.8**	**2.5**
Foreign exch. gain/(loss), operation	0.0	-0.2	0.0	0.0	-1.1	-1.6	0.0	0.0	0.0	0.0	-1.1	-1.9
EBITDA	**13.3**	**12.4**	**0.3**	**-0.6**	**-2.3**	**-9.7**	**0.0**	**0.0**	**-0.7**	**-1.4**	**10.7**	**0.7**
Depreciation, amortization and impairment	0.0	0.0	0.0	0.0	-0.4	-0.6	0.0	0.0	0.0	0.0	-0.4	-0.7
Operating profit/(loss)	**13.3**	**12.3**	**0.3**	**-0.6**	**-2.7**	**-10.3**	**0.0**	**0.0**	**-0.7**	**-1.4**	**10.3**	**0.0**
Financial income/(expense)											0.2	-3.4
Foreign exch. gain/(loss), financing											1.7	0.1
Net financial items											**1.9**	**-3.3**
Profit/(loss) before tax											12.3	-3.3
Tax income/(expense)											0.0	-3.1
Net profit/(loss) continued operation											**12.3**	**-6.4**
Net profit/(loss) discontinued operation											-4.2	-46.9
Net profit/(loss)											**8.1**	**-53.3**
Segment assets continued operation	422.5	1,650.8	38.9	30.6	822.1	2,111.7	0.0	1,298.1	-1,082.2	-2,368.8	201.3	2,722.4
Segment assets discontinued operation	461.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-56.6	0.0	404.7	0.0
Inv.m. in assoc. (equity method)	0.0	0.0	0.0	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3
Total assets*	**883.8**	**1,650.8**	**38.9**	**31.9**	**822.1**	**2,111.7**	**0.0**	**1,298.1**	**-1,138.8**	**-2,368.8**	**606.0**	**2,723.7**
Segment liabilities continued operation	107.0	857.7	10.9	7.6	284.1	894.3	0.0	920.8	-336.8	-714.5	65.3	1,965.9
Segment liabilities discontinued operation	284.5	0.0	0.0	0.0	172.9	0.0	0.0	0.0	-50.1	0.0	407.3	0.0
Total liabilities*	**391.5**	**857.7**	**10.9**	**7.6**	**457.0**	**894.3**	**0.0**	**920.8**	**-386.8**	**-714.5**	**472.6**	**1,965.9**
Capital expenditure	20.7	27.0	0.0	0.0	0.0	0.6	0.0	19.0	0.0	-1.0	20.7	45.5
Non-cash exp. other than depr.	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.8**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.8**

** 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 20 largest shareholder accounts as at May 14, 2012

Shareholder accounts	No. of shares	%-share
TEEKAY SERVICE HOLDI	21,091,847	40.09
GOLDMAN SACHS INT. -	3,097,716	5.89
F2 FUNDS AS	1,200,463	2.28
SKAGEN VEKST	992,928	1.89
TVETERAAS EIENDOMSSE	940,000	1.79
MP PENSJON PK	837,584	1.59
BNYM AS EMEA ASIA 25	756,734	1.44
TOLUMA NORDEN AS	680,000	1.29
EUROCLEAR BANK S.A./	580,826	1.10
BANK OF AMERICA MERR	434,780	0.83
DNB NOR SMB VPF	410,000	0.78
GOLDMAN SACHS & CO -	404,884	0.77
UBS AG, LONDON BRANC	387,501	0.74
CONMAR AS	349,111	0.66
PREDATOR CAPITAL MAN	335,000	0.64
MIDTCO INVEST AS	325,000	0.62
UMOE SHIPPING AND EN	312,500	0.59
JPMORGAN CHASE	300,052	0.57
BAKLIEN ÅSMUND	300,000	0.57
SYFRAS AS	300,000	0.57
Total, 20 largest shareholder accounts	**34,036,926**	**64.70**

Total no. of shares	52,606,999	
Foreign ownership	29,641,983	56.35

NOTE 6 DISCONTINUED OPERATION – SPECIFICATION PROFIT AND LOSS

On March 25, 2011, the Board announced its decision to submit an application for a listing of Sevan Drilling as an independent company on the Oslo Stock Exchange. Following the execution of the IPO on May 3, 2011, the Company's holding in Sevan Drilling was reduced to 28.5% and following the execution of the Restructuring of the company on November 30, 2011, the company's holding in Sevan Drilling was further reduced to 0%.

The net profit/(loss) from the drilling segment for respective reporting periods was as follows:

The results of Sevan Drilling for the year are presented below:

Unaudited figures in USD million	Q1 12	Q4 11	Q1 11	2011
Operating income	0.0	0.0	33.6	43.0
Operating expense	0.0	0.0	-18.0	-24.1
EBITDAFX	**0.0**	**0.0**	**15.6**	**19.0**
Foreign exchange gain/(loss) relating to operation	0.0	0.0	-1.8	-3.1
EBITDA	**0.0**	**0.0**	**13.8**	**15.9**
Depreciation, amortization and impairment	0.0	0.0	-9.2	-12.4
Operating profit/(loss)	**0.0**	**0.0**	**4.6**	**3.5**
Financial income/(expense)	0.0	0.0	-14.0	-18.1
Foreign exchange gain/(loss) relating to financing	0.0	0.0	-7.1	-6.3
Net financial items	0.0	0.0	-21.1	-24.4
Profit/(loss) before tax	**0.0**	**0.0**	**-16.5**	**-20.9**
Tax income/(expense)	0.0	0.0	3.0	0.1
Net profit/(loss) discontinued operations	**0.0**	**0.0**	**-13.6**	**-20.8**

On September 30, 2011, the Board agreed on terms in principle regarding the sale of FPSO Sevan Piranema, FPSO Sevan Hummingbird and FPSO Sevan Voyageur to Teekay Corporation Inc. As a consequence, a material part of the Group's floating production segment is considered discontinued operations.

On November 30, 2011, the Company sold FPSO Sevan Piranema and FPSO Sevan Hummingbird to affiliates of Teekay Corporation. The completion of the sale of FPSO Sevan Voyageur is expected to occur in the second half of 2012.

The net profit/(loss) from the material part of floating production segment for respective reporting periods was as follows:

The results of the discontinued FPSO's for the year are presented below:

Unaudited figures in USD million	**Q1 12**	**Q4 11**	**Q1 11**	**2011**
Operating income	5.5	22.0	30.3	126.9
Operating expense	-5.4	-14.1	-12.5	-97.2
EBITDAFX	**0.2**	**7.9**	**17.8**	**29.7**
Foreign exchange gain/(loss) relating to operation	-0.5	0.5	-0.5	1.0
EBITDA	**-0.4**	**8.4**	**17.3**	**30.7**
Depreciation, amortization and impairment	0.0	-1.1	-13.5	-450.5
Operating profit/(loss)	**-0.4**	**7.4**	**3.8**	**-419.8**
Financial income/(expense)	-3.9	250.1	-18.6	169.5
Foreign exchange gain/(loss) relating to financing	0.0	-0.4	-21.5	0.1
Net financial items	**-3.9**	**249.7**	**-40.1**	**169.6**
Profit/(loss) before tax	**-4.2**	**257.0**	**-36.3**	**-250.2**
Tax income/(expense)	0.0	-0.3	3.0	-66.4
Net profit/(loss) discontinued operations	**-4.2**	**256.8**	**-33.3**	**-316.6**

NOTE 7 DISCONTINUED OPERATION – SPECIFICATION BALANCE SHEET

The major classes of assets and liabilities of FPSO's classified as held for sale at March 31, 2012 are as follows:

Unaudited figures in USD million	**31.03.12**
Assets	
Sevan Capital Assets	368.0
Other fixed assets	0.0
Intangible assets	0.0
Investments in associates	0.0
Deferred income tax assets	0.0
Other non-current assets	0.0
Total non-current assets	**368.0**
Inventories	0.0
Trade and other receivables	8.5
Available for sale financial instruments	0.0
Cash and cash equivalents	28.2
Total current assets	**36.7**
Total assets classified as held for sale	**404.7**
Liabilities	
Interest-bearing debt	0.0
Retirement benefit obligations	0.0
Other non-current liabilities/provisions	7.2
Total non-current liabilities	**7.2**
Interest-bearing debt	388.3
Current liabilities	11.8
Total current liabilities	**400.1**
Total liabilities directly associated with assets classified as held for sale	**407.3**

NOTE 8 EVENTS AFTER BALANCE SHEET DATE

On April 16, 2012, an agreement was reached with ING Bank N.V, Teekay and E.ON regarding the Voyageur project and the amendment of agreements required to effectuate the sale of the Voyageur to Teekay.

The sale remains subject to certain conditions, including compliance with certain milestone dates. As at the date hereof, the Voyageur conversion and upgrade works progress according to the revised plans, and Sevan Marine believes the relevant milestone dates under the new agreements will be met.

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