SEVAN marine

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SEVAN MARINE ASA
INTERIM FINANCIAL REPORT - Fourth Quarter
2014

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INTERIM FINANCIAL REPORT FOURTH QUARTER 2014

FOR

SEVAN MARINE ASA

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

MAIN EVENTS AND DEVELOPMENTS, FOURTH QUARTER 2014

High activity in the FPSO/FSO market segment in the quarter

During the quarter, Sevan Marine has continued to provide engineering and site support services for the Goliat, Dana Western Isles and Logitel projects. In addition, Sevan Marine continued to work on several studies and tenders for upcoming FPSO/FSO prospects, like the potential FPSOs for the Bream (Vette) and Penguin fields and the potential FSOs for the Bentley and Culzean fields, the latter in partnership with Teekay. These prospects have for the most part all been postponed or delayed in 2015 due to the rapid decline in the oil price and the consequent market uncertainty and reduction in investment levels.

In December 2014, Sevan Marine received the final fixed license fee amount on the Dana Western Isles project. The total fixed license fee received was USD 24 million which was paid monthly from December 2012 to December 2014. Sevan Marine remains entitled to a variable license fee element tied to actual production of the unit. The unit is currently being completed at the Cosco yard.

Sevan's FLNG solution continues to attract attention

FLNG remains a key initiative for Sevan Marine. Several meetings were held with oil & gas majors regarding specific FLNG prospects. HiLoad LNG also received a small paid study to evaluate its use as an offloading technology for LNG. Sevan Marine believes that the advantages of the cylindrical design for FLNG, such as no turret and improved motion characteristics, will make the design very competitive versus shipshape solutions. Combined with the HiLoad technology, the Sevan Marine FLNG solution should also improve safety, uptime and increase flexibility.

Weak quarter for Topside and Process Technology

The quarter was negatively impacted by KANFA AS where project margins were reduced, as well as loss provisions taken on certain projects. KANFA Aragon continued to be negatively impacted by the costs for its subsidiary in Houston, Texas.

Substantial non-cash charges taken in the quarter

A goodwill impairment charge of USD 5.9 million has been taken with respect to Sevan Marine's 51percent holding in KANFA AS. This is a reflection of the weak results in 2014.

Given the negative market outlook, the deferred tax asset in Sevan Marine of USD 8.0 million has also been written down fully in the period. Sevan Marine has approximately NOK 3.5 billion in total tax losses which are not reflected on the balance sheet. Sevan Marine believes that these losses could generate substantial value in the future.

Sevan Marine also had a USD 3.1 million foreign exchange loss in the quarter related to its currency holdings. Sevan Marine has USD as its functional currency but held NOK 139 million in cash. The strong depreciation in the NOK over the period has generated a book loss. Sevan Marine has the majority of its costs in NOK.

Operation and financial position

Operating revenue of USD 102.4 million was USD 0.2 million lower than 2013. EBITDAFX of USD 6.9 million was USD 1.0 million lower than 2013.

Cash of USD 27.3 million at year end was USD 13.9 million lower than 2013.

Dividend policy

The Board has communicated a strategic target of paying an annual dividend.

The ability to pay a dividend is highly dependent upon, amongst other factors, the outcome of several studies and tenders for upcoming FPSO/FSO prospects, most of which have been postponed or delayed in 2015. Sevan Marine has therefore decided to suspend the regular dividend for 2014. The Board will, however, consider recommending an extraordinary dividend during the second half of 2015 provided that the financial situation allows for it.

SEVAN MARINE

Sevan Marine is a technology, project development and engineering company. Sevan Marine has developed a cylinder shaped floater suitable for the offshore environment. Sevan is delivering products and solutions to the E&P industry, utilizing its core competencies within the areas of design, engineering and project execution. The basis for the products and solutions provided is the Sevan technology.

The Group has no interest-bearing debt and focuses on securing new projects under a technology license model within the FPSO, FSO and FLNG market, as well as within other offshore markets. Sevan´s strategic relationship with Teekay gives scale and business opportunities within existing markets and positions the Sevan technology for new areas and applications.

Sevan Marine´s business segment Topside and Process Technology has developed its business over the past years and contributes with a substantial portion of the Group's total revenue. Sevan has entered into a strategic partnership with Technip, with an objective to develop its business in the North Sea and provide access to other oil and gas markets. In relation to this, Sevan Marine in 2014 agreed to sell 49 percent of KANFA AS to Technip Norge AS. Technip has the option to take over the remaining 51 percent of KANFA AS in 2017.

MAIN FIGURES, FOURTH QUARTER 2014

(Previous quarter figures in brackets)

Operating revenue for the fourth quarter 2014 was USD 25.2 million (USD 25.2 million). EBITDA was positive with USD 1.2 million (positive with USD 1.5 million), and operating loss was USD 4.8 million (profit of USD 1.4 million). Net loss was USD 15.9 million (profit of USD 1.3 million).

The net loss of USD 15.9 million is a result of a partial write-down of Goodwill related to Sevan Marine's 51 percent holding in KANFA AS (USD 5.9 million), as well as the de-recognition of capitalized deferred tax assets of USD 8.0 million. In addition, an unrealized foreign exchange loss of USD 3.1 million related largely to NOK-nominated cash positions adversely affects the net result.

As of Q4 2014, cash and cash equivalents amounted to USD 27.3 million (USD 30.7 million). The decrease in cash and cash equivalents of USD 3.4 million is largely attributable to the depreciation of the NOK versus USD during the quarter as well as changes in working capital.

As announced on December 12, 2014 Sevan received a notice from Skatt Sør (Norwegian tax authorities) that the tax assessment for 2012 may be adjusted.

If a decision were to be rendered by Skatt Sør along the lines indicated in the notice, Sevan would, pending final resolution of the matter, have to pay the relevant tax amount provisionally estimated by Sevan to be in the range of NOK 30 - 40 million. Sevan is optimistic, however, that further factual clarifications will result in a conclusion by Skatt Sør that no adjustment is required.

The equity ratio was 70.9 percent as of December 31, 2014 (72.2 percent).

BUSINESS SEGMENTS

The Group's segment reporting is divided into: (i) Floating Production and (ii) Topside and Process Technology.

Floating Production

The main activities in the Floating Production segment relate to engineering and project management in ongoing projects, for example Goliat, the Dana Petroleum Western Isles project, Logitel and several engineering studies for possible new FPSO/FSO projects.

External revenue in Q4 2014 amounted to USD 16.2 million (USD 16.6 million), and EBITDA was positive with USD 2.4 million (USD 3.0 million). The reduction in EBITDA is mainly driven by the reduction in license revenue on the Western Isles project of USD 0.5 million.

Topside and Process Technology

This business segment consists of the activities of the KANFA companies (KANFA AS and Kanfa Aragon). External revenue in Q4 2014 was USD 9.0 million (USD 8.6 million) and EBITDA was negative with USD 1.2 million (negative USD 1.5 million). The margin is negatively affected by reduced margins from projects, as well as loss provisions on certain projects.

The activity in the Topside and Process segment relates primarily to the detailed engineering work on process equipment packages for projects such as Aasta Hansteen, Kraken, Edvard Grieg, Nyhamna and Martin Linge.

OUTLOOK

The Board is still of the opinion that the increased focus on cost effective solutions in the petroleum industry should be favourable for the Company, as floating units based on Sevan's technology represent inherent advantages. Amongst these are excellent motion characteristics, high deck load capacity, large storage space and lower cost compared with alternatives when a turret is needed.

Sevan is working on several leads and studies within the FPSO and FSO markets. Further to this, the Company expects that, in time, some of these leads will end up as license agreements. The strategic relationship with Teekay has developed well and has materialised in several new prospects and opportunities. The cooperation is based on non-exclusivity and focuses on joint sales and marketing efforts for FPSO and FSO lease contracts, as well as FEED studies and other projects. An important objective going forward is to further strengthen and take advantage of the opportunities generated.

FLNG is one of the fastest growing markets within LNG globally, and Sevan has positioned itself strategically within this segment by developing a concept based on proprietary technology. It has been well received by several potential clients and it is expected that additional paid studies will be carried out in the near/medium term to develop the concept further.

Teekay's acquisition of Logitel Offshore has generated new opportunities in the new business stream of Floating Accommodation Units (FAUs) based on the Sevan design. In addition to two original units, Teekay in August 2014 called off a third high end accommodation unit with the COSCO yard, thus confirming Teekay's intent to build a fleet of FAUs over the coming years. The successful delivery of the first floating accommodation unit, Arendal Spirit, in February 2015 from the yard is a reflection of the success of Teekay's and Sevan's joint efforts in this area.

For the Topside and Process Technology business, the strategic relationship and co-ownership with Technip of KANFA AS is expected to open up a larger market as well as generate new leads in the markets where Technip operates. This has so far reflected itself in the Letter of Award for the Engineering, Procurement and Construction ("EPC") contract for four process modules for the FPSO Yinson Production as announced on February 16, 2015. In addition to this, the 50 percent owned company KANFA Aragon is primarily focusing on gas processing and FLNG markets, both of which represent positive prospects.

Due to lower oil prices and reduced activity, the drilling market is expected to be challenging for the next years. Sevan is however still engaged in developing next generation drilling units for harsh environments, as well as for arctic conditions.

The decrease in oil price and reduced activity in the oil services market also impacts Sevan. Several projects have recently been postponed or delayed and, despite a general optimistic outlook for the FPSO/FSO market, Sevan Marine now believes it is less likely that any new license agreements will be secured in 2015.

In reaction to the revised market outlook, Sevan has initiated a comprehensive cost reduction program and strategic review with the objective of establishing a solid foundation for future profitable, and sustainable growth.

Arendal, February 24, 2015

The Board of Directors of Sevan Marine ASA

INTERIM FINANCIAL STATEMENTS

FOURTH QUARTER OF 2014

CONDENSED CONSOLIDATED INCOME STATEMENT

Unaudited figures in USD million	Note	Q4 14	Q3 14	2014	Q4 13	2013
Operating revenue	2	25.2	25.2	102.4	31.2	102.6
Operating expense		-23.2	-23.6	-95.6	-29.9	-94.7
EBITDAFX		**2.0**	**1.6**	**6.9**	**1.3**	**7.9**
Foreign exchange gain/(loss) relating to operation		-0.8	-0.1	-1.3	-0.2	-0.2
EBITDA		**1.2**	**1.5**	**5.5**	**1.1**	**7.7**
Depreciation, amortization and impairment		-6.0	-0.1	-6.4	-0.1	-0.6
Operating profit/(loss)		**-4.8**	**1.4**	**-0.9**	**0.9**	**7.1**
Financial income/(expense)		0.2	0.5	1.8	1.7	27.4
Foreign exchange gain/(loss) relating to financing		-3.1	-0.5	-3.5	0.1	-1.5
Net financial items		**-2.9**	**0.0**	**-1.7**	**1.8**	**25.9**
Profit/(loss) before tax		**-7.7**	**1.4**	**-2.5**	**2.7**	**33.0**
Tax income/(expense)		-8.2	-0.1	-8.4	-1.2	-1.3
Net profit/(loss) continued operations		**-15.9**	**1.3**	**-11.0**	**1.5**	**31.7**
Net profit/(loss) discontinued operations		**0.0**	**0.0**	**0.0**	**0.0**	**0.9**

STATEMENT OF COMPREHENSIVE INCOME

Unaudited figures in USD million	Q4 14	Q3 14	2014	Q4 13	2013
Net profit/(loss)	-15.9	1.3	-11.0	1.5	32.6
Pension	0.0	0.0	0.0	0.9	0.9
Foreign currency translation	-1.1	-0.1	-1.4	-0.4	-0.8
Total comprehensive income	**-17.0**	**1.2**	**-12.4**	**2.0**	**32.7**

CONDENSED CONSOLIDATED BALANCE SHEET

Unaudited figures in USD million	Note	31.12.14	30.09.14	31.12.13
Fixed assets		0.8	0.9	0.7
Intangible assets		6.6	12.5	12.6
Investments in associates		0.4	0.4	0.4
Deferred income tax assets		0.1	8.1	8.1
Loan	5	50.0	50.0	60.0
Other non-current assets		8.9	7.6	2.9
Total non-current assets		**66.8**	**79.5**	**84.8**
Trade and other receivables	2	50.6	54.2	38.9
Cash and cash equivalents		27.3	30.7	41.2
Total current assets		**77.9**	**84.9**	**80.1**
Total assets		**144.8**	**164.5**	**164.9**
Share capital	4	34.6	34.6	34.6
Other equity		68.0	84.1	88.4
Total shareholders' equity		**102.6**	**118.7**	**123.0**
Non-controlling interest		8.6	9.5	3.2
Total equity		**111.1**	**128.1**	**126.3**
Retirement benefit obligations		1.1	0.8	0.9
Other non-current liabilities/provisions		1.3	1.8	3.0
Total non-current liabilities		**2.4**	**2.6**	**3.9**
Current liabilities	2	31.2	33.7	34.8
Total current liabilities		**31.2**	**33.7**	**34.8**
Total liabilities		**33.6**	**36.3**	**38.6**
Total equity and liabilities		**144.8**	**164.5**	**164.9**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Unaudited figures in USD million	2014	Q4 14	Q3 14	Q2 14	Q1 14	2013
Cash flows from operation activities						
Cash from operations	-8.2	-2.3	-4.9	3.3	-4.3	0.0
Taxes paid	-1.4	-1.0	-0.1	-0.2	-0.1	-0.6
Net cash generated from continued operating activities	**-9.6**	**-3.3**	**-5.0**	**3.1**	**-4.4**	**-0.6**
Net cash generated from discontinued operating activities	0.0	0.0	0.0	0.0	0.0	-3.7
Net cash generated from operating activities	**-9.6**	**-3.3**	**-5.0**	**3.1**	**-4.4**	**-4.3**
Cash flows from investment activities						
Purchase of property, plant and equipment (PPE)	-0.5	-0.1	-0.1	-0.2	-0.1	-0.3
Sale of shares in subsidiary	7.7	0.0	0.0	7.7	0.0	0.0
Investments in associate	-1.0	0.0	0.0	-1.0	0.0	0.0
Convertible loan	0.0	0.0	0.0	0.0	0.0	-19.0
Net cash flow from continued investment activities	**6.2**	**-0.1**	**-0.1**	**6.5**	**-0.1**	**-19.3**
Net cash flow from discontinued investment activities	0.0	0.0	0.0	0.0	0.0	-5.6
Net cash flow from investment activities	**6.2**	**-0.1**	**-0.1**	**6.5**	**-0.1**	**-24.9**
Cash flows from financing activities						
Dividends paid	-10.5	0.0	0.0	-10.5	0.0	0.0
Net cash flow from continued financing activities	**-10.5**	**0.0**	**0.0**	**-10.5**	**0.0**	**0.0**
Net cash flow from discontinued financing activities	0.0	0.0	0.0	0.0	0.0	-0.5
Net cash flow from financing activities	**-10.5**	**0.0**	**0.0**	**-10.5**	**0.0**	**-0.5**
Net cash flow for the period - continued activities	**-13.9**	**-3.4**	**-5.1**	**-0.9**	**-4.5**	**-19.9**
Net cash flow for the period - discontinued activities	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**-9.8**
Cash balance at beginning of period	41.2	30.7	35.8	36.7	41.2	70.9
Cash balance at end of period	**27.3**	**27.3**	**30.7**	**35.8**	**36.7**	**41.2**
Cash balance at end of period continued operation	**27.3**	**27.3**	**30.7**	**35.8**	**36.7**	**41.2**

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, 2013	**34.6**	**21.0**	**67.4**	**3.2**	**126.3**
Sale of shares to non-controlling interest			0.7	7.0	7.7
Dividend			-10.5		-10.5
Total comprehensive income for the period			-10.8	-1.6	-12.4
Equity as of December 31, 2014	**34.6**	**21.0**	**46.8**	**8.6**	**111.1**
Equity as of December 31, 2012	**34.6**	**21.0**	**36.6**	**2.0**	**94.3**
Acc. actuarial gains/losses pension plan on opening balance			-0.7		-0.7
Total comprehensive income for the period			31.5	1.2	32.7
Equity as of December 31, 2013	**34.6**	**21.0**	**67.4**	**3.2**	**126.3**

KEY FIGURES

Unaudited figures in USD million	Note	Q4 14	Q3 14	2014	Q4 13	2013
Basic earnings per share (USD)						
From continued operations	a	-0.30	0.02	-0.21	0.03	0.60
From discontinued operations		0.00	0.00	0.00	0.00	0.02
Diluted earnings per share (USD)						
From continued operations	b	-0.30	0.02	-0.21	0.03	0.60
From discontinued operations		0.00	0.00	0.00	0.00	0.02
Equity ratio	c	70.9 %	72.2 %	70.9 %	74.6 %	74.6 %
No. of outstanding shares (million)		52.6	52.6	52.6	52.6	52.6
No. of shares fully diluted (million)		52.6	52.6	52.6	52.6	52.6
Average no. of outstanding shares (million)		52.6	52.6	52.6	52.6	52.6
Average no. of shares fully diluted (million)		52.6	52.6	52.6	52.6	52.6
Share price (NOK)		20.0	24.6	20.0	25.0	25.0
Market capitalization (NOK, million)	d	1,052	1,294	1,052	1,315	1,315
Number of employees		198	182	198	171	171

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 a technology, project development and engineering company.

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) as adopted by EU 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 2013.

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, 2013.

NOTE 2 RELATED PARTY TRANSACTIONS

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

Unaudited figures in USD million	**Q4 14**	**Q3 14**	**2014**	**Q4 13**	**2013**
Sale to related party					
Sale to Teekay	0.7	2.7	4.9	1.8	16.1
Sale to Logitel Offshore	5.0	3.4	8.4	0.0	0.0
Financial income from Logitel Offshore	0.5	0.5	1.0	0.0	0.0
Purchase from related party					
Purchase from Arendal Brygge	0.2	0.2	0.6	0.0	0.0
Purchase from Teekay	0.0	0.0	0.0	0.3	0.3
Receivable from related party					
Receivable from Teekay	2.7	3.8	2.7	2.9	2.9
Receivable from Logitel Offshore	9.1	10.9	9.1	0.0	0.0
Receivable from Arendal Brygge	0.2	0.2	0.2	0.0	0.0
Payable to related party					
Payable to Arendal Brygge	0.0	0.0	0.0	0.1	0.1
Payable to Teekay	0.0	0.0	0.0	0.0	0.0

Logitel Offshore became related party to Sevan Marine in Q3 2014, when Teekay acquired all the shares in Logitel Offshore. The sale figures towards Logitel Offshore reflects sale of engineering and site supervision services in addition to accrued license revenue.

NOTE 3 SEGMENT INFORMATION

Segments								
Quarterly data	Floating Production		Topside and Process Technology		Eliminations		Total	
	Q4 14	Q4 13	Q4 14	Q4 13	Q4 14	Q4 13	Q4 14	Q4 13
External revenue	16.2	14.8	9.0	16.4		0.0	25.2	31.2
Internal revenue	0.1	0.3	0.2	0.0	-0.3	-0.3	0.0	0.0
Total revenue	**16.3**	**15.1**	**9.2**	**16.5**	**-0.3**	**-0.3**	**25.2**	**31.2**
Operating expense	-12.9	-16.8	-10.6	-13.4	0.3	0.3	-23.2	-29.9
EBITDAFX	**3.4**	**-1.7**	**-1.4**	**3.0**	**0.0**	**0.0**	**2.0**	**1.3**
Foreign exch. gain/(loss), operation	-1.0	-0.2	0.2	0.0	0.0	0.0	-0.8	-0.2
EBITDA	**2.4**	**-1.9**	**-1.2**	**3.0**	**0.0**	**0.0**	**1.2**	**1.1**
Depreciation, amortization and impairment	-6.0	-0.1	0.0	0.0	0.0	0.0	-6.0	-0.1
Operating profit/(loss)	**-3.6**	**-2.0**	**-1.2**	**3.0**	**0.0**	**0.0**	**-4.8**	**0.9**
Income from associates							0.0	0.0
Financial income/(expense)							0.2	1.7
Foreign exch. gain/(loss), financing							-3.1	0.1
Net financial items							**-2.9**	**1.8**
Profit/(loss) before tax							**-7.7**	**2.7**
Tax income/(expense)							-8.2	-1.2
Net profit/(loss) continued operation							**-15.9**	**1.5**
Net profit/(loss) discontined operation							**0.0**	**0.0**
Segment assets	118.4	123.3	26.0	41.6	0.0	0.0	144.4	164.9
Investment in associate(s) (equity method)	0.4	0.0	0.0	0.0	0.0	0.0	0.4	0.0
Total assets*	**118.8**	**123.3**	**26.0**	**41.6**	**0.0**	**0.0**	**144.8**	**164.9**
Segment liabilities	18.8	21.6	14.8	17.0	0.0	0.0	33.6	38.6
Total liabilities*	**18.8**	**21.6**	**14.8**	**17.0**	**0.0**	**0.0**	**33.6**	**38.6**
Capital expenditure	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-cash exp. other than depr.	8.0	0.0	0.0	0.0	0.0	0.0	8.0	0.0

* *For assets and liabilities both intra-segment balances and inter-segment balances are eliminated within the segment.*

YTD data	Floating Production		Topside and Process Technology		Eliminations		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
External revenue	63.1	59.1	39.3	43.5	0.0	0.0	102.4	102.6
Internal revenue	0.5	1.3	1.9	0.6	-2.4	-1.9	0.0	0.0
Total revenue	**63.6**	**60.4**	**41.3**	**44.1**	**-2.4**	**-1.9**	**102.4**	**102.6**
Operating expense	-53.2	-55.5	-44.8	-40.7	2.4	1.5	-95.6	-94.7
EBITDAFX	**10.4**	**4.9**	**-3.5**	**3.4**	**0.0**	**-0.4**	**6.9**	**7.9**
Foreign exch. gain/(loss), operation	-1.5	-0.3	0.2	0.1	0.0	0.0	-1.3	-0.2
EBITDA	**8.9**	**4.6**	**-3.4**	**3.5**	**0.0**	**-0.4**	**5.5**	**7.7**
Depreciation, amortization and impairment	-6.3	-0.6	-0.1	-0.1	0.0	0.0	-6.4	-0.6
Operating profit/(loss)	**2.6**	**4.0**	**-3.5**	**3.4**	**0.0**	**-0.4**	**-0.9**	**7.1**
Income from associates							0.0	0.0
Financial income/(expense)							1.8	27.4
Foreign exch. gain/(loss), financing							-3.5	-1.5
Net financial items							**-1.7**	**25.9**
Profit/(loss) before tax							**-2.5**	**33.0**
Tax income/(expense)							-8.4	-1.3
Net profit/(loss) continued operation							**-11.0**	**31.7**
Net profit/(loss) discontined operation							**0.0**	**0.9**
Segment assets	118.4	123.3	26.0	41.6	0.0	0.0	144.4	164.9
Investment in associate(s) (equity method)	0.4	0.0	0.0	0.0	0.0	0.0	0.4	0.0
Total assets*	**118.8**	**123.3**	**26.0**	**41.6**	**0.0**	**0.0**	**144.8**	**164.9**
Segment liabilities	18.8	21.6	14.8	17.0	0.0	0.0	33.6	38.6
Total liabilities*	**18.8**	**21.6**	**14.8**	**17.0**	**0.0**	**0.0**	**33.6**	**38.6**
Capital expenditure	0.0	4.4	0.0	0.0	0.0	0.0	0.0	4.4
Non-cash exp. other than depr.	8.0	0.0	0.0	0.0	0.0	0.0	8.0	0.0

Segments

* *For assets and liabilities both intra-segment balances and inter-segment balances are eliminated within the segment.*

NOTE 4 SHAREHOLDER STRUCTURE

The 20 largest shareholder accounts as at February 11, 2015

Shareholder accounts	No. of shares	%-share
TEEKAY SERVICE HOLDINGS COÖPER. UA	21,091,847	40.09
ILIAD INTERNATIONAL AS *	1,801,784	3.42
VPF NORDEA KAPITAL	1,752,019	3.33
F2 FUNDS AS	1,737,766	3.30
GOLDMAN SACHS INT. - EQUITY	1,267,103	2.41
VPF NORDEA AVKASTNING	1,210,997	2.30
DEUTSCHE BANK AG	1,200,000	2.28
SKANDINAVISKA ENSKILDA BANKEN	1,135,448	2.16
MORGAN STANLEY & CO.	1,095,879	2.08
PREDATOR CAPITAL MANAGEMENT AS	968,000	1.84
MP PENSJON PK	837,584	1.59
SUNDT AS	832,486	1.58
ANDENERGY AS	801,326	1.52
INVESCO PERP EUR SMALL COMP FD	765,804	1.46
BAKLIEN ÅSMUND	700,000	1.33
CITIBANK, N.A.	531,955	1.01
DNB NOR MARKETS, AKS	521,514	0.99
BEKKESTUA EIENDOM AS	512,000	0.97
MATHIAS HOLDING AS	500,000	0.95
PERESTROIKA AS	495,830	0.94
Total, 20 largest shareholder accounts	**39,759,342**	**75.58**

Total no. of shares	52,606,999	
Foreign ownership	30,015,063	57.06

(*) Controlled by Teekay

NOTE 5 LOGITEL OFFSHORE TRANSACTION

The current carrying value of the Logitel transaction is reflected as follows in Sevan Marine's financial statements:

- A USD 60 million convertible loan of which USD 50 million is non-current and USD 10 million is a current asset and expected to be repaid by no later than 16 August 2016;
- USD 2.8 million in accrued interest; and
- USD 8.4 million in license revenue receivable.

As of December 31, 2014, three units were under construction. USD 10 million is payable for each unit no later than 6 months after delivery of each unit from the yard. These payments will be accounted for as repayment of the loan.

The first unit was delivered on 16 February 2015 and is expected to go on charter with Petrobras in Q2 2015. The second unit is currently under construction at the Cosco yard in Nantong, China and is expected to be delivered in late Q4 2015 or Q1 2016 subject to contract. The third unit is also under construction at Cosco, Nantong and is scheduled to be completed in 2017.

With respect to the first unit approximately USD 8-10 million is expected in additional variable compensation 12 months after acceptance of the unit by the charter party and subject to performance KPIs. This variable compensation is accounted for as repayment of interest and license revenue accrued during the construction period.

Variable compensation for units 2 and 3 combined is expected to be in the range of USD 10-12 million and also payable 12 months after start of charter hire for each rig and subject to KPIs.

Sevan also receives annually approximately USD 3-4 million in engineering and site support revenue at agreed rates for supporting the construction of units 1, 2 and 3.

Further payments are subject to Logitel Offshore exercising options with Cosco to construct further units:

- Option 2 expires on 30 May 2015. This option originally expired on 30 November 2014 but was extended. It is currently not expected to be exercised
- Option 3 expires on 30 November 2015
- Option 4 expires on 30 November 2016
- Option 5 expires on 30 November 2017
- Option 6 expires on 30 November 2018

Sevan shall have the right to exercise its conversion right on the convertible loan and become the sole owner of Logitel Offshore and thereby receive the remaining options from Cosco if Teekay has not by 30 November 2016 (or such later date if option #4 is extended) exercised the option for Rig #4 or the convertible loan has not been paid in full.

NOTE 6 EVENTS AFTER BALANCE SHEET DATE

KANFA AS, a subsidiary of Sevan Marine ASA, was on February 16, 2015 awarded a LOA for the EPC contract for four process modules for the FPSO Yinson Production. The contract is expected to have a duration of 15 months with a contract value of approximately USD 50 million.

In February 2015 the accommodation unit Arendal Spirit was delivered from the Cosco, Nantong yard to Teekay Offshore Partners LP in accordance with the agreement between Sevan Marine ASA, Teekay Offshore Partners LP, Cefront Technology AS and Logitel Offshore Holdings AS announced on 12 July 2014. The delivery triggers the payment of USD 10 million to Sevan Marine no later than 6 months from the date of delivery.

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