ANNUAL REPORT 2009

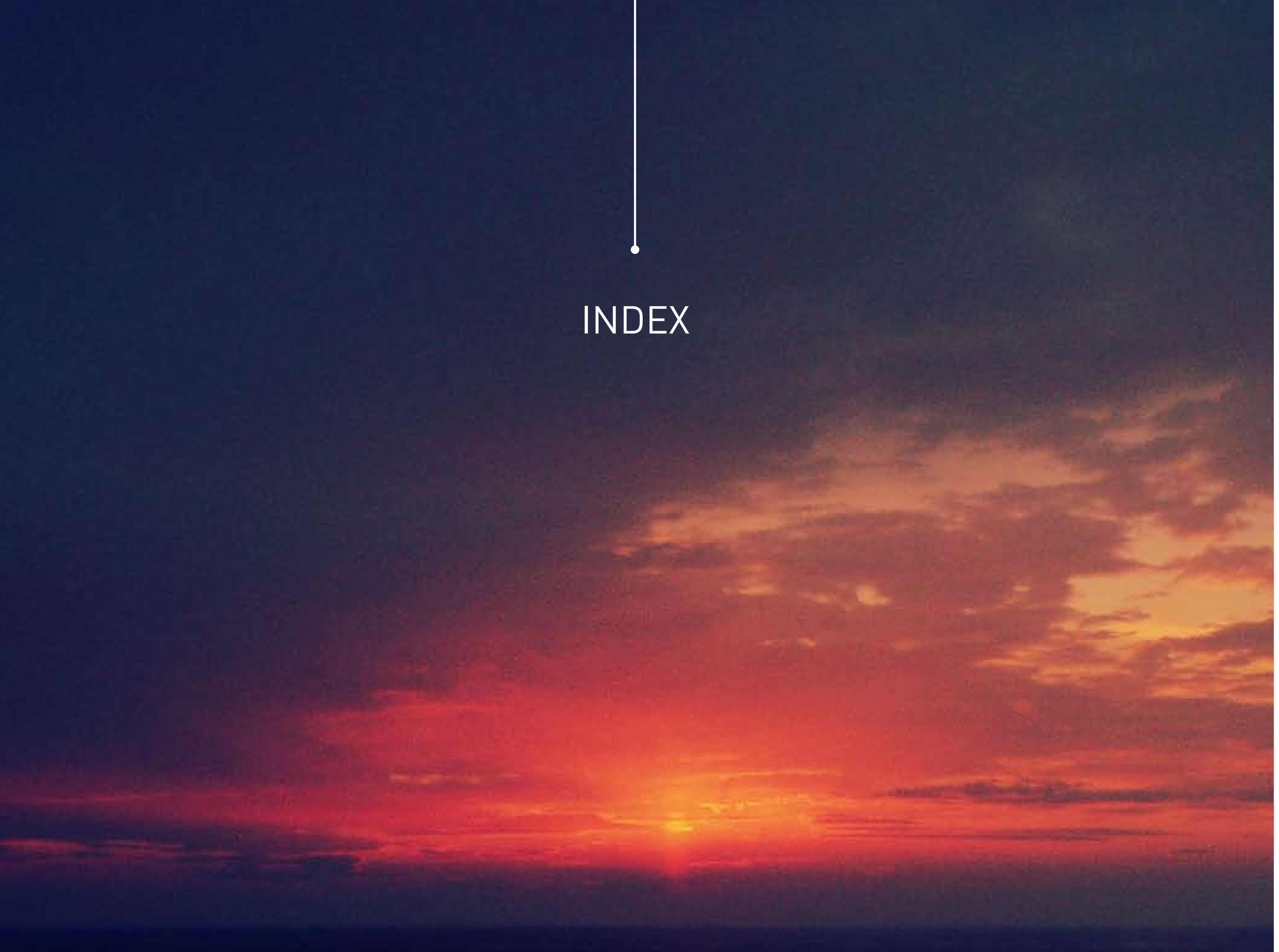
DOF ASA

WWW.DOF.NO

DOF's business concept:
DOF's business concept is to be actively involved in long-term and industrial offshore activities, via the ownership and operation of modern offshore vessels and by providing high quality services to customers.

DOF's vision:
DOF aims to be the preferred supplier of offshore and subsea services to the global oil and gas industry.

DOF's focus areas:
- Focus on high quality and cost effective operations in order to further develop our position as a leading global supplier of offshore services.
- Focus on human resources through recruitment and training of highly skilled employees.
- Focus on the environment and initiatives towards technical systems for environmentally-friendly vessel concepts.
- Focus on a balanced chartering strategy with an emphasis on long-term contract coverage, in order to ensure a conservative risk profile and satisfactory cash flow.



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Published by: DOF ASA
Concept, art direction and presentation: Oktan Bergen
Print: Molvik Grafisk AS
Paper: G-print 250g/G-print 130g
Circulation: 2 500

Photos and illustrations:
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KEY FIGURES DOF ASA

Amount in NOK mill		**2009**	**2008**
From comprehensive Income			
Operating income		4 327	4 340
Operating cost		-3 094	-2 784
Operating profit/loss before depreciation and write offs - EBITDA		1 234	1 556
Depreciation		-837	-643
Write downs		-179	
Operating profit/loss - EBIT		218	912
Net finance costs		29	-380
Unrealized gain/loss on currency		758	-655
Profit/loss before taxes		1 005	-123
Profit for the year		803	100
Minority		201	35
From the Balance			
Vessels and other non-current assets		17 827	15 563
Current assets		3 957	4 268
Total assets		**21 785**	**19 831**
Equity		6 809	5 499
Long term liabilities		11 973	11 330
Short term liabilities		3 002	3 002
Total equity and liabilities		**21 785**	**19 831**
Key figures			
Net cash flow	1	1 263	1 176
Current ratio	2	1,32	1,42
Equity ratio	3	31 %	28 %
Operation margin	4	29 %	36 %
Return of equity	5	12 %	2 %
Average number of shares		**87 730 811**	**82 767 975**
Earnings per share	6	6,87	0,79
Net cash flow per share	7	14,39	14,20

1) Profit/loss before taxes + depreciation and write downs +/- unrealized gain/loss on currency
2) Current assets/Short term liabilities
3) Equity/Total capital
4) Operating result before depreciation and write offs/Operating income
5) Profit for the year/Booked equity
6) Majority share of profit for the year/Average number of shares
7) Cash flow item 1/Average number of shares

HIGHLIGHTS

2009 HIGHLIGHTS

1st quarter 2009
DOF took delivery of a PSV, Skandi Flora, in February. The vessel started on a 5 yrs contract with Statoil after delivery.
DOFTECH (JV DOV Subsea/Technip) took delivery of Skandi Arctic, a state of the art diving vessel, which started on an 8 years contract in May.
Skandi Salvador started on a long term contract with Chevron in Brazil at the end of March.

2nd quarter 2009
DOF Subsea sold its shares in Aker Oilfield Services at 1st of April.
In May DOF issued 8,270,000 new shares at a price of NOK 29,50 per share.
In June DOF placed of a bond totaling NOK 975 million
DOF Subsea cancelled one new-building contract at Tebma Shipyard.

3rd quarter 2009
DOF Subsea placed a bond loan totalling NOK 500 million in August.
DOF Subsea cancelled additional two new-building contracts at Tebma Shipyard.
Mons Aase was appointed CEO in DOF Subsea.
Skandi Møgster sailed to Brazil to start on a long term contract with OGX.
Skandi Hav completed a rebuilding to FSO Handling vessel and sailed to Brazil for a 5 yrs contract with Petrobras.
Skandi Chieftain completed a rebuilding to RSV vessel and started a 3 yrs contract for Petrobras in Brazil in July.
DOF and FRC carried out a share issue in DOF Subsea totaling NOK 400 million.
DOF Installer carried out a share issue of 800.000 shares, totaling NOK 40 million.

4th quarter 2009
Skandi Waveney started on a contract for Statoil in Brazil in November.
DOF Subsea took delivery of Skandi Santos. After delivery the vessel sailed to Brazil for a 5 yrs contract for Aker Oilfield Services in Brazil.
DOF agreed to buy Skandi Vega from DOF Installer and Skandi Olympia from FMV. Both vessels will be delivered in 2010 and will start on contract for Statoil and Fugro-Rovtech respectively.
Skandi Stolmen and Skandi Captain were awarded two 3-yrs contracts with Petrobras in November.
DOF Subsea agreed refinancing of 5 vessels in the DOFCON fleet, a total financing of NOK 4 000 mill.

1st quarter 2010
In January DOF Subsea took delivery of Skandi Aker, which started a 5 yrs contract with Aker Oilfield Services after delivery.
Based on the judgment at the Supreme Court a tax provision of NOK 260 mill related to the transition to new tonnage tax was reversed.
DOF Subsea sold Geo Challenger in February 2010.
Aker DOF Deepwater signed a LOI with OGX for Skandi Emerald. The vessel is expected to be delivered from STX in Vietnam in May.
DOF subsidiary in Brazil Norskan Offshore applied for a listing on the Stock Exchange in Sao Paulo in March.

CEO

GLOBAL GROWTH AND HUMAN RESOURCES

2009 has been a turbulent year for companies within our industry.

The global financial crisis generated significant problems for the financial markets during the first half of the year. The second half, however, saw a marked improvement on these markets. For DOF, we are practically back to normal in terms of ship financing, although still at considerably higher prices than before the crisis struck.

In general, the markets for our services have been weak in 2009. The spot market for supply vessels in the North Sea has been characterised by low degrees of utilisation and rates which have been lower than operating costs for ships at times. Several shipowning companies have consequently had to lay up vessels. The weak spot marked in turn has placed an increased pressure on the rates for long-term contracts.

We expect to see a weak North Sea market for both supply and subsea in 2010, but have identified a slight increase in activities in West Africa and Asia. In Brazil, we expect our current growth to continue in 2010. A number of DOF vessels have left the North Sea and sailed mainly to Brazil on contract in 2009. We expect this trend to continue in 2010. In order to keep our ships on hire, we have to increase our exposure to markets outside the North Sea.

DOF remains the leading company in terms of quality, health, safety and the environment, according to our customers. This impressive track record we have developed is invaluable when competing for new contracts. The hard work behind such an achievement has primarily been carried out by our seafarers. We now control a fleet of 67 vessels (including newbuildings), of which a large share of the newbuildings comprises major construction support vessels and large AHTS vessels. The average age of the fleet is around 6 years. I can confidently claim that DOF's fleet is one of the most forward-looking on the market. We believe there is growth to be found in deep-sea segments, an area which requires larger and more advanced vessels. This is reflected in our newbuilding program.

We have developed a group of companies with offices in all parts of the world, each of which is staffed by expert personnel. We are all currently facing significant challenges for the future. Our employees are our most important resource. Our staff of skilled employees, both at sea and on land, helps DOF continue to win important contracts. With the market trends evident in 2009 and projected for 2010, our new offices abroad are more important than ever before. As we expect the North Sea market to be very weak in 2010, DOF's results are reliant on our performance outside the North Sea.

I believe 2010 will prove to be a very challenging year. However, I also believe that we will get through 2010 and come out of the year in a much stronger position. The key to our success in 2010 remains unchanged - our employees.

Mons S. Aase
CEO

THIS IS DOF ASA

31.03.2010	PSV	AHTS	ROV/OCSV DSV/ SEISMIC	Total fleet
DOF ASA	18	4	2	24
NORSKAN OFFSHORE	3	8	2	13
DOF SUBSEA AS	0	0	21	21
DOF INSTALLER ASA	0	3	0	3
AKER DOF DEEPWATER	0	6	0	6
Total fleet	**21**	**21**	**25**	**67**

DOF ASA was founded in 1981 and is today an international group of companies which owns and operates a modern fleet of supply and subsea vessels in addition to engineering capacity to service the subsea market. The company operates worldwide and offers services to the global oil and gas industry. The DOF fleet comprises 67 vessels, including newbuildings and ships operated by subsidiaries. DOF ASA is the holding company for DOF Subsea AS, Norskan Offshore Ltda and DOF Management AS.

The company operates within three different segments in relation to strategic types of activities and vessel types: PSV (Platform Supply Vessels), AHTS (Anchor Handling Tug Supply Vessels) and CSV (Construction Support Vessels). The subsea engineering activities mainly comprise survey and IRM services, construction support and diving services.

The DOF fleet is one of the most modern in the market, with an average age of 6 years. The total fleet (including newbuildings) currently consists of 21 PSVs, 21 AHTS vessels and 25 CSVs. In addition, DOF also owns and operates a fleet of highly sophisticated ROVs.

DOF has offices all over the world, close to all major oil and gas regions. During the last decade, the company has invested in key regions such as the South Atlantic, Asia Pacific and Africa. In a time of challenging financial markets, these investments have allowed the company access to new and profitable markets such as Brazil and the Indian Ocean. The company is of course still heavily represented in the North Sea.

DOF strives to be the leader in the field of quality, health, safety and the environment (HSEQ) and systematically promotes these areas in the execution of all activities and operations. The company is the market leader when it comes to new and innovative vessel design and efficient and environmental-friendly operations.

DOF has a total, multi-national workforce of about 3,000. The DOF team is comprised of a family of top professionals within their individual areas of expertise. The company understands that it is the people who are the key to success, and therefore follows a detailed strategy for promoting career opportunities and employees' health and well being.

DOF ASA

Norskan
100%

Modern fleet
8 AHTS's
3 PSV's
2 CSV

DOF Subsea Holding
51%

Ship owning company
50-100%

Modern fleet
10 AHTS's
18 PSV's
2 CSV

DOF Installer
53,5%

3 state of the art
installation AHTS
vessels

DOF Subsea
100%

Modern fleet & Equipment
21 CSV/ROV vessels
33 ROV's + 1 AUV
Leading Subsea Contractor

DOF ASA Group companies

DOF Management AS
DOF Management AS provides ship management for the total fleet in the DOF ASA group. The company has a crew of highly skilled professionals both onshore and offshore to perform the tasks of ship-management, ship-operation and the services delivered to the customers.

The company is certified according to the ISM code, followed by the ISO 9001 and ISO 14001 certifications.

DOF Subsea AS
DOF Subsea was established in 2005, and has grown to become a leading provider of subsea services with an established capability in all the major oil and gas production areas around the world.

The company provides a diversified range of services through three key business lines; vessel chartering, subsea projects and engineering.

The company is ISO 9001, ISO 14001 and OSHAS 18001 certified.

Norskan Offshore Ltda
Norskan Offshore Ltda. represents the DOF group's activity in Brazil. The company was established in 2001 due to a strong believe in the future for this region and market. Today Norskan is the largest Norwegian capital company in its segment in Brazil.

Norskan owns and operates one of the largest and most diversified fleets of state-of-the-art Brazilian-flagged vessels. The fleet is considered to be the most technologically advanced in the Brazilian offshore industry.

Norskan is certified according to the ISM code, and according to the ISO 9001, ISO 14001, OSHAS 18001 and ISPS code.

NORTH ATLANTIC REGION

DOF's activities: North Atlantic Ocean, North Sea, Mediterranean Sea and Gulf of Mexico
DOF's offices: Norway (Storebø and Bergen), UK (Aberdeen), USA (Houston), Canada (St. John's), Egypt (Cairo) and Russia (St. Petersburg).

NORTH ATLANTIC REGION

DOF Management AS

DOF Management AS has continued to focus on the company's original main objectives:

- To engage in long-term offshore vessel supply and management
- To continue to develop our position as a leading supplier of offshore services focusing on high quality and cost effective solutions
- To meet our objectives via a balanced chartering strategy, focus on long-term contract coverage to ensure conservative risk profile
- To continue to focus on the environment and initiatives towards technical solutions for environmentally-friendly vessel concepts
- To develop long-term client relationships and be the vessel provider of choice.

DOF's business concept has always been to provide the market with a modern fleet of offshore vessels, and to engage the vessels on long-term contracts, providing the highest quality and safe services to our clients.

In order to deliver this and meet our objectives, DOF has focused on the long term, applying innovative thinking to deliver the most environmentally friendly, efficient and highest quality vessel designs to the market. We also target innovations in the field of quality, health, safety and the environment and our main objective is to ensure zero injuries.

By maintaining a continual focus on the above, we will be able to continue sailing at the forefront of our market.

High quality employees are key to success
Meeting such ambitious objectives would be impossible without the DOF team. DOF recognises that the company's most valuable asset is their people. The international team, made up of both shore based personnel and vessel crews, comprises dedicated, expert and professional persons who are key to delivering and maintaining the current and future success of the organisation.

The group's newbuild program still covers delivery of a number of vessels, so DOF will continue to require many new high quality crew members to man these vessels whilst continuing to offer promotion opportunities to our current crew members. We have maintained extensive training programs for Norwegian, British and Philippine cadets to ensure the best training and development for the future requirements of the company and the industry.

International management

The international fleet of vessels is managed from 4 locations; Storebø, Bergen and Aberdeen manage vessels operated internationally and our Singapore office handles the vessels in the Asia-Pacific market.

The company has a strong focus on Quality, Health, Safety and Environment and has ISO 9001:2000 and 14001:2004 certification.

The past year

2009 has been a tough year for the offshore vessel market in the Northern Atlantic with PSV spot rates reaching as low as £2,500 per day. The reduced demand has been further affected by the number of new builds entering the market. This was especially apparent in the smaller PSV and AHTS segments. However, we have seen a slight improvement in demand for larger PSVs.

New build order placements have all but dried up. However, there are still a number to be delivered throughout 2010 and 2011 and these will have an affect on the market.

During 2009, DOF had relatively little exposure to the spot market. DOF's strategy of engaging in long-term contracts has sheltered us from the market during the year.

A number of our fleet's long-term contracts have closed and, due to the prolonged depressed market in the North Sea, we have taken this opportunity to deliver vessels to our Brazilian subsidiary, Norskan, to satisfy their new Brazilian contract awards and a growing demand for high spec and specialised tonnage.

Future outlook

The market in the North Atlantic for 2010 will continue to be tight. However, there are some indications of improvement with spot rates for both PSVs and AHTS averages on the rise. As previously mentioned, the supply side for large PSVs performed better than others during 2009, so improved utilisation for these vessels is expected to continue in 2010, especially with the increased pipe-laying activity planned for this year. The AHTS segment, which suffered most in 2009, shows some signs of recovery due to increased demands in other areas of the world - which could potentially eliminate some of the over supply in the North Sea. Demand for MPSVs is also predicted to increase towards the end of 2010 with the increase in construction projects.

Although these improvements are only minor, they still represent an encouraging sign. However, with the number of newbuild vessel deliveries still in the pipeline, we could see supply outweighing demand and consequently driving the market back. We are therefore not overly optimistic about market outlook for 2010.

On a positive note, the drilling rig market is busy with a healthy number of rig fixtures and fresh requirements arising, and oil prices are stable in the region of US$ 80.

We believe the lows experienced by the North Sea market in 2009 are now behind us and that 2010 should be a little better with a return to normality in 2011.

DOF Subsea AS

In support of DOF Subsea's vision "to be the Preferred Provider of Integrated Subsea Services", our focus within this region remains the continuous improvement of our 'Subsea Projects'. We continue to build our project management and engineering capability which allows us to deliver so much more in the way of integrated services. The development of such intellectual capital is wholly complementary to the state-of-the-art equipment in which DOF Subsea continues to invest.

From vessel provider to provider of integrated subsea services

DOF Subsea is now a company that can offer integrated subsea services. We know this is the case when our customers say: "What we like about DOF Subsea is that we can get the complete package from you".

When we listen to our customers across the region from Houston to Luanda to Russia, they all have the view that having the equipment is only half the story. Very quickly, their focus turns to the supplier's project management and engineering delivery capability. Customers find great reassurance in our common and robust approach to projects and HSE for all aspects of our services.

While we possess the finest deepwater fleet and subsea equipment in the world, capable of accessing all major deepwater markets, it is via our 'Subsea Project' business that we gain access to the best opportunities for utilising such equipment. Combined with a strong focus on business acquisition, this capability allows us to deliver bespoke solutions to a vast range of customers in varied international markets. It enables us to win and execute a wide spectrum of small to large contracts with a broad variety of content.

We can now supply a full range of services: from our core business of providing deepwater vessels with all the subsea services onboard for several months, to hire of third-party vessels with various specialist equipment spreads onboard. All of this is evident in the wide range of new projects we have executed throughout the region in the last 12 months.

Investments in process and systems

Via our project management and engineering capability, we have witnessed the growth of the company from a vessel provider, to subsea services provider, to provider of integrated services. This growth continues: Within the region today we have many ongoing global strategic projects which will further improve our project delivery capability; for example the Global BMS project, the next phase of Agresso - our new financial system, our global Competency scheme, our OCS HR management system and our wwDPR reporting tool to mention just a few. These are all major investments in process and systems and will, when completed, provide continuous improvement of our 'Subsea Projects' business and generate real added value in the years to come.

In the coming year, we will maintain a firm focus on building our 'Subsea Projects' capability as this offers us the best opportunity to utilise our assets with the highest return. Moreover, this represents the complete package our customers want.

THE NORTH ATLANTIC FLEET


Skandi Barra PSV


Skandi Buchan PSV


Skandi Caledonia PSV


Skandi Captain PSV


Skandi Commander PSV


Skandi Flora PSV


Skandi Foula PSV


Skandi Marstein PSV

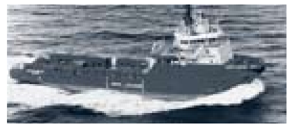

Skandi Mongstad PSV


Skandi Rona PSV


Skandi Sotra PSV


Skandi Texel PSV


Skandi Admiral AHTS


Skandi Stord AHTS


Geosounder CSV

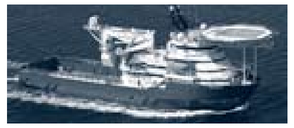

Geosund CSV

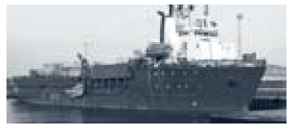

Skandi Achiever CSV


Skandi Aker CSV


Skandi Arctic CSV


Skandi Bergen CSV


Skandi Carla CSV

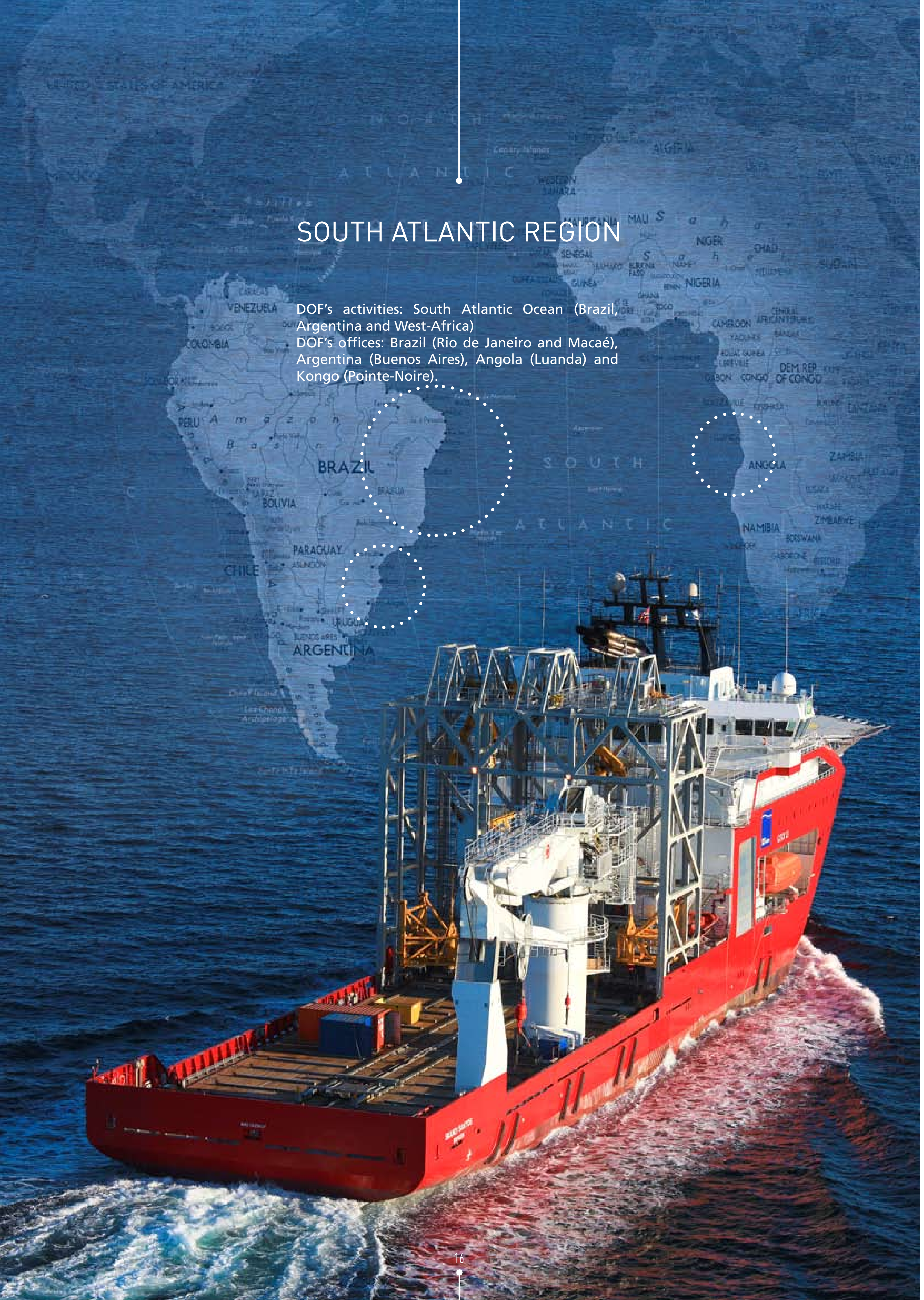

Skandi Fjord CSV


Skandi Inspector CSV


Skandi Neptune CSV


Skandi Olympia CSV

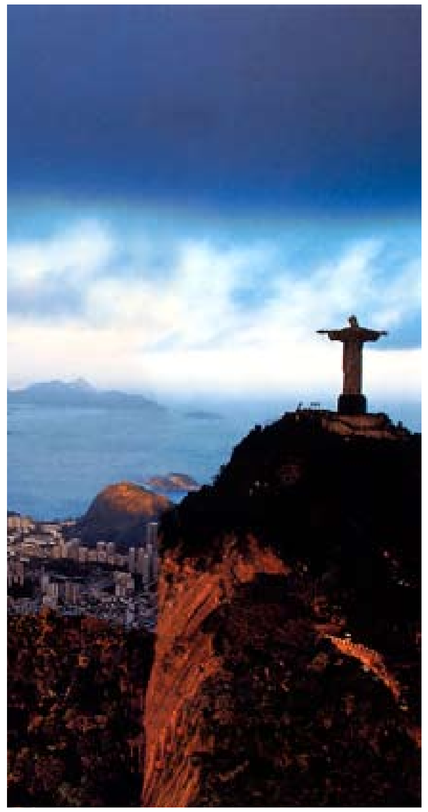

Skandi Seven CSV



SOUTH ATLANTIC REGION

DOF's activities: South Atlantic Ocean (Brazil, Argentina and West-Africa)
DOF's offices: Brazil (Rio de Janeiro and Macaé), Argentina (Buenos Aires), Angola (Luanda) and Kongo (Pointe-Noire).

SOUTH ATLANTIC REGION



Norskan Offshore Ltda

Norskan was established in Brazil in 2001 due to the bright outlook forecasted for the Brazilian offshore oil and gas industry. Today Norskan and the DOF group own and operate one of the largest and most diversified fleets of state-of-the-art Brazilian-flagged vessels. The fleet is considered to be the most technologically advanced in the Brazilian offshore industry.

Since the founding of Norskan, DOF has invested over one billion US$ in vessels, equipment and the people working in the company. This has resulted in a significant growth in business with long-term contracts for several major customers such as Petrobras, Shell, Chevron, British Gas, OGX and Statoil.

The Brazilian market
Currently, Petrobras controls the market of petroleum activity in Brazil, being responsible for almost all Brazilian offshore oil and gas production. However, significant players in the oil and gas sector already have activity in Brazil, some of them already extracting and others involved in the prospecting of raw materials. Multinational energy companies, including Shell and ExxonMobil, plan to spend billions of dollars in E&P activities in Brazil.

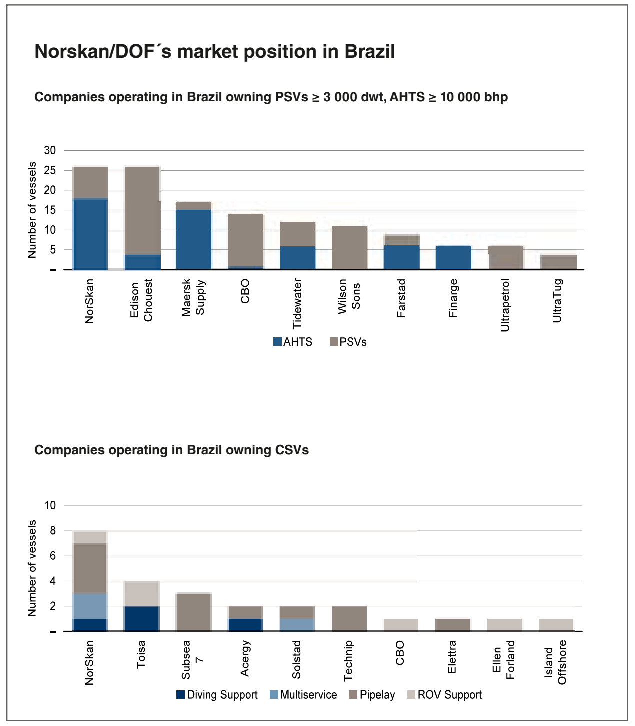
In March 2009, ExxonMobil announced that it had discovered oil off the coast of Brazil. This newly discovered oil field could potentially hold 8 billion barrels of recoverable crude oil, which would make it the largest oil discovery in the Western Hemisphere in the last 30 years.

Also, new Brazilian players such as OGX and consortia formed by Brazilian infrastructure companies have acquired recently-auctioned offshore blocks and, in some cases, announced significant discoveries. This continued emphasis on exploration and production in the region will likely result in a corresponding increase in demand for offshore support services.

Market survey
According to the ABEAM, there are 81 companies authorized by ANTAQ to provide offshore support services in the Brazilian sector. There are 159 vessels rendering services to Petrobras

in the offshore support industry, of which 48% are Brazilian vessels, 8% operate under the REB regime and the remaining 43% are foreign vessels. The average age of these vessels is 17.3 years. The Brazilian vessels have an average age of 15 years while the foreign vessels have an average age of 22 years.

Production at Brazilian shipyards has increased resulting from the significant increase in the demand for Brazilian vessels, mainly due to the combined effect of (1) Brazilian foreign fleet substitution policies, (2) increased E&P activities in offshore Brazil, and (3) deterioration of the existing fleet. This increase may change the current profile of the Brazilian fleet, so that Brazilian vessels will continue to increase in relation to the total number of vessels.



Perspectives

As a result of recent major discoveries, potential oil and gas reserves in offshore Brazil, particularly in its pre-salt basin, are now recognised as some of the largest in the world. These new discoveries are expected to contain significant volumes of oil and gas, offering opportunities for economies of scale in exploration and production after the initial required capital expenditures. However, because many of these reserves are located in deep waters that are expected to present significant challenges for their exploration and development, more powerful and technologically-advanced vessels will be required to provide offshore support services in Brazil. Accordingly, it is expected that a large number of higher-paying charters for more powerful and modern offshore supply, support and construction vessels will be auctioned by oil and gas E&P companies increasing their activities in offshore Brazil. As the owner and operator of some of the most powerful and modern offshore support vessels in Brazil, we are confident that we are strategically positioned to compete for these charters.

Furthermore, major oil and gas companies have announced plans to explore and develop the Brazilian potential pre-salt basin reserves. In 2008 for example, Petrobras, one of our principal customers, announced a 5-year capital expenditure program from 2009 to 2013 of approximately US$ 174 billion, of which approximately US$ 105 million is to be devoted to E&P activities focusing on the development of the recently discovered Brazilian pre-salt basin and other deepwater potential reserves, such as the Tupi cluster. It is expected that 83% of Petrobras's E&P expenditures from 2008 to 2010 will be in Brazil. As a result of this expected increase in E&P activities in offshore Brazil, a large number of new offshore drilling rigs and platforms are being built, and these developments are expected to continue.

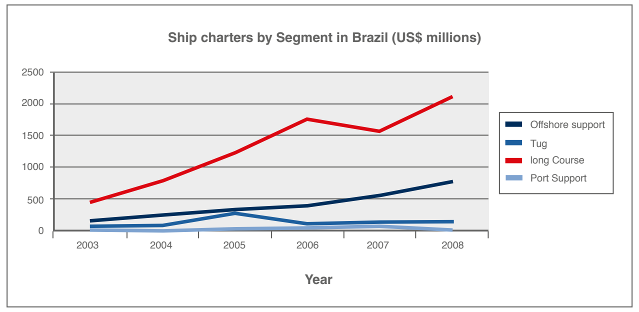
In mid-October 2009, Petrobras launched the third phase of its deepwater rig expansion program, which called for the construction of 28 new deepwater rigs. This 28-rig tender is additional to Petrobras' prior orders for 54 deepwater rigs between 2005 and 2008. Petrobras has also announced a demand for 45 platforms by 2020.

On average, we believe every new deepwater rig that is placed into operation will require approximately two to two and a half offshore support vessels to properly support their full-scale deepwater drilling operations. As a result, we believe these newbuilding rig orders will likely generate significantly increased demand for our offshore support vessels and services.

In addition, according to data published by ABEAM in 2008, Petrobras had the need for 146 offshore support vessels to replace foreign-flagged vessels and to meet the expected increased in demand for offshore support services associated with the E&P activities to be conducted in the Brazilian pre-salt basin. Such vessels must be built in Brazilian shipyards and must be delivered by 2015.

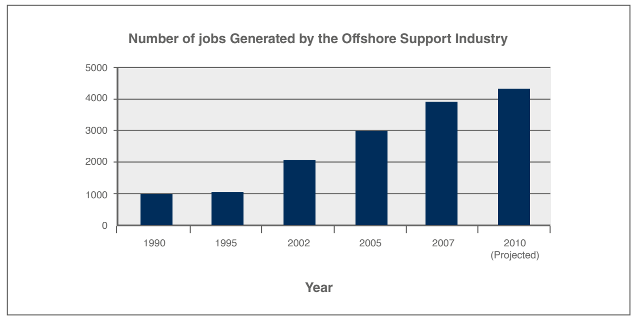
Signs of growth in the industry

Our source of chartering revenue in Brazil has seen a steady growth, as shown by the graph below.



Source:ANTAQ

Increase in total demand for offshore support services in Brazil is also evidenced by the significant growth in jobs in the industry during the past decade. The graph on the next page illustrates this point.



Source:ANTAQ

Main charter features

A unique characteristic of the Brazilian offshore support industry is that charters are usually awarded for longer terms than those in the offshore support industry in other regions around the world. While many offshore support markets, such as in the North Sea, suffer from an over-supply of offshore support vessels and are in turn characterised by spot or short-term contracts, the Brazilian offshore support industry benefits from a much longer average charter term. According to the ABEAM, some of these charter contracts run for eight years.

Additionally, many of the Brazilian offshore oil and gas reserves are located in deep waters, which require more powerful and technologically advanced vessels for their exploration and development. Because these vessels (1) are more costly to operate, (2) require better trained crew and (3) carry more sophisticated equipment, daily rates to charter them are also usually higher. The combination of longer charter terms and more attractive daily charter rates tend to make the Brazilian offshore support industry particularly attractive for owners of sophisticated and powerful vessels, such as Norskan.

Current Brazilian regulations require that charters for offshore support services first be offered to Brazilian-flagged vessels before being awarded to a foreign-flagged vessel. Even after being awarded to a foreign-flagged vessel, and regardless of their remaining term, such charters must be reoffered generally on a yearly basis to Brazilian operators to check the availability of any Brazilian-flagged vessel capable of taking up the contract. Furthermore, Brazilian minimum local content requirements imposed on oil and gas companies conducting E&P activities in Brazil indirectly encourage those companies to seek vessels that are high in local content such as ours.

We believe that our large and diversified fleet of high-tech, Brazilian-flagged vessels uniquely positions us to benefit from the expected growth in demand for offshore support vessels and services in Brazil, and to take advantage of Brazilian foreign fleet substitution policies that require oil and gas companies to give priority to Brazilian-flagged vessels with high Brazilian content such as ours.

Norskan activity 2009

Norskan has continued to grow in 2009 and the company has taken over management for another five vessels during the year.

Skandi Waveney:
After several years for Shell UK and Marathon in the North Sea the vessel will operate on the Peregrino field for Statoil for a two years contract with extention option for two more years.

Skandi Møgster:
The vessel started a two years contract for OGX in May 2009.

Skandi Ipanema/Sanko Bay:
Sanko Bay started as frontrunner for Skandi Ipanema on a two years contract for OGX with an extention option period of one year.

Skandi Hav:
Skandi Hav was delivered after a major conversion from a PSV to a OSRV in august 2009. The vessel has served as PSV and Cablelayer for DOF since 1983 and started a 5 years contract for Petrobras with six years extention option period.

Skandi Santos:
In November 2009 Skandi Santos was delivered from STX Aukra in Norway and after several sea trails and tests the vessel headed for Brazil late December 2009. The vessel started a five years contract for AKOFS/Petrobras.

In addition Norskan has closed the following contracts:

Skandi Stolmen:
A three year contract with Petrobras.

Skandi Captain:
A three year contract with Petrobras.

Skandi Peregrino:
A two year contract with Statoil with extention option for two more years.

Skandi Rio:
The contract with Petrobras has been extended for another four years (IDC with the existing contract).

Norskan will take over more vessels in 2010 and the total fleet will be minimum 21 vessels at the end of 2010. This increase, not only in the total number of vessels, but also the complexity of the fleet will require a good organization and administration. With the experience Norskan has achieved for operating various types of offshore vessels we should be well prepared for the years ahead.

DOF Subsea Brazil Ltda

Brazil is the fastest growing region in the DOF Subsea group; it has grown from 0 contracts and 0 employees in 2006 to 4 long-term contracts and 190 employees in 2009. DOF Subsea Brazil is still growing with delivery to AKOF´s of a new vessel, Skandi Santos, in February 2010 for a 5-year contact plus 5-year option for Petrobras. We are also awaiting the result of several promising tenders for long-term contracts.

It is the nature of our business to work under pressure, the pressure of great depths, pressure of uncompromising quality demands and the pressure of timelines that allow no room for indecision. DOF Subsea Brazil's management is committed to working as a team to ensure project and client requirements are dealt with in a professional and timely manner; our success in Brazil is closely linked to our good relationship with our sister company Norskan, which has been of great importance since DOF started activities in Brazil. The close cooperation between the two companies and our mutual understanding of roles and dependencies have generated good results.

"My job as General Manager of DOF Subsea Brazil Ltda is to ensure that DOF Subsea Brazil Ltda has a highly skilled team onshore and offshore to deliver our vision which is to be the preferred integrated subsea service provider in Brazil".

Eirik Tørressen
General Manager, DOF Subsea Brazil

DOF Subsea Brazil is totally committed to its HSE policies and will ensure, through education and communication, that all DOF Subsea Brazil Ltda employees clearly understand the meaning of these policies and the company's commitment to them. Safety is a culture whereby the top management of the company communicates to all employees that DOF Subsea Brazil Ltda is fully committed to its safety culture and that no compromise will be acceptable. The DOF senior management team displays a clear commitment to all our employees to always put safety first.

Over the last year, DOF Subsea Brazil grown from being a supplier of ROV services on third-party vessels to a company delivering complex construction vessels to demanding clients. Over the coming year, we will have to refocus on changing the company from being a service supplier to becoming a more project-oriented organisation. In 2009, DOF Subsea Brazil operated two long-term ROV contracts and one RSV vessel contract for Petrobras onboard Norskan Botafogo, Skandi Fluminence and Skandi Chieftain which went on hire in June 2009. In addition, DOF Subsea Brazil operates one long-term construction vessel contract with Skandi Salvador for Chevron providing subsea support services for installation and commissioning support for the Frade subsea developments.

DOF Subsea Brazil's long-term goal is to be the leading supplier of project services related to survey, IMR and construction support in Brazil. In 2009, we have taken several steps in the right direction toward this goal, we have seen significant improvements in stabilisation and in our offshore workforce and have made changes to the onshore management team to streamline and improve performance.

Our ongoing goal is to build on our ability to become a project-oriented organisation delivering a full range of project related services to clients in accordance with their needs and in line with their corporate QHSE philosophies and proposed scope of work. We aim to deliver these services in line with agreed schedules and within agreed budgets to the full satisfaction of the client. All projects will be performed according to the standards and policies of DOF Subsea Brazil Ltda and monitored to provide positive performance indicators upon

Brazil Ltda listens to its clients and reacts appropriately to any concerns that the client may have. We believe our clients recognise and appreciate this.
Personnel have been and will always be the most valuable resource within DOF Subsea Brazil and the company's success is totally dependent on having people who really know how to do their job and enjoy working for the company.

One challenge faced by DOF Subsea Brazil Ltda for the coming years is the lack of qualified subsea personnel available in Brazil. In order to address this situation, we have established and implemented comprehensive training programs for

Skandi Santos

which we can build and improve our corporate performance and services.

In order to achieve these goals, Project Managers and all line departments will focus on measurement of personnel performance, identification of additional training requirements required to meet the diverse requirements of a project-based organisation and motivational activities to generate a desire to learn and self improve within our workforce. We will also sustain our level of dialogue with our workforce to demonstrate management commitment and support for their activities.

A key factor in maintaining and improving the quality of service we provide to our clients is customer feedback. To this end, DOF Subsea Brazil maintains regular contact with clients during weekly and monthly project meetings were potential problems can be flagged at an early stage and the appropriate steps taken to mitigate any potential problems. DOF Subsea

onshore and offshore personnel. We need to keep these people and to attract new employees to join the company. To achieve this, we continually review the process of reinforcing a DOF Subsea Brazil culture based on ensuring a safe work place, competitive salary, good working environment, career opportunities, training and long-term secure jobs.

By so doing and ensuring that we remain committed to our values of "Integrity", "Respect", "Teamwork" "Excellence" and "Safety", we believe we will be successful in keeping our employees working for us and attracting the best qualified people available. We will also continue our internal training program to achieve our goal.

DOF Subsea Brazil is and will remain very focused on consistently providing an extremely high standard of services to our clients, and working closely with clients to solve their subsea challenges.

DOF Management Argentina

In Argentina Skandi Patagonia has been under charter to Total Austral SA for the last 9 years, performing duties as a terminal tender, diving support vessel, stand by vessel and other services. Unlike the operation in the Brazilian sector, there is no availability of other vessels in the area of operation, Latitude 52 South. The vessel spends an average of 350 days at sea on location.

DOF Subsea Angola Ltd

Angola oil production dates back to the 20th century, both onshore and offshore. During the long lasting civil war, that ended in 2002, all oil production went offshore. In recent years the offshore industry has moved into deep water areas. This move has shown very successful and several large deepwater discoveries has been made during the last ten years, resulting in Angola today being the largest producer of raw oil in West-Africa. The prospects are promising and many large deepwater projects are being implemented while others are still being planned. New discoveries are being made, last one on block 15/06 by ENI, announced on the 10th of April 2010, where DOF Subsea Angola is providing positioning services.

DOF Subsea Angola was established in 2006 in order to respond to this new development and capture new business opportunities in the fast growing Angolan and WA offshore market.

DOF Subsea Angola signed its first long term contract with BP in 2009 (5 years) for provision of Positioning and Verification services at block 31, one of the new deep water blocks in Angola.

The same year a 3 years contract for positioning services was entered into with ENI. In addition DOF Subsea conducted a geotechnical survey for TOTAL on block 18, CLOV. This project was done as a joint operation with Benthic, bringing state of the art technology to West Africa for collecting seabed samples with a deployable drilling rig at 1800 meters depth. DOF Subsea entered into a MOU with Sonangol for survey and IMR work in 2009. This was delayed and will be conducted in 2010.

Currently DOF Subsea is running for several small, medium and large projects in Angola, and is offering a total of 6 new builds to different projects and operators.

As per today DOF Subsea Angola has 17 employees. The main office is located in Miramar, in the center of Luanda, close to the operators and to the Sonils offshore base. The company is moving into new offices in May 2010.

DOF Subsea Angola has today an agreement with Aker Solutions for utilization of their base facilities at Sonils Base. However as the portfolio is growing there is a need to establish own base facilities, for which the Sonils base in Luanda and the Kwanda Base in Soyo are currently being evaluated.

Skandi Patagonia

THE SOUTH ATLANTIC FLEET

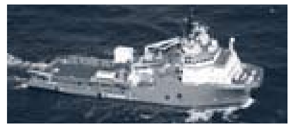

Skandi Flamengo PSV


Skandi Leblon PSV


Skandi Stolmen PSV


Skandi Waveney PSV


Skandi Yare PSV


Skandi Botafogo AHTS


Skandi Copacabana AHTS


Skandi Fluminence AHTS


Skandi Giant AHTS


Skandi Møgster AHTS

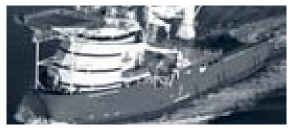

Skandi Rio AHTS


Geograph CSV


Skandi Acergy CSV


Skandi Chieftain CSV


Skandi Hav CSV


Skandi Patagonia CSV

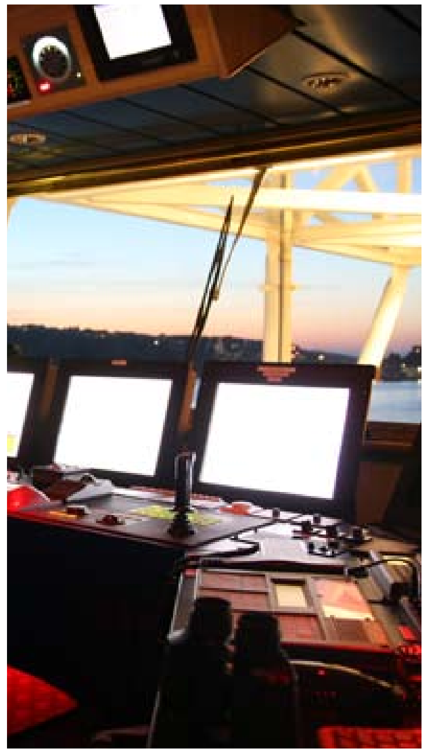

Skandi Salvador CSV


Skandi Santos CSV

ASIA-PACIFIC REGION

DOF's activities: Indian Ocean and Pacific Ocean. DOF's offices: Australia (Perth) and Singapore, Indonesia (Jakarta), Brunei and Philippines (Manila).

ASIA-PACIFIC REGION



DOF Subsea Asia Pacific

DOF Subsea Asia Pacific has been operating in the region for five years. In 2009, we continued to generate a steady growth in profit despite the impact of the Global Financial Crisis and a general slowdown of activity in the oil and gas sector.

It was our location and our mix of subsea intervention services that enabled us to continue to develop revenue streams and deliver a positive growth in a difficult trading environment.

Whilst we maintained reasonable vessel utilisation in 2009, it was the maximisation of our "value added" services which underpinned our performance. We have established a reputation for Saturation and Air Diving operations as well as ROV operations in the region and we capitalised on this and our Project Management and Engineering services.

The other factors contributing to our success in 2009 included developing key strategic partnerships and ensuring we concentrated our efforts on the most lucrative markets. This allowed us to sustain asset utilisation, further enhance our revenues from subsea intervention services and ensure progress towards our overall strategic goals.

It is crucial to keep a clear grasp of the macro environment - 'the bigger picture' - especially when prevailing conditions are challenging. And in 2009 we continued our strategic path of transition for the business. The evolution will become even more evident in 2010 and into 2011 as we bring some of our new group assets into the region.

Analysts' projections for the subsea sector in the Asia Pacific region indicate strong growth over the next five years. The development of a number of substantial natural gas resource projects in Australia adds strength to the Asian growth

story and we expect the Asia Pacific business unit to deliver profitable growth for the group throughout this period.

Our vessels, the Geosea and Geobay, will continue to maximise the full range of their operational capacity and to offer integrated subsea services. In order to emphasise the flexibility of these vessels and our ability to participate in the full life of an oil and gas project, Geobay was recently converted to undertake geotechnical coring for Chevron's Wheatstone gas development.

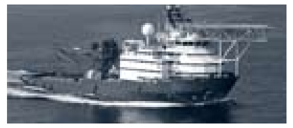
With the increase in activity in the region, our strategy ensures we respond to the developing needs of our clients and we will be equipped to do so. We will take delivery of a new build diving support vessel – the Skandi Singapore – in January 2011 and will be relocating other group assets during the second half of 2010. Our new build and fleet relocations for our Dive Support Vessel, Skandi Singapore, coincide with the planned increase in investment in the subsea sea sector in this region.

But none of this would be possible without a fantastic team of dedicated professionals at DOF Subsea Asia Pacific. Even with increased activity, we achieved a 2-year HSE milestone of 2 million man hours and no lost time injuries. This is true testimony to a team who already has 2010 underway and on target.

THE ASIA-PACIFIC FLEET

Skandi Falcon PSV

Geobay CSV



Geoholm CSV

Geosea CSV

HSEQ

Health, Safety, Environment & Quality

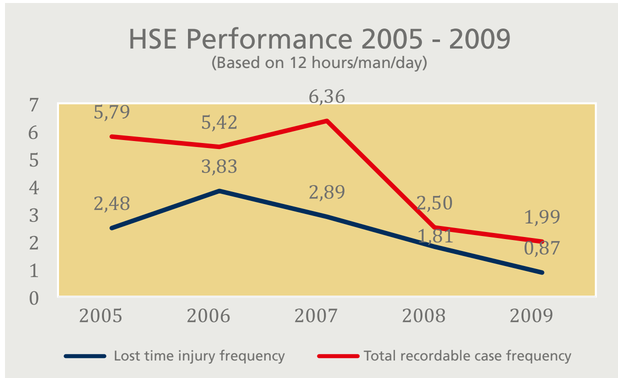
The DOF group

General Overview:
Throughout the group there are in the region of fifty HSE and Quality professionals whom are consistently engaged within daily operations to ensure sustainable high level of HSE and Quality. The group has in past times been working within different organisational structures and leadership. During 2009 new structures and directions from top management have been implemented thus allowing these professionals environments where they can work closer together.

The above changes and directions are based upon an overall principle that HSE and Quality is and must remain a core value of the DOF group. On all occasions possible HSEQ shall be on the top of all agendas and decisions made within the group.

The overall safety statistic of the DOF group during the last four years shows a significant reduction of frequencies both to lost time incidents - and recordable injuries.

HSE performance DOF group – last 5 years:
(Figures are based on 12 hrs/man/day.)



Code of Business Conduct:
During the year a new Code of Business Conduct has been developed and introduced throughout the DOF group. The new set of revised policies and guidelines will be implemented during 2010. These new policies will set a standard for a common way of operating through the entire group as a whole, from vessels to upper management.

Management Systems:
In 2009 a strategy for merging all management systems for the entire group on the same platform was decided. "Docmap" has been identified as being the tool able to achieve this as it is designed specifically for handling documentation required within the safety management system and incident reporting.

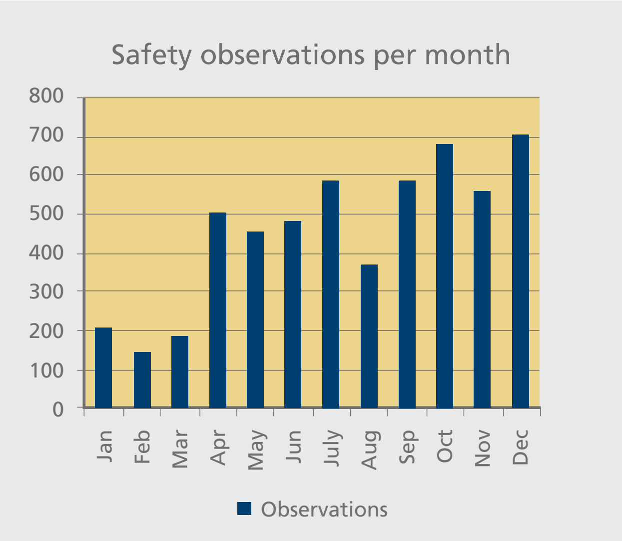
External environment
All regions and vessels are operating according to the ISO 14001 standards. DOF has one of the most modern fleets in the market. We claim this fact by making it our primary standard to focus in utilizing the most up-to date and environmentally friendly technology available for our new buildings. New generations of low resistance hull lines are designed for speed and low fuel consumption and the vessels are also built environmental friendly design, clean design (DNV).

DOF Subsea

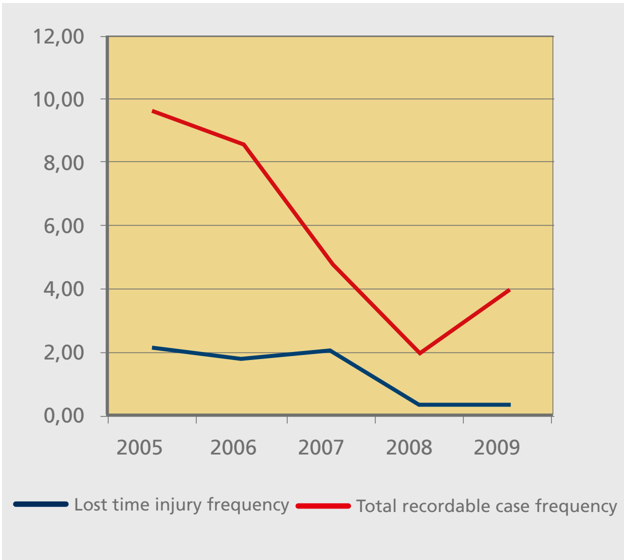
2009:
In 2009 we sustained one lost time incidents (LTI) which occurred onboard one of our own offshore assets (Geosund). A deck rigger broke his finger during a routine lifting operation. Despite this unfortunate incident, the overall results for the year are impressive with an LTI frequency of "0.3 per million man-hours worked".

Another positive aspect was the reporting of safety observations as this is regarded to be one of our strongest measures to keep a high and robust Safety Culture within the company.

Almost 6 000 reports were submitted and logged during 2009:



LTI and Recordable Frequencies 2005 - 2009
(Figures are based on 12 hrs/man/day.)



HSEQ Achievements 2009
A "Unique" safety behaviour program was rolled out during the 2009. The overall objective of the programme was to create a positive safety culture.

We achieved this goal by following/implementing Demings Theory of 'Plann-Do-Check-Act' cycle of awareness, assessment and action, predicated upon a consistency of focus, purpose and execution.

System Development:
To support and align with the corporate vision of DOF Subsea "To be a world class integrated Subsea Company delivering solutions responsibility, without risk, together – every day", a global business management system project has been initiated to develop a robust and unique management system that will be utilised globally. The new BMS will provide the company with standard processes that require minimal variation irrespective of locations.

ISO 9001-14001 and OSHAS 18001:
At this precise time DOF Subsea is currently operating under 7 different business management system certified towards the ISO 9001 standard. With support from a global consulting group, DOF Subsea aim to have implemented a global Business Management System certified according to ISO 9001, 14001 and OHSAS 18001 in 2010. A global contract has been issued and signed with DnV, Det norske Veritas, to perform the certification process globally.

Producing more than just the project deliveries, the project will also increase global morale and mutual understanding as the individual DOF Subsea companies have and will continue to work together crossing cultures, religion, regions and borders to attain our ultimate goal.

Furthermore, DOF Subsea will be recognised as a global player in the offshore subsea market by international oil companies, thus creating access to new markets.

IMCA Training 2009:
DOF Subsea has during the year introduced IMCA, International Marine Contractors Association, competence scheme. IMCA set the guidelines which we follow for competence and training. IMCA is the preferred industry competence framework within our line of business to follow. IMCA works through and on behalf of its members world-wide promoting offshore safety, addressing technical matters and on a variety of other issues.

The IMCA guidelines for competence assurance scheme consist of 3 different levels:

- Part 1 – Internal Trainer & Assessor Package
- Part 2 – Record of Competence Booklet
- Part 3 – Certification

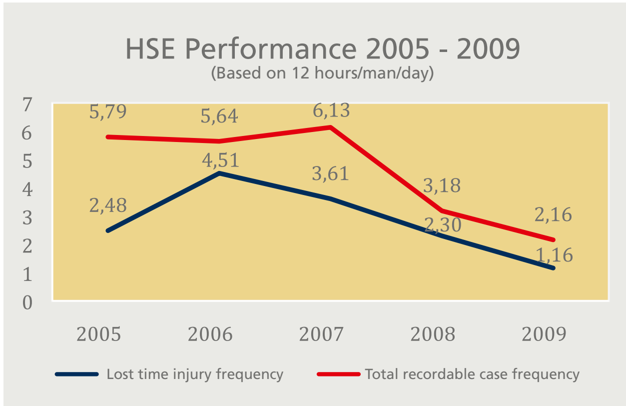
DOF Management:

Overall
DOF Management has the management responsibility of vessels owned by the DOF group and other ship owning companies. Since 1995, DOF Management AS has certified according to the ISM code, followed by the ISO 9001- and ISO 14001 certifications in 2002.

HSEQ Performance 2009:
- Approx. 50% reduction in personnel injury frequencies (LTIF and TRCF) compared to 2008.
- Increased use of Safety Observations and reporting of Near Misses.
- Reduction in offhire days due to un-planned technical breakdown (99,2% vessel reliability).
- Implementation of Environmental Accounting System.
- Time-Out-For-Safety (TOFS) programme carried out on board several vessels.

Focus areas:
- A new Management System under implementation (Docmap), a joint project with DOF Subsea.
- Crisis Manager – new tool for effective handling of emergency situations.
- Revised format of the HSEQ Plan – focus on KPIs for all departments and regular meetings to monitor performance.
- Increased cooperation with DOF Subsea and Norskan, with the purpose to align HSE procedures and implement common systems for the DOF ASA group.

HSE performance DOF Management – last 5 years:
(Figures include DOF Management Pte. Ltd. and are based on 12 hrs/man/day.)



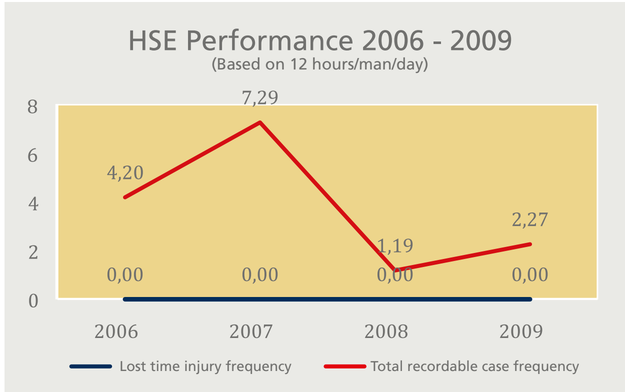
NORSKAN

Overall
Norskan has the management responsibility of vessels owned by the DOF group and other ship owning companies. Since 2004, Norskan has been certified according to the ISM Code and according to the ISO 9001, ISO 14001, OSHAS 18001 and ISPS Code.

HSEQ Performance 2009:
- Zero LTIF, Norskan has never registered a Lost Time Injury Frequency (LTIF).
- Increased Total Recordable Case Frequency (TRCF), from 0,68 in 2008 to 1,03 in 2009. The cause for this increase may be due to an increase in the fleet from 7 to 12 vessels, including many new employees.
  The consequence of this is that the HSEQ culture must be implemented by training and education.
- Norskan fleet achieved 98,71 % of operational reliability in 2009. The reasons for off-hire in 2009 were machine problems and delays during periods at the yards.
- In 2007 and 2008 Norskan won the Best Offshore Supplier HSE award from Petrobras. The quality of Norskan's services at sea is demonstrated monthly by evaluations performed by Petrobras onboard vessels managed by Norskan.
- In 2007, 2008 & 2009, Norskan ranked first place on two categories of Petrobras Award. In one of these categories, Norskan has become Petrobras best supplier against other Offshore Supply companies (a program called PEOTRAM with 33 participating companies) and on the other category (this case only 2007 & 2008 – 2009 there was no award in this category), first place against almost 75 companies of various segments regarding the Management System of HSEQ.

Focus areas:
- Decreasing waste generation and increase of waste segregation.
- Training programs and seminars on Management and Safety for all of the employees.
- Social responsibility is taken by participation and implementation of varies social programs both internally and externally.

HSE performance Norskan – last 4 years:
(Figures are based on 12 hrs/man/day.



DOF'S NEWBUILDING PROGRAMME

DOF still has an extensive newbuilding program with a correspondingly high level of activity in the newbuilding group. The total number of newbuildings in the company is presently 19. Three newbuildings were delivered in 2009.

Our newbuilding deliveries last year were all highly advanced vessels, also incorporating new technology. They were built with a high focus on environmental friendly solutions and comfort for all personnel onboard, in line with our previous newbuildings in recent years.

In 2009, we took delivery of the supply vessel Skandi Flora and the offshore construction vessels Skandi Arctic and Skandi Santos, all delivered by STX shipyards in Norway.

Skandi Arctic, a joint venture project with Technip, is on long-term charter for Technip and Statoil. The vessel is arranged with a "state of art" 24-man twin bell dive system, with heave compensated bells and 6 chambers. In addition, the vessel is fitted with a 400-ton offshore crane and facilities for a wide range of construction support services. She is the largest and one of the most advanced diving vessels presently in operation worldwide.

Skandi Santos is arranged with specialised deck equipment, including a module handling tower and deck skidding system, optimised for efficient handling and maintenance of subsea modules (e.g. Xmas trees). The vessel is quite unique in this respect and operates on a long-term contract to Aker Oilfield Services for Petrobras in Brazil.

A major part of our remaining newbuilding program represents "high-end" AHTS vessels that are built at shipyards in Norway, Brazil and Vietnam. Among these are our series of 4 vessels of STX AH-04 design, under construction at Aukra shipyard in Norway.

These are fitted with the most modern anchor handling deck equipment available and provide a combination of extreme size, bollard pull and winch capacity that ensures these vessels are prepared for future demanding deep-sea anchor handling operations. The vessels are also prepared for offshore construction work, by use of offshore crane and ROV systems. They are arranged with "Clean Design" class, SCR catalyst system, low resistant hull lines and fuel efficient hybrid propulsion concept, in order to reduce fuel consumption and emissions of NOx and CO2. The first vessel of this design, Skandi Vega, on long-term charter to Statoil, is scheduled for delivery in April 2010 from STX Aukra. We certainly look forward to seeing this vessel in operation in 2010.

Our newbuilding program also includes vessels built at shipyards in Brazil and the Far East:

Newbuildings, Brazil:
DOF has a long history of cooperation with STX and their Promar shipyard in Brazil. Our cooperation with this shipyard has grown and improved, in line with the complexity of the vessels they have built for DOF. Presently, a number of highly advanced vessels, including 2 OSCVs and 3 anchor handlers, are under construction for DOF at this shipyard. Several of these newbuildings are planned for delivery in 2010, e.g. Skandi Vitoria. This is a huge offshore construction vessel of STX OSCV 06 design, with overall length 142 m and beam 27 m, fitted with a 250-ton offshore crane and advanced flexible pipe laying equipment. This is a joint venture project with Technip. The vessel is in its final outfitting stage, with scheduled delivery in spring 2010. She is an impressive vessel, with a complexity in line with the most advanced vessels in our fleet.

Newbuildings, Far East:
Our newbuildings in the Far East include a series of 6 medium-size anchor handlers built at the STX Vungtau shipyard/Vietnam, two supply vessels at the Cochin shipyard/India and one construction/diving vessel at the ST Marine shipyard/Singapore. These shipyards are new to DOF but we have already established a good partnership with the yards and sent skilled teams on site. We are very satisfied with their performance to date.

We have been particularly impressed by the achievements of STX in their brand new shipyard in Vungtau/Vietnam. In the space of only a few years, the shipyard has been fitted with new and modern shipbuilding facilities.

The first two anchor handlers of STX OSCV 08 design, Skandi Emerald and Skandi Peregrino, are both scheduled for delivery from STX Vungtau shipyard in 2010.

Delivery of the first vessel from the Cochin shipyard in India is expected at the end of 2010.

Skandi Singapore is a DOF Subsea construction & diving vessel of STX DSV 06 design, built at ST Marine, Singapore.

The vessel is arranged with an 18-man SAT dive system, single bell with heave compensation and 3 chambers.

Furthermore, the vessel is arranged with a 140-ton offshore crane and heavy-duty WROV & LARS systems, ensuring that the vessel is prepared for a wide range of offshore and subsea support operations.

We are confident that this high level activity for the DOF newbuilding group will continue in 2010, and we look forward to challenging and interesting tasks in the years to come.

Skandi Singapore

NEWBUILDINGS AND ESTIMATED DELIVERY

Name: Skandi TBN
Design: PSV 09
Delivery: 2010

Name: Skandi TBN
Design: PSV 09
Delivery: 2011

Aker PSV 09 CD x 2

Aker AH04 x 2

Name: Skandi Vega
Design: AH 04
Delivery: 2010

Name: Skandi Skolten
Design: AH 04
Delivery: 2010

Name: Skandi Singapore
Design: DSV 06
Delivery: 2011

Aker OSCV 06L DSV

Aker AH04 x 2

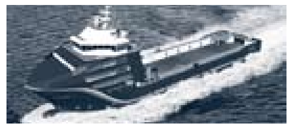
Name: Skandi Hercules
Design: AH 04
Delivery: 2010

Name: Skandi TBN
Design: AH 04
Delivery: 2011

Name: Skandi Vitoria
Design: OSCV 06
Delivery: 2010

Name: Skandi Niteroi
Design: OSCV 06
Delivery: 2010

Aker OSCV 06 x 2



Aker PSV 06 LNG

Name: Skandi Gamma
Design: PSV 06 LNG
Delivery: 2011

Name: Skandi Ipanema
Design: AH 05
Delivery: 2010

Aker AH05

Aker AH08 x 6

Name: Skandi Emerald
Design: AH 08
Delivery: 2010

Name: Skandi Peregrino
Design: AH 08
Delivery: 2010

Name: Skandi TBN (x 2)
Design: AH 08
Delivery: 2011

Name: Skandi TBN (x 2)
Design: AH 08
Delivery: 2012

Name: Skandi Amazonas
Design: AH 12
Delivery: 2011

Name: Skandi Iginazu
Design: AH 12
Delivery: 2011

Aker AH12 x 2

THE MARKET

Skandi Arctic

THE OFFSHORE SUPPORT VESSEL MARKET: THE TIDAL WAVE OF NEWBUILDINGS

In line with exploration and production spending cuts and a weaker drilling rig market, the offshore support vessel (OSV) market has been in decline since about January 2009 when we first noted a decrease in term charter rates for all segments of tonnage worldwide. This was the first major decrease in rates registered since the OSV market started rallying in autumn 2004. The decrease in term charter rates for supply tonnage from peak levels at the end of 2008 has been approximately 40-50 percent, so far, as owners fight to secure work for their vessels. While newbuilding and sale and purchase activity was markedly still in 2009, the newbuilding delivery pace reached record high levels in 2009 as the tidal wave of newbuildings began to hit the market. According to our records, the anchor handling tug supply (AHTS) fleet is scheduled to expand from 1,400 ships to close to 1,800 ships by the end of 2012. Similarly, the platform supply vessel (PSV) fleet will increase from about 1,000 ships to about 1,200 ships in the same timeframe. Finally, the high end construction fleet is projected to grow from about 240 ships to 340 ships. To sum up: about 700 newbuilding deliveries in the next three years.

Despite the current challenging market conditions, the long term demand for OSV seems intact. According to the IEA, oil demand is expected to grow from about 85 to over 100 million barrels per day by 2030. In addition, the portion of offshore oil production is steadily increasing relative to onshore oil production and it is projected to grow to about one third of total production by 2020. These trends together represent a long term requirement for all types of offshore support vessel (OSV). According to our model, although demand for OSV has weakened since the beginning of 2009, the current downturn in the market has its roots in oversupply. In the short term, we are expecting a further decline in the OSV market in 2010 with a possible start on recovery in 2011.

Newbuildings

Newbuilding activity almost came to a complete standstill in 2009. We registered 34 medium and large supply ship orders in 2009, which represents a 60 percent decrease in activity compared with 2008. On the other hand, delivery momentum picked up even more in 2009 with the delivery of 137 vessels. This equates to a yard capacity increase of 36 percent over last year's 40 percent increase. Newbuilding prices remained relatively stable in 2009. In our view, decreases in equipment package prices and pressure for shipyards to fill dwindling order books after a dry year will generate some niche market newbuilding orders in 2010. Newbuilding price reductions are expected to be around 10-15 percent in line with reductions in equipment package prices.

2010 will be the year for placing newbuilding contracts for niche markets as the market is already oversupplied and heading into a period of intensive newbuilding deliveries for the next three years. Brazil will be a focus area as ship owners fight for a piece of Petrobras' aggressive offshore development program. Other niche areas will include Arctic/icebreaking vessels, offshore wind related vessels and vessels for countries such as the US which are protected by strict cabotage laws. Rather than subsidize struggling shipyards directly, we also see the possibility for more government orders for military, coastguard and research vessels to keep domestic shipyards busy.

We noted 17 cancellations of medium and large supply vessels in 2009 due to a variety of reasons such as shipyards going bankrupt, lack of financing and on mutual agreement to create some slack in delivery schedules. Most of the cancellations were announced about mid-2009 and the main focus was on the AHTS segment representing 13 cancellations. Although there have been a few official cancellations announced in 2009, we don't expect this to materially impact the supply of vessels because most of the projects have been successfully resold so far.

A more important factor affecting fleet development is the increasing trend for delivery delays. In line with last year, about 35 percent of 2009 deliveries were rolled over into 2010 at year-end. Last year, we predicted that about only 120 medium and large vessels would be delivered in 2009 with the rest rolling over into 2010. Our prediction was on target with the actual delivery of 137 during the year. With further delays in delivery schedules, as well as the challenge of finding work for the newbuildings in prevailing market conditions, we expect a modest increase in deliveries this year up to about 150 ships.

Sale & purchase

In 2009, well-positioned owners were waiting expectantly to make acquisitions of distressed assets from over-exposed owners. Despite the downturn in term charter rates making speculative newbuilding projects without secure financing even more vulnerable, 2009 was still too early for distress sales on a large scale. The gap between buyers' willingness to spend and sellers' price expectations resulted in fewer deals concluded. Market players put a higher value on retaining assets and accumulating equity than on investing in new assets in 2009. In addition, limited availability of debt financing and the dim short-term outlook for the OSV market contributed to fewer and lower value transactions during the year.

According to our records, asset values decreased up to 30 percent during the course of 2009 depending on the tonnage type. For 2010, we expect fewer transactions and further depreciated second hand values, at least through the first half of 2010, due to buyers betting on deteriorating market conditions. Later in 2010, we expect some owners to start struggling with too much debt and not enough revenue, which will kick off industry consolidation and restructuring on a larger scale.

Rates

After a rally that began in autumn 2004, the term chartering market started to decline in January 2009. Term charter rates have declined on average 40-50 percent for contracts with about a one-year firm period. At the same time, spot rates in the North Sea were on average 65 percent lower than the previous year. The main factors for the decrease in rates are fewer requirements issued by oil companies, drilling rig operators that have been cancelling and delaying offshore development programs and an oversupply of ships due to the tidal wave of newbuilding deliveries. Overall, ship owners have been vigorously competing to keep their vessels on charter in the short term and this has contributed to pushing rates down.

On the worldwide market, we estimate that demand for AHTS and PSV decreased about 3 percent in 2009 in the wake of the financial crisis. Despite last year's dip, demand for supply vessels in 2010 is expected to increase. Drilling support will be the main driver for supply tonnage demand in 2010, which is related to the immense deliveries of drilling rigs expected next year. Assuming the jack up utilization picks up in 2010, we can expect demand in the supply market to increase up to 15 percent over the course of 2010. On the other hand, the supply fleet expanded 14 percent in 2009 and is expected to grow an additional 18 percent in 2010. Considering the expanding supply figures in the context of lagging demand, rates in 2010 are expected to remain relatively depressed and possibly even deteriorate more with a possible start to recovery in 2011.

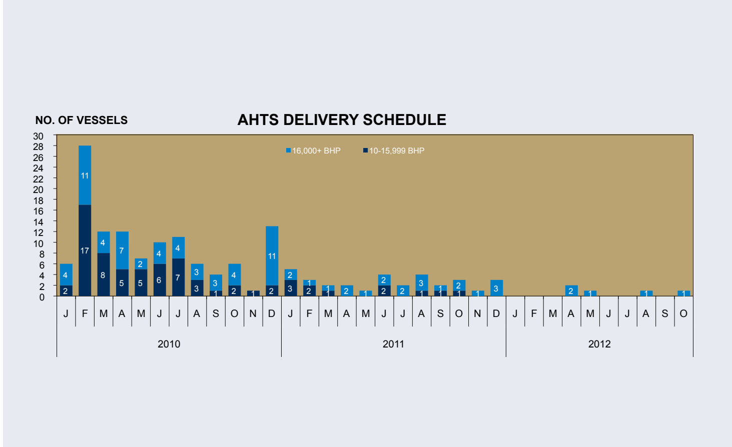
Construction market

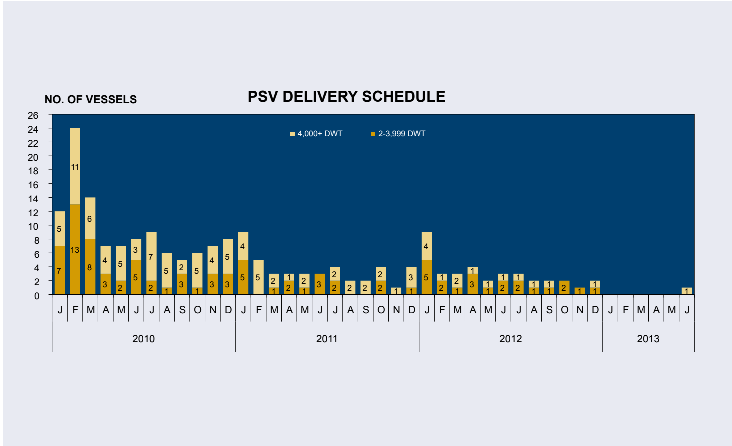
In the short term, demand for construction vessels is expected to stay low in 2010 but may pick up in 2011 in line with the increase in offshore construction company order intake. Despite a possible pickup in demand in 2011, the high end construction vessel fleet is developing at a rate that is expected to outstrip demand and leave a lot of vessels without work and possibly laid up in 2010. In 2009, the construction vessel fleet increased 13 percent versus 14 percent in 2008. However, in 2010 alone, there are 77 vessels scheduled for delivery, and this equates to an annual fleet growth rate of 33 percent. In addition to the core construction vessel fleet, some large AHTS newbuildings are being fitted with large cranes in order to compete for subsea jobs and adding to the competition. In our view, there could be an excess of up to 50 light construction vessels in the market towards the end of 2010 putting pressure on utilizations and rates. Regaining market balance by 2011/12 will be dependent on laying up old vessels, more cancellations and scrapping. In summary, as with the supply market, the main challenge facing the construction vessel market is absorbing the tidal wave of newbuildings into the market.

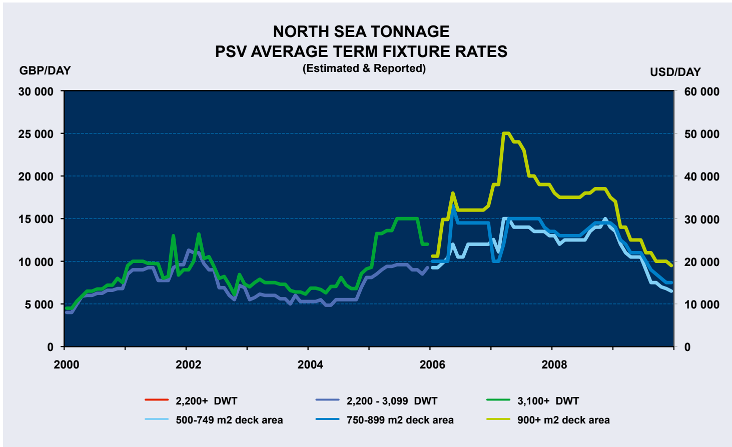
Conclusion

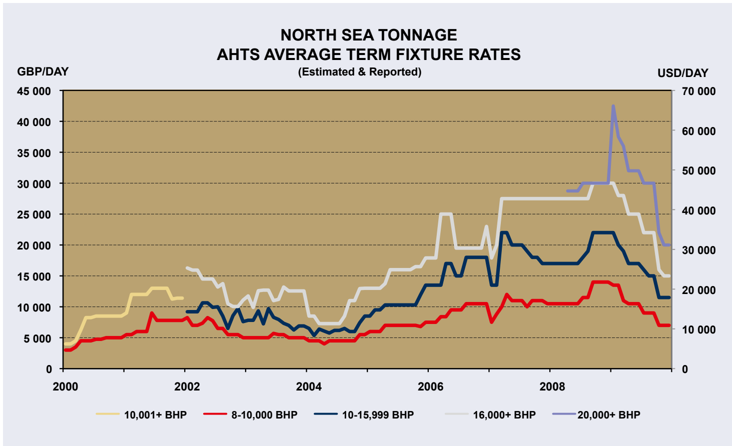
Based mainly on the tidal wave of supply and subsea newbuildings to be absorbed into the market, and lagging growth in OSV demand, we expect utilization of the worldwide supply and subsea fleets to decrease in 2010 with corresponding impact on rates. The main uncertainties in the analysis are the extent of delivery delays and the speed at which offshore activity level will bolster demand in 2010, but still it seems unavoidable that supply will outstrip demand and 2010 will be a tough year for owners.

Source: RS Platou









Graphs: RS Platou

SHAREHOLDERS INFORMATION

Shareholder structure
As of 31.12.09 the 20 largest shareholders owned approx 80% of the Company's shares. The Table below shows the 20 largest shareholders 31.12.09:

Name	No. shares	Shareholding
MØGSTER OFFSHORE AS	46 210 050	50,76%
ODIN NORGE	6 235 400	6,85%
SKAGEN VEKST	4 954 800	5,44%
PARETO AKSJE NORGE	4 492 100	4,93%
SKANDINAVISKA ENSKILDA BANKEN	2 361 183	2,59%
PARETO AKTIV	2 288 000	2,51%
MP PENSJON	1 845 600	2,03%
ODIN OFFSHORE	1 798 900	1,98%
VESTERFJORD AS	873 650	0,96%
PARETO VERDI	608 500	0,67%
MUSTAD INDUSTRIER AS	591 800	0,65%
HOLBERG NORGE	545 500	0,60%
DNB NOR SMB	510 000	0,56%
MOCO AS	498 100	0,55%
ODIN MARITIM	369 800	0,41%
FORSVARETS PERSONELLSERVICE	344 100	0,38%
PACTUM AS	300 000	0,33%
POSH AS	282 600	0,31%
WARRENWICKLUND NORGE	239 000	0,26%
VPF NORDEA SMB	237 894	0,26%
Total 20 largest	**75 586 977**	**83,03%**
Other shareholders	**15 450 998**	**16,97%**
Total	**91 037 975**	**100,00%**

Shareholder policy
DOF ASA shall at all times provide its shareholders, the Oslo Stock Exchange and the finance market in general (through the Oslo Stock Exchange information system) timely and exact information. Such information will be given in the form of annual reports, quarterly reports, press releases, stock exchange notifications and investor presentations, as appropriate. The Company will strive to clarify its long-term potential, including strategy, value drivers and risk factors. The Company will have an open and active policy in its approach to investor relations and will make regular presentations in connection with annual and preliminary results.

In general, DOF will present all inside information. In any event, the Company will provide information about individual events, such as resolutions adopted by the Board and the AGM concerning dividends, mergers/demergers or changes in share capital, the issue of subscription rights, convertible loans and all agreements of significance between Group companies or related parties.

The Chairman and the other Board members shall be available for discussions with major shareholders in order to achieve a balanced understanding of these shareholders' viewpoints and focus, but under due care of the regulations in ASAL, VPHL and BØRSREG. The Chairman shall ensure that the shareholders' views are communicated to the entire Board. The Board shall consider the interests of all shareholders and treat all shareholders equitably.

All transactions that are not of minor significance between the Company and a shareholder, a board member or a senior employee (or related parties) shall be subject to value assessment by an independent third party. If the consideration exceed 5% of DOF's share capital, such transactions shall be subject to the approval of the shareholders at the AGM, in so far as this is required by ASAL, section 3-8.

Board members and senior employees shall inform the Board if they have any significant interest in a transaction to which the Company is a party.

There are no restrictions in the trade of shares in DOF, and DOF shall not establish mechanisms designed to prevent or repel takeover bids, unless this has been approved by the general meeting with a two thirds majority (of votes cast and of the share capital represented). However, in the event of a takeover bid, the Board may take steps that are clearly in the best interest of the shareholders, for example by offering the shareholders advice on the offer, or, where relevant, by finding an alternative buyer ("white knight").

Development of share price since listing
The Figure on the next page illustrates the development of the share price, and OSBEX from date January 1st to December 31st.

Dividend Policy
DOF's objective is to provide a competitive return on the shareholders' invested capital through payment of a dividend and appreciation of the share price. In considering the scope of the dividend, the Board emphasizes safety, predictability and stability, as well as the Company's dividend capacity, the need to have a healthy and optimal level of equity, and also adequate financial resources in order to pave the way for future growth and investment, and the wish to minimise capital costs.

DOF ASA has paid dividend regularly and intend to pay dividend annually in the coming years.

Power of Attorney to the Board of Directors
Increase of the share Capital
In the General Meeting 27 May 2009, the Directors were given a Power of Attorney to increase the Company's share capital up by up to NOK 75.000.000 through the issue of up to 37.500.000 shares, each with a nominal value of NOK 2.00. The Power of Attorney is valid until the ordinary General Meeting in 2010.

The Power of Attorney includes a right to deviate from the shareholders preemptive right by law to subscribe for new shares. Further, the Power of Attorney includes a right to increase the Company's share capital in return for non-cash contributions. The Power of Attorney does not include a decision on a merger pursuant to the Norwegian Public Limited Companies Act, Section 13-5.

DOF has on 20 May 2009 completed a private placement for a total of 8,270,000 new shares. The subscription was set to NOK 29.50 per share.

Acquisition of own shares
In the General meeting 27 May 2009, the Directors were given a Power of Attorney to acquire up to 10 % of the Company's shares, pursuant to the provisions of chapter 9. II in the Norwegian Public Limited Companies Act.

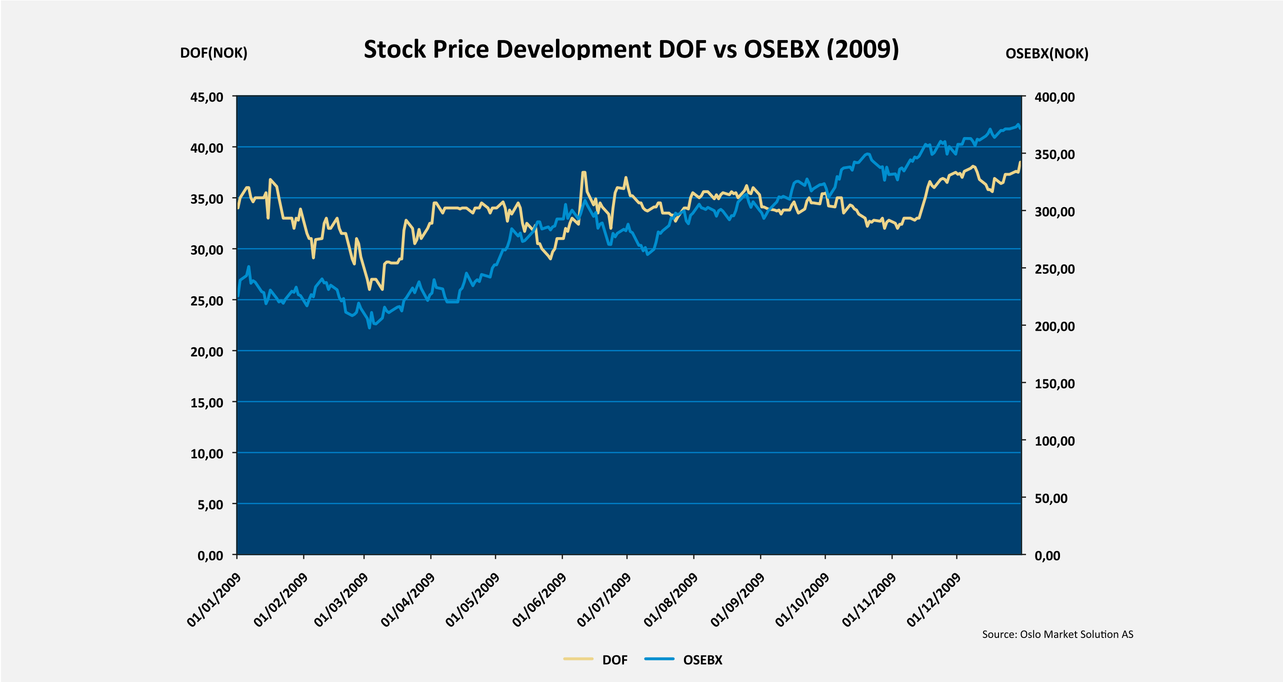
The highest nominal value of shares that may be acquired pursuant to this power of attorney is NOK 16,553,595.00. The lowest amount that can be paid is NOK 10 per share and the highest amount NOK 100 per share.
Within the limits of the law, the Board of Directors are granted Power of Attorney to decide the manner in which the purchase and sale of own shares can take place, taking due account of the principle of equanimity whereby no-one shall derive particular or special advantage from such acquisitions.

The Power of Attorney is valid until the ordinary general meeting in 2010, no later however than 30 June 2010.

The justification for the proposal is that it may be financially advantageous for the Company to possess own shares. The possession of own shares can generate a profit through own-account trading, and the shares can be used in payment for possible acquisitions of other companies and for similar purposes.

FINANCIAL CALENDAR 2010
Preliminary dates for the publishing of the company's results are:

19 May 2010:	1st quarter 2010
27 May 2010:	Ordinary General Meeting
19 August 2010:	2nd quarter 2010
03 November 2010:	3rd quarter 2010
Ultimo Feb 2011:	4th quarter 2010/results 2010



Holding	Shareholders	Shares	% share
1-1 000	3.204	1.486.697	1,6%
1 001-10 000	1.099	3.482.601	3,8%
10 001-100 001	229	6.319.221	6,9%
100 001-1 000 000	37	9.563.423	10,5%
>1 000 001	8	70.186.033	77,1%
	4.577	91.037.975	100,0%
Foreign Ownership		**4.218.862**	**4,6%**
Norwegian Ownership		**86.819.113**	**95,4%**

ANALYTICAL

ANALYTICAL INFORMATION

The DOF group operates within three different business segments related to types of vessels and activities. The majority of all revenues are based on day rates. The result and cash flow for the group can be influenced by a number of variable factors and variance in types of business segments and in particular the activity from subsea. The company policy is to manage all risks and to reduce the major risks which are related to changes in currency rates, interest rates and utilization of vessels and equipment. Our intention is to monitor and understand the impact of changing market conditions on our results and cash flow and to initiate actions to reduce the effects of such changes.

Segments

The group earnings structure are divided in three segments; PSV (Platform Supply Vessel), AHTS (Anchor Handling Tug Supply Vessel) and CSV (Construction Support Vessel). In addition the group earning structure can be divided into two categories:

1) Vessels operating on firm time charter agreements where the revenue reflects vessel- and marine costs and
2) Vessels operating on contracts where the revenue reflects engineering services in addition to vessel- and marine costs.

Vessels under category one are basically PSV and AHTS. The CSV's work under both category one and two and the majority of these vessels are owned by DOF Subsea. Earnings from these vessels are firm contracts and project contracts and earnings can vary based on utilization of the vessels and scope of the project. The subsea vessels (CSV) are used as operating vehicles which serve as platforms for a range of equipment and personnel needed for various services offered by DOF Subsea. DOF Subsea also owns and operates a large fleet of ROV's included in their vessel operations. A minor part of DOF Subsea's business are revenues which do not include own vessels. Margins from these projects are lower than vessel operations.

Comments to operating result

Operating revenue

DOF group's revenue in 2009 amounted to MNOK 4,327.3 compared to MNOK 4,339.7 in 2008. Adjusted with gain/loss from sales of assets the revenue is MNOK 4,335.2 (MNOK 4,021.9 mill) The growth in revenue is more vessels in operation in 2009. The group took delivery of 3 vessels in 2009, of which two vessels were large and complex construction support vessels. One of these vessels is owned by 50%. None vessels were sold in 2009 compared to three vessels sold in 2008. Based on average number of vessels in operation in 2009 the group operated 2 more vessels compared to 2008. Total revenues from vessel and ROV operations in 2009 were MNOK 4,098.80 and total revenues from engineering activities were MNOK 228.5.

Operating costs

Total salary and operating costs were MNOK 3,093.6 in 2009 compared to MNOK 2,784.3 in 2008 which is an cost increase of approx 11%. The increase in costs is driven by operation of more vessels. Total depreciation costs increased from MNOK 643.3 in 2008 to MNOK 837.2 in 2009. In addition total write offs of MNOK 178.5 has been done in 2009 and represents basically write downs of excess values in one subsidiary.

Operating profit before depreciation (EBITDA) amounting to MNOK 1,233.7 (MNOK 1,555.7). Ebitda excluding gain/loss from sale of assets is MNOK 1,141.5 (MNOK 1,237.9). Margins have partially been effected by currency fluctuations. Approx. 70% of the group's revenues are other currency than NOK.

Result of the year

Net financial result totalled MNOK 786.9 (-MNOK 1,035.6). Net financial result has been effected by unrealized gain on foreign currencies, total MNOK 757.5 (-MNOK 655.4) and represents high NOK and R$ to USD.

For the Brazilian operation R$ is used as the functional currency and represents a approx 50% of the unrealized currency gain in 2009 and respectively a loss in 2008. The operations in Brazil is however cash wise less exposed to currency fluctuations based on that the the revenue is split in R$ for the operational part and USD for the financial part. All long term debt for the operations in Brazil is in USD. As the Brazilian operations use R$ as functional currency the effects on the accounts have been substantial.

Net financial income for associated companies was MNOK 191.7 (MNOK 124.8). The result both in 2009 and 2008 basically represent gain from sale of shares in Aker Oilfield Services AS and in DeepOcean respectively.

Tax costs/revenue are in total - MNOK 201.5 (MNOK 223.0). Included in the tax costs for 2009 approx MNOK 260 represent reversal of extra tax for the tonnage tax companies based on judgment in the Supreme court in Norway.

Comments to balance sheet

Assets
The Group assets increased from MNOK 21,784.7 which is an increase of approx 10% from year end 2008. The asset growth can be mainly be explained by investments in vessels and equipment. DOFSUB sold its shares in Aker Oilfield Services and the cash effect was approx MNOK 300. The Group has an extensive new-building program and paid installments and unemployed capital per 31 December 2009 is MNOK 4,594.7. This number represents basically installments on new builds and ROV's with expected delivery in period from 2010-2012. Included in the number is also one vessel delivered in December that did not generate any revenue in 2009.

Equity
The Group total equity increased from MNOK 5,498.8 to MNOK 6,809.1 of which minority interest amounted to MNOK 2,777.4. MNOK 803.0 of the equity growth is derived from profit and MNOK 103.2 from currency effects. In addition a capital increase of MNOK 240 and MNOK 305 has been completed in DOF ASA and in DOF Subsea respectively.

The equity to assets ratio was approx 31% at year end 2009 compared to 28% in 2008. The equity ratio based on fair market value of the fleet and assets was approx. 48%.

Liabilities
The Group's net-interest bearing debt amounted to MNOK 11,073.4 as of 31.12.2009 compared to MNOK 9,710.7 at year end 2008. The Group's liabilities have increased as result of delivery of new vessels and equipment. Short term of long term debt, MNOK 2,128.3 include four loans and one bond with maturity in 2010. Loan with maturity in 2010 represents MNOK 1,125 and three of these loans have been refinanced per April 2010 approx MNOK 780.

The debt/equity ratio was 2,20 calculated on 31.12.09 and 2,61 year end 2008.

Comments to the cash flow

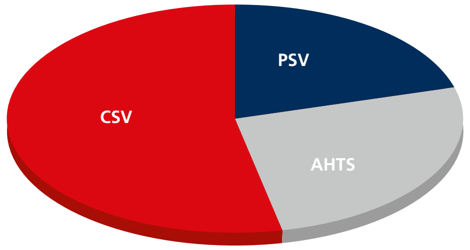
The net cash flow from operations in 2009 was MNOK 598.9 (MNOK 719.5).

Investments in activities show a net negative cash flow effect of - MNOK 3,264 (-MNOK 1,649.8), whereof MNOK 83.1 are cash flows from sale of assets and - MNOK 3,539.3 investments in fixed assets and that represents deliveries of three new-builds and installments on new-builds to be delivered in 2010-2012.

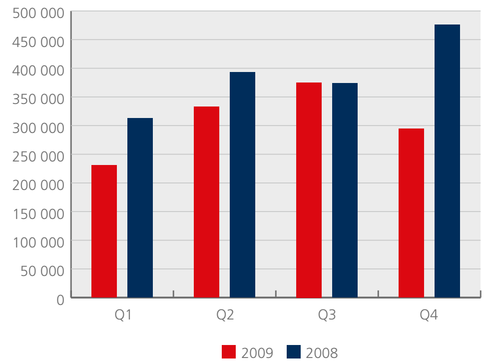
Financing activities show a positive cash flow effect of MNOK 2,047.5 (MNOK 1,903.1) whereof MNOK 4,915.5 is new long term debt and MNOK 3,317.8 are down payments on long term debt. MNOK 449.50 are cash effects from capial increases.

Working capital is MNOK 1,953 (MNOK 1,878.6). Total cash is MNOK 2,213.7 (MNOK 2,831) of which MNOK 1,131 (MNOK 1,183) is restricted cash and represents deposits for long term debt with Eksportfinans for three vessels.

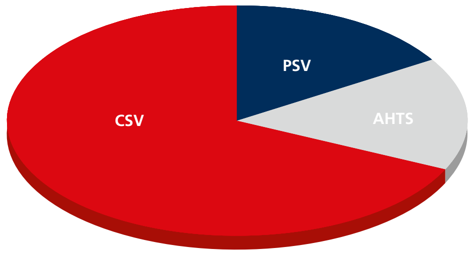
EBITDA per segment 31.12.2009



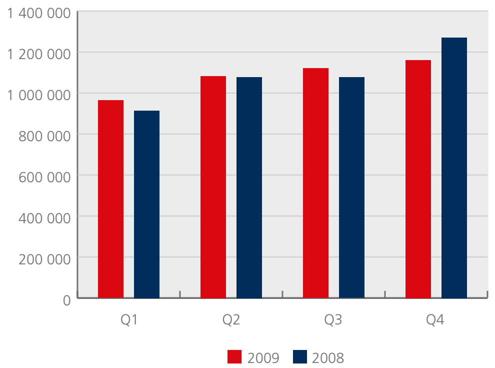
EBITDA Quarterly

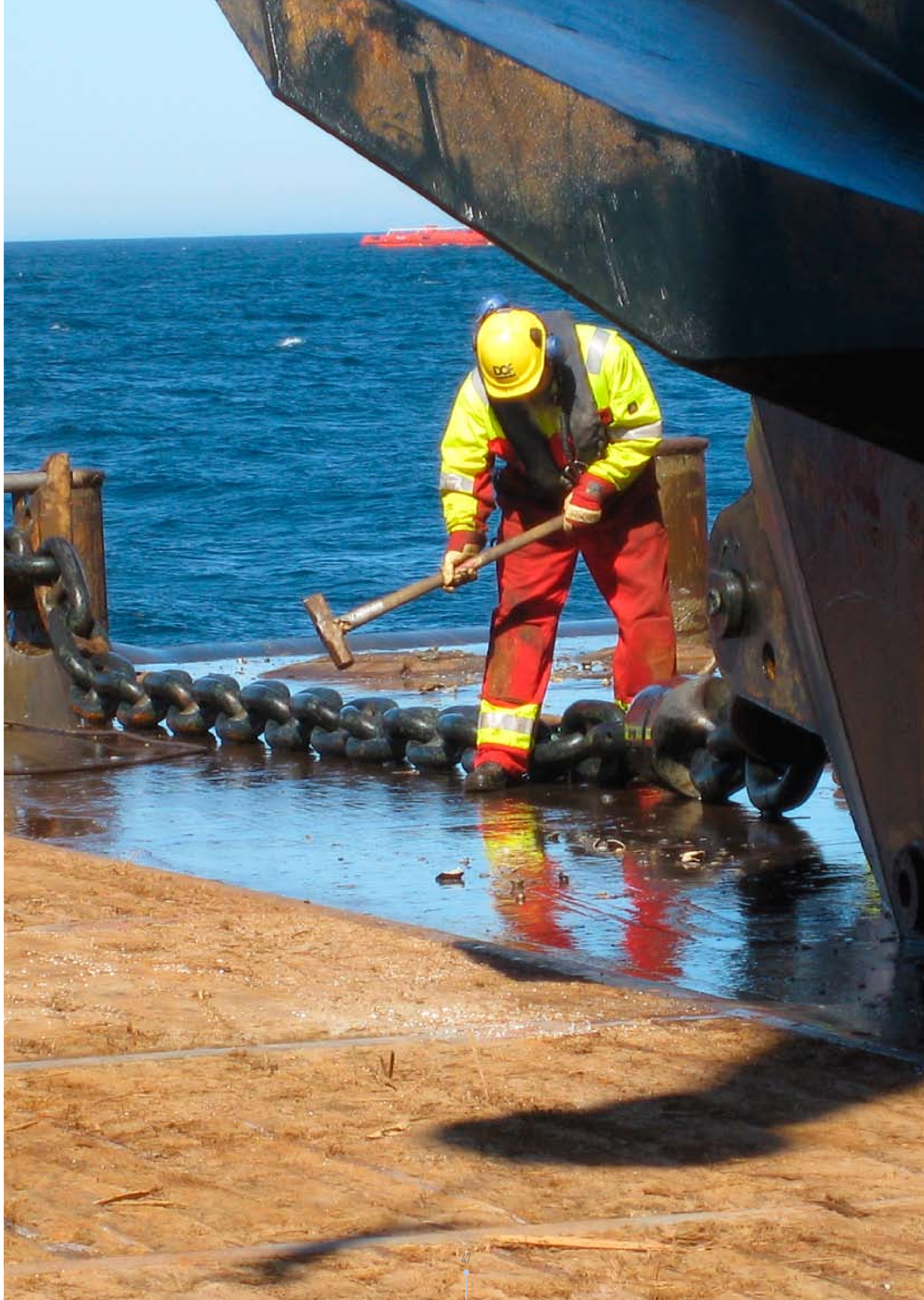


REVENUE per segment 31.12.2009



Revenue Quarterly





CORPORATE GOVERNANCE

1.0 INTRODUCTION

and overall success, and investment return for its shareholders. The development and improvement of the Company's Corporate Governance is a continuous and important process, which the Board of Directors and the Executive Management keep a keen focus on.

1.1 BACKGROUND

DOF ASA ("DOF" or the "Company"), is the parent company in DOF's group of companies ("The Group"), it is established and registered in Norway and subject to Norwegian law, hereunder corporate and other laws and regulations. The Company's aim is to observe all relevant laws and regulations, and the Norwegian recommendation for corporate governance. This also applies for all other companies within the Group, and consequently this document applies to the extent reasonable for all companies therein.

The Company's Board of Directors adopted in its meeting held on 29 August 2006 a document which largely and in principle adhered to the then applicable Corporate Governance standard, with a few deviations. The Board of Directors examined a revised version of the current Corporate Governance standard, published by the Norwegian Committee for Corporate Governance (NUES) on 4 December, 2007. The Board has thereafter, in January, 2008, approved and adopted its current Corporate Governance Policy to reflect the will of DOF to fully comply with the current corporate governance standards recommendations from NUES.

The Company will act in compliance with laws and regulations as applicable from time to time in respect of handling and control of insider trading rules and information to the shareholders and the market. On 21 October, 2009, new Corporate Governance guidelines from NUES were published. On 22 February, 2010, the Company's Board of Directors approved and adopted the revised NUES guidelines without reservations. This review fully reflects the Board's approval of the revised guidelines, and thereby the Company's current Corporate Governance Policy document.

1.2 OBJECTIVE

This governing document contains measures, which have been and will be implemented to secure efficient management and control of the activities of the Company. The main objective is to establish and maintain systems for communication, surveillance and incentives which will increase and maximize the financial results of the Company, its long term soundness

1.3 RULES AND REGULATIONS

The Company is a Norwegian public limited company listed on the Oslo Stock Exchange. In that respect the Company is subject to the corporate governance regulations contained in the Public Limited Companies Act 1997 (asal.), the Securities Trading Act 2007 (vhpl), the Stock Exchange Act with regulations (børsreg) and other applicable legislation.

1.4 MANAGEMENT OF THE COMPANY

Management of and control over the Company is divided between the shareholders, represented through the general meeting of the shareholders, the Board of Directors and the Managing Director (CEO) in accordance with applicable legislation. The Company has an external and independent auditor.

1.5 IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

The Board of Directors must ensure that the Company implements sound corporate governance.

The Board of Directors must provide a report on the Company's corporate governance in the annual report. The report must cover every section of the Corporate Governance Code of Practice. If the company does not fully comply with this Code of Practice, this must be explained in the report.

The Board of Directors should define the Company's basic corporate values and formulate ethical guidelines in accordance with these values.

The Group has drawn up a separate policy for corporate governance, and the Board has decided to follow the Norwegian Recommendation for Corporate Governance.

2.0 BUSINESS

The Company's business shall be clearly defined in its Articles of Association.

The Company shall aim at securing and developing the Company's position as a leading actor within its business activities, to the benefit of its owners, and based on strategies founded on ethical behaviour within applicable laws and regulations.

The annual report should include the objectives clause from the Articles of Association and contain descriptions of the Company's principal objectives and strategies.

The objective of the Company is to be engaged trading and shipping business and other offshore related activity, including participation in other companies with the same or similar objects.

These statements appear in §2 of DOF ASA's Articles of Associations.

3.0 EQUITY AND DIVIDENDS

The Company shall have an equity capital at a level appropriate to its objectives, strategy and risk profile.

The aim of the Company is to produce a competitive return on the investment of its shareholders, through distribution of dividends and increase in share prices. The Board of Directors shall in its assessment of the scope and volumes of dividend emphasize security, predictability and stability, dividend capacity of the Company, the requirement for healthy and optimal equity as well as adequate financial resources to create a basis for future growth and investment, and considering the wish to minimize capital costs.

Mandates granted to the Board of Directors to increase the Company's share capital shall be subject to defined purposes and frames and shall be limited in time to no later than the date of the next annual general meeting. If the general meeting is to consider mandates to the Board of Directors for the issue of shares for different purposes, each mandate should be considered separately by the meeting. This should also apply to mandates granted to the Board for the Company to purchase own shares.

Equity:
The Board of Directors considers consolidated equity to be satisfactory. The Company's need for financial strength is considered at any time in the light of its objective, strategy and risk profile.

The Dividend policy:
The Board of Directors shall in its assessment of the scope and volumes of dividend emphasize security, predictability and stability, dividend capacity of the Company, the requirement for healthy and optimal equity as well as adequate financial resources to create a basis for future growth and investment, and considering the wish to minimize capital costs.

Capital Increase:
The Board has the authority until the ordinary general meeting in 2010 to increase the share capital by issuing 37 500 000 shares.

Purchase of treasury shares:
The Board has the authority, until the ordinary general meeting in 2010, to purchase treasury shares in DOF ASA limited to 10% of the Company's share capital. Shares may not be purchased for less than NOK 10 per share, and no more than NOK 100 per share.

At 31 December 2009, the Group owned no treasury shares.

4.0 EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

The Company shall only have one class of shares.

Any decision to waive the pre-emption right of existing shareholders to subscribe for shares in the event of an increase in share capital must be justified.

Any transactions the Company carries out in its own shares shall be carried out either through the stock exchange or at prevailing stock exchange prices if carried out in any other way.

In the event of any not immaterial transactions between the Company and shareholders, members of the Board of Directors, members of the Executive Management or close associates of any such parties, the Board shall arrange for valuation to be obtained from an independent third party. This will not apply if the transaction requires the approval of the general meeting pursuant to the requirements of the Public Limited Companies Act. Independent valuation should also be arranged in respect of transactions between companies in the same group where any of the companies involved have minority shareholders.

Members of the Board of Directors and the Executive Management are obliged to notify the Board if they have any material direct or indirect interest in any transaction entered into by the Company.

Class of shares:
DOF ASA has only one class of shares. The Articles of Associations place no restrictions on voting rights. All shares are equal.

Trading in treasury shares:
The Board's authorisation to acquire treasury shares is based on the assumption that the acquisition will take place in the open market. Acquired shares may be disposed in the market or used as payments for acquisitions.

Transactions between related parties: See note 30 for related party transactions.

5.0 FREELY NEGOTIABLE SHARES

Shares in listed companies must, in principle, be freely negotiable. Therefore, no form of restriction on negotiability of the Company's shares shall be included in the Company's Articles of Association.

The Articles of Association place no restrictions on negotiability. The shares are freely negotiable.

6.0 GENERAL MEETINGS

Exercising rights.
The Board of Directors should take steps to ensure that as many shareholders as possible may exercise their rights by participating in general meetings of the Company, and that general meetings are an effective forum for the views of shareholders and the board. Such steps should include:

• making the notice calling the meeting and the support information on the resolutions to be considered at the general meeting, including the recommendations of the nomination committee, available on the Company's website no later than 21 days prior to the date of the general meeting

• ensuring that the resolutions and supporting information distributed are sufficiently detailed and comprehensive to allow shareholders to form a view on all matters to be considered at the meeting

• setting any deadline for shareholders to give notice of their intention to attend the meeting as close to the date of the meeting as possible

• If the general meeting is to consider mandates to the Board of Directors for the issue of shares for different purposes, each mandate should be considered separately by the meeting

• ensuring that the members of the Board of Directors and the nomination committee and the auditor are present at the general meeting

• making arrangements to ensure an independent Chairman for the general meeting

• Shareholders who cannot attend the meeting in person should be given the opportunity to vote. The Company shall provide information on the procedure for representation at the meeting through a proxy, including a form to appoint a proxy

• nominate a person who will be available to vote on behalf of shareholders as their proxy

• to the extent possible prepare a form for the appointment of a proxy, which allows separate voting instructions to be given for each matter to be considered by the meeting and for each of the candidates nominated for election

The Company should, at the earliest possible opportunity, make available on its website:

• information on the right of shareholders to propose matters to be considered by the general meeting

• proposals for resolutions to be considered by the general meeting, alternatively comments on matters where no resolution is proposed

• a form for appointing a proxy

By virtue of the Annual General Meeting, the shareholders are guaranteed participation in the Groups supreme governing body. The following matters shall be discussed and resolved at the annual general meeting:

• Adoption of the annual financial statement and the annual report, including distribution of dividends.

• Any other matters which by virtue of law or the articles pertain to the general meeting

Notification:
The annual general meeting shall be held each year no later than six months after the end of each financial year. The 2010 AGM is scheduled May 27th. Notification is sent out within the deadlines in the Code of practice and relevant documentation is available on the Group's website at least 21 days prior to the general meeting. The Financial Calendar is published on the internet and through a notification to Oslo Stock Exchange.

Participation:
It is possible to register by post, telefax or e-mail. Shareholders who cannot attend the meeting can authorise a proxy, and the system facilitates the use of proxies on each individual item for discussion.

7.0 NOMINATION COMMITTEE

The Company shall have a nomination committee, and the general meeting should elect the chairperson and members of the nomination committee and should determine the committee's remuneration.

The nomination committee shall be included in the Company's Articles of Association.

The members of the nomination committee should be selected to take into account the interest of shareholders in general. The majority of the committee should be independent of the Board of Directors and the Executive Management. No more than one member of the nomination
committee should be a member of the Board of Directors, and any such member should not offer him/herself for re-election. The nomination committee should not include the Company's CEO or any other member of the Company's Executive Management.

The nomination committee's duties are to propose candidates for election to the Board of Directors and to propose remuneration to be paid to members of these bodies.

The nominations committee shall give arguments for its recommendations.

The Company should provide information on the membership of the committee and any deadlines for submitting proposals to the committee.

According to the Articles of Association § 6 the company shall have a nomination committee. The nomination committee shall issue a proposal to the general meeting regarding the election of shareholder elected Board members. The nomination committee shall consist of three members. The members of the committee shall be elected by the Company's annual general meeting, which also appoints the committee's Chairman. The members of the nomination committee are elected by the general meeting for terms of two years at a time. The general meeting determines the remuneration of the committee's members.

Composition:
The current committee was elected on the AGM on May 27th 2009 and consists of:

Kristine Herrebrøden. Mrs. Herrebrøden is corporate lawyer at Thommessen law firm and has worked as lawyer since 2004. She has extensive experience in financial and corporate transactions.

Roy Reite. Mr. Reite is President, Offshore & Specialized Vessels at STX Europe. He has been in charge of the Offshore & Specialized Vessels business area in STX Europe since 2001. Previously, he was yard director of STX Europe, Søviknes.

Mr. Ole R. Møgster, elected in 2009, passed away on 23 February, 2010.

Mrs. Herrebrøden and Mr. Reite are independent of DOF ASA's main shareholder(s) and the Executive Management.

8.0 Board of Directors: COMPOSITION AND INDEPENDENCE

The composition of the Board of Directors should ensure that the Board can attend to the common interests of all shareholders and meets the Company's need for expertise, capacity and diversity. Attention should be paid to ensuring that the Board can function effectively as a collegiate body.

The composition of the Board of Directors should ensure that it can operate independently of any special interest. The majority of the shareholder-elected members of the Board of Directors should be independent of the Company's Executive Management and material business contacts. At least two of the members of the Board of Directors elected by shareholders should be independent of the Company's main shareholder(s). In the assessment of independency the following criteria shall be considered:

• whether the relevant person has been employed with the Company during the foregoing three years

• whether the relevant person has received or is receiving other kinds of remuneration from the Company other than the Director's remuneration, or participates in a share option program or result based remuneration arrangement

• whether the relevant person has had major business relation with the Company over the three foregoing years.

The Board of Directors shall not include representatives of the Company's Executive Management. With a view to effective group management, representatives from the Executive Management may however serve as Directors in group subsidiaries.

The Chairman of the Board of Directors shall be elected by the general meeting.

Members of the Board of Directors shall not be elected for more than two years at a time.

The annual report shall provide information to illustrate the expertise and capacity of the members of the Board of Directors and identify which members are considered to be independent.

Members of the Board of Directors shall be encouraged to own shares in the Company.

Composition of Board of Directors:
According to the Articles of Association § 5 The Company's Board of Directors shall consist of 4 - 7 directors elected by the shareholders. DOF ASA has endeavoured to adapt directors' backgrounds, competence, capacity and affiliation to the Group's business activities and its need for diversity.

The Board of Directors consists of the following persons:

Helge Møgster, Chairman. Mr. Møgster is one of the main owners in Laco AS, the main shareholder of DOF ASA and Austevoll Seafood ASA. He has long experience from both the offshore supply and fishery industry. He is holding board positions in several companies.

Helge Singelstad. Mr. Singelstad is CEO in Laco AS and the Chairman of the Board of Lerøy Seafood Group ASA. Mr. Singelstad is educated in engineering from Bergen Ingeniørskole, he is business school graduate from NHH, and he has a degree from the first year of law school at UIB. Singelstad has experience from different types of businesses: oil companies, ship equipment and the seafood sector.

Wenche Kjølås. Mrs. Kjølås is Managing Director in Grieg Maturitas AS since 2009. She has vast experience from various industries in Norway. She holds a business graduate degree from the Norwegian School of Economics and Business Administration from NHH.

Britt Mjellem. Mrs. Mjellem is Department Manager in Amesto People AS. Coming from both the investment banking sector and the shipbuilding industry, Britt has over 20 years experience from the monetary exchange markets.

Oddvar Stangeland. Mr. Stangeland started his career with DOF back in 1982 as a Technical Manager before becoming the CEO in 1985. He stepped down as CEO in 2005 handing over his position to Mons Aase. He holds a degree in Marine Engineering and Naval Architecture (MSc) from the Norwegian Institute of Technology.

The Boards autonomy:
Except for the Chairman Helge Møgster, Helge Singelstad and Oddvar Stangeland, all members of the Board are independent of the Company's major shareholders, the Company's management and the Company's main business relations. There are no conflicts of interest between any duties to the Company of the members of the Board or the Company's management, and their private interests or other duties.

No members of Group management are directors.
Directors are elected by the general meeting for a term of two years.

Directors' ownership of shares:
Helge Møgster owns directly 236 930 shares and indirectly through Laco AS 46 210 050 shares in the Company
Oddvar Stangeland owns, directly 20 000 shares and indirectly though Kanabus AS 8 000 shares in the Company.
Britt Mjellem, owns 1 000 shares in the Company.
Wenche Kjølås, owns indirectly, through Jawendel AS, 3000 shares in the Company.

9.0 THE WORK OF THE Board of Directors

The Board of Directors shall produce an annual schedule for its work, with particular emphasis on objectives, strategy and implementation.

The Board of Directors shall from time to time issue instructions for its own work as well as for the Executive Management with particular emphasis on clear internal allocation of responsibilities and duties. The CEO, CFO and Director of Legal Affairs/Counsel of the Company shall have an obligation and a right to participate in the meetings of the Board of Directors as long as anything to the contrary has been decided.

In order to ensure a more independent consideration of matters of a material character in which the Chairman of the board is, or has been, personally involved, the Board of Directors' consideration of such matters should be chaired by some other member of the Board.

A deputy Chairman should be elected for the purpose of chairing the Board in the event that the Chairman cannot or should not lead the work of the Board.

The Company shall have an audit committee. The entire Board of Directors should not act as audit committee. The majority of the members of the committee shall be independent.

The Board of Directors should also consider appointing a remuneration committee in order to help ensure thorough and independent preparation of matters relating to compensation paid to the executive personnel. Membership of such a committee should be restricted to members of the Board who are independent of the Company's executive personnel.

The Board of Directors shall provide details in the annual report of any board committees appointed.

The Board of Directors shall evaluate its performance and expertise annually.

Board responsibilities:
Norwegian law lays down the tasks and responsibilities of the Board of Directors. These include overall management and supervision for the Company. Towards the end of each year the Board adopts a detailed plan for the following financial year. This plan covers the follow-up of the Company's operations, internal control, strategy development and other issues. The Company complies with the deadlines issued by Oslo Stock Exchange with regards to interim reports.

Instructions to the Board of Directors:
The Board's instructions are extensive and were last revised on 28.03.2008. The instructions cover the following points: the Boards responsibly and obligations, CEO's information requirement to the Board, the Board's procedures.

Use of Board committees:
The use of Nomination Committee is stipulated in the Articles of Association. Moreover, the Board set up an Audit Committee by the end of 2008. The committee prepare items for consideration by the Board. They are solely responsible to the full corporate Board and their authority is limited to making recommendations to the Board.

Audit committee:
The Audit committee has responsibilities related to financial reporting, the independent auditor and risk management and consists of two Board members. The independent auditor usually attends the meetings. The CEO and other directors are entitled to attend if they so desire.

Members: Wenche Kjølås, Chairman, Britt Mjellem and Helge Singelstad.

The Board's self-evaluation:
Each year, a special Board meeting shall be organised on topics related to the Groups operations and the Board's duties and working methods. The Board's working methods and interaction are discussed on an ongoing basis.

10.0 RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors must ensure that the Company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the Company's activities. Internal control and the systems should also encompass the Company's corporate values and ethical guidelines.

The Board of Directors should carry out an annual review of the Company's most important areas of exposure to risk and its internal control arrangements.

The Board of Directors should provide an account in the annual report of the main features of the Company's internal control and risk management systems as they relate to the Company's financial reporting.

The Board of Directors and internal control:
The Board of Directors regularly receives reports that cover financial status and important KPI for the operating companies within the Group. The quarterly financial statements and management reports are also subject to review at quarterly Board meetings.

The Board's annual review:
The Board holds a yearly meeting with the auditor where the auditor gives an assessment on important internal control areas. The directors present a review of the Company's financial status in the Directors report.

11.0 REMUNERATION OF THE Board of Directors

The remuneration of the Board of Directors should reflect the Board's responsibility, expertise, time commitment and the complexity of the Company's activities.

The remuneration of the Board of Directors should not be linked to the Company's performance. The Company should not grant share options to members of its Board.

Members of the Board of Directors and/or companies with which they are associated should not take on specific assignments for the Company in addition to their appointment as a member of the Board. If they do nonetheless take on such assignments this should be disclosed to the full Board. The remuneration for such additional duties should be approved by the Board.

The annual report should provide information on all remuneration paid to each member of the Board of Directors. Any remuneration in addition to normal Directors' fees should be specifically identified.

The Directors fees are decided by the AGM. The Directors' fee are not linked to the Company's performance.

Oddvar Stangeland has had assignments for the Company as a technical advisor in various new-building/ and re-building projects. None of the other Board members have during 2009 had assignments for the Company in addition to being members of the Board.

12.0 REMUNERATION OF THE Executive Management

The Board of Directors is required by law to establish guidelines for the remuneration of the members of the Executive Management. These guidelines shall be communicated to the annual meeting.

The guidelines for the remuneration of the Executive Management shall set out the main principles applied in determining the salary and other remuneration of the Executive Management. The guidelines should help to ensure convergence of the financial interests of the Executive Management and the shareholders.

Performance-related remuneration of the Executive Management in the form of share options, bonus programmes or the like should be linked to value creation for shareholders or the Company's earnings performance over time. Such arrangements, including share option arrangements, should incentivise performance and be based on quantifiable factors over which the employee in question can have influence.

The remuneration policy for the Executive Management is determined by the Board of Directors and communicated to

the annual general meeting. The guidelines regarding the remuneration are approved by the AGM. See note 12 for guidelines for remuneration to Executive Management.
The existion remuneration policy, approved on the 2009 AGM, aloves performance- related remuneration. The Executive Management has currently no performance-related remuneration.

13.0 INFORMATION AND COMMUNICATION

The Board of Directors shall establish guidelines for the Company's reporting of financial and other information based on openness and taking into account the requirement for equal treatment of all participants in the securities market.

The Company should publish an overview each year of the dates for major events such as its annual general meeting, publication of interim reports, public presentations, dividend payment date if appropriate etc.

All information distributed to the Company's shareholders should be published on the Company's web site at the same time as it is sent to shareholders.

The Board of Directors should establish guidelines for the Company's contact with shareholders other than through general meetings.

A calendar of most important dates is published on the Oslo Stock Exchange and the Company's website. Information to the Company's shareholders is distributed via the Oslo Stock Exchange and the Company's website on an ongoing basis, immediately after decisions have been made.

14.0 TAKE-OVERS

The Board of Directors should establish guiding principles for how it will act in the event of a take-over bid.

During the course of a take-over process, the Board of Directors and Management of both party making the offer and the target company have an independent responsibility to help ensure that shareholders in the target company are treated equally, and that the target company's business activities are not disrupted unnecessarily. The Board of the target company has a particular responsibility to ensure that shareholders are given sufficient information and time to form view of the offer.

The Board of Directors should not seek to hinder or obstruct take-over bids for the Company's activities or shares unless there are particular reasons for this.

In the event of a take-over bid for the Company's shares, the Company's Board of Directors should not exercise mandates or pass any resolutions with the intention of obstructing the take-over bid unless this is approved by the general meeting following announcement of the bid.

If an offer is made for a Company's shares, the Company's Board of Directors shall issue a statement evaluating the offer and making a recommendation as to whether shareholders should or should not accept the offer. If the Board finds itself unable to give a recommendation to shareholders on whether or not to accept the offer, it should explain the background for not making such a recommendation. The Board's statement on a bid should make it clear whether the views expressed are unanimous, and if this is not the case it should explain the basis on which specific members of the Board have excluded themselves from the Board's statement. The Board should consider whether to arrange a valuation from an independent expert. If any member of the
Board or Executive Management, or close associates of such individuals, or anyone who has recently held such position, is either the bidder or has a particular personal interest in the bid, the Board should arrange an independent valuation in any case. This shall also apply if the bidder is a major shareholder. Any such valuation should be either appended to the Board's statement, be reproduced in the statement or be referred to in the statement.

Any transaction that is in effect a disposal of the Company's activities should be decided by a general meeting.

DOF ASA's Articles of Association contain no limitation with regard to share acquisition. The shares are freely transferable. Transparency and equal treatment of shareholders is a fundamental policy. When a bid is made for the Company, the Board of Directors will make a well-grounded evaluation of the bid.

15.0 AUDITOR

The auditor should submit the main features of the plan for the audit of the Company to the audit committee annually.

The auditors should participate in meetings of the Board of Directors that deal with the annual accounts. At these meetings the auditor should review any material changes in the Company's account principles, comment on any material estimated accounting figures and report all material matters on which there has been disagreement between the auditor and the Executive Management of the Company.

The auditor should at least once a year present to the audit committee a review of the Company's internal control procedures, including identified weaknesses and proposals for improvement.

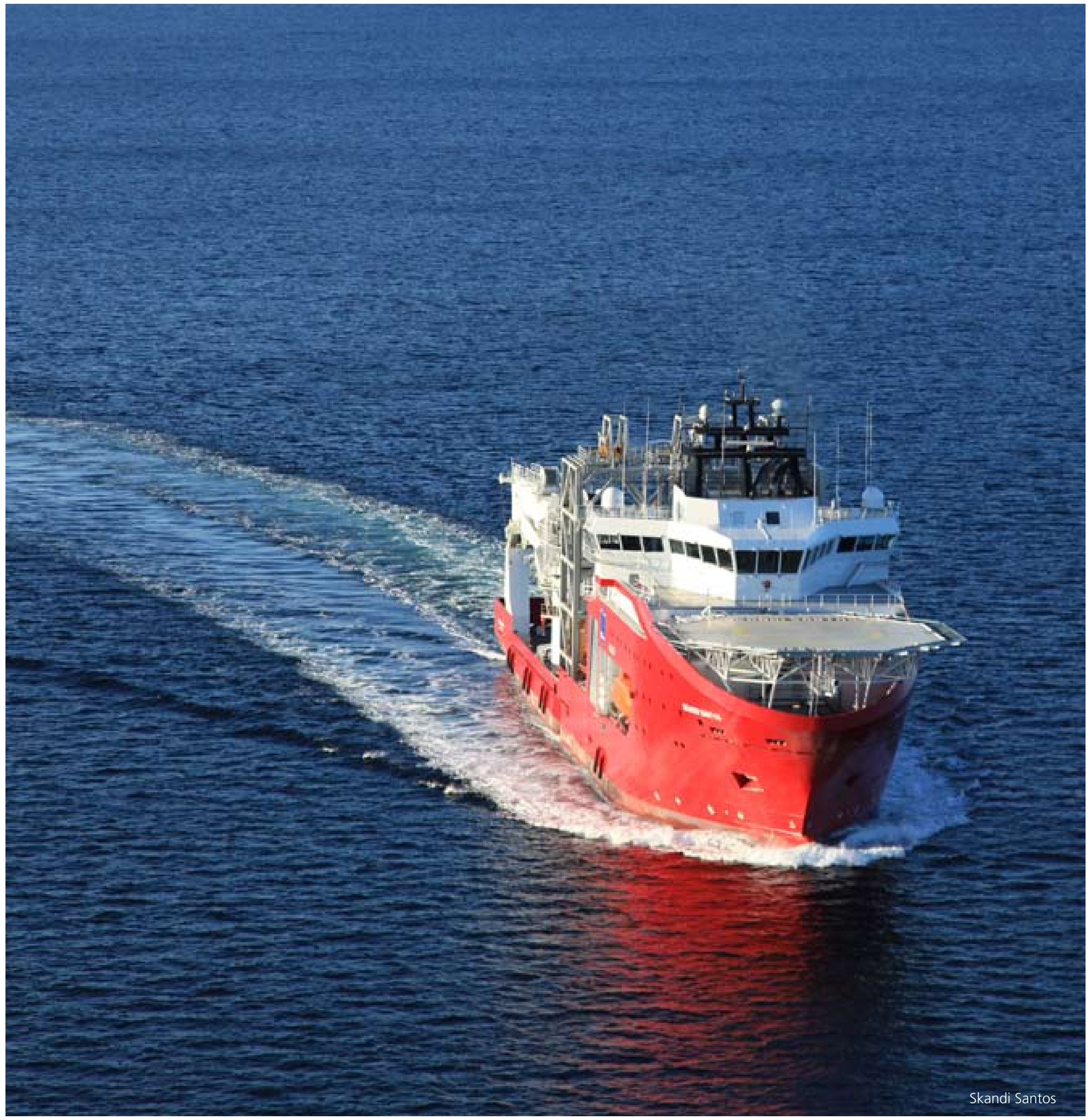
The Board of Directors shall hold a meeting with the auditor at least once a year at which neither the CEO nor any other member of the Executive Management is present.
The Board of Directors shall establish guidelines in respect of the use of the auditor by the Company's Executive Management for services other than the audit.

The Board of Directors must report the remuneration paid to the auditor at the annual general meeting, including details of the fee paid for audit work and any fees paid for other specific assignments, provided such information is available at the time of the general meeting.

The auditor will each autumn prepare a plan for auditing activities in the coming year.

The auditor attends several of the Board meetings during the year. At the meeting in the autumn the auditor presents risk areas and an evaluation of the Company's internal control routines. The Board of Directors have not yet held a meeting with the auditor at which neither the Chief Executive nor any other member of the Executive Management are present. The audit committee has held a meeting with the auditor at which neither the Chief Executive nor any other member of the Executive Management were present.

In addition to ordinary audit, the auditing company has provided consultancy services related to accounting. Reference is made to the notes to the consolidated financial statements.



Skandi Santos

THE BOARD

Helge Møgster
Chairman

Born 1953. Helge Møgster is a main owner in Laco AS, which is the main shareholder of DOF ASA. Mr. Møgster has long experience from the offshore supply market and fish harvesting. He is the Chairman of DOF ASA and he chairs and serves on numerous Boards of Directors.

Helge Singelstad
Board member

Born 1963. Helge Singelstad is CEO in Laco AS and Chairman of the Board in Lerøy Seafood Group ASA. Singelstad has experience from different types of businesses: oil companies, ship equipment and the seafood sector. He serves a numerous Boards of Directors.

Britt Mjellem
Board member

Born 1961. Britt Mjellem is Department Manager in Amesto People AS. Her background is from the shipbuilding industry and she has more than 20 years experience from investment management in the foreign exchange market. She serves a numerous Boards of Directors.






Oddvar Stangeland
Board member

Born 1944. Oddvar Stangeland started his career with DOF in 1982 as technical manager, and served as the company's CEO 1985 – 2005. Prior experience from international maritime construction and shipping. He serves a numerous Boards of Directors.

Wenche Kjølås
Board member

Born 1962. Wenche Kjølås is Managing Director in Grieg Maturitas AS since 2009, before then she was CFO in Grieg Logistic since 2006. She has experience from various industries in Norway and international. She serves a numerous Boards of Directors.

Mons S. Aase
CEO

Born 1966. Mr. Aase has been part of the management team since 1998, first as CFO and Deputy Managing Director, CEO in DOF ASA from 2005. Mr. Aase has various experiences from the finance and shipbroker industry. He serves a numerous Boards of Directors.

DIRECTOR'S REPORT 2009

DOF ASA (the Company) owns and operates offshore vessels and provides engineering and service activities related to subsea operations. The DOF Group (the Group) divides its activities into three principal segments: PSV (platform supply vessels), AHTS (anchor handling tug support vessels) and CSV (construction support and subsea vessels). All the Group's PSVs and the main share of the AHTS fleet are owned via wholly-owned subsidiaries in Norway and in Brazil, while the main share of the CSV fleet and all engineering business is owned via the subsidiary DOF Subsea Holding AS.

As of 31 December 2009, the Group's fleet comprised the following vessels and newbuildings:

- 21 platform supply vessels (PSV)
- 21 anchor handling tug supply vessels (AHTS)
- 26 subsea/construction vessels (CSV/ROV)

The Group has offices on all five continents and is the main/part owner of 6 service/engineering companies with specialised expertise related to subsea operations. The head office is located on the island of Storebø in Austevoll municipality.

The Group's business concept is to be involved in long-term and industrial offshore activities and to be an international supplier of offshore services by maintaining a focus on recruiting and retaining highly qualified personnel. The Group operates with a balanced affreightment strategy which centres on long-term contractual coverage for the main share of business.

Group activities in 2009

Supply PSV - AHTS

The supply fleet is owned by the subsidiaries DOF Rederi AS/ DOF UK Ltd. (DOF Supply) and Norskan AS and via a 50% joint venture with Aker DOF Deepwater AS.

In February, DOF Supply received delivery of one PSV, "Skandi Flora". This vessel started on a long-term contract for Statoil upon delivery. Several of DOF Supply's vessels have been awarded contracts throughout the year in Brazil. One of these vessels, "Skandi Chieftain", was reconstructed to an ROV support vessel for a contract with Petrobras. This vessel was sold in December to the associated company Norskan Norway AS. In December, DOF Supply signed an agreement for the take-over of "Skandi Olympia" and the take-over was executed in March 2010. In April, DOF Supply took over a newbuilding contract (building no. 082) at Cochin Shipyard in India from Aker DOF Deepwater AS. The vessel is scheduled for delivery in 2011. DOF will subsequently own 24 vessels (including newbuildings).

The Norskan Group has experienced significant growth throughout the year, via both ownership and operating supervision of new vessels. By year-end, the company was responsible for operation of 21 vessels, of which 13 vessels are owned by Norskan. In 2009, a reconstruction was completed for one of Norskan's vessels, "Skandi Hav". At year-end, both Norskan and DOF Supply had all vessels on fixed contracts by year end and had 6 newbuildings on order, one of which is scheduled for delivery in 2010.

Aker DOF Deepwater AS has 6 newbuildings (AHTS) on order from STX in Vietnam with delivery in 2010, 2011 and 2012 respectively. The vessels due for delivery in 2010 have been secured long-term contracts with OGX and Statoil in Brazil. Long-term financing has also been established for both vessels.

Subsea - CSV

The company owns 51% of the shares in DOF Subsea Holding AS (DOFSUB) which, at year-end, had control of 22 vessels, a large ROV fleet and a number of engineering companies. DOFSUB's engineering business is mainly located in Norway, the UK, USA, Australia and Brazil.

DOFSUB's vessels provide services related to survey, construction, IRM (Inspection, Repair and Maintenance) and diving etc. DOFSUB has two 50/50 joint ventures with Technip; "Skandi Arctic" and "Skandi Vitoria". The former vessel was delivered in March 2009, and is the largest diving support vessel built of its type and the latter vessel is a pipe-laying vessel under construction in Brazil. Long-term contracts have been secured for both vessels. DOFSUB received delivery of two vessels, "Skandi Salvador" and "Skandi Santos" in 2009. The former vessel is DOFSUB's first newbuilding in Brazil. Both vessels have started on long-term contracts in Brazilian waters after delivery, for Chevron and Aker Oilfield Services.

In 2009, DOFSUB cancelled 3 building contracts with the Tebma Shipyard in India. The main reason for these cancellations was the considerable delay in deliveries.
DOFSUB has a significant newbuilding program and has strengthened its financial position throughout the year by refinancing a bond loan in September. The company also received new capital in June totalling NOK 400 million from DOF and FRC. Moreover, DOFSUB completed refinancing of 5 vessels in the DOFCON fleet.

At year-end, DOFSUB owned 53% of the shares in DOF Installer ASA (DOFI), which owns 4 newbuilding contracts comprising some of the largest AHTS vessels on the market. In December, DOFI decided to sell its first newbuilding, "Skandi Vega", to DOF. The actual sale was completed in 2010. DOFI carried out in the third quarter a share issue of NOK 40 million by issuing 800,000 shares in the company. DOFI has in 2010 completed an additional share issue of NOK 150 million and decided to sell vessel no. 3 to DOFSUB.

In April, DOFSUB sold its shares in Aker Oilfield Services, generating a gain of approx. NOK 170 million.

Holding (DOF ASA)
The company has reinforced its financial position by taking out a new bond loan of NOK 975 million in June. Moreover, the company carried out a share issue of 8,270,000 shares at a price of NOK 29.50 per share.

Health, safety and the environment

The majority of the group employees are employed by DOF Management AS, Norskan Offshore Ltda and DOF Subsea AS. In 2009, the Group has continued to control its activities related to Quality, Health, Safety and the Environment according to the goals to achieve zero occupational injuries and illness, maintain a good working environment, raise consciousness and maintain control of environmental aspects and sustain high regularity for operations. Since 1995, DOF Management has had certification according to the ISM code, in addition to ISO 9001 and ISO 14001 since June 2002. Norskan has had certification according to the ISM code, ISO 9001, ISO 14001, OSHAS 18001 and the ISPS Code.

In 2009, DOF Management noticed a marked reduction in lost time injury frequency (number of personal injuries resulting in absence per 1,000,000 exposed working hours, LTIF) from 2.2 in 2008 to 0.92 in 2009. The company also reported a reduction in total recordable case frequency (TRCF) from 3.11 to 1.93. Since the company started, Norskan has recorded zero lost time injuries (LTI). 2009 saw an increase in total recordable case frequency (TRCF) from 0.68 in 2008 to 1.03 in 2009.

Our zero injury goal is definite and the company continues to work on the long-term measures established in recent years which focus on management involvement and the individual employee's impact on the HSE results. There was a 30% increase in the number of incident reports in 2009 when compared with 2008 in addition to a 15% increase in the number of Safety Observations.

When viewed in terms of non-scheduled operational disruption, over 100 offhire days have been recorded, representing a total regularity of 99.2% for the fleet. This is an improvement on previous years. Operating regularity for the Norskan fleet in 2009 was 98.71%.

External environment

In relation to the external environment, one significant incident was reported in 2009. This incident resulted in the discharge of 1,500 litres of diesel in Aberdeen harbour during a refuelling operation.

In 2009, DOF Management has further developed its NOx database to allow registration of consumption/waste. By the end of 2010, the database will be able to produce reports on consumption and waste for the entire fleet.

In 2010, DOF Management aims to cooperate with DOF Subsea to further develop the new management system (Docmap). The level of cooperation between the companies in the DOF Group will also be increased with relation to shared procedures and systems. A new system will be implemented for handling emergencies (Crisis Manager) which will cover the entire DOF Group.

Working environment

The Group had in total 3,048 employees and hired-in personnel at year-end. The average sick leave rate in 2009 was 4.2% for the Group. Sick leave among the employees in DOF Sjø/DOF Management in 2009 was 5.5%, a minor increase in comparison with 2008 when sick leave was at 5.0%. Sick leave for the subsidiaries, DOF Subsea AS and Norskan Offshore Ltda. amounted to 2.02% and 2.9% respectively. The level of activity on the offshore market in the North Sea has been low in 2009, resulting in an improvement in crew availability in this region when compared with previous years. However, the market for offshore vessels in Brazil is strong and competition for the same manpower is difficult in this region. This trend is expected to continue in 2010.

The Group has a goal to prevent all forms of discrimination at work. The company is in the process of preparing a new Code of Business Conduct which will apply for the entire Group and which will cover requirements related to the Norwegian Anti-discrimination and Accessibility Act.

Equal opportunities

The Group aims to ensure equal opportunities between women and men at work. Traditionally, the number of female employees on the vessels has been low. However, the company has a goal to gradually increase the female ratio of seafarers. For the shore-based administration in DOF Management, gender distribution is 40% women and 60% men as of year-end. The Board of Directors is made up of 3 men and 2 women.

Salary and other remuneration to management

The Chairman of the Board stipulates management salaries. Pursuant to Norwegian company legislation, the Board of Directors has compiled a personal statement regarding salary and other remuneration to management which will be presented and discussed during the Ordinary General Meeting. We refer to the notes to the accounts for more detailed information on remuneration to management.

Shareholders

The Company is listed on the Oslo Stock Exchange. At year-end, the Company had 4,577 shareholders. The company's main shareholder is Møgster Offshore AS.

Consolidated accounts

The consolidated accounts are prepared in accordance with the International Financial Reporting Standards (IFRS) and the accounting report is based on current IFRS standards and interpretation. Amendments in standards and interpretations may result in changes to the figures presented. The same accounting principles and calculation methods applied in the last annual accounts have been applied to this document.

Consolidated income in 2009 was NOK 4,327.3 million (NOK 4,339.7 million), of which gain/loss on sales totalled - NOK 7.9 million (NOK 317.8 million). The net increase in operating income (excl. gain on sales) totalled NOK 313.3 million and this increase represents a growth in activities due to the increase in number vessels on hire as compared to 2008. Operating result before depreciation (EBITDA) amounted to NOK 1,233.7 million (NOK 1,555.7 million), with an operating result of NOK 217.9 million (NOK 912.5 million). The operating result is lower in 2009 compared to last year based on a higher rate of gain on sales in 2008 and higher depreciation and write-downs in 2009. Depreciation saw an increase from NOK 643.2 million to NOK 837.2 million. In addition to this, write-downs totalling NOK 178.5 million were carried out in 2009, of which the main share was write-downs of investments in DOF Installer.

Net financial items for 2009 were positive at NOK 786.6 million (negative NOK 1,035.6 million). Currency exchange rates have been extremely volatile throughout the year, and the NOK and R$ in particular have strengthened against the USD while the opposite was the case in 2008. This resulted in a significant unrealised gain on foreign exchange of NOK 757.6 million compared with an unrealised loss in 2008 of NOK 655.4 million. Unrealised loss/gain on foreign exchange for Norskan represented approximately 50% of this total figure for both years. Norskan's currency exposure is limited as the main share of earnings from its long-term contracts are adapted to operating costs in R$ and financial costs in USD. All long term debt in Norskan is nominated in USD. Norskan makes use of R$ as functional currency, which has had a considerable impact on the accounts.

In February 2010, the extra tax charged in connection with the transition to the new tax scheme for shipping companies was ruled as unconstitutional in a Norwegian Supreme Court judgement. This has resulted in repayment of NOK 260 million in tax to the Group. Subsequent to the judgement, the Norwegian Government published a new proposal for voluntary entry into the new tonnage tax regime.

The result for the year amounted to NOK 803.0 million (NOK 99.9 million). Cash flow for the year (pre-tax result, unrealised loss on foreign exchange and depreciation) totalled NOK 1,263.0 million (NOK 1,175.5 million). The result excl. minority interest totalled NOK 602.5 million (NOK 6.87 per share) compared with NOK 65.2 million (NOK 0.79 per share) in 2008.

The consolidated balance sheet at year-end 2009 totalled NOK 21,784.7 million (NOK 19,830.8 million). The increase in the consolidated balance sheet is related to the addition of new vessels. The Group received delivery of 4 newbuilds in 2009.

The Group's net interest-bearing liabilities totalled NOK 11,073.4 million as of 31 December 2009 (NOK 9,710.7 million). Group liabilities have seen an increase due to the take-over of newbuildings. Unemployed capital as of 31 December 2009 totals approx. NOK 4,595.0 million (NOK 3,940.8 million) and represents paid instalments on newbuilds plus one vessel which was delivered at year-end.

The total cash flow from operating activities for the Group was NOK 593.1 million. Net cash flow from investment activities was negative at NOK 3.277,0 million. From financial activities, the cash flow totalled NOK 2,047.5 million.

As of 31 December 2009, the Group's cash holding totalled NOK 2,213.7 million, of which NOK 1,131 million was non-distributable liquidity in relation to long-term financing. The short-term share of the long-term liabilities due for payment in 2010 totalled NOK 2,128.3 million. Of this figure, approx. NOK 1,125 million is loans maturing in 2010, of which approx. NOK 780 million has been refinanced as of April 2010.

Risk

The global financial crisis which emerged in 2008, resulting in the economic downturn in 2009, has had an impact on the Group's earnings, mainly as a result of lower rates for vessels and a lower degree of utilisation for those vessels not on long-term contracts. Moreover, the economic downturn may present major difficulties when financing the company's newbuilds and re-financing the existing fleet. The company has signed agreements for refinancing of three loans which mature in 2010. The Group has planned to take delivery of 9 vessels in 2010 and has secured long term financing for 7 of these newbuildings, while there are on-going negotiations for the long-term financing of the last two vessels. Total planned investments in 2010 are approx. NOK 5,500 million, of which NOK 4,600 million represents secured long-term financing. The Group has secured long-term charter contracts for 7 of the 9 vessels to be delivered in 2010. Remaining capex for the Group in the period from 2011 to 2012 totals approx. NOK 4,500 million, of which NOK 2,450 million is secured long-term financing.

The Group's earnings are mainly denominated in USD, NOK and partly in GBP and the Group therefore has exposure to changes in foreign exchange rates, particular USD. The Group attempts to reduce this risk by entering into forward contracts and adapting long-term liabilities to earnings in the same currency.

The Group is exposed to changes in interest rates as the main share of the company's liabilities has a floating rate of interest. The long-term liabilities for the vessels built in Brazil have a limited exposure to changes in interest rates as a fixed rate of interest has been established for the entire duration of the loan for this portfolio. This is relevant for financing from BNDES in Brazil, where a fixed rate of interest has been agreed for the duration of the loan which is 17 years on average. BNDES funding constitutes a substantial portion of future financing.

The Group's credit risk is considered to be low as the Company's customers traditionally have sufficient financial capability to meet their obligations. Historically, the Company has had a low level of bad debts. Total provisions for bad debts in 2009 were approx. NOK 8 million.

The Group is exposed to changes in prices for newbuilds and delayed delivery of newbuilds. The Group attempts to reduce this exposure by making use of fixed price contracts and entering into contracts with suppliers with the necessary financial strength and expertise.

The Group is exposed to market fluctuations which may result in a lower degree of utilisation for the Group's fleet. Attempts are made to reduce this risk by securing long-term charters for the main part of the fleet.
The Group is exposed to difficulties in recruiting qualified personnel, as competition on the labour markets for the Group is difficult in a number of regions. Attempts are made to reduce this risk by implementing measures to ensure good staff stability and recruitment of new personnel.

Going concern

The Group has a satisfactory economical and financial position which provides the grounds for continued operations and further development of the company, section 3-3a of the Accounting Act. The Company aims to sustain its strategy for securing long-term occupation for the main part of its fleet.

Corporate governance

The Company applies those principles contained in the Norwegian recommendation for corporate governance, published 21 October 2009. For a detailed description of corporate governance, please see the annual report.

Allocation of annual result

The parent company annual accounts have returned a profit of NOK 333.8 million. The Board of Directors proposes transferring this figure to other equity. After the above-mentioned allocation, the Company's free equity totals NOK 3,113.5 million.

The consolidated accounts have returned a profit of NOK 803.4 million, of which NOK 200.6 million is transferred to minority interests and NOK 602.9 million is transferred to other equity.

Outlook

The Group has a high contractual coverage for the fleet (83% in 2010 and 57% in 2011). All these contracts have been entered into with financially strong customers, including oil companies and the major subsea engineering companies. The spot market in the North Sea was weak in 2009 and this trend is expected to continue throughout the current year.

To date in 2010, the Group has received delivery of 2 newbuildings, "Skandi Aker" and "Skandi Olympia", both which have started on long-term contracts. One vessel, "Geo Challenger", was sold in February 2010.

The market in Brazil remained strong throughout 2009 and is expected to stay strong in the years to come. Consequently, the Group has reorganised the operating area for a number of its vessels from the North Sea to Brazil both in 2009 and to date in 2010. The company's subsidiary, Norskan, has built up a unique position in Brazil over time. On these grounds, the Board of Directors has decided to implement the process towards application for stock exchange listing for Norskan, to allow the company to play a larger role in the growth projected for Brazil.

The Group's subsidiary, DOFSUB, has a strong position in South East Asia/Australia, and this region is expected to witness further growth in the near future.

Storebø, 20th April 2010
Board of Directors DOF ASA

Helge Møgster (Chairman)	Oddvar Stangeland	Wenche Kjølås
Britt Mjellem	Helge Singelstad	Mons Aase (CEO)

ACCOUNTS

STATEMENT OF COMPREHENSIVE INCOME

DOF ASA		Amounts in NOK 1 000		GROUP	
2009	**2008**		**Note**	**2009**	**2008**
72 199	62 572	Sales income	5, 8	4 258 507	3 969 672
1 790	66 892	Other operating income	5	68 769	370 050
73 989	**129 464**	**Operating income**	4, 29	**4 327 276**	**4 339 722**
10 883	3 382	Payroll expenses	17, 28	1 960 483	1 636 825
70 855	71 695	Other operating expenses	28, 29	1 133 137	1 147 178
81 738	**75 077**	**Operating expenses**		**3 093 620**	**2 784 003**
-7 749	**54 387**	**Operating profit/loss**	4	**1 233 656**	**1 555 719**
11 590	7 739	Depreciation	6, 7	837 214	643 265
		Write offs	6, 7	178 501	
-19 339	**46 648**	**Operating profit/loss**	4	**217 941**	**912 454**
218 152	773 024	Investments in subsidiaries/affiliated companies	10	191 749	124 834
194 434	52 403	Finance income	27	485 122	479 719
121 317	-187 710	Unrealized gain/loss on currencies	27	757 611	-655 382
-133 557	-212 864	Finance costs	27	-647 904	-984 747
400 346	**424 853**	**Net financial items**	27	**786 578**	**-1 035 575**
381 007	**471 501**	**Profit before taxes**		**1 004 519**	**-123 121**
47 191	-77 597	Taxes	18	201 478	-222 983
333 816	**549 098**	**Profit for the year**		**803 041**	**99 862**
		Other comprehensive income			
		Currency translation differences		86 771	842
		Other income and costs		-16 405	122 300
		Other comprehensive income		**70 366**	**123 142**
333 816	**549 098**	**Total comprehensive income for the year**		**873 407**	**223 004**
		Profit attributable to	Minority	200 577	34 711
			Majority	602 464	65 151
		Total comprehensive income attributable to	Minority	151 827	34 711
			Majority	721 580	188 293
		Earnings and diluted earning per share (NOK)	25	6,87	0,79

STATEMENT OF FINANCIAL POSITION
BALANCE

DOF ASA		Amounts in TNOK		GROUP	
31.12.2009	31.12.2008		Note	31.12.2009	31.12.2008
		Assets			
	78 051	Deferred tax assets	18		123 330
		Goodwill	3,6	441 839	499 661
		Other intangible assets	6	34 193	5 500
	78 051	**Intangible assets**		**476 032**	**628 490**
157 834	167 445	Vessels	7	11 218 599	10 057 764
68 406	30 827	Newbuildings	7	4 594 689	3 940 763
2 144	-	Machine and other operating equipment	7	1 449 291	789 813
228 384	**198 273**	**Tangible assets**	7, 19	**17 262 579**	**14 788 340**
4 499 025	3 360 465	Investments in subsidiaries	9, 27		
46 625	46 631	Investments in affiliated companies and joint-ventures	9, 10, 27	77 170	139 696
8 376		Investments in shares and units	11, 27	8 910	5 999
524 093	706 434	Other long-term receivables	14, 24, 27	2 721	269
5 078 119	**4 113 530**	**Financial assets**		**88 801**	**145 963**
5 306 503	**4 389 854**	**Non-current assets**		**17 827 411**	**15 562 793**
		Inventory	12	**16 116**	**13 441**
120 470	98 745	Accounts receivables	13, 24, 27	1 235 287	1 151 004
154 489	423 506	Other receivables	14, 24, 27	492 128	272 025
274 959	**522 251**	**Receivables**		**1 727 415**	**1 423 029**
309 283	**264 152**	**Cash and cash equivalents**	15, 27	**2 213 742**	**2 831 502**
584 242	**786 403**	**Current assets**		**3 957 273**	**4 267 972**
5 890 745	**5 176 257**	**Total assets**		**21 784 685**	**19 830 765**

STATEMENT OF FINANCIAL POSITION
BALANCE

DOF ASA		Amounts in TNOK		GROUP	
31.12.2009	31.12.2008		Note	31.12.2009	31.12.2008
		Equity and liabilities			
182 076	165 536	Share capital	16	182 076	165 536
678 340	454 453	Share premium fund		678 340	454 453
3 113 524	2 441 118	Other equity		3 171 288	2 449 709
		Minority interests		2 777 372	2 429 121
3 973 940	**3 061 106**	**Equity**	16	**6 809 076**	**5 498 819**
146 744		Deferred tax	18, 27	513 472	353 438
		Other long term provisions	17, 27	11 955	20 141
77 202		Other provisions and commitments	20, 27	77 202	228 820
223 946		**Provisions for commitments**		**602 628**	**602 399**
1 153 321	744 893	Bond loan	19, 27	2 149 321	1 470 654
	249 500	Debt to credit institutions	15, 19, 27	8 724 597	8 920 720
		Long-term liabilities	18, 27		173 967
84 633	907 499	Other long-term liabilities	19-21, 24, 27	496 856	162 357
1 237 954	**1 901 892**	**Other long-term liabilities**		**11 370 774**	**10 727 698**
379 194	50 500	Debt to credit institutions	19, 27	2 128 284	1 795 407
60 696	21 139	Accounts payable	24, 27	216 373	419 924
592		Tax payable	18, 27	164 914	86 841
356	474	Public duties payable		72 319	98 170
14 068	141 145	Other short-term liabilities	23, 24, 27	420 317	601 507
454 906	**213 258**	**Short-term liabilities**		**3 002 206**	**3 001 849**
1 916 806	**2 115 150**	**Total liabilities**	4	**14 975 608**	**14 331 946**
5 890 745	**5 176 257**	**Total equity and liabilities**		**21 784 685**	**19 830 765**

Storebø, 20 April 2010
The Board of Directors for DOF ASA

Helge Møgster
(Chairman)

Oddvar Stangeland

Wenche Kjølås

Britt Mjellem

Helge Singelstad

Mons Aase
(CEO)

STATEMENT OF CHANGES IN EQUITY

Group | **Amounts in TNOK**

	Attributable to owners of the parent						
	Share capital	**Share premium fund**	**Retained earnings**	**Currency translation differences**	**Total**	**Minority interests**	**Total equity**
Balance at 01.01.2008	**165 536**	**454 452**	**2 237 908**	**210 502**	**3 068 399**	**1 486 387**	**4 554 786**
Profit/loss for the year			65 151		65 151	34 711	99 862
Conversion differences				842	842		842
Other gains/losses charged directly to equity			-5 948		-5 948		-5 948
Effect of transition from affiliated companies to consolidation			65 406		65 406	62 842	128 248
Total comprehensive income for the year			**124 609**	**842**	**125 451**	**97 553**	**223 004**
Capital increase in subsidiaries						545 181	545 181
Changes in minorities						300 000	300 000
Dividend payment			-124 152		-124 152		-124 152
Total transactions with owners			**-124 152**		**-124 152**	**845 181**	**721 029**
Balance at 31.12.2008	**165 536**	**454 452**	**2 238 365**	**211 344**	**3 069 698**	**2 429 121**	**5 498 819**
Balance at 01.01.2009	**165 536**	**454 452**	**619 989**	**2 238 365**	**211 344**	**2 429 121**	**5 498 819**
Profit/loss for the year			602 464		602 464	200 577	803 041
Conversion differences				141 950	141 950	-55 179	86 771
Other gains/losses charged directly to equity				-22 834	-22 834	6 429	-16 405
Total comprehensive income for the year			**602 464**	**119 116**	**721 580**	**151 827**	**873 407**
Share issues	16 540	223 887			240 427		240 427
Share issuues in subsidiaries						207 424	207 424
Changes in minorities						-11 000	-11 000
Total transactions with owners	**16 540**	**223 887**			**240 427**	**196 424**	**436 851**
Balance at 31.12.2009	**182 076**	**678 339**	**2 840 829**	**330 460**	**4 031 705**	**2 777 372**	**6 809 077**

STATEMENT OF CHANGES IN EQUITY

DOF ASA | **Amounts in TNOK**

	Share capital	**Share premium fund**	**Retained earnings**	**Total equity**
Balance at 01.01.2008	**165 536**	**454 452**	**2 021 523**	**2 641 512**
Profit/loss for the year			549 097	549 097
Other gains/losses charged directly to equity			-5 350	-5 350
Total recognised income for the period			**543 747**	**543 747**
Dividend payment			-124 152	-124 152
Total transactions with owners			**-124 152**	**-124 152**
Balance at 31.12.2008	**165 536**	**454 452**	**2 441 118**	**3 061 106**
Balance at 01.01.2009	**165 536**	**454 452**	**2 441 118**	**3 061 106**
Profit/loss for the year			333 816	333 816
Other gains/losses charged directly to equity				
Total recognised income for the period			**333 816**	**333 816**
Share issues	16 540	223 887		240 427
Mergers with subsidiaries			338 590	338 590
Total transactions with owners	**16 540**	**223 887**	**338 590**	**338 590**
Balance at 31.12.2009	**182 076**	**678 340**	**3 113 524**	**3 973 940**

STATEMENT OF CASHFLOWS

DOF ASA 2009	DOF ASA 2008	Amounts in TNOK	Group 2009	Group 2008
381 007	471 501	Pre-tax profit/loss	1 004 519	-123 121
	-56 284	Gain on sale of assets	7 887	-317 780
11 590	7 739	Depreciation of fixed assets	837 214	643 265
		Write offs of fixed assets	178 501	
-21 7w25	-70 843	Change in accounts receivables	-84 283	-431 118
39 557	20 716	Change in accounts payable	-203 551	146 424
		Difference between pensions charged against income and payments made/received		5 332
30 301	271 658	Impact of changes in rate of exchange	-744 447	681 590
212 572	-320 130	Change in other accrual items (working capital)	-164 380	278 721
-151 618	228 820	Items without impact on cash flow		
	-331 197	Gain on sale of shares	-175 933	-126 292
		Income when applying the straight line/equity method	-20 582	1 458
		Tax paid for the period	-36 006	-38 987
501 684	**221 980**	**Net cash from operating activities**	**598 939**	**719 492**
	97 886	Payments received for sale of fixed assets		1 163 344
-41 702	-9 351	Disbursement for purchase of fixed assets	-3 539 271	-3 890 443
	2 419 708	Payments received for sale of shares and units	283 100	1 126 540
-742 379	-1 856 359	Disbursements for purchase of share and units		-84 146
	245 599	Payments received for sale of shares		1 817 962
-8 470	-6 467	Disbursements for purchase of shares	-8 058	-1 769 032
		Net cashflow acquisitions		-18 769
182 341	209 258	Net change in long-term intragroup balances		
		Payments received on long-term receivables		4 736
-610 210	**1 100 274**	**Net cash used in investing activities**	**-3 264 229**	**-1 649 808**
941 836		Payments received on opening new long-term liabilities	4 915 543	4 243 807
-1 078 561	-1 290 574	Disburesements on downpayment of long-term liabilities	-3 317 812	-2 891 083
		Payments received from subsidiaries		-171 000
		Equity payments received		
240 428	-124 152	Dividends	449 799	845 550
		Payments provision lease		-124 152
103 703	**-1 414 726**	**Net cash flow from financing activities**	**2 047 530**	**1 903 122**
-4 824	**-92 472**	**Net change in cash and cash equivalents**	**-617 760**	**972 806**
264 153	**356 624**	**Cash and cash equivalents at the start of the period**	**2 831 502**	**1 545 131**
49 953		Mergers with subsidiaries		
		First time consolidation of subsidiaries		313 566
309 283	**264 153**	**Cash and cash equivalents at the end of the period**	**2 213 742**	**2 831 502**

NOTES

1 General

DOF ASA is a public limited company registered in Norway. The head office is located on the island of Storebø in the municipality of Austevoll, Norway.

DOF ASA is the parent company of a number of companies, as specified in note 9.

The group's activities comprise three segments, as specified in note 4.

The Annual Accounts were approved for publication by the Board of Directors on 20 April 2010.

All amounts in the notes are stated in NOK thousand.

2 Accounting principles

Main principles
The Financial Statements for the Group has been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

The Financial Statements of the parent company have been prepared in accordance with Norwegian accounting act § 3-9 and Finance Ministry's prescribed regulations from January 21, 2008 on simplified IFRS. Principally this means that recognition and measurement complies with International accounting standards (IFRS) and presentation and notes disclosure in accordance with Norwegian accounting act and generally accepted accounting principles

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 30.

The accounting year is the same as the calendar year. The items in the accounts are ordered according to type.

Changes in accounting principles and errors
The effects of changes in accounting principles and correction of significant errors in previous annual accounts are reported directly against equity. Comparison figures are revised accordingly.

Consolidation principles
The consolidated accounts include DOF ASA and companies over which DOF ASA has controlling interest. Controlling interest is normally achieved when the group owns, either directly or indirectly, more than 50% of the shares in the company, and the group has the capacity to exercise actual control over the company. Minority interests are included in the group's equity. Subsidiaries are consolidated from the date upon which control is transferred to the group. Consolidation ends on the date upon which the group no longer has control.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. Companies which have been acquired or sold in the year in question are consolidated from/to the date for execution of the acquisition/sale.

Intragroup transactions and intragroup balances, including internal profit and unrealised gain and loss are eliminated. Unrealised gain generated from transactions with associated companies is eliminated with the group's holding in the associated company. Unrealised loss is eliminated in the same manner, but on the condition that there is no indication of impairment in the asset sold within the group.
The consolidated accounts are prepared on the assumption that uniform accounting principles are applied to similar transactions and other incidents with similar conditions. Accounting principles in the subsidiaries are amended when necessary to bring them in line with the group's accounting principles.

Subsidiaries/associated companies
For the parent company, subsidiaries and associated companies are valued according to the cost method. The investment is valued at original cost unless write-down is required. Dividends and other distributions are reported as income once the decision to pay dividends has been reached by a valid body within the subsidiary/associated company. Should the dividend or other distribution received exceed the share of retained earnings for the ownership period, the surplus amount is reported on the accounts as repayment of invested capital, and charged as a reduction of the investment on the balance sheet.

Jointly controlled companies
Jointly controlled companies are economic activities regulated by an agreement between two or more parties, so that these parties have joint control over the activities. Participation in jointly controlled companies is recognised according to proportionate consolidation. According to this method, each participant reports on their accounts their share of income, costs, assets and liabilities.

Associated companies
Associated companies are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associated companies are accounted for using the equity method of accounting and are initially recognised at cost. The group's investment in associated companies includes goodwill identified on acquisition, net of any subsequent write-downs.

The group's share of profit or loss from associated companies is recognised on the profit & loss account along with the balance sheet value of the investments and the share of changes to equity not recognised on the profit & loss account. The group does not recognise its share of losses when this would result in a negative balance sheet value for the investment (including unsecured receivables for the entity), unless the group has taken on a commitment or issued guarantees for the obligations of the associated company.

Unrealised gains on transactions between the group and its associated companies are eliminated to the extent of the group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Conversion of foreign currency
a) Functional and presentation currency
Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Norwegian Kroner (NOK), which is the parent company's functional and presentation currency.

b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the conversion at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement

c) Group companies
The results and financial position of all the group entities that have a functional currency which differs from the presentation currency are converted into the presentation currency as follows:

a) assets and liabilities presented at consolidation are converted to presentation currency at the foreign exchange rate on the date of the balance sheet,
b) income and expenses are converted using the average rate of exchange, and
c) all resulting exchange differences are recognised as a separate component of equity.

Foreign exchange differences in the equity are recognised on disposal of foreign business activities.

Classification of assets and liabilities
Assets are classified as current assets when:
- the asset forms part of the unit's service cycle, and is expected to be realised or consumed over the course of the unit's normal production time;
- the asset is held for trading;
- the asset is expected to be realised within 12 months of balance sheet date;
- the asset is cash or cash equivalents, with the exception of when there are restrictions for exchange or use to repay debts within 12 months of balance sheet date.

All other assets are classified as non-current assets.

Liabilities are classified as short-term when:
- the liability forms part of the unit's service cycle, and is expected to be settled in the course of normal production time;
- the liability is held for trading;
- settlement of the liability has been agreed upon within 12 months of the balance sheet date;
- the entity does not have an unconditional right to postpone settlement of the liability until at least 12 months after balance sheet date.
All other liabilities are classified as long-term.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are recognised as borrowings under short-term liabilities on the balance sheet.

Accounts receivable
Accounts receivables are recognised initially at fair value and subsequently measured at amortised cost. The interest factor is ignored if insignificant. A provision for loss is made when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the accounts receivable are impaired. The amount of the provision is the difference between the asset's nominal value and the recoverable value, which is the present value of estimated future cash flows, discounted at the original effective interest rate. Changes to this provision are recognised under other operating costs.

When a trade receivable is uncollectible, it is written off against the provision for trade receivables.

Tangible assets
Tangible assets, with the exception of investment assets, are valuated at cost price minus accumulated depreciation and write-down. The cost price for the tangible assets is the purchase price including duties/tax and direct purchasing costs connected to implementing the tangible asset.

Expenses incurred after the tangible asset has been implemented, such as repair and maintenance, are charged against income as normal. When it can be proven that repair/maintenance has generated increased earnings, the expenses will be recognised as addition of tangible assets.

When assets are sold or disposed of, the cost price and accumulated depreciation are reversed in the accounts, and any loss or gain from the disposal reported on the profit and loss account.

Depreciation of assets is calculated using the straight-line method based on their estimated useful lives and residual value. Each part of a tangible asset which has a significant value of the total cost price is depreciated separately using the straight-line method over their estimated useful lives. Components with similar useful lives are depreciated as one component. Estimated useful life for a tangible asset and the method of depreciation are reviewed on an annual basis to ensure that the method and period applied are in accordance with economic reality for the tangible asset. The same applies to scrap value.

Scrap value for a vessel is established as 50% of the acquisition cost. The Board of Directors in DOF ASA has reached a decision whereby the group's intention is not to own a vessel which is older than 20 years. The Board is of the opinion that 50% of the steel value is validly recoverable after 20 years and this is established as residual value. If however a vessel is not sold by the time it has reached 20 years, the residual value is depreciated over the next 10 years.

The company monitors transactions with vessels on the market and carries out an annual re-assessment of residual value and useful life of its fleet of vessels.

Plants under construction are classified as tangible assets and are recognised at incurred costs related to the tangible asset. Plants under construction are not depreciated before the tangible asset is in use.

Tangible assets are assessed for write-down on each balance sheet date. If tangible assets have a higher book value than fair value, these are written down to minimum fair value. This write-down may be reversed with up to a corresponding amount for the write-down if the book value is lower than fair value.

Periodic maintenance
Periodic maintenance is reported on the balance sheet as a part of the vessel, and straight line depreciated over the period until the next periodic maintenance, normally after 30 months. On the purchase of new vessels, a ratio of the cost price is valuated as periodic maintenance.

Financial lease contracts
The group presents financial lease contracts in the accounts as assets and liabilities, quoted at cost price or, if lower, the present value of the cash flow to the lease contract. When calculating the present value of the lease contract, the implicit interest cost in the lease contract is used, when this can be determined. If this is not possible, the company's marginal rate of interest on loans on the market is used instead. Direct costs connected with the lease contract are included in the cost price of the asset. Monthly lease payments are separated into an interest factor and a downpayment factor. The interest cost is allocated to different periods so that the interest cost for the outstanding debt is identical for different periods.

The asset involved in a financial lease contract is depreciated. The depreciation period is consistent with that for similar assets owned by the group. If it is not certain that the company will take over the asset on expiry of the lease contract, the asset is depreciated over the shortest of the lease contract's maturity and the deprecation period for similar assets owned by the group.

If a sale - lease back transaction results in a financial lease contract, any gains on such transactions will be deferred and recognised over the contract period.

Operational lease contracts
Lease contracts where the significant share of the risk is carried by the lessor are classified as operational lease contracts. Lease payments are classified as operating expenses, and are recognised on the profit and loss account for the entire contractual period.

In cases where a "sale and leaseback" transaction results in an operational lease contract, and it becomes clear that the transaction has been performed at fair value, any gain or loss is recognised on the profit and loss account on completion of the transaction. Should the sales price be under the fair value, any gain or loss will be recognised directly, unless this results in future lease payments which are lower than the market price. In such an event, the gain/loss is amortised for the duration of the lease period. If, however, the sales price exceeds fair value, the overcharge is amortised for an estimated period of use for the asset.

Goodwill
Added value from the acquisition of a company which cannot be attributed to identifiable assets or liabilities on the date of the acquisition is classified as goodwill on the balance sheet. For investments in associated companies, goodwill is included in the cost price of the investment.

The identifiable assets and liabilities on transaction date are reported at fair value on transaction date. The minority share of identifiable assets and liabilities is calculated on the basis of the minority share of fair value of identifiable assets and liabilities.

When allocating the costs of a merger, should new information emerge after a purchase which involves the fair value of assets and liabilities at the time of transaction, the allocation may be changed until the first set of accounts has been presented or on expiry of a 12 month period.

Goodwill is not subject to amortisation but there is an annual assessment of the extent to which the reported value can be justified with regard to future earnings. In the case of indications of a requirement to write-down goodwill, the company shall assess the extent to which discounted cash flow related to the goodwill exceeds the reported value of the goodwill. If the discounted cash flow is lower than the reported value, the goodwill will be written down to fair value.

Negative goodwill
Negative goodwill in the case of company acquisitions is reported as income after a re-identification and re-valuation of the transferred assets and commitments has been carried out, in order to ensure that negative goodwill is not attributed to erroneous valuation of assets or commitments.

Currency
Monetary items and debt in foreign currency are converted to Norwegian kroner (NOK) according to the exchange rate on balance sheet date. Foreign exchange gain and loss are recognised on the profit and loss account and classified as financial items.

Borrowings
Borrowings are recognised at fair value, net of transaction costs incurred, when the loan is paid out. Borrowings are subsequently stated at amortised cost using the effective interest method.

To the extent that borrowing costs are directly attributable to the construction of new fixed assets, the costs are recognised on the balance sheet as a part of the cost price for the fixed asset. Interest expenses related to the borrowing are recognised on the balance sheet when the borrowing costs accrue during the construction period for the fixed asset. Borrowing costs are recognised consecutively until the time the fixed asset has been delivered and is ready for utilisation. Write-down is required if the cost price exceeds the fair value of the fixed asset.

Borrowing is classified as short-term liabilities unless the borrowing involves an unconditional right to postpone payment of the liabilities for more than 12 months from balance sheet date.

Unsecured obligations and accounting provisions
Unsecured obligations and provisions are recognised when, and only when, a company faces a lawful obligation (legal or constructive) as a result of a past event and it is probable (more than 50%) that a settlement will be required for the obligation, and that a reliable estimate can be made of the amount of the obligation. Unsecured obligations and provisions are reviewed at each balance sheet date and adjusted to the best estimate. When timing is insignificant, the liability is reported at the estimated cost of release from the liability.

Otherwise, when timing is significant for the amount of the obligation, it is recognised at current value. Every increase in the amount of the obligation over time is reported as interest costs.

Contingent liabilities arising from purchases of activities are reported at fair value, even if the liability is not probable. The assessment of probability and fair value is a continuous process. Changes in fair value are recognised on the profit and loss account.

Equity
Ordinary shares are classified as equity.

Transaction costs related to equity transactions, including tax effect of transaction costs, are directly charged against equity. Only transaction costs which are directly related to equity transactions are charged to equity.

Currency translation differences that occur as a result of changes in exchange rates on consolidation of foreign entities are recognised directly against equity. Exchange rate changes related to monetary items (receivables and debt), which in reality are a part of the company's net investment in foreign entities, are treated as currency translation differences and consequently recognised directly against equity. On the sale of foreign activities, the accumulated translation differences relating to the sold entity are reversed, and the translation differences subsequently reported together with the gain or loss from the sale.

Minority interests
Minority interests include the share held by minority interests of the balance sheet value of subsidiaries including the share of identifiable added value at the time of acquisition.

A loss from a consolidated subsidiary which can be attributed to the minority interest must not exceed the minority interests' share of equity in the consolidated subsidiary. Any excessive loss amount is charged to the majority interests' share of the subsidiary to the extent that the minority interests are not committed and can accept their share of the loss. If the subsidiary starts to return a profit, the majority interests' share of the subsidiary's equity is adjusted so that the minority interests' share of the previous loss has been covered.

Principles for recognising income
The group recognises income when it is probable that future economic benefits will flow to the entity and when the amount of income can be reliably measured.
The amount of income is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

The mobilisation fee is invoiced specifically to the charterer and recognised as income during the mobilisation period in rare cases where the vessel does not have a fixed contract and there is a long period of mobilisation. In certain cases, the mobilisation fee is included in the day rate; and is then recognised as income throughout the contractual period.

Sales income is shown net of value-added tax and discounts.

Sales within the group are eliminated.

a) Sale of services
The group's operational vessels are leased out on charter parties. Customers lease vessels, crew inclusive. The charterer determines (within the contractual limits) how the vessel is to be utilised. There is no time charter revenue when the vessels are off hire, for example during periodic maintenance.

In addition to the lease of vessels, the company has a number of agreements for lease of room on vessels (hotel), provisions and extra crews.

The group has evaluated "IFRIC interpretation 4 Determination whether an arrangement contains a lease" and has concluded that the time charters (TC) represent lease of assets and are therefore subject to IAS 17.

b) Interest income
Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate. After write-down, the interest income is recognised on the basis of the original effective interest rate.

c) Dividend income
Dividend income is recognised when the right to receive payment is established.

Current and deferred income tax:
The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associated companies operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated accounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised on the balance sheet to the extent it is probable that the future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is calculated on the basis of provisional differences from investments in subsidiaries and associated companies, with the exception of when the company has control of the time for reversal of the provisional differences, and it is probable that reversal will not take place in the foreseeable future.

Both tax payable and deferred tax are recognised directly in equity, to the extent they relate to items recognised directly in equity.

Companies under the shipping company tax regime:
Parts of the Group's business is organised according to the specific regulations for taxation of shipowning companies (the tax scheme for shipping companies). According to these regulations and up to and including 2006, the tax basis only comprised net financial items. In addition, the shipping companies reported tonnage tax on their accounts. This tonnage tax was presented as an operating expense.

Up to and including year-end 2006, no provisions were made for deferred tax in Group companies taxed according to the shipping company scheme, as the companies had no intention of paying dividends in excess of taxed capital in the foreseeable future. The estimated tax rate was therefore established as 0% for the companies involved in the shipping company taxation scheme.

The regulations regarding taxation of shipping companies were amended with effect from and including 1 January 2007. This required companies to withdraw from the old scheme and enter the new scheme, with a subsequent withdrawal and entrance taxation. After entrance to the scheme, normal income was to be free of tax. Tonnage tax would continue to be reported.

The companies involved in the former shipping company scheme chose to enter into the new scheme with effect from and including 1 January 2007. The transition regulations for entrance to the new scheme resulted in taxation of 2/3 of the untaxed income earned under the former shipping company taxation scheme. The remaining 1/3 was to be exempt from taxation, provided that this figure was utilised for investment in measures to promote environmental protection.

On 12 February 2010, a Supreme Court judgement concluded that the transition regulations in the Act dated 14 December 2007 no. 107, paragraph X were at variance with the prohibition on retroactive effect for legislation in section 97 of the Norwegian Constitution. As a result of this judgement, the Norwegian government's Inland Revenue office was obliged to reverse the posting of income according to the transition regulations for financial years 2007 and 2008. Repayment of the tax charged in 2007 and 2008 is expected in 2010 and is reported as a short-term liability.

More detailed information on how the company handled the provision related to the settlement account, environmental fund and correction income is provided in note 18 to the accounts.

Employee benefits
a) Pensions and pension obligations
Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains and losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates for high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity similar to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are charged or credited to income over the employees' expected average remaining working lives.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the contribution period). In this case, the past-service costs are amortised on a straight-line basis over the contribution period.

For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as salary costs when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

b) Bonus plans and severance pay
Certain contracts of employment include the right to receive a bonus in relation to the fulfilment of defined financial criteria and agreements which provide the right for severance pay upon termination of the working relationship. Provisions are made in those cases where the company has a commitment to make payment of such.

Write-down of assets
Depreciable, non-financial assets are tested for impairment whenever there are indications of a fall in the value of the asset. If the balance sheet value of an asset is higher than the recoverable amount, a write-down is recognised on the profit & loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and current value based on future utilisation of the asset.

Fair value reduced by estimated sales costs is the amount achievable on sale to an independent third party, minus sales expenses. The recoverable amount is established individually for all assets. However, if this is not possible, the recoverable amount is calculated together with the entity to which the asset belongs.

Write-downs which are reported on the profit and loss account for previous periods are reversed when information shows there was no requirement for the write-down, or that previous write-down amounts on the profit and loss account were too high. However, there is no reversal if the balance sheet value is higher than what it would have been if normal depreciation had been applied.

Other assets valued at amortised cost are written down when it becomes probable that the company will not receive full settlement in relation to the contractual instalments for loans, receivables or hold to maturity investments. Write-downs are charged to income. Reversal of write-downs from previous years is recognised once events indicate that the causes for the write-down no longer exist. Reversals of previous write-downs are recognised as income. However, reversals of previous write-downs are only carried out until the balance sheet value is the same as the amount which would have applied if the write-down had not been carried out before.

Hedging
Monetary items and debts in foreign currency are converted to Norwegian kroner (NOK) based on the balance sheet date exchange rate. As the group has comprehensive international activities, it is exposed to fluctuations in exchange rates. The group's currency strategy involves balancing fixed future income (freight income) and liabilities in foreign currency. As of 31.12.08, the group had one hedging contract.

Segments
A business segment is a group of assets and operations (area of activity) engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is engaged in providing products and/or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

The group's primary reporting format is determined by business segment, and the group operates within three business segments:
1) PSV (Platform Supply vessel)
2) AHTS (Anchor Handling Tug Supply Vessel)
3) CSV (Construction Supply Vessel)

The secondary reporting format is defined by the geographical segments and the group's business is divided between a number of geographical areas: The North Sea, Mediterranean/South-East Asia, West Africa and America.

Contingent liabilities:
Contingent liabilities are defined as:
(I) possible liabilities resulting from past events, but where their existence relies on future events;
(II) liabilities which are not reported on the accounts because it is improbable that the commitment will result in an outflow of resources;
(III) liabilities which cannot be measured to a sufficient degree of reliability.
Contingent liabilities are not reported on the accounts, with the exception of contingent liabilities which originate from the acquisition of activities. Significant contingent liabilities are presented in the notes to the accounts, except for contingent liabilities with a very low probability of existence.

A contingent asset is not recognised on the accounts, but is disclosed in the notes to the accounts if there is a certain degree of probability that the group will benefit economically from the asset.

Financial assets:
The group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of profiting from short-term price fluctuations. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

b) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as fixed assets. Loans and receivables are classified as "accounts receivable and other receivables", and as cash and cash equivalents on the balance sheet.

c) Available-for-sale financial assets
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in fixed assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit & loss account. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category, including interest income and dividends, are presented on the profit & loss account within "other (losses)/ gains – net" in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised on the profit & loss account as part of other income when the group's right to receive payments is established. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques.

The group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. See separate paragraph in the note regarding accounts receivable.

Events after balance sheet date
New information regarding the group's financial standing on balance sheet date is included in the accounts. Events occurring after balance sheet date, which do not impact the group's financial standing on balance sheet date, but which have a significant impact on future periods, are presented in the notes to the accounts.

Use of estimates
The management has applied estimates and premises which have an impact on assets, liabilities, income, costs and information on potential obligations. This applies in particular to depreciation of fixed assets, write-down assessments, pension commitments and tax. Future events may result in changes to these estimates. Estimates and their underlying premises are assessed on an ongoing basis. Changes in accounting estimates are recognised for the period in which they occurred. If the changes also apply to future periods, the effect of the change is distributed over current and future periods. See also note 30.

Statement of cash flow
The statement of cash flow presents the total cash flow divided into operating activities, investment activities and financing activities. The statement shows the impact of the individual activities on cash reserves. The statement of cash flow is prepared in accordance with the indirect model. Re-evaluation of long-term liabilities has been re-classified from financing to cash flow from operating activities as this reporting of income has no impact on cash. Comparison figures have been amended accordingly.

Earnings per share
Earnings per share are calculated by dividing the majority share of the profit/ loss for the period by a time-weighted average of the number of ordinary shares for the same period.

Government grants
Grants relating to the net wages scheme and the refund scheme for seafarers are recognised as a reduction of wage costs.

3 Significant acquisitions in the year and proforma information

The entire business of the acquired companies is continued subsequent to acquisition. The formation of the Group is in principal accounted in accordance with the acquisition method. Identified added value presented by the analysis of added value is displayed below for significant acquisitions in 2009. Payment for acquisitions was in the form of cash and shares.

Acquisitions in 2009
There were no acquisitions in 2009 which had an impact on DOF ASA's consolidated accounts.

Below is more detailed information regarding acquisitions/foundation of companies in 2009:

DOF Installer ASA: In 2008, DOF Subsea Holding AS took over DOF's share of the company in connection with the transaction with First Reserve Corporation.

In 2009, DOF Installer carried out a capital expansion and DOF Subsea Holding increased its ownership share from 50.5% to 53.5% after the share issue was completed.

DOF ASA: In 2009, the company merged three subsidiaries into the Group; DOF Boa AS, DOF Installer AS and District Supply VII AS.

Aker Oilfield Services AS: Up until April 2009, DOF Subsea AS owned 21% of the company. These shares have now been sold.

DOF Subsea Holding 2 AS: The company carried out two capital expansions in 2009 totalling NOK 400 million, in which DOF and FRC took part with their respective shares.

Marin IT AS: The company was founded in November 2009. Its object is the sale of IT services. DOF ASA owns 75% of the shares in the new company, while Austevoll Seafood ASA owns the remaining 25%.

Acquisitions in 2008

Group acquisitions of companies in 2008	Method of acquirement	Date of acquisition/ consolidation	Share of voting capital	Added value goodwill	Added value identifiable assets	Payment/ capital contribution
DOF Installer ASA	Acquisition	2008	51%		128 248	262 590
Acquisition cost 31.12					**128 248**	**262 590**

DOF Installer ASA		
	Book value	Fair value
Construction contracts	510 341	638 589
Current assets	81 591	81 591
Total assets	**591 932**	**720 180**
Equity	589 491	717 739
Long-term liabilities		
Deferred tax	1 346	1 346
Short-term liabilities	1 095	1 095
Total equity and liabilities	**591 932**	**720 180**
Result for period after acquisitions		2 907

*Deferred tax is reported at nominal value pursuant to IFRS

None of the acquisitions made in 2008 had an impact on the consolidated accounts for DOF ASA. Below is more detailed information on acquisitions/new companies founded in 2008:

Norskan Norway AS: The company was founded at the end of October 2008 with shareholder's capital of TNOK 100. The company is owned by Norskan AS which is a subsidiary of DOF ASA.

Norskan Holding AS: The company was founded at the end of October 2008. The company is owned by Norskan AS which is a subsidiary of DOF ASA.

DOF Installer AS: DOF ASA purchased 8% of the company in 2008 for TNOK 10 000. The company is now a wholly-owned subsidiary of DOF ASA.

DOF Holding Pte: The company was founded in 2008, with its head office in Singapore. Paid-in equity for the foundation of the company totalled TNOK 2 956.

Waveney AS: The company was founded at the end of 2007. DOF ASA owns 100 % of the company.

DOF Subsea Holding 2 AS: On 28 October 2008, DOF ASA made a bid to purchase the shares in DOF Subsea AS. On 2 December 2008, DOF acquired 49,581,790 shares in DOF Subsea AS, corresponding to 41.41% of the shares, at a price of NOK 36 per share. After the acquisition, the total shareholding was 118,037,781 shares in DOF Subsea AS, corresponding to 98.58% of the share capital in DOF Subsea AS. DOF ASA subsequently transferred 118,037,781 shares in DOF Subsea AS, corresponding to 98.58% of the share capital in DOF Subsea AS to DOF Subsea Holding AS, a company where DOF ASA owns 51% of the shares after a transfer. DOF ASA received payment comprising (i) TNOK 2 311 149 in cash and (ii) 61 063 992 shares in DOF Subsea Holding AS. After this transfer, DOF ASA no longer owns shares in DOF Subsea AS, with the exception of indirect ownership via DOF Subsea Holding AS. In connection with payment for DOF's bid, mentioned above, DOF ASA transferred 2 845 500 shares, corresponding to 50.5% of the share capital in DOF Installer ASA to DOF Subsea Holding AS and received payment in shares in DOF Subsea Holding AS. DOF ASA also transferred its rights and obligations under three shipbuilding contracts with Tebma Shipyards Limited to DOF Subsea Holding AS and received payment for this in the form of shares in DOF Subsea Holding AS.

DOF Subsea AS was a consolidated subsidiary in 2007, and based on the fact that DOF ASA remains a majority shareholder, the company is still consolidated. The above-mentioned transactions therefore have no impact on the total operating income or result for the group. The acquisition analysis is reflected in the accounts for the DOF Subsea AS group. For more detailed information, please see these accounts.

4 Segment information

Business segment
The DOF Group operates within three business segments in terms of strategic areas of operation and vessel types. The three different business segments are: PSV (Platform Supply Vessel), AHTS (Anchor Handling Tug Supply Vessel) and CSV (Construction Support Vessel). The subsidiary DOF Subsea is represented as one business segment (CSV).

Geographical segment
The Group divides its business activities over 3 geographical regions, based on the location of customers; Europe/West Africa, Australasia and the America/ Worldwide.

DOF ASA has not reported the balance sheet value of segment assets in the secondary segment as vessels are owned and controlled via Norway, but are utilised worldwide. DOF ASA is therefore of the opinion that the distribution of assets according to geographical segment would not provide meaningful information.

Business segment	PSV		AHTS		CSV		Group	
TNOK	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Operating income	708 954	703 546	710 995	679 657	2 907 327	2 956 519	4 327 276	4 339 722
EBITDA	**230 506**	**261 455**	**291 542**	**405 726**	**711 608**	**888 538**	**1 233 656**	**1 555 719**
Depreciation	186 073	155 376	166 214	113 661	484 927	374 228	837 214	643 265
Write down	0	0			178 501		178 501	
EBIT	**44 433**	**106 079**	**125 328**	**292 065**	**48 180**	**514 310**	**217 941**	**912 454**
Net financial items							786 578	-1 035 575
Taxes							-201 478	222 983
Annual result							**803 041**	**99 862**
Assets	3 494 383	3 694 170	3 139 465	2 456 294	14 178 357	13 586 938	20 812 205	19 737 402
Jointly controlled companies	19 300	16 749	196 354	76 614	756 826		972 480	93 363
Total assets	**3 513 683**	**3 710 919**	**3 335 819**	**2 532 908**	**14 935 183**	**13 586 938**	**21 784 685**	**19 830 765**
Liabilities	**2 834 562**	**3 078 309**	**2 293 190**	**2 053 351**	**9 847 756**	**9 200 286**	**14 975 508**	**14 331 946**

	Europe/West Africa		Australasia		America/World wide		GROUP	
TNOK	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Operating income	2 229 886	2 238 641	661 712	789 426	1 435 678	1 311 655	4 327 276	4 339 722

5 Operating income

Amounts in TNOK

DOF ASA	DOF ASA		Group	group
2009	**2008**	**Operating income comprises:**	**2009**	**2008**
72 199	62 572	Freight income	4 258 507	3 969 672
72 199	**62 572**	**Total sales income**	**4 258 507**	**3 969 672**
	56 284	Gain/loss on sale of fixed assets	-7 887	317 780
1 790	10 608	Other operating income	76 656	52 269
1 790	**66 892**	**Total other operating income**	**68 769**	**370 050**
73 989	**129 464**	**Total operating income**	**4 327 276**	**4 339 722**

Gain on sale of fixed assets in 2008 comprises gain on sale of vessels Skandi Navica, Skandi Hercules and Geofjord.

6 Intangible assets

Amounts in TNOK

	2009				2008			
Group:	**PSV**	**AHTS**	**CSV**	**Sum**	**PSV**	**AHTS**	**CSV**	**Sum**
Goodwill								
Acquisition cost at 01.01	2 867	2 867	510 825	516 559	2 867	2 867	510 825	516 559
Additions								
Disposals								
Acquisition cost at 31.12	**2 867**	**2 867**	**510 825**	**516 559**	**2 867**	**2 867**	**510 825**	**516 559**
Write-down at 01.01			-16 898	-16 898				
Write down for the year			-41 501	-41 501				
Accumulated conversion differences			-16 322	-16 322			-16 898	-16 898
Write-downs 31.12.			**-74 721**	**-74 721**			**-16 898**	**-16 898**
Book value 31.12.	**2 867**	**2 867**	**436 104**	**441 838**	**2 867**	**2 867**	**493 927**	**499 661**

Goodwill relates to the acquisition of subsidiaries. Goodwill comprises the difference between nominal and discounted amounts in terms of deferred tax, synergy effects, organisational value, brandname and key personnel and their expertise. The group has estimated recoverable value to be fair value minus sales costs for the sale of CGU (cash generating units). For goodwill classified under the CSV segment above, which is attributable to the DOF Subsea AS group, the recoverable value is based on the transaction where DOF Subsea AS was removed from the Oslo Stock Exchange on 1 December 2008. The transaction was carried out between independent parties.

Goodwill is not depreciated., but the Group performs an annual impairment test to determine any write downs requirements . The group has estimated recoverable amount as value in use of the cash generating unit, discounting expected cash flows from operations with a weighted average cost of capital (WACC). Cash flows are based on budget approved of the board, and does not include any incvestments unless the investments is committed. Cash flow beyond budget period is expected to grow in line with the inflation rates - estimated to 2,5%. The financial costs in 2008/2009 have caused a significant change to come of the affiliates. Based on such estimate, it have been decided to initiate a write down of the goodwill related to CSL Ltd with MNOK 41,5.

Sensitivity
The major assumptions for the impairment recognized in CSL are the WACC (9,5% after tax) and the cash flow from operations. If the company decreases the expected cash flow with 10% and increases WACC with 10%, the Group needs to preform additional write downs related to the goodwill of MNOK 21,6.

In addition the company has other intangible assets in the amount of TNOK 34,193, mainly related to investments in software in DOF Subsea Holding AS.

7 Tangible assets

Amounts in TNOK

Group: 2009	Vessels	Periodic maintenance	New-buildings	Operating equipment	Total 2009
Acquisition cost as of 31.12.08	11 609 154	310 432	3 940 763	915 117	16 775 466
Additions	687 716	177 726	1 823 054	854 912	3 543 407
Vessels completed from newbuildings	837 703	7 000	-844 703		0
Disposals	150	4 625	278 329	47 913	331 017
Currency translation differences	141 708	-1 992	81 904	-48 094	173 525
Acquisition cost as of 31.12.09	**13 276 131**	**488 542**	**4 722 689**	**1 674 021**	**20 161 382**
Depreciation as of 01.01.09	1 729 832	131 990		125 304	1 987 126
Depreciation for the year	602 634	119 365		115 214	837 214
Depreciation on disposals for the year	44 588	2 161		15 788	62 537
Depreciation 31.12.09	**2 287 879**	**249 194**		**224 730**	**2 761 803**
Write-down 01.01.09					
Write-down / reversals for the year	9 000		128 000		137 000
Write-down 31.12.09	9 000		128 000		137 000
Book value 31.12.09	**10 979 252**	**239 347**	**4 594 689**	**1 449 291**	**17 262 579**
Depreciation rates	3,33 - 6,67%	40%		10 - 20%	
Depreciation method	Straight line	Straight line		Straight line	

Group: 2008	Vessels	Periodic maintenance	New-buildings	Operating equipment	Total 2008
Acquisition cost as of 31.12.08	10 686 928	254 648	2 202 224	847 891	13 991 691
Re-classification	-303 285		303 285		
Acquisition cost as of 01.01.08	10 383 643	254 648	2 505 509	847 891	13 991 691
Additions	1 182 411	146 345	2 547 636	130 147	4 006 539
Additions from acquisitions (see note 3)			638 589		638 589
Vessels completed from newbuildings	1 774 315		-1 774 315		
Disposals	1 669 095	93 327		77 268	1 839 690
Currency translation differences	-62 120	2 766	23 344	14 347	-21 663
Acquisition cost at 31.12.08	**11 609 154**	**310 432**	**3 940 763**	**915 117**	**16 775 466**
Depreciation at 01.01.08 *	1 898 476	97 165		115 442	2 111 083
Depreciation for the year	505 129	81 549		56 588	643 266
Depreciation on disposals in the year	673 773	46 724		46 726	767 223
Depreciation at 31.12.08	**1 729 832**	**131 990**		**125 304**	**1 987 126**
Write-down at 01.01.08					
Write-down/reversal during the year					
Write-down at 31.12.08					
Book value at 31.12.08	**9 879 322**	**178 442**	**3 940 763**	**789 813**	**14 788 340**
Depreciation rates	3,33 - 6,67%	40%		10 - 20%	
Depreciation method	Straight line	Straight line		Straight line	

Capitalised interest costs
In 2009, capitalization of interest costs totalled TNOK 59,000. These interest costs were related to newbuilding loans which are directly linked to the construction of newbuildings.

Write-down assessment
Write-down assessments have been carried out for all vessels and newbuildings as of 31 December 2009. The Group has requisitioned independent broker valuations and adjusted these to include estimated added/decreased value in affreightment contracts. In instances where the book value has been higher than the broker valuations, taking into account the estimated current value of contracts, a write-down has been carried out. The current value calculations are based on projected future earnings, cost levels and discount rate. There is a certain level of uncertainty connected with these estimates. Changes in parameters will result in amended results for the write-down assessment. A WACC (weighted average cost of capital) of 8-9% was applied as discount rate in the calculations. Each vessel is considered as a separate unit capable of generating cash flow.

The write-down assessment resulted in the write-down of the following vessels/newbuildings:

Geosounder	TNOK	9,000
Newbuilding DOF Installer	TNOK	128,000

As of 31.12.09, the group has 20 vessels under construction. The downpayment structure for future commitments related to these newbuildings is presented below

Group	2010	2011	2012	Remaining	Total
Newbuildings	**5 492 560**	**4 226 523**	**263 525**		**9 982 608**
Of which financed as of 31.12	**4 576 078**	**2 476 542**			**7 052 620**

* Of the total amount of financing secured for 2010 and 2011, a figure og approx. MNOK 3,800 presents funding from Norwegian and Brazilian Government. This financing requires bank guarantees from GIEK or a commercial bank. See also note 32.

DOF ASA 2009	Vessel	Periodic maintenance	Newbuilding	Operating equipment	TOTAL 2009
Acquisition cost as of 01.01.08	204 561	10 609	30 828		245 998
Additions	28	1 951	37 579	2 145	41 702
Disposals					
Acquisition cost as of 31.12.08	**204 589**	**12 560**	**68 407**	**2 145**	**287 700**
Depreciation as of 01.01.08	46 117	1 608			47 725
Depreciation for the year	7 058	4 532			11 590
Depreciation on disposals for the year					
Depreciation 31.12.08	**53 175**	**6 140**			**59 315**
Write-downs / reversals for the year					
Write-downs 31.12.08					
Book value 31.12.08	**151 414**	**6 420**	**68 407**	**2 145**	**228 385**
Depreciation rates	3,33 - 6,67%	40%			
Depreciation method	Straight line	Straight line			

DOF ASA 2008	Vessel	Periodic maintenance	Newbuilding	Operating equipment	TOTAL 2008
Acquisition cost as of 01.01.07	204 561	1 681	72 430		278 672
Additions		9 351			9 351
Disposals		423	41 602		42 025
Acquisition cost as of 31.12.07	**204 561**	**10 609**	**30 828**		**245 998**
Depreciation as of 01.01.07	39 067	1 258			40 325
Depreciation for the year	7 050	689			7 739
Depreciation on disposals for the year		339			339
Depreciation 31.12.07	**46 117**	**1 608**			**47 725**
Book value 31.12.07	**158 444**	**9 001**	**30 828**		**198 273**
Depreciation rates	3,33 - 6,67%	40%			
Depreciation method	Straight line	Straight line			

8 Operational lease agreements - leasing of vessels

Parts of the group's operational fleet are leased out on time charter. The group has analysed the "IFRIC interpretation 4 Determination of whether an arrangement contains a lease" and concluded that a time charter (TC) represents the lease of an asset and consequently is covered by IAS 17. Lease income from lease of vessels is therefore reported to the profit and loss account on a straight line basis for the duration of the lease period. The lease period starts from the time the vessel is put at the disposal of the lessee and terminates on the agreed date for return of the vessel. The application of IFRIC 4 (with effect from 01.01.06) does not constitute any change in the reporting of income compared with previous years.

The table below shows the minimum future lease payments related to non-terminable operational lease agreements (TC contracts). The amounts are nominal and stated in NOK 1 000. These amounts include lease of vessels. Future payments are adjusted to include the estimated increase in the consumer price index of 2,5% per year.

Amounts in TNOK	2009	2008
Operational lease agreements 1 year	2 966 003	2 823 260
Due between 2 and 5 years	8 876 884	7 034 669
Due later than 5 years	225 115	169 352
TOTAL	**12 068 003**	**10 027 282**

9 Investments in subsidiaries

Group

Directly owned subsidiaries	Owner	Main business	Nationality	Registered office	Share capital	Ownership and voting share	Result for the year (bus. reg.)	Equity 31.12 (100%)
DOF Subsea Holding AS	DOF ASA	Shipowning/ subsea eng.	Norway	Austevoll	172 878	51%	35 724	5 496 486
DOF Rederi AS	DOF ASA	Shipowning	Norway	Austevoll	123 900	100%	297 297	631 074
DOF Management AS	DOF ASA/ DOF Subsea AS	Shipowning	Norway	Austevoll	38 316	100%	-9 417	84 027
DOF UK Ltd.	DOF ASA	Shipowning/ management	Scotland	Aberdeen	13	100%	9 022	95 990
DOF Egypt	DOF ASA	Shipowning	Egypt	Kairo	3 499	100%	-626	11 423
Waveney AS	DOF ASA	Shipowning	Norway	Oslo	100	100%	0	100
Norskan AS	DOF ASA	Shipowning/ management	Norway	Austevoll	322 037	100%	26 784	1 415 994
Norskan Holding Pte	DOF ASA	Shipowning	Singapore	Singapore		100%		
Marin IT AS	DOF ASA/ Austevoll Seafood ASA	IT services	Norway	Austevoll	1 000	75%	0	1 000

DOF Boa AS, DOF Installer AS and District Supply VII AS have been merged with DOF ASA in 2009.

Jointly controlled companies	Owner	Registered office	Share capital	Ownership and voting share	Result for the year (bus. reg.)	Equity 31.12 (100%)
Aker DOF Deepwater AS	DOF ASA/Aker Solutions ASA	Austevoll	60 000	50%	3 992	63 934
DOFTECH DA	DOFCON AS/Technip Norge AS	Austevoll	350 000	50%	59 940	376 687

Associated companies	Owner	Registered office	Share capital	Ownership and voting share	Result for the year (bus. reg.)	Equity 31.12 (100%)
Master & Commander	DOF Subsea AS	Oslo	100	20%	88 337	169 259
Waveney IS*	DOF ASA	Austevoll	36 000	47%	6 202	41 382

In Q2 2009, DOF Subsea AS sold its shareholding in Aker Oilfield Services AS to Aker Solution ASA for TNOK 277,000. The gain on the sale booked to the accounts is TNOK 171,167. The cooperation between DOF and Aker Oilfield Services will continue.

*) General partnership, capital not called TNOK 18,800.

Tier subsidiaries	Owner	Registered office	Share capital	Ownership and voting share
DOF Geo UK Ltd	DOF Subsea AS	Aberdeen, UK		100%
DOF Subsea Pte	DOF Subsea AS	Singapore	134 007	100%
DOF Subsea UK Ltd	DOF Subsea AS	Aberdeen, UK	25 946	100%
DOFCON AS	DOF Subsea AS	Bergen	13 360	100%
Geo Rederi AS	DOF Subsea AS	Bergen	17 400	100%
Geo Rederi II AS	DOF Subsea AS	Bergen	26 400	100%
Geoconsult AS	DOF Subsea AS	Bergen	600	100%
Semar AS	DOF Subsea AS	Oslo	117	50%
DOF Subsea Brasil Ltda	DOF Subsea AS	Macaè	461 924	100%
DOF Subsea Holding II AS	DOF Subsea Holding AS	Bergen	119 864	100%
DOF Installer ASA	DOF Subsea Holding II AS	Austevoll	6 431	53%
DOF Subsea AS	DOF Subsea Holding II AS	Bergen	598 668	100%
DOF Subsea Asia/Pacific Pte. Ltd.	DOF Subsea Pte	Singapore		100%
DOF Subsea Australian Pty.	DOF Subsea Pte	Perth	23 691	100%
DOF Subsea Canada Corp	DOF Subsea Uk Ltd.	St. Johns, Canada	7	100%
DOF Subsea USA Inc	DOF Subsea Uk Ltd.	Houston, USA	6 775	100%
Contruction Specialists Ltd (CRL)	DOF Subsea AS	Aberdeen, UK	1	100%
DOFCON Brasil AS	DOFCON AS	Bergen	2 000	100%
DOFCON Navegacao Ltda.	DOFCON AS	Macae, Brasil	617 613	100%
Geofjord Shipping AS	Geo Rederi AS	Bergen	10 000	100%
Geograph Shipping AS	Geo Rederi AS	Bergen	100	100%
DOF Subsea Norway AS	Geoconsult AS	Bergen	112	100%
DOF Subsea ROV AS	Geoconsult AS	Bergen	100	100%
Geosund AS	Geoconsult AS	Bergen	100	100%
Skandi Neptun AS	Geoconsult AS	Bergen	100	100%
Norskan Offshore Ltda.	Norskan AS/Norskan Holding AS	Rio, Brasil	304 435	100%
Norskan Norway AS	Norskan AS	Austevoll	100	100%
Norskan Holding AS	Norskan AS	Austevoll	100	100%
DOF Navegacão Ltda.	Norskan AS/Norskan Offshore Ltda.	Rio, Brasil	712 006	100%
DOF Argentina	DOF Management AS	Buenos Aires	65	100%
DOF Sjø AS	DOF Management AS	Austevoll	100	100%
Anoma AS	DOF ASA /DOF Subsea AS	Austevoll	600	90%
DOF Subsea Angola	DOF ASA /DOF Subsea AS	Angola		90%
Anoma Congo	DOF ASA /DOF Subsea AS	Kongo		90%
DOF Management Pte.	DOF Management AS	Singapore	513	100%

DOF ASA

Directly owned subsidiaries	Owner	Acquisition cost
DOF Subsea Holding AS	DOF ASA	2 798 498
DOF Rederi AS	DOF ASA	123 900
DOF Management AS	DOF ASA	58 408
DOF UK Ltd.	DOF ASA	11
DOF Egypt	DOF ASA	3 498
Marin IT AS	DOF ASA	758
Norskan AS	DOF ASA	1 510 896
Waveney AS	DOF ASA	100
DOF Holding Pte	DOF ASA	2 956
Total acquisition cost of subsidiaries		**4 499 025**

For information about registered office and ownership, please see above.

10 Investments in associated companies and jointly controlled companies

Associated companies - Group	Aker Oilfield Services AS (1)	Master and Commander (2)	Waveney IS (3)	Total
Balance sheet value 01.01.2009	83 108	40 203	16 385	139 696
Additions/disposals 2009	-83 108			-83 108
Share of result 2009		17 667	2 915	20 582
Dividend/conversion differences 2008	0			0
Balance sheet value 31.12.	**0**	**57 870**	**19 300**	**77 170**
Share of result				20 582
Gain on sale of shares				171 167
Profit from investments in affiliated companies				**191 749**

1) DOF Subsea and Aker founded Aker Oilfield Services Ltd. in March 2007. In Q2 2009, DOF Subsea AS sold its shareholding in Aker Oilfield Services AS to Aker Solutions ASA for TNOK 277,000. The gain from the sale totals TNOK 171,167. Cooperation between DOF and Aker Oilfield Services will continue.

2) Master and Commander AS was founded in December 2006. The company owns 2 vessels.

3) Internal partnership founded in 2008. DOF ASA owns 47% of the shares, while a group of investors owns the remaining shares.
The partnership owns the vessel Skandi Waveney. The vessel is on a B/B contract for Norskan Norway AS.

The group's share of profit/loss, assets (incl. added value) and liabilities of associated companies:

Name 2009	Registered office	Assets	Liabilities	Turnover	Result	Ownership
Master and Commander AS*	Oslo	120 685	86 833	29 828	17 667	20,0%
Waveney IS	Austevoll	69 252	49 802	9 362	2 915	47,0%
		189 937	**136 635**	**39 190**	**20 582**	

* Master and Commander AS operates with USD as functional currency in the group, but presents its accounts with NOK as functional currency, thus the difference in the group's share of result.

Jointly controlled companies - Group

Jointly controlled companies represent investments in companies where the group along with others can exercise decisive influence. Cooperation is based on an agreement which regulates key aspects of the collaboration between the parties. In relation to accounting practice, the group posts its share of the jointly controlled company's income, assets, liabilities and cash flow on a pro rata basis in the consolidated accounts.

As of 31.12.2009, the group has two major investments in jointly controlled companies: Aker DOF Deepwater AS and Doftech DA.

	Aker DOF Deepwater 2009	Aker DOF Deepwater 2008	Doftech DA 2009	Doftech DA 2008
Current assets	40 761	2 279	67 761	1 718
Fixed assets	351 947	186 612	1 330 150	196 146
Short-term liabilities	28 326	1 322	123 258	8 692
Long-term liabilities	300 448	127 627	897 967	0
Income	4 062	0	120 037	82
Costs	70	141	60 097	46

The figures above represent 100% of the companies' accounting figures

Aker DOF Deepwater AS was earlier Aker DOF Supply AS.

DOF ASA

Associated companies (AC) and Jointly controlled companies (JCC)	2009 Cost price	2009 Write-down	2009 Book value	2008 Cost price	2008 Write-down	2008 Book value
Aker DOF Deepwater AS (FKV)	30 065		30 065	30 065		30 065
Total associated companies	**30 065**	**0**	**30 065**	**30 065**	**0**	**30 065**

On the consolidated accounts, associated companies are recognised according to the equity method, and jointly controlled companies according to the proportional consolidation method.

11 Other investments

Amounts in TNOK

Group:	2009	2008
Primary capital certificates	534	484
Other investments*	8 376	5 515
Other investments 31.12.	8 910	5 999

Other investments comprise an investment in Borea Noterte.
Unrealised loss related to this investment was TNOK 2 861 in 2009.

12 Inventory

Amounts in TNOK

Group:	2009	2008
Fuel reserves	16 116	13 441
Fuel reserves 31.12.	**16 116**	**13 441**
Write-down of stock as of 31.12		

13 Accounts receivable

Amounts in TNOK

DOF ASA 2009	DOF ASA 2008		Group 2009	Group 2008
120 470	98 745	Accounts receivable at nominal value	1 078 927	1 151 743
		Not invoiced accounts receivables	164 545	
	-	Provision for bad debts	-8 185	-739
120 470	**98 745**	**Accounts receivable at 31.12**	**1 235 287**	**1 151 004**

Accounts receivable as of 31 December 2009 include TNOK 230.000 as a receivable from Aker Oilfield Services in relation to the newbuildings Skandi Aker and Skandi Santos. As of January 2010 the receivable is paid. Group accounts receivable relate mainly to major international oil companies.
The Group has an historically low level of bad debts, and the credit risk is considered to be minor.

As of 31.12, the company had the following accounts receivable which had matured, but not been paid.

Group	Total	Not matured	< 30 d	30-60d	60-90d	> 90d
	1 078 927	742 209	142 047	50 538	19 029	125 104

DOF ASA	Total	Not matured	< 30 d	30-60d	60-90d	> 90d
	120 470	78 805	16 544	3 145	422	21 554

14 Other receivables

Amounts in TNOK

DOF ASA 2009	DOF ASA 2008	Other short-term receivables	Group 2009	Group 2008
	2 650	Public fees receivable		-26 972
		Pre-paid expenses	51 075	219 736
135 480	350 252	Short-term intragroup receivables		
		Currency adjustments		-4 088
185	486	Accrued interest income	4 361	486
13 223	60 433	Unrealised gain/loss forward contracts	27 726	61 134
	7 072	Short-term receivables from employees		7 072
5 601	2 613	Other short-term receivables	408 967	14 657
154 489	**423 506**	**Other short-term receivables at 31.12.**	**492 128**	**272 025**
		Other long-term receivables		
364 066	706 434	Intragroup long-term receivables		
364 066	**706 434**	**Other long-term receivables at 31.12.**		

15 Cash and cash equivalents

Amounts in TNOK

DOF ASA 2009	DOF ASA 2008		Group 2009	Group 2008
		Cash	3 308	309
309 283	264 152	Bank deposits	2 210 434	2 831 193
309 283	**264 152**	**Cash and cash equivalents at 31.12**	**2 213 742**	**2 831 502**
41 616	**376**	**Of which non-dist. funds**	**1 131 044**	**1 100 190**
3,13%	**6,42%**	**Effective interest rate on bank deposits**	**3,06%**	**4,10%**

* Of consolidated non-distributable funds, MNOK 895,8 is attributable to governmental financing of export for one vessel being built at a Norwegian yard. The figure is committed to a financial institution which provides the necessary guarantees for the loan and is responsible for payment of the loan. The impact of the loan has been recognised as gross.

16 Share capital and share information

Share capital: The share capital in DOF ASA as of 31.12.2009 was NOK 182,075,950 distributed between 91,037,975 shares, each with a nominal value of NOK 2.00. There has been one share issue in 2009 with 8,270,000 new shares.

Share issue authorisation: The Annual General Meeting has allocated authorisation to the Board of Directors for a capital increase of up to 37,500,000 shares at a nominal value of NOK 2.00. This authorisation expires on the Annual General Meeting in 2010.

Shareholders: The 20 largest shareholders of DOF ASA and shares owned by management and board members including shareholdings held by closely related persons and companies at 31 December 2009 were as follows:

Shareholders at 31.12.2009	No of shares	Shareholding
MØGSTER OFFSHORE AS	46 210 050	50,76%
ODIN NORGE	6 235 400	6,85%
SKAGEN VEKST	4 954 800	5,44%
PARETO AKSJE NORGE	4 492 100	4,93%
SKANDINAVISKA ENSKILDA BANKEN	2 361 183	2,59%
PARETO AKTIV	2 288 000	2,51%
MP PENSJON	1 845 600	2,03%
ODIN OFFSHORE	1 798 900	1,98%
VESTERFJORD AS	873 650	0,96%
PARETO VERDI	608 500	0,67%
MUSTAD INDUSTRIER AS	591 800	0,65%
HOLBERG NORGE	545 500	0,60%
DNB NOR SMB	510 000	0,56%
MOCO AS	498 100	0,55%
ODIN MARITIM	369 800	0,41%
FORSVARETS PERSONELLSERVICE	344 100	0,38%
PACTUM AS	300 000	0,33%
POSH AS	282 600	0,31%
WARRENWICKLUND NORGE	239 000	0,26%
VPF NORDEA SMB	237 894	0,26%
Total	**75 586 977**	**83,03%**
Other shareholders	15 450 998	16,97%
Total	**91 037 975**	**100,00%**

Shareholders per 31.12.09		No of shares	Shareholding
Board of Directors			
Helge Møgster	Chairman of the Board	236 930	0,26%
Helge Singelstad	Board member		
Oddvar Stangeland	Board member	28 000	0,03%
Wenche Kjølås * Shares owned via Jawendel AS	Board member	3 000	0,003%
Britt Mjellem * Shares owned via Mjellem Invest AS	Board member	1 000	0,001%

Via Laco AS, Helge Møgster and his family have indirect control of 94.65% of the shares in Møgster Offshore AS, the main shareholder of DOF ASA.
Oddvar Stangeland owns 3.01 % of Møgster Offshore AS via Kanabus AS. He also owns 8,000 shares directly via Kanabus AS.

DOF ASA

Management group :			
Mons S. Aase *Shares owned via Moco AS	CEO	498 100	0,55%
Mons Melingen	VP Marine	25	0,000%
Gary Kennedy	COO		
Hilde Drønen * Shares owned directly and through Djupedalen AS	CFO	30 675	0,03%
Arnstein Kløvrud	CTO		
Total shares owned by Board members and management		**797 730**	**0,88%**

Mons Mellingen and Gary Kennedy entered their positions in 2010. They came from positions in subsidiaries of DOF.

17 Pensions and pension commitments

DOF ASA has a company pension scheme with the life insurance company Nordea Liv Norge ASA. In 2008, this scheme comprised 795 active members and 54 pensioners. The scheme covers life-long retirement pension from the age of 67. It also includes disability pension and child pension. The Group also has an uninsured pension scheme for three former offshore employees which is financed from the company's operations. There is also a defined contribution scheme for 61 employees in DOF Management AS for which the pension costs totalled
TNOK 1 931 in 2009. All shore-based employees have obligatory occupational pension schemes. Offshore employees are not included in this scheme.

Seafaring employees have a separate pension scheme. Pension age is 60 and pension payments are made from the company's pension scheme until the age of 67. From 67, the retirement pension is paid under the National Insurance Scheme. The group pension scheme is coordinated with the pension insurance scheme (Pensjonstrygden for sjømenn) for seafarers, and constitutes 60% of the pensionable income after 30 years of qualifying service. This scheme is insured. The calculations comply with IFRS (IAS 19).

Estimate deviations and the impact of changed assumptions are amortised over an average expected remaining period of service. The company's legal commitments are not affected by the accounting treatment of the pension commitments
The average expected remaining period of service for shore based employees is 21.92 years and for seafarers 24.77 years

Outgoing commitments for 2008 and 2009 are based on table K2005.
The pension funds are placed in a portfolio of investments by an external insurance company. The insurance company administers all transactions related to the pension scheme. Estimated return on pension funds is based on market prices on balance sheet date and projected development during the period in which the pension scheme is valid.

Net Pension costs			2009	2008
NPV value of pensions during the period			20 620	17 140
Capital costs previous earned pensions			5 428	4 570
Estimated return on pension capital			(5 707)	(4 174)
Adminstration costs			948	1 090
Estimated variance			1 717	1 450
payroll taxes during the period			2 965	2 599
Net pension cost incl. Pay roll taxes 31.12.			**25 970**	**22 675**
Net Pension commitments			**Total 2009**	**Total 2008**
Estimated Pension benefit obligation			122 616	135 521
Estimated pension capital			(105 198)	(83 590)
Estimated variances not included in P&L			(10 011)	(38 289)
Payroll taxes during the period			2 354	6 499
Net Pension commitments 31.12.			**9 761**	**20 141**

Net pension comittments is classfied as follows in the balance sheet 31.12.

Pension capital 31.12.			2 194	
Pension commitments 31.12.			11 955	20 141

Economic assumptions		31.12.2009	31.12.2008	01.01.2008
Discount rate		4,40%	4,3%/3,8 %	4,70%
Estimated return on plan assets		5,60%	6,3%/5,8 %	5,75%
Estimated rise in salaries		4,25%	4%/4,5%	4,50%
Estimated rise in pensions		0%/1,30%	4,25%/2,8%/1,5 %	2,00%
Estimated rise in basic amount under the national insurance		4,25%	4,25%	4,25%
Turnover		0%/3 %	0%/3%	0,00%
National insurance contribution		14,10%	14,10%	14,10%
Anticipated CPA acceptance rate 62-67 years of age		0,00%	0,00%	0,00%

Reconciliation, opening and closing balance:		
Net pension comittments 01.01.	14 302	
Diviation compared with equity	0	
Net pension cost for the year inc.nat.ins.cont	25 970	
Pension payments CPA/uninsured incl.nat.cont	0	
Investment in plan assets etc. incl.nat.cont	(30 511)	
Net pension comm. At 31.12.	**9 761**	
Reconsiliation of pension commitment, opening and closing balance:		
Present value of accrued pension commitment at 01.01.	129 682	
Gross pension cost for the year	26 048	
Pension payment for the year	(2 237)	
Deviation (change in assumptions/experience)	(30 876)	
Estimated present value accrued pension commitment at 31.12.	**122 616**	

Reconsoliation of plan assets, opening and closing balance:		
Plan assets at 01.01.	83 590	
Anticipated return on plan assets	5 707	
Administrative expenses	(1 217)	
Pension payments for the year	(2 237)	
Investment in plan assets etc	26 652	
Deviation (changes in assumptions/experience)	(7 297)	
Estimated present value of pension plan assets at 31.12.	**105 197**	
At 31. December	**2009**	**2008**
Present value of contribution-based pension commitment	122 616	135 521
Fair value of pension fund assets	105 198	83 590
Deficit/surplus	**17 418**	**51 931**

18 Tax

Amounts in TNOK

DOF ASA 2009	DOF ASA 2008	Tax consists of:	Group 2009	Group 2008
-	30	Tax payable in Norway*)		-92 476
		Tax payable related to changes in shipping tax scheme	-149 548	
		Tax payable foreign activity	46 065	26 027
47 191	-77 627	Change in deferred tax Norway	125 139	-36 953
		Change in deferred tax foreign activity	179 822	-117 398
		Estimate deviations from previous years		-2 183
47 191	**-77 597**	**Tax cost/income**	**201 478**	**-222 983**
		Reconciliation of nominal and effective tax rate		
381 007	471 501	Profit before tax	1 004 519	-123 121
106 682	**132 020**	**Estimated tax cost (28%)**	**281 265**	**-34 474**
-59 491	**-209 617**	**Deviation between actual and estimated tax cost**	**-79 787**	**-188 509**
		Reason for difference between actual tax cost and estimated tax cost		
-59 491	-209 617	Tax effect of non-taxable income and non tax-deductible costs	61 455	-14 854
		Change in value of market-based current assets	49 980	
		Estimate deviations from previous years		17 208
		Effect of shipping tax regime tax settlement on transition to new scheme	-200 258	-104 291
		Effect of shipping tax	-71 059	-77 957
		Foreign tax rate deviation	60 383	-8 616
		Unrecognized deferred tax asset	19 712	
-59 491	**-209 617**	**Deviation from estimated tax cost**	**-79 787**	**-188 510**

Deferred tax
Below is a specification of the temporary differences between the accounting and tax values, and the calculation of deferred tax/deferred tax assets at the end of the year.

2009	2008	Basis of deferred tax	2009	2008
87 035	83 311	Fixed assets	-2 680 171	-1 480 822
		Current assets	-18 393	-98 345
499 113	27 030	Other differences	-511 131	-253 705
-2 000		Liabilities	-293 305	-1 515
584 148	**110 341**	**Total temporary differences**	**-3 503 000**	**-1 834 387**
163 561	30 895	Deferred tax (-) / deferred tax assets (28%)	-980 840	-513 628
60 062	389 093	Tax deficit	1 731 470	1 074 120
-524 086	**278 752**	**Basis for calculation of deferred tax (-) / deferred tax assets**	**-1 771 530**	**-760 267**
-146 744	**78 051**	**Total deferred tax (-) / deferred tax assets**	**-513 472**	**-230 108**
-146 744		**Gross deferred tax ***)**	**-513 472**	**-353 438**
	78 051	**Gross deferred tax assets **)**		**123 330**

*) Transition regulations for entry to the new taxation scheme for shipping companies adopted by the Norwegian Government in 2007 and which DOF Rederi AS entered with effect of 1 January 2007 resulted in taxation of 2/3 of the untaxed funds earned within the former taxation scheme for shipping companies. This income was transferred to a settlement account and was to be taxed over a ten-year period. The remaining 1/3 was to be exempt from taxation, provided that this figure was utilised for investment in measures to promote environmental protection.

On 12 February 2010, a Supreme Court judgement concluded that the transition regulations in the Act dated 14 December 2007 no. 107, paragraph X were at variance with the prohibition on retroactive effect for legislation in section 97 of the Norwegian Constitution. As a result of this judgement, the Norwegian government's Inland Revenue office was obliged to reverse the posting of income according to the transition regulations for financial years 2007 and 2008. Repayment of the tax charged in 2007 and 2008 is expected in 2010. This figure is therefore accounted as a short-term receivable.

The provision related to the settlement account has been reversed as of 31 December 2009. However, the Norwegian government has stated that it intends to evaluate alternative methods of collecting tax related to the settlement account. It is not possible to predict the consequences of such an evaluation. No provisions have therefore been made for the settlement account as of 31 December 2009. Neither have there been any amendments to the way in which the provision for the environmental fund is handled, as it is currently unclear how the Supreme Court judgement will affect this part of the transition regulations.

It is also uncertain how to account for paid dividends in the new scheme, including the calculation of correction income. The company has been notified that there will be an amendment to the tax assessment for 2008 in relation to correction income for the year. The company disagrees with the basis for calculation of correction income and will wholly or partly dispute this amendment. As a result of the uncertainty related to these items, the company has decided to make a provision for tax payable in accordance with best estimate.

On 26 March 2010, the Norwegian government notified their intention to propose an amendment to the Taxation Act which implies that untaxed profits from former taxation schemes for shipping companies can be settled as a one-time payment. If this proposal is made and adopted as notified, this will imply that the company may have to pay a tax obligation of NOK 106,975,000. The corresponding tax figure on the accounts is NOK 0. The company will assess whether to make use of the scheme for a one-time payment once it has been adopted.

19 Other long-term liabilities

Bond loans
DOF ASA has three bond loans with maturity in 2010 and 2011. DOF Subsea has two bond loans with maturity in 2011 and 2012. See figures below. The trustee acting on behalf of the bond loan owners is Norsk Tillitsmann ASA. Nordea Bank Norge ASA is the account operator. The terms and conditions for the bond loans comprise a floating rate of interest, 3 month NIBOR + (200bp – 1150 bp). Quarterly interest rate regulations are carried out for all the bond loans. A bond loan totalling NOK 975 million in DOF ASA is secured by a mortgage in the shares in Norskan AS. DOF ASA is free to purchase its own bonds.

Long-term liabilities to credit institutions
The main share of the Group's fleet is financed via mortgage loans, in particular maritime mortgages. A set of shared covenants has been established for the maritime mortgage in DOF ASA and the maritime mortgage in DOF Subsea AS.

For DOF ASA, the most important financial covenants are as follows:
Value-adjusted capital shall be higher than 30% or higher than 20% if contractual coverage for the maritime mortgage is higher than 70%.
The Group shall at all times have cash reserves of NOK 500 million.

The most important financial covenants for DOF Subsea Holding AS' fleet are as follows:
The Group shall at all times have cash reserves of NOK 400 million.
The ratio between the Group's EBITDA and net interest costs shall not be lower than 2:1.
Book equity ratio shall be minimum 25%.

In addition to the above-mentioned financial covenants, the following terms and conditions also apply to a number of loan agreements:
- Full insurance for the Group's assets.
- No changes to classification, management or ownership of the vessels without prior written consent from the banks.
- DOF ASA shall own minimum 50% of the shares in DOF Subsea Holding AS, and Møgster Offshore shall own minimum 33% of the shares in DOF ASA.
- The Group does not have the right to carry out mergers, demergers or sell businesses without the prior written consent of the banks.
- DOF ASA shall be listed on the Oslo Stock Exchange. In addition, the normal terms and conditions for this type of loan apply.

Amounts in TNOK

DOF ASA 2009	DOF ASA 2008	Overview of long-term liabilities	Group 2009	Group 2008
1 153 221	744 893	Bond loans	2 149 321	1 470 654
	249 500	Liabilities to credit institutions	8 724 597	8 920 720
		Long-term tax liabilities	0	173 967
84 633	907 499	Other long-term liabilities	496 856	162 357
1 237 854	**1 901 892**	**Total liabilities (excl. instalments 2010)**	**11 370 774**	**10 727 698**

Group: Installment profile - long-term liabilities

Group	2010*	2011	2012	2013	2014	Subsequent	Total *
Bond loans	72 000	1 667 000	500 000				2 239 000
Mortgage loans/maritime loans	2 032 832	1 167 837	1 010 846	1 343 762	238 293	4 451 001	10 244 571
Long-term leasing liabilities	23 451	20 803	21 403	22 133	7 194	101 006	195 990
Other long-term liabilities							0
Total	**2 128 283**	**2 855 640**	**1 532 249**	**1 365 895**	**245 487**	**4 552 007**	**12 679 561**

In 2010 regular installments are TNOK 1,003,545 and ballon are TNOK 1,124,738, hereof are amount TNOK 780,000 refinanced per April 2010.

DOF ASA	2010*	2011	2012	2013	2014	Subsequent	Total *
Bond loans	72 000	1 171 000					1 243 000
Unsecured loan	300 000						300 000
Lease liabilities	7 194	7 194	7 194	7 194	7 194	74 121	110 091
Total	**379 194**	**1 178 194**	**7 194**	**7 194**	**7 194**	**74 121**	**1 653 091**

In 2010 regular installments are TNOK 7,194 and ballon are TNOK 372,000, hereof are TNOK 300,000 refinanced per April 2010.

DOF ASA 2009	DOF ASA 2008	Liabilities secured by mortgage	Group 2009	Group 2008
975 000		Bond loan	975 000	
91 827	249 500	Liabilities to credit institutions incl. leasing liabilities	10 951 411	10 949 968
1 066 827	**249 500**	**Total liabilities**	**11 926 411**	**10 949 968**
		Assets provided as security		
157 834	198 273	Fixed assets	12 451 483	10 847 577
1 510 896		Investment in subsidiaries	1 510 896	
1 668 730	**198 273**	**Total assets provided as security**	**13 962 379**	**10 847 577**
6,69%	**7,50%**	**Average rate of interest**	**5,66%**	**6,20%**

For loans issued directly to ship-owning subsidiaries of DOF ASA and DOF Subsea AS, a parent company guarantee has been issued for the nominal amount of the loans in addition to interest accrued at any given time.

Fair value of long-term loans
The price of the company's bond loans at 31.12.2009 was as follows:

Loans	Price 31.12.09	Outstanding
DOF ASA 07/10	98,35	72 000
DOF ASA 06/11	90,63	196 000
DOF ASA 09/11	102,70	975 000
DOF Subsea 07/11	90,35	500 000
DOF Subsea 09/12	103,43	500 000

Other long-term liabilities, with the exception of long-term loans, have nominal value equivalent to fair value of the liability.

20 Other provisions for commitments

The 5 vessels previously financed as "UK lease" were released from their lease contracts in 2008.
Remaining leasing commitment related to these vessels is NOK 0.
There may be risk related to the tax commitment existing for the former UK leases, but this is considered to be so low that it has not been reported on the accounts. See note 21 for description of the UK lease.

21 Other long-term liabilities - lease

Traditional lease
As of 31 December 2009, one traditional lease for a vessel remains, namely Skandi Caledonia.
The lease for Skandi Caledonia is carried on DOF ASA's balance sheet under long-term liabilities at a figure of NOK 110 million.

Financial lease combined with tax advantage
Five of the group's vessels have previously been financed as "UK-lease". This implies that the vessels are formally owned by separate British holding companies outside the group, which charter the vessels on B/B charter to the group's subsidiary, DOF UK Ltd. DOF Rederi AS has covered DOF UK Ltd's obligation to cover the financing of these vessels for a minimum period of 6 years via a charter party. After 6 years, the owner can demand that the shipowning company take over all assets of the British holding company at a price of approx. 75% of the original cost of the vessels. For accounting purposes, it is assumed that the owner will demand that DOF Rederi purchases the share in the British holding companies, and consequently the vessels.

The five above-mentioned vessels were released from their lease contracts in 2008 and all the group's UK leases were settled in 2008. The remaining lease commitment for UK leases as of 31.12.09 is therefore NOK 0.

There is a certain risk of a tax liability related to the former UK leases, but this is deemed to be so low that it has not been presented in the accounts. The issue has been submitted to a lawyer for evaluation and his statement supports the above-mentioned conclusion. In connection with the termination of these leases in 2008, DOF was obliged to settle a number of tax bills/structural accounts.

22 Guarantee commitments

The parent company has provided a counter-guarantee to DnBNOR in connection with the bank guarantee issued by the bank to BNDES in Brazil for the financing of 4 vessels owned by Norskan. Parent company guarantees have also been issued for BNDES in connection with the financing of two other vessels owned by Norskan in Brazil. In total, these guarantee commitments for BNDES amounted to USD 155 million as of 31 December 2009.

The parent company has provided a guarantee (surety) to DVB Bank in connection with the financing of one vessel owned by Norskan Norway AS. As of 31 December 2009, the nominal value of the loan was USD 17 million.

The parent company has also issued guarantees for maritime mortgages/loans for wholly owned subsidiaries.

23 Other short-term liabilities

Amounts in TNOK

DOF ASA 2009	DOF ASA 2008	Specification of other short-term liabilities	Group 2009	Group 2008
2 900	2 516	Income invoiced unaccrued	6 798	3 941
8 089	4 166	Accrued interest	122 441	76 072
649	837	Costs payable	104 834	214 227
2 430	7 786	Other short-term liabilities	179 251	248 530
	125 840	Intragroup liabilities		
		Unrealised loss on forward contracts	6 992	58 737
14 068	**141 145**	**Other short-term liabilities**	**420 316**	**601 507**

24 Intra-group loans and balances

Amounts in TNOK

DOF ASA 2009	DOF ASA 2008	Specification of intra-group balances
524 033	706 434	Long-term receivables from companies in the same group and JV*
135 480	350 251	Short-term receivables from companies in the same group and JV
57 033	79 088	Accounts receivable from group companies
716 546	**1 135 773**	**Receivables from group companies**
	557 838	Long-term loans from group companies*
	125 840	Short-term loans from group companies
58 983	21 139	Accounts payable to group companies
58 983	**704 817**	**Liabilities to group companies**
657 562	**430 956**	**Net intra-group balances**

* Loans to companies within the same group and loans from companies within the same group are interest-bearing. Interest on loans is as for market rates and terms.

25 Earnings per share

Ordinary earnings per share are calculated as the relationship between the annual result payable to the shareholders and the weighted average of outstanding ordinary shares throughout the financial year.

There are no instrument that allow the possibility of dilution.

Amounts in TNOK

Group: Basis of calculation of earnings per share	2009	2008
Profit for the year after minority interests	602 464	65 151
Average outstanding number of shares	87 730 811	82 767 975
Earnings and diluted earnings per share for parent company shareholders (NOK)	6,87	0,79

26 Lease contracts

Operational lease contracts:
With the exception of the lease of office premises and the vessel Skandi Caledonia the Group has no significant contracts for lease of fixed assets which are not carried on the balance sheet. The main office is leased from Austevoll Eiendom AS for NOK 2,900,000 per year. Austevoll Eiendom AS is a subsidiary of Austevoll Seafood ASA. Austevoll Seafood ASA is a subsidiary of Laco AS. See note 30. DOF Subsea AS leases premises located in Marineholmen in Bergen.

Overview of future minimum lease:

Group	0-12 months	1-5 years	Total
Minimum lease - vessels	51 969	58 525	110 493
Lease of head office	4 730	18 920	23 650
Total	**56 699**	**77 445**	**134 143**

Financial lease contracts:
The group's assets under financial lease contracts include 1 vessels, several ROVs, machines and operating equipment. In addition to these lease payments, the Group has commitments related to maintenance and insurance of the assets.

Assets under financial lease contracts are as follows:

DOF ASA	2009	2008	Group	2009	2008
Vessels	215 170	215 170	Vessels	215 170	445 284
ROVs			ROVs	70 993	21 840
Machinery and operating equipment	3 247		Machinery and operating equipment	18 153	50 559
Total acquisition cost	**218 417**	**215 170**	**Total acquisition cost**	**304 316**	**517 683**
Accumulated depreciation at 01.01	48 176	40 326	Accumulated depreciation at 01.01	113 873	85 281
Depreciation	11 590	7 850	Depreciation	17 480	28 592
Net balance sheet value	**158 651**	**166 994**	**Net balance sheet value**	**172 963**	**403 810**

Overview of future minimum lease:

Group	0-12 months	1-5 years	Total
Minimum lease, financial lease contracts maturing:	23 451	73 735	97 186

Overview of future minimum lease:

DOF ASA	0-12 months	1-5 years	Total
Minimum lease, financial lease contracts maturing:	7 194	20 983	28 177

27 Financial instruments

This note is splitted in following grouplevel;

27A	Financial income and costs
27B	Financial assets and commitments: Information on the balance sheet
27C	Financial assets and commitments: Information on the fair value
27D	Hedging activities
27E	Qualitative and quantitative risk information
27F	Financial market risk

27A Financial income and costs: information on the profit & loss account

Amounts in TNOK

DOF 2009	DOF 2008		Group 2009	Group 2008
218 152	441 827	Income from other investments	20 582	43
23 252	41 928	Interest income from companies in the same group		
52 468	19 926	Other interest income	120 685	96 248
4 882	331 197	Gain on realisation of shares	171 167	124 791
121 317	56 595	Unrealised foreign exchange gain	757 611	166 738
7 977	-9 451	Realised foreign exchange gain	166 012	265 254
		Net gain/loss on currency forward contracts	73 475	-5 624
105 856		Other financial income	124 950	123 842
-7 498	-15 977	Interest paid to companies in the same group		
-105 091	-138 422	Interest cost on mortgage	-566 118	-633 010
-2 050	-21 902	Loss on sale of shares	-2 050	
	-244 306	Unrealised loss on foreign exchange		-822 121
	-4 011	Realised loss on foreign exchange		-76 885
-18 918	-32 552	Other financial costs	-79 736	-274 852
400 346	**424 852**	**Result of financial items**	**786 878**	**-1 035 576**

Gain/loss on currency is presented net in 2009.

27B Financial assets and commitments: Information on the balance sheet

Amounts in TNOK

31.12.2009	Financial assets at fair value		Held to maturity	Loans and receivables	Available for sale	Financial commitments at fair value		Financial commitments measured at amortised cost	Other financial commitments	Total
	Held for sale re. IAS 39	Earmarked at initial recognition				Held for sale re. IAS 39	Earmarked at initial recognition			
Assets										
Financial investments	8 910			2 721						11 631
Accounts receivable				1 235 287						1 235 287
Derivatives						26 687				26 687
Other short-term receivables				465 441						465 441
Cash and cash equivalents				2 213 742						2 213 742
Total financial assets	**8 910**	**0**	**0**	**3 917 191**	**0**	**26 687**	**0**	**0**	**0**	**3 952 788**
Commitments										
Interest-bearing long-term liabilities								10 873 918		10 873 918
Financial lease								195 990		195 990
Derivatives						77 202				77 202
Interest-bearing short-term loans								2 128 284		2 128 284
Accounts payable and other short-term liabilities								873 923		873 923
Total financial commitments	**0**	**0**	**0**	**0**	**0**	**77 202**	**0**	**14 072 115**	**0**	**14 148 317**

Amounts in TNOK

31.12.2008	Financial assets at fair value		Held to maturity	Loans and receivables	Available for sale	Financial commitments at fair value		Financial commitments measured at amortised cost	Other financial commitments	Total
	Held for sale re. IAS 39	Earmarked at initial recognition				Held for sale re. IAS 39	Earmarked at initial recognition			
Assets										
Financial investments	5 999									5 999
Accounts receivable				1 151 004						1 151 004
Other short-term receivables				272 025						272 025
Cash and cash equivalents				2 831 502						2 831 502
Total financial assets	**5 999**	**0**	**0**	**4 254 531**	**0**	**0**	**0**	**0**	**0**	**4 260 530**
Commitments										
Interest-bearing long-term liabilities	0							10 337 501		10 337 501
Financial lease								216 229		216 229
Derivatives						226 426				226 426
Interest-bearing short-term loans								1 795 407		1 795 407
Accounts payable and other short-term liabilities								419 924		419 924
Total financial commitments	**0**	**0**	**0**	**0**	**0**	**226 426**	**0**	**12 769 061**	**0**	**12 995 487**

27C Financial assets and commitments: Information on fair value

The fair value of financial assets classified as "held for sale" and "held for trade" are established with reference to the market price on balance sheet date. For financial assets not listed in the accounts, the fair value has been estimated using valuation techniques based on assumptions which are not substantiated by observable market prices. The fair value of currency forward contracts is based on the forward exchange rate on balance sheet date. The fair value of currency swaps is calculated by looking at the current value of future cash flows. For all the above-mentioned derivatives, the fair value is confirmed by the financial institution with which the company has signed an agreement.

Of the company's financial instruments, the following have not been valued at fair value: Cash and cash equivalents, accounts receivable, other short-term receivables, overdraft facility, long-term liabilities and "held to maturity investments".

The balance sheet value of cash, cash equivalents and overdraft facilities is approximately the same as the fair value, as these instruments have a short maturity. Similarly, the balance sheet value of accounts receivable and accounts payable are practically the same as fair value as they have "normal" terms and conditions. The fair value of non-interest bearing long-term liabilities is calculated by using listed market prices or interest rate terms for debts with a corresponding maturity and credit risk.

The fair value of "held to maturity" investments (with the exception of deposits as mentioned above) is established by making use of available market prices. Below is a comparison of balance sheet values and fair value for the Group's financial instruments. The fair value of the debt component for preference shares has been based on the market interest rate for similar convertible bonds.

The fair value of interest-bearing liabilities is presented as if currently settled in whole and represented at nominal value for bank loans and last observable transaction prices for bonds. Due to the general market conditions resulting from the financial crisis, the margins are now generally higher than when the loans were taken out. The company has not calculated fair value on the basis of recent changes in market conditions, due to the lack of a suitable discount rate. If the Group were to refinance its entire debt portfolio on the day of writing, there would be an increase in margin of 1 to 1.5%.

	2009		2008	
	Value/amortised cost on balance sheet	Fair value	Value/amortised cost on balance sheet	Fair value
Financial assets				
Cash	2 213 742	2 213 742	2 831 502	2 831 502
Accounts receivable	1 235 287	1 235 287	1 151 004	1 151 004
Forward currency contracts	23 766	23 766	2 394	2 394
Interest swap contracts	2 921	2 921		
Other long-term receivables	2 721	2 721	272 025	272 025
Financial liabilities				
Overdraft facility	53 438	53 438	13 980	13 980
Accounts payable	216 373	216 373	419 924	419 924
Interest-bearing liabilities:				
Bank loans and bonds	12 978 750	12 986 100	12 083 153	11 965 961
Commitments re. financial lease contracts	177 726	177 726	216 229	216 229
Forward currency contracts	77 202	77 202	228 820	228 820
Overdraft facilities	53 438	53 438	13 980	13 980

27D Hedging activities

As of 31 December 2009, the Group had 34 forward contracts to hedge future sales to customers in USD and GBP, and the purchase of USD. Forward contracts are utilised to hedge currency risk related to projected future sales. The company does not make use of cash flow hedging pursuant to IAS 39. Furthermore, the Group had a forward contract which was utilised to hedge fair value. The table below displays the contractual maturities for the contracts and the fair value of obligations and rights as of 31 December 2009.

	Amounts in NOK 1000	Due date	Currency purchased	Added value
Forward contracts at fair value over result				
FX Forward	236 737	2010	NOK	17 202
Forward contracts utilised to hedge fair value				
FX Forward	752 500	2011	NOK	-77 202
Currency option				
Curr. Option	126 540	2010	NOK	6 564
Interest swap				
Interest swap	420 017	2012	NOK	2 921
Total				**-50 515**
Hereof classified as current assets				26 687
Hereof classified as provisions for commitments				77 202

The group has a shipbuilding contract in Brazil to be settled in USD and NOK. The group has chosen to enter into a forward contract for the NOK element to eliminate NOK exposure for activities in Brazil. Unrealised loss on the forward contract is included as a part of the construction cost and at year-end totalled NOK 77 million.

27E Qualitative and quantitative risk information

Financial risk factors
The Group's activities carry various types of financial risk: Market risk (including currency risk, fair value interest rate risk, floating interest rate risk and price risk, credit risk and liquidity risk). The principal risk management plan for the Group focuses on the unpredictability of the capital market and attempts to minimise any potential negative impact on the Group's financial results. The Group makes use of financial derivatives in order to hedge against certain types of risk.

Risk management for the Group is governed by guidelines approved by the Board of Directors. The Group identifies, evaluates and hedges against financial risk. The Board of Directors prepares a written set of principles for general risk management and provides written guidelines for specific areas such as currency risk, interest rate risk, credit risk, use of financial derivatives and other financial instruments in addition to investment of surplus liquidity.

Market risk

(i) Currency risk
The Group's activities carry various types of financial risk: Market risk (including currency risk, fair value interest rate risk, floating interest rate risk and price risk, credit risk and liquidity risk). The principal risk management plan for the Group focuses on the unpredictability of the capital market and attempts to minimise any potential negative impact on the Group's financial results. The Group makes use of financial derivatives in order to hedge against certain types of risk.

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The table below shows potential figures for the group's operating income and operating result as if there had been a change in the exchange rate between the Norwegian Kroner (NOK), and USD and GBP.

	Change in NOK exchange rate	Operating income		Operating result	
		USD	GBP	USD	GBP
2009	+5%	4 371 132	4 370 049	226 796	254 550
	-5%	4 283 620	4 284 701	209 286	181 530
2008	+5%	4 410 000	4 392 000	941 000	949 000
	-5%	4 273 000	4 291 000	888 000	881 000

(II) Floating and fixed interest risk
As the Group does not have any significant interest-bearing assets, the result and cash flow from operations is not in principal affected by changes in the market interest rate.

The Group's interest rate risk is related to long-term liabilities. Loans with floating interest rates represent an interest rate risk on the Group's cash flow. The Group makes limited use of interest rate hedging for its long-term liabilities. Attempts are made to reduce the financial risk by nominating the Group's loans in the same currency as long-term contracts. A fixed interest rate has been agreed upon for the main share of the long-term liabilities taken out by the business in Brazil, for the entire period of the loan.

The Group manages parts of its floating interest rate risk by making use of floating-to-fixed interest rate swaps. With these types of interest rate swaps, a loan with a floating rate of interest is converted to a loan with a fixed rate of interest. Historically, the Group has normally taken out long-term liabilities with a floating rate of interest.

Upon the basis of the Group's interest-bearing liabilities as of 31 December 2009, a 1% increase/reduction in the basic interest rate would represent an increase/reduction in interest costs of NOK 132 million.

(b) Credit risk
Credit risk arises mainly from transactions involving derivatives, accounts receivable and prepaid instalments for newbuildings to shipyards and subcontractors. The Group's customers are oil companies with a high credit rating and payments to shipyards are secured by bank guarantees or parent company guarantees.

(c) Liquidity risk
Cautious management of liquidity risk requires maintenance of a sufficient reserve of liquid funds and marketable securities, having financing opportunities in the form of a sufficient number of secure drawing rights and the capacity to close market positions. The Group sustains a flexible level of financing by ensuring constant accessibility to secured drawing rights.

31.12.2009	Remaining period					
	0-12 months	1-2 years	2-3 years	3-4 years	More than 5 years	Total
Financial commitments (not derivatives)	1 år					
Mortgage	2 032 832	1 167 837	1 010 846	1 343 762	4 689 294	10 244 571
Share of loan in jointly controlled company						0
Financial lease contract	23 451	20 803	21 403	22 133	108 200	195 990
Overdraft facility	53 438					53 438
Derivatives						
Currency forward contracts	-363 277	-752 500				-1 115 777
- Outgoing cash flow	387 042	675 298				1 062 340
- Incoming cash flow						
Total	**2 205 487**	**2 778 439**	**1 532 249**	**1 365 895**	**4 797 493**	**12 679 563**

31.12.2008	Remaining period					
	0-12 months	1-2 years	2-3 years	3-4 years	More than 5 years	Total
Financial commitments (not derivatives)						
Mortgage	1 340 768	1 977 296	947 848	1 019 393	5 430 822	10 716 127
Bond loan	304 500	298 154	397 000	471 000		1 470 654
Financial lease contract	122 179	7 796	7 796	7 796	90 953	236 520
Overdraft facility	13 980					13 980
Derivatives						
Currency forward contracts						
- Outgoing cash flow	-1 894 744	-197 992	-1 002 273			-3 095 OO9
- Incoming cash flow	1 826 024	234 033	752 500			2 812 557
Total	**1 712 707**	**2 319 287**	**1 102 871**	**1 498 189**	**5 521 775**	**12 154 829**

Capital structure and equity
The main purpose of the Group's management of its capital structure is to ensure that the Group is able to sustain a good credit rating and thereby achieve good terms and conditions for loans which are suitable for the company's operations. Over time, the Group intends to adapt activities. By ensuring a favourable ratio between equity and liabilities, the Group will be able to support all operations and maximise the value of the Group's shares.

The Group manages its own capital structure and carries out all necessary amendments to the capital structure, based on a continuous assessment of the economic conditions under which operations take place and the short and medium to long term outlook.

The Group also monitors its capital structure by evaluating the debt ratio, which is defined as net interest-bearing liabilities divided by equity plus net interest-bearing liabilities. The Group policy is to maintain financing of liabilities corresponding to 75-80% of newbuildings, and to secure a high contractual coverage for the main share of newbuildings. Net interest-bearing liabilities are defined as interest-bearing liabilities (short and long term) minus cash. Equity comprises majority equity, subscribed equity and retained earnings.

	2009	2008
Interest-bearing liabilities	13 287 116	12 542 182
Cash	2 213 742	2 831 502
Net liabilities	11 073 374	9 710 680
Equity	6 809 077	5 498 819
Total equity and net liabilities	17 882 451	15 209 499
Debt ratio	61,9%	63,8%

27F Financial market risk

The Group has income mainly in USD, GBP and NOK, while a major share of operating costs is in NOK. The Group is exposed to changes in foreign exchange rates, particularly in USD and GBP. The Group attempts to reduce this risk by entering into forward contracts and adapting the long-term liabilities to earnings in the same currency. The company is exposed to changes in interest rates as the main share of the Company's liabilities has a floating rate of interest. The Group has no direct exposure to changes in raw material prices.

Interest rate risk is incurred in the short-term and medium to long-term as a result of the floating interest rate for the company's liabilities.

The Group makes use of financial instruments related to ordinary business such as accounts receivable, accounts payable and the like, by taking out forward cover for future income and commitments. The Group makes limited use of interest rate hedging for its long-term liabilities.

Attempts are made to reduce the financial risk by nominating the Group's loans in the same currency as long-term contracts.

The Group has a significant newbuilding program and is exposed to commitments for newbuildings. The Group's capacity for own financing of investments is deemed satisfactory.

The Group's credit risk is considered to be low as the Group's customers traditionally have had sufficient financial capability to meet their obligations. Historically, the Group has had a low level of bad debts.

Below is a presentation of the Group's turnover, accounts receivable, accounts payable and long-term liabilities to credit institutions etc. converted to Norwegian kroner on balance sheet date:
:

	2009			2008		
Group	Currency (000)	NOK 1000	Ratio %	Currency (000)	NOK 1000	Ratio %
Turnover:						
USD	150 572	875 112	20%	201 059	1 407 196	30%
NOK	1 559 431	1 559 431	36%	1 312 350	1 477 527	30%
GBP	85 297	853 423	20%	102 221	1 034 588	29%
Other currencies (mainly BRL and AUD)		1 039 410	24%		420 411	11%
Total		**4 327 376**	**100%**		**4 339 722**	**100%**
Accounts receivable:						
USD	25 531	146 938	12%	70 311	492 097	29%
NOK	505 810	505 810	41%	631 160	631 160	49%
GBP	18 706	174 611	14%	2 053	20 778	21%
Other currencies (mainly BRL and AUD)		407 926	33%		6 971	2%
Total		**1 235 285**	**100%**		**1 151 005**	**100%**
Accounts payable:						
USD	6 174	35 533	16%	46 619	326 279	38%
NOK		94 843	44%	49 053	49 053	31%
GBP	450	4 201	2%	3 489	35 314	20%
Other currencies (mainly BRL and AUD)		81 796	38%		9 279	11%
Total		**216 373**	**100%**		**419 924**	**100%**
Bond loans, liabilities to credit institutions and financial lease						
USD	499 745	2 876 177	22%	455 168	3 185 672	18%
NOK	9 511 084	9 511 084	72%	6 964 381	6 964 381	62%
GBP	76 440	713 529	5%	197 341	1 997 286	19%
Other currencies		184 504	1%		187 818	0,5%
Total		**13 285 294**	**100%**		**12 335 157**	**100%**

28 Payroll costs, fees, number of employees etc.

Amounts in TNOK

DOF ASA 2009	DOF ASA 2008		Group 2009	Group 2008
11 825	7 928	Salary and holiday pay	1 697 702	1 353 953
3 689	117	Hired personnel	166 557	64 940
31	1 260	Employer's national insurance contributions	59 472	62 284
-7 938	-8 110	Reinvoiced salary costs 2008 and prev.		
34		Pension costs	36 598	30 839
3 241	2 187	Other personnel costs	154	124 809
10 882	**3 382**	**Total**	**1 960 483**	**1 636 825**
3	2	No. man-years employed in financial year	2 722	2 300

As of 31 December 2009, the Group had 3,048 employees, including hired in personnel. The average number of man-years in 2009 was 2,722.

Government grants related to the net salary scheme for vessels are reported as a reduction in payroll costs of NOK 61,966,000 (NOK 6,556,000 in 2008). Pension costs are described in detail in note 17.

Total payments for salary, pension premium and other remuneration to CEO and other corporate management employees are as follows:

DOF ASA 2009		Group 2009				
		CEO	COO	CFO	CTO	SUM
7 972	Salary	5 766	1 385	2 206	1 119	10 476
262	Pension premium	109	176	154	66	505
117	Other remuneration	16	119	101	92	327
8 351	**TOTAL**	**5 890**	**1 680**	**2 460**	**1 277**	**11 308**

CEO= Mons Svendal Aase, COO=Anders Arve Waage, CFO=Hilde Drønen, CTO= Arnstein Kløvrud

DOF ASA 2008		Group 2008				
		CEO	COO	CFO	CTO	SUM
6 264	Salary	4 649	1 266	1 616	1 008	8 538
266	Pension premium	103	178	163	63	507
100	Other remuneration	17	122	82	110	332
6 630	**TOTAL**	**4 769**	**1 566**	**1 861**	**1 181**	**9 376**

CEO= Mons Svendal Aase, COO=Anders Arve Waage, CFO=Hilde Drønen, CTO= Arnstein Kløvrud

The CFO of the subsidiary, DOF Subsea AS, has been granted a loan of NOK 2,000,000 by the company. The loan has normal market terms and conditions. A loan has been granted to the HR Manager at Norskan Offshore Ltda. The amount of the loan is BRL 80,000 or NOK 243,000 as of 31 December 2009. It is due for payment in 2011 and the company is paid 0.5% interest per month.

No other loans or guarantees have been provided to the CEO, Board members, members of the Group management or their closely related parties.

The CEO has the right to a bonus payment of 0.5% of the Group's annual result. The term of notice for the CEO is 6 months. If the CEO resigns from his position, he has the right to an extra compensation corresponding to 12 months' salary. Retirement age is 67 years with a pension of up to 70% of salary (12 times the National Insurance base amount) upon retirement.

Board fees in 2009 totalled NOK 936,000. This comprises NOK 180,000 to the Chairman of the Board and NOK 150,000 each to the Board members. In addition, a fee of NOK 156,000 has been paid in other compensation for meetings.

DOF ASA 2009	DOF ASA 2008	Specification of auditor's fee	Group 2009	Group 2008
720	545	Audit of the annual accounts	6 697	3 073
1 189	1 073	Fee for other confirmatory services	1 709	1 236
	5	Tax consultation	316	95
		Fee for other services	400	403
1 909	**1 623**	**Total**	**9 122**	**4 807**

Fees to the auditor are specified ex VAT. Fee for other services ralate mainly to assistance in connection with restructing of the group.

Guidelines for determination of salary and other remuneration to the CEO and senior employees of DOF ASA in 2009

The guiding principle of DOF ASA's senior management salary policy is to offer senior employees terms of employment that are competitive in relation to salary, benefits in kind, bonus and pension scheme, taken together. The company shall offer a salary level that is comparable with corresponding companies and activities, and taking account of the company's need to have well qualified personnel at all levels.

The determination of salary and other remuneration to senior employees at any given time shall be in accordance with the above guiding principle.

Senior employees shall only receive remuneration in addition to the basic salary in the form of a bonus. The amount of any bonus to the CEO shall be set by the Chairman of the Board. The bonus to other senior employees shall be set by the CEO in consultation with the Chairman of the Board.

DOF ASA has no schemes for the allocation of options for the purchase of shares in the company.

The senior employees are members of the company's group pension schemes which guarantee pension benefits not exceeding 12 times the national insurance base amount per year.

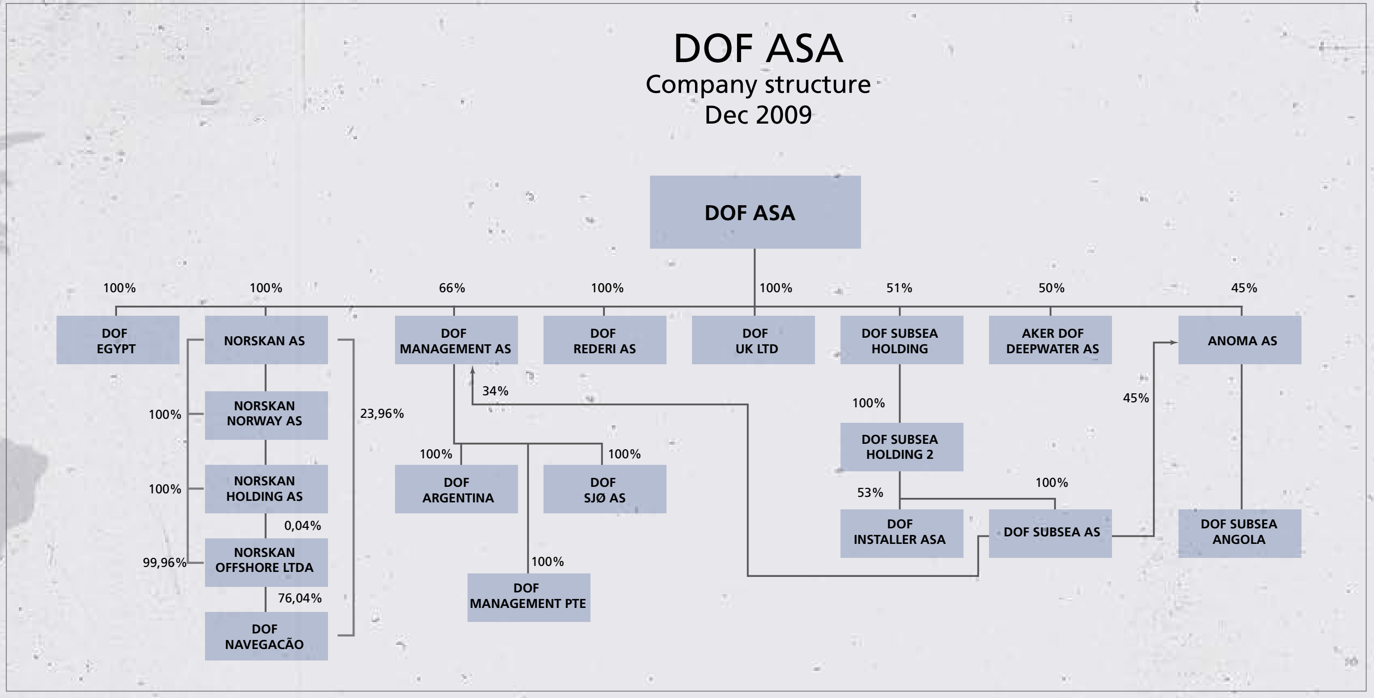
Senior employees have agreements whereby they are entitled to a free car and free business telephone. Apart from this, there are no other benefits in kind.

Where the employment of senior employees is terminated by the company, they have no agreements entitling them to severance pay except for salary in the period of notice for the number of months provided for in the Working Environment Act. The contract of employment of 2005 for the CEO contains provisions providing for severance pay.

29 Closely related parties

	Operating costs	Amounts in TNOK
Group	**2009**	**2008**
Møgster Management AS	36 647	28 538
Kanabus AS (Company owned by Board member in DOF ASA)	1 115	1 026
Total	**37 762**	**29 564**

In addition to the Board members and parent company management at DOF ASA, other companies in the Group, their Board members and management will be regarded as closely related parties. Transactions with closely related parties are governed by market terms and conditions in accordance with the "arm's length principle".



Below is a detailed description of significant transactions between closely related parties:

Long-term agreements:
Møgster Offshore AS owns 50.76% of the shares in DOF ASA. Laco AS is the main shareholder of Møgster Offshore AS.
Møgster Management AS provides administrative intragroup services to DOF ASA. Møgster Management AS is owned by Laco AS.

Austevoll Eiendom AS is a subsidiary of Austevoll Seafood ASA, which in turn is a subsidiary of Laco. DOF ASA leases premises from Austevoll Eiendom AS.

DOF Management AS supplies administrative services to certain Group companies, including DOF Subsea AS.

DOF Subsea AS leases two holiday homes from Mons Aase, Board member in DOF Subsea AS and CEO of DOF ASA. The lease cost in 2009 totalled NOK 400,000.

Norskan Offshore Ltda. in Brazil provides accounting services to DOF Subsea Brasil Ltda. Furthermore, Norskan Offshore Ltda. hires personnel and equipment from DOF Subsea Brasil Ltda. Norskan Offshore Ltda. has signed management agreements for vessels owned by DOF Subsea and DOF Rederi.

Individual transactions:

DOF ASA
Moco AS is owned by the CEO of DOF ASA. Moco AS has participated in joint investments with DOF ASA, including the investment in IS Waveny where Moco owns 10%. Two employees of DOF Management and Chairman of the Board Helge Møgster have shareholdings in the same company, at 1.5%, 10% and 10% respectively. All these shares have been sold to DOF ASA in 2010 at cost price plus interest. IS Waveny owns the vessel Skandi Waveney.

DOF Rederi AS
Until 1 April, DOF Rederi AS has leased the vessel Skandi Waveney as bareboat from Waveney IS. Waveney IS is an internal partnership in which DOF ASA on a group basis owns 47%.

In addition to the above-mentioned transactions of an operating nature, there are financial transactions and intragroup accounts between companies in the DOF ASA Group. Market terms and conditions are applied to all these transactions.

30 Accounting estimates and assessments

When preparing the annual accounts in accordance with IFRS, the company management has applied estimates based on best judgement and premises considered to be realistic. Situations or changes may occur in the markets which may result in changes to the estimates, thereby impacting the company's assets, liabilities, equity and result.

Assessments, estimates and assumptions which have a significant effect on the accounts are summarised below:

Vessels:
The balance sheet value of the group's fleet makes up 66.5% of total assets. Principles and estimates related to the fleet significantly affect the Group's accounts. Regardless of the fair value, the vessels are depreciated on the basis of a stipulated depreciation method. Depreciation methods for vessels were amended on 1 January 2008 in that the scrap value for vessels is now established as 50% of acquisition cost. The company has decided that the group is not to own vessels which are older than 20 years. They believe that it is possible to gain 50% of the steel value after a period of 20 years, and therefore use this as the residual value. If, however, a vessel is not sold by the time it is 20 years old, the residual value will be depreciated over the next 10 years.

Economic lifetime of vessels
The depreciation amount depends on the estimated economic lifetime of the vessels and this is based on experience from previous periods and a knowledge of the type of vessels which make up the company fleet. In addition, there is always some risk of the total loss of older vessels which can reduce the estimated economic lifetime.

Residual value of vessels
The depreciation amount also depends on the calculated residual value at year-end. The assumptions used to calculate the residual value are based on a knowledge of the second-hand market and the vessels' scrap value. Market developments are decisive for the residual value.

Economic lifetime of investments on docking
Investments in connection with periodic maintenance are depreciated over the period until the next docking. The length of this period is estimated and is used to calculate the depreciation charge. This interval is calculated on the basis of the estimated average based on experience from previous periods.

Pension commitments
Net pension commitments are established on the basis of actuarial calculations built upon premises related to factors such as discount rate, future growth in salary, pension regulations, estimated return on pension funds and demographic factors of disability and death. The premises are established on the basis of observable market prices and historical development in the company and society at large. Changes in these premises will have a significant impact on the calculated pension commitment/cost.

The discount rate is the economic assumption that has the greatest effect on the calculation of pension commitments.

The discount rate is set on the basis of the 10-year government bond rate and taking account of the term of the commitments. See note 17.

Deferred tax assets
Deferred tax assets are recorded in the balance sheet based on the utilisation of tax losses carried by reversing taxable temporary differences and taking account of future earnings. See note 18.

Write-down
Assessments are made to determine whether the need for a write-down is indicated. If there are such indications, the recoverable amount is estimated and the book value is brought into line with the recoverable amount.

Lease contracts
Determining whether the lease of a vessel is to be classified as operational or financial depends on several assumptions, in line with IAS17.

31 Contingencies

The Group and its companies are not involved in any ongoing court cases as of 31 December 2009. One subsidiary is involved in arbitration proceedings related to final settlement for a reconstruction assignment.

32 Commitments

The Group has 20 vessels under construction as of 31 December 2009. Commitments related to future investments in vessels amounts to NOK 9,982 million. For the Group in total, a figure for newbuildings of NOK 7,053 million has been financed as of April 2010. For those vessels due for delivery in 2010, 7 vessels have been secured long-term contracts, ref. the report of the Board of Directors. Please also see notes 19, 21 and 22.

Vessels under construction as of 31.12.09 are listed below:

Design vessel	No vessels	Completion
Aker AH 08	6	2010-2012
Aker AH 04	4	2010-2011
Aker AH 05	1	2010
Aker AH 12	2	2011
Aker OSCV 06	2	2010
Aker PSV 06 LNG	1	2011
Aker PSV 09 CD	2	2010-2011
Aker ROV DSV	1	2011
Aker OSCV 06 L	1	2010

33 Quality, Health, Safety and the Environment

DOF Management AS, responsible for management and administration of the Group companies, has achieved ISO 9001:2000 and ISO 14001:2004 certification.

DOF has ambitious goals related to Quality, Health, Safety and the Environment. The following main goals have been established:

- Quality: No unscheduled operational disruptions. As a minimum, the company shall satisfy the contracts and commitments in relation to customers.
- Health: DOF shall have a reputation for having a good working environment, and occupational injuries/illnesses shall be avoided.
- The environment: The company shall continuously strive to reduce its impact on the external environment, beyond statutory requirements.
- Safety: There shall be no injuries or illnesses as a result of working for DOF.

In order to achieve the main goals, a number of sub-goals are regularly defined and measures implemented to achieve these. The company has a number of systems in place which ensure that incidents are reported and analysed and that there is distribution of experience from incidents and the implementation of best practice to prevent the re-occurrence of incidents. The management carries out regular reviews of these systems in order to monitor them and take corrective action where necessary as part of the continuous process of improvement related to Quality, Health, Safety and the Environment.

34 Post-balance sheet events

New contracts
Aker DOF Deepwater AS has signed a LOI for a 1+2 year contract with OGX for the newbuilding Skandi Emerald.

New vessels
In March, DOF Rederi AS took over Skandi Olympia which started on contract for Fugro Rovtech after delivery.

DOF Rederi AS/DOF ASA has agreed to postpone delivery of building no. 081 and building no. 082 from Cochin Shipyard until 2011.
DOFCON AS, a subsidiary of DOF Subsea AS, took delivery of a construction support vessel, Skandi Aker, in January. The vessel started on a 5-year contract for Aker Oilfield Services after delivery.
In 2010, **DOF ASA** increased its shareholding in IS Waveny from 47% to 92%. This shareholding was then sold on to Norskan Holding AS.

Sale of vessels
DOF Subsea AS sold Geo Challenger in February.

Financing

DOF Subsea AS carried out the last part of the refinancing of the DOFCON fleet in January in connection with the delivery of Skandi Aker and the refinancing of Skandi Acergy, with a loan of NOK 1,000 million and NOK 775 million respectively.
DOF Subsea AS has carried out refinancing of a loan of NOK 300 million.
DOF Subsea Holding AS has agreed upon refinancing of a holding loan originally totalling NOK 660 million which has been replaced with a revolving credit facility of NOK 360 million.
Norskan Norway AS has completed refinancing of a loan for Norskan Norway AS, totalling USD 57.5 million.
DOF ASA and DOF Rederi AS have completed refinancing of an unsecured loan of NOK 300 million and a maritime mortgage of NOK 420 million.

Other significant events
The Norwegian Supreme Court passed a judgement in February regarding the Norwegian government's amendments to tonnage tax, defining the amendment as unconstitutional. This has had an impact on the Group's companies organised in accordance with the tonnage tax regulations. See note 18.

Outlook 2010
The Group has a high contractual coverage for the fleet (83% in 2010 and 57% in 2011). All these contracts have been entered into with financially strong customers, including oil companies and the major subsea engineering companies. The spot market in the North Sea in 2009 has been weak and this trend is expected to continue to date in 2010.

The market in Brazil remained strong throughout 2009 and is expected to stay strong in the years to come. Consequently, the Group has reorganised the operating area for a number of its vessels from the North Sea to Brazil both in 2009 and to date in 2010. The company's subsidiary, Norskan, has built up a unique position in Brazil over time. The Board of Directors has therefore decided to implement the process towards Stock Exchange listing for Norskan, to allow the company to increase its participation in the projected growth in Brazil.

The Group's subsidiary, DOF Subsea, has a strong position in South East Asia/ Australia, and this region is expected to witness further growth in the near future.

For up-to-date information on significant events in the DOF ASA Group, go to www.dof.no.

35 Foreign exchange rates

DOF ASA bases its accounting on the reference exchange rates applied by Norges Bank.

As of 31.12, the following exchange rates were applied:

	2009	2008
US Dollar	5 755	6 999
Euro	8 288	9 865
GBP	9 335	10 121
AUS Dollar	5 177	4 850
Brazilian Real	3 305	3 002
Singapore dollar, SGD	5 192	4 873
Danish kroner, DKK	111 730	132 380

36 Changes in IFRS standards and interpretation

Changes in accounting principles During 2009, the Group used the following new and amended IFRS and IFRIC interpretations. These amendments have not had any material impact on the profit and loss account but more detailed information is given in the notes.

IAS 1 (Revision) – Presentation of Financial Statements. The revised standard requires changes in the presentation of the Financial Statement, especially the changes in equity, where a statement of non-owners transactions shall be included in the note Changes in Equity. The Group has used IAS 1 (R) from January 1st, 2009.

IAS 19 (Addition) – Employee benefits. The appendix to this standard refers to the result of changes to defined benefit pension plans. Changes to pension plans involving the exclusion of or limits to, future wage increases in the calculation of pension benefits shall be considered a curtailment of benefits whilst any amendment to pension benefits attributable to past service will have a negative cost in respect of previously earned pension benefit if this results in a reduction of the current value of the defined pension liability. This appendix does not have a material effect on the Group's financial statement.

IAS 36 (Addition) – Impairment of assets. This appendix states that if discounted cash flows are used to estimate actual value, more information must be provided regarding the selected discounted rate. This is in addition to the current requirement to use a discounted rate when estimating the residual value of the asset. This amendment was implemented on 1st January 2009, but has not had any material effect on the Group's financial statement.

IAS 38 (Addition) – Intangible assets. This appendix states that a prepayment shall only be posted if the payment results in the right to receive goods or services. This change is effective in the accounts from 1st January 2009. No material effect is noted in the Group's financial statement.

IFRS 8 – Operating Segments has, with effect from January 1st 2009, replaced IAS 14 – Segment Reporting. The information in segment reporting in the financial statement shall, according to IFRS 8, be the same the Group uses internally to evaluate the results from the different segments. Furthermore, the basis for the preparation of segment information must be disclosed. The Group has implemented these changes from 1st January 2009. This change has not had any material effect on the Group's financial statement.

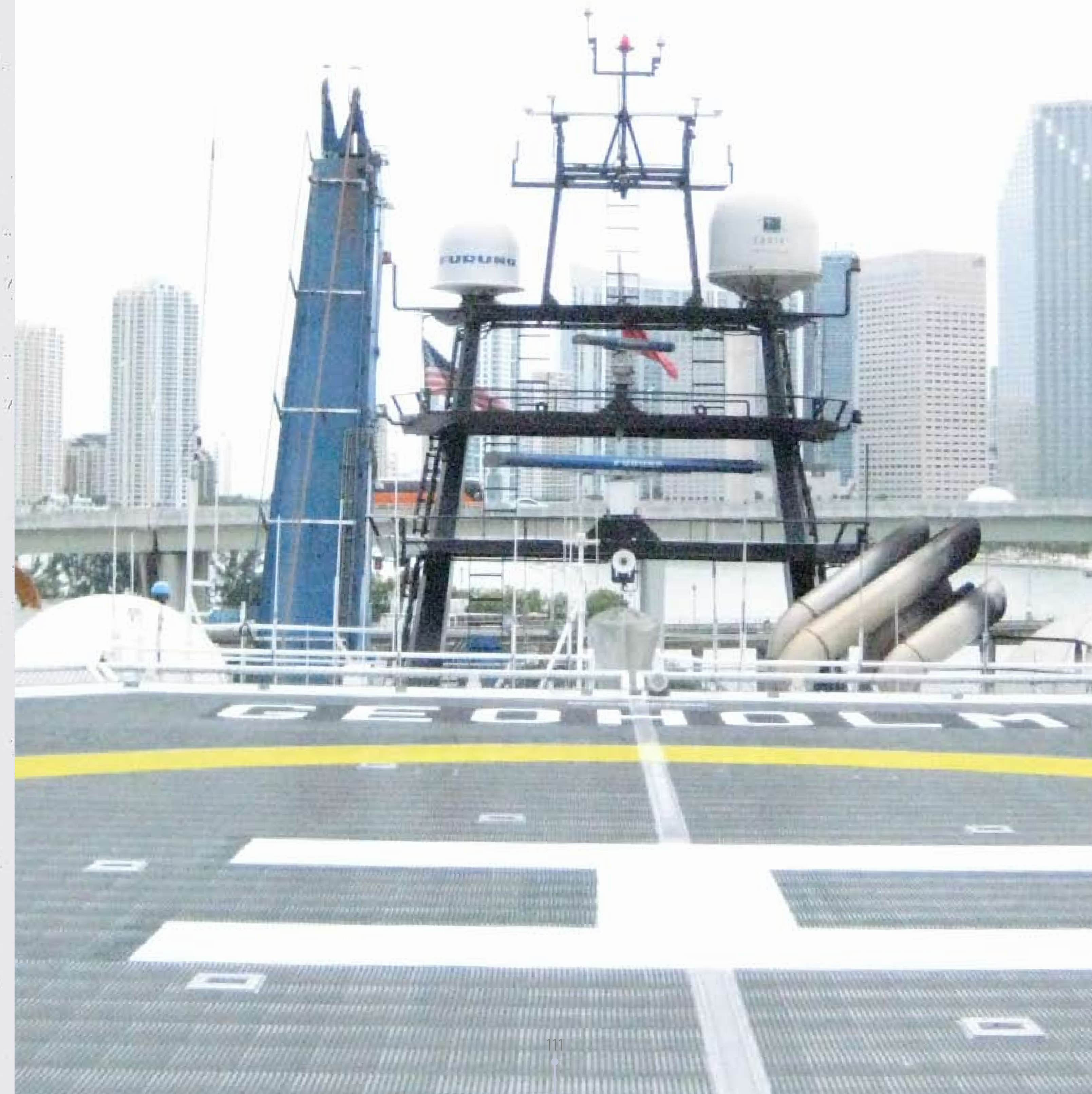
Approved IFRS and IFRIC interpretations that are not yet implemented.

IAS 1 (Revision) – Presentation of Financial Statements. This revised standard provides clarification that the classification (short or long-term) of a liability should not be affected by whether or not the liability can be settled by the issue of equity. This change is effective from January 1st 2010.

IAS 27 (Revision) – Consolidated and separate Financial Statements. Compared to the current IAS 27 the new, revised standard includes further guidelines for accounting for changes in shares in subsidiaries and disposal of subsidiaries. Furthermore, the current rules for apportionment of losses between majority and minorities have been amended and any deficit shall be charged to the minority even if it is negative. The Group plan to implement IAS 27 (R) from 1st January 2010.

IFRS 3 (Revision) – Business consolidation. This revised standard states that all payments relating to the acquisition of a business shall be recorded as the fair value at the acquisition date. Contingent payments shall be classified as debt with any subsequent evaluation recorded through profit and loss. All acquisition costs shall be expensed. These changes will come into effect for acquisitions after July 1st, 2009.

IFRS 5 (Addition) – Fixed assets held-for-sale. This revision to the standard means that all the assets and debts of a subsidiary should be classified as held-for-sale if a planned partial sale results in the loss of controlling interests in the subsidiary. This change is effective from July 1st, 2009.



CONFIRMATION FROM THE BOARD OF DIRECTORS AND CEO

We confirm that, to the best of our knowledge, that the financial statements for the period from 1 January to 31 December 2009 has been prepared in accordance with approved accounting standards, and gives a true and fair view of the Group and the Company's consolidated assets, liabilities, financial position and results of operations and that the Report of the Board of Directors provides a true and fair view of the development and performance of the business and the position of the Group and the Company together with a description of the key risks and uncertainty factors that the Company is facing.

Storebø, 20 April 2010

Helge Møgster (Chairman) | Helge Singelstad | Oddvar Stangeland

Wenche Kjølås | Britt Mjellem | Mons Aase (CEO)

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To the Annual Shareholders' Meeting of DOF ASA

Auditor's report for 2009

We have audited the annual financial statements of DOF ASA as of 31 December 2009, showing a profit of TNOK 333 816 for the parent company and a profit of TNOK 803 041 for the group. We have also audited the information in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit. The annual financial statements comprise the financial statements of the parent company and the group. The financial statements of the parent company comprise the balance sheet, the statements of comprehensive income, cash flows, the statement of changes in equity and the accompanying notes. The financial statements of the group comprise the balance sheet, the statements of comprehensive income, cash flows, changes in equity and the accompanying notes. Simplified IFRS according to the Norwegian accounting act § 3-9 have been applied in the preparation of the financial statements of the parent company. International Financial Reporting Standards as adopted by the EU have been applied in the preparation of the financial statements of the group. These financial statements are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and on other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We conducted our audit in accordance with the laws, regulations and auditing standards and practices generally accepted in Norway, including standards on auditing adopted by The Norwegian Institute of Public Accountants. These auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and auditing standards an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- the financial statements of the parent company have been prepared in accordance with the law and regulations and give a true and fair view of the financial position of the Company as of 31 December 2009, and the results of its operations and its cash flows for the year then ended, in accordance with simplified IFRS according to the Norwegian accounting act § 3-9
- the financial statements of the group have been prepared in accordance with the law and regulations and give a true and fair view of the financial position of the Group as of 31 December 2009,and the results of its operations and its cash flows and the changes in equity for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU
- the company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of accounting information in accordance with the law and good bookkeeping practice in Norway
- the information in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit are consistent with the financial statements and comply with the law and regulations

Bergen, 20 April 2010
PricewaterhouseCoopers AS

Sturle Døsen
State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only.

Alta Arendal Bergen Bodø Drammen Egersund Florø Fredrikstad Førde Gardermoen Gol Hamar Hardanger Harstad Haugesund Kongsberg Kongsvinger Kristiansand Kristiansund Lyngseidet Mandal Mo i Rana Molde Mosjøen Måløy Namsos Oslo Sandefjord Sogndal Stavanger Stryn Tromsø Trondheim Tønsberg Ulsteinvik Ålesund
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