



1.st Quarter 2007

Eidesvik Offshore ASA

The quarterly accounts are prepared in accordance with generally accepted accounting principles and consistent with the annual accounts





Eidesvik Offshore ASA

The 2007 quarterly accounts are prepared in accordance with IFRS/IAS accounting principles.

Ordinary operating income in 1st quarter 2007 is MNOK 168,1 (MNOK 179,9 in corresponding period in 2006), a decrease of 6,5%. In addition, a MNOK 29 gain from sale of the vessel "Kingfisher" is recognized as "Other income". Operating result before depreciation (EBITDA) in the quarter is MNOK 97,8 (MNOK 87,9), an increase of 11,3%. The profit after tax is MNOK 68,6 (MNOK 56,3).

The major Q1 2007 events

Milestone achieved regarding market acceptance for environmentally friendly LNG-fuelled PSV's. Letter of intent received from TOTAL E&P NORGE AS for a 3-year Time Charter Party, with options for 2 x 1 years, for newbuild VS 493 LNG-Avant, expected to be delivered Q3 2008.

Extended the contract with Viking Maritime (CGG Veritas) for "Veritas Viking II" for 6 years from June 07.

- "Kingfisher" sold with a realized profit of MNOK 29. Still, management of the vessel is done by Eidesvik.

Profit and loss account (NOK 1 000)

	2007	2006	2006
	Q1	Q1	
Operating Income:			31.12
Freight income	168.098	179.870	742.322
Other income	29.055	16	113.670
Total operating income	197.153	179.885	855.992
Operating Expenses			
Crew expenses	57.625	54.491	256.072
Other operating expenses	31.138	27.012	128.954
Vessels on BareBoat charter	10.575	10.496	42.888
Total operating expenses	99.337	91.999	427.914
Operating result before depreciations	97.816	87.886	428.078
Ordinary depreciation	35.783	36.813	149.764
Writedown on assets	0		
Operating result	62.033	51.073	278.314
Result associated companies	0	(82)	3.061
Financial Items			
Financial income	2.543	2.559	9.424
Financial expenses	(20.532)	(13.937)	(78.033)
Change in marketvalue on financial instruments	(1.281)	8.259	15.210
Realized agio (disagio)	7.633	(1.502)	(1.131)
Unrealized agio (disagio)	17.353	13.369	89.022
Net financial items	5.716	8.749	34.491
Pre-tax profit	67.749	59.739	315.866
Taxes	883	(3.406)	(19.440)
Profit	68.632	56.333	296.426

Results

The change in income, operating expenses and activity compared to 1st Quarter 2006 is:

A realized gain of MNOK 29 from the sale of "Kingfisher"

"Subsea Viking" entered into a 5-year contract without charterers purchase option in May 2006 at a lower dayrate than the previous 2-year contract with charterers purchase option.

"Viking Poseidon", bound for conversion to seismic vessel, was in Q1 2007 on supply-duty in contrast to Q1 2006, when it was on subsea-duty. Hence, a different and lower rate structure was achieved in the period.

"Viking Surf", previously in an associated company, is now fully consolidated after merger in Q2 2006.

Newbuild "Viking Athene" operated on Time Charter from Q4 2006.

The vessels "Kingfisher", "Viking Queen" and "Viking Troll" were sold prior to Q1 2007.

Increases in total operating expenses are mainly related to new activity.

Increased financial expenses are related to financing of new vessels and the ongoing newbuilding program which now counts 6 vessels. Realized currency gain is related to instalments and bank deposits. Change in marketvalue in financial instruments shows a loss of MNOK 1,3 (gain of MNOK 8,3 in the corresponding period last year). This is an unrealized loss connected to forward rate contracts followed by lower long term interest rate during this quarter. Unrealized currency gain of MNOK 17,4 (MNOK 13,4) is related to long-term loans in a weaker USD and foreign exchange forward contracts.



Balance sheet (NOK 1 000)

	31.03.2007	31.03.2006	31.12.2006
Fixed assets:			
Deferred tax assets	26.718	15.413	19.921
Other assets	44.474	18.529	28.875
Vessels	2.296.407	2.276.697	2.424.077
Contracts newbuildings	434.477	102.236	371.698
Derivate	23.993	11.554	22.616
Other long-term receivables	3.451	2.356	3.451
Shares	4.820	88.269	4.820
Total fixed assets	2.834.338	2.515.054	2.875.456
Current assets:			
Account receivables, freight income	171.706	125.453	159.186
Other short-term receivables	109.031	74.287	175.313
Other securities	62.713	11.802	58.274
Bank deposits	212.920	231.458	117.151
Total current assets	556.369	443.000	509.924
Total assets	3.390.707	2.958.053	3.385.381
EQUITY AND LIABILITIES			
Equity capital			
Paid-in capital	449.391	449.391	449.391
Retained earnings	1.201.985	944.751	1.128.272
Other equity not recognised in P & L	-51.406	-60.618	-53.102
Minority interests	0	68.491	0
Total equity capital	1.599.970	1.402.015	1.524.561
Liabilities:			
Bank overdrafts			
Deferred tax liabilities	2.204	14.114	2.204
Other long-term liabilities	7.741	11.401	6.314
Interest-bearing mortgage debt	868.726	896.479	874.317
Total long-term liabilities	878.671	921.994	882.835
Short-term liabilities:			
Debt to suppliers	28.902	20.812	62.803
Other short-term liabilities	883.165	613.232	915.182
Total short-term liabilities	912.066	634.044	977.985
Total liabilities	1.790.737	1.556.038	1.860.820
Total equity and liabilities	3.390.707	2.958.053	3.385.381

Financing and Capital Structure

Book equity at March 31st 2007 is MNOK 1.598,2, i.e. an equity ratio of 47,2%. The total booked capital is NOK 53,0 per share. The corresponding market price at Oslo Stock Exchange closed at NOK 59,0. This is representing a total market value for Eidesvik Offshore ASA of MNOK 1.778,9.

Other short term liabilities includes MNOK 650,0, which during Q2 2007 has been renegotiated into long-term financing.

The increase in account receivables is related to overdue payment from the operation in Nigeria. However, this is expected to be reduced during the next quarters.

Market

The period has been characterized by high activity in all segments we operate in. The marked seems to be absorbing new-buildings delivered, and the market balance has been good throughout the period.

Driven by high oil prices, increased focus on exploration, all time high sub sea activity and new platforms entering the marked, we foresee a continuously high global activity.

We have some concern that the high number of medium size PSVs entering the market will give a correction in the market second part of 2007.

Eidesvik are still positive to the seismic and sub-sea segments in a long term perspective. In addition we see the requirement for more environmental friendly PSVs vessels and we have an advantage in this niche with operational experience with LNG driven vessels.

The capacity shortages in the supplier industry lead to delays for new-buildings and increased dry-docking periods.



Cash flow statement (NOK 1000)

	2007 Q1	2006 Q1	2006 31.12.
Cash flow from operating activity	64.859	39.013	189.738
Cash flow from investment activity	35.146	(240.542)	(592.748)
Cash flow from finance activity	(4.236)	(19.062)	68.112
Changes of liquidity over the period	95.769	(220.591)	(334.898)
Liquid assets at the beginning of the period	117.151	452.049	452.049
Liquid assets at the end of the period	212.920	31.458	117.151

Positive cash flow from investment activities is mainly related to sale of "Kingfisher". The period's sum of instalments related to newbuilds is MNOK 63.

Segment reporting (NOK 1000)

Operating income	Seismic/Cable	Subsea	PSV	Other	Total
1st Quarter 2007	43.811	60.713	90.974	1.655	197.153
1st Quarter 2006	42.379	62.288	73.428	1.790	179.885
Total 2006	164.317	249.051	427.351	15.273	855.992
Operating profit					
1st Quarter 2007	14.244	35.185	21.819	-9.215	62.033
1st Quarter 2006	16.765	23.277	18.502	-7.471	51.073
Total 2006	39.272	81.369	176.361	-18.688	278.314

Operating income and operating profit in the Subsea segment includes a MNOK 29,1 gain from sale of "Kingfisher".

Operating income and operating profit in the PSV segment in 2006 includes a MNOK 102,6 gain from sale of the vessels "Viking Queen" and "Viking Troll".



Eidesvik Offshore ASA
N-5443 Bømlo
Tel: +47 53 44 80 00
Fax: +47 53 44 80 01

Outside office hours:
+47 97 01 03 59
E-mail: office@eidesvik.no
www.eidesvik.no