SEVAN marine

SEVAN MARINE ASA
INTERIM FINANCIAL REPORT - THIRD QUARTER
2011

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FOR

SEVAN MARINE ASA

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

INTRODUCTION

The Company was pleased to announce on September 30, 2011 an agreement (the "Agreement") for a financial restructuring of the Company and an industrial partnership with Teekay Corporation ("Teekay"). This agreement involves the sale of *FPSO Sevan Voyageur*, *FPSO Sevan Piranema* and *FPSO Sevan Hummingbird* (together the "FPSOs") to Teekay, the raising of new equity in Sevan Marine and a restructuring of the Company's indebtedness (together the "Teekay Transaction(s)"). The details of the Agreement were disclosed in the stock exchange notice dated October 18, 2011 (the "Notice"), which is available on the Company's website (www.sevanmarine.com). The completion of the Teekay Transactions remains subject to conditions which are described in detail in the Notice, including amongst others the approval of the Teekay Transactions by the existing shareholders at the extraordinary general meeting (the "EGM") on November 14, 2011 as well as formal approval by the bondholders in separate bondholders' meetings to be held on November 10, 2011. Approval of the Teekay Transactions will reduce the Company's debt burden by over USD 900 million and lead to a substantial dilution of existing shareholders in the Company.

The Teekay Transactions will lead to a substantial reduction of the Company's debt burden. Sevan Marine will retain its core intellectual property rights and engineering core competence, which it intends to leverage by seeking additional license agreements and projects that utilise Sevan's unique cylindrical hull concept. It will also be supported by a strong industrial partner and shareholder in the form of Teekay. The Board believes that the Teekay Transaction represents a positive restructuring outcome for all parties including creditors, customers, staff and shareholders. Failure to meet the conditions of the Teekay Transaction will most likely result in the Company being required to file for bankruptcy.

IMPACTS OF TEEKAY TRANSACTION

The proposed Teekay Transactions result in the disposal of substantial assets and operations of the Company. As of September 30, 2011 these operations have been reclassified as discontinued operations in accordance with International Financial Reporting Standards ("IFRS") with the current and historical financial statements being restated accordingly.

The Teekay Transactions result in impairment and accounting losses that have adversely impacted the third quarter results by USD 284.9 million. The impairments and accounting losses are of a non-cash nature. Following the impairments and accounting losses, net loss for the quarter amounted to USD 295.7 million. In accordance with IFRS, the gains from any debt remission as contemplated in the Agreement can only be accounted for at the time of the formal release of obligations by the bondholders. Subject to formal approval, the gains from the debt remission will be accounted for within the fourth quarter of 2011 with respect to all but the *FPSO Sevan Voyageur* bond. Gains from the *FPSO Sevan Voyageur* bond remission will be accounted for upon the sale of the *FPSO Sevan Voyageur*, which is expected to take place in Q3 2012. At the balance sheet date of September 30, 2011 Gains from the debt remission and debt to equity conversion arising out of the Teekay Transactions are expected to be approximately USD 210 million of which approximately USD 33 million relates to the FPSO Voyageur Bond.

The net equity as of September 30, 2011 is negative by USD 173.0 million due to the adverse accounting effects arising from the proposed Teekay Transactions. The accounting gains on debt remission as well as the contemplated capital increase are expected to restore the Company's equity position in the fourth quarter of 2011.

The impairments and accounting losses arising out to the Teekay Transactions including the sale of the FPSOs for USD 668 million are specified as follows:

1.	FPSOs	USD	162.1 million
2.	Other fixed assets	USD	3.6 million
3.	Operating income /expense	USD	24.0 million
4.	Def. Tax Assets	USD	15.3 million
5.	Drilling Shares	USD	79.8 million
	TOTAL	**USD**	**284.8 million**

1. FPSOs

The impairments on the FPSOs are specified as follows:

•	Piranema	USD	-14.9 million
•	Hummingbird	USD	116.0 million
•	Voyageur	USD	61.0 million
	TOTAL	**USD**	**162.1 million**

The impairments are due to an alignment of Sevan book values with the purchase prices in the Agreement. The partial reversal in write-down in relation to Piranema is a reflection of a higher purchase price from Teekay than the current book value of Piranema.

2. Other Fixed Assets

In relation to the Teeky Transaction, USD 3.6 million of other fixed assets in relation to the *FPSO Sevan Voyageur* and *FPSO Sevan Hummingbird* have been written down in line with the purchase prices in the Agreement.

3. Operating income/ expense
With respect to the Teekay Transaction, further write downs are required in relation to previously capitalized mobilization costs, late delivery penalties and inventory in relation to the *FPSO Sevan Piranema*. These adjustments are accounted for as reductions in operating income and additional operating expenses. USD 5.0 million of restructuring related fees has been expensed during third quarter and will be paid upon completion of the restructuring.

4. Deferred Tax Assets
With the sale of FPSO's the ability to apply tax losses has been impaired. Accordingly the Deferred Tax Asset of USD 14.8 million related to tax losses carry forward in the UK has been fully written down in the third quarter. In addition all remaining Deferred Tax Assets in the Norwegian holding companies (USD 0.5 million) have also been written down. The impairment does not impact the status of statutory tax losses accumulated.

5. Drilling Shares
The Agreement calls for a transfer of Sevan Marine's holding of shares in Sevan Drilling ASA ("Sevan Drilling", which shares are listed on Oslo Axess with ticker "SEVDR") to a newly formed entity owned by the holders of the Unsecured Bond together with the assumption of the obligations under the USD 36.1 million Bridge Loan Bond. This has led to a reclassification of shares from being an investment in associates to financial assets available for sale in accordance with IFRS. The holding is now accounted for at the market value of the shares on September 30, 2011 of NOK 3.86 per share. This is NOK 4.14 per share less than the NOK 8.00 per share issue price. This has led to a USD 79.8 million impairment in the third quarter. The current holding value at the end of the third quarter is USD 63.5 million versus the USD 143.3 million holding value of the shares at the end of the second quarter 2011. The market value of shares on November 8, 2011 was NOK 4.20 per share or USD 72.0 million.

MAIN FIGURES, THIRD QUARTER 2011 (PREVIOUS QUARTER FIGURES IN BRACKETS)
Operating revenue from continued operations for the quarter amounted to USD 22.0 million (USD 32.1 million). EBITDAFX was negative with USD 13.5 million (positive with USD 9.0 million). Operating loss was USD 12.9 million (loss of USD 50.8 million). Net loss from continued operations was USD 92.3 million (loss of USD 293.1 million) and net loss from discontinued operations was USD 203.4 million (loss of USD 346.0 million).

Operating revenue from continued operations was USD 10.1 million lower than previous quarter. This was the result of one-off design fees from two drilling rigs received from Sevan Drilling during the second quarter.

Operating expense from continued operations was USD 12.4 million higher than previous quarter mainly due to the expensing of a cancellation fee arising from a subcontractor to the terminated ONGC drilling contract as well as higher restructuring costs. Operating expenses in the second quarter of 2011 included USD 3.3 million of expenses in relation to the Sevan Drilling IPO transaction and restructuring of Sevan Marine. The comparable figure in the third quarter was USD 11.2 million.

Depreciation, amortization and impairment of USD 2.6 million from continued operations was USD 56.5 million lower than previous quarter due to the impairment on FPSO Sevan hulls no. 4 and 5 during the second quarter.

Financial expense of continued operations reduced by USD 129.9 million to USD 79.8 million (USD 209.7 million) mainly due to the accounting loss in relation to the Sevan Drilling IPO of USD 207.8 million taken in the second quarter. The financial expense in the third quarter included the USD 79.8 million write down in the value of the shares in Sevan Drilling as addressed above.

Tax expense from continued operations of USD 1.7 million (USD 34.3 million) mainly consists of withholding tax. The reduction compared to the second quarter is a result of the USD 33.1 million impairment of previously capitalized Deferred Tax Assets conducted in the second quarter.

As of September 30, 2011, total assets of the Group including discontinued operations amounted to USD 962.3 million (USD 1,215.3 million), of which USD 110.0 million (USD 914.0 million) was capitalized as "Sevan Capital Assets". Assets of the disposal Group per the financial statements amounted to USD 718.9 million (nil). Cash and cash equivalents amounted to USD 11.2 million (USD 33.9 million).

BUSINESS SEGMENTS
Floating Production

The assets remaining in the floating production segment post completion of the Teekay Transactions will be the FPSO Sevan hulls no. 4 and 5 along with the Goliat license.

The *FPSO Sevan Piranema*, *FPSO Sevan Hummingbird* and *FPSO Sevan Voyageur* are accounted for as discontinued operations. The information regarding technical and commercial uptime below is provided for information purposes only.

Technical Uptime on *FPSO Sevan Piranema* was 98% for the quarter. Commercial Uptime, excluding any impact from the Teekay Transactions, was 83% for the quarter due to continuing problems with the gas cooling and booster compressor system. The decrease in commercial uptime from 87% in the second quarter to 83% this quarter was due to increased penalties in relation to loss of production.

Technical Uptime on *FPSO Sevan Hummingbird* was 96.8% for the quarter. Commercial Uptime for the quarter was 104%.

The upgrade work on *FPSO Sevan Voyageur* is ongoing at the Nymo yard in Arendal, Norway. In conjunction with the Agreement, Teekay will provide Sevan Marine with all required funding for completing the upgrade of the *FPSO Sevan Voyageur*, which is expected to amount to USD 110 – 130 million, structured as a bridge loan facility (the "Teekay Bridge Loan"). Neither Sevan Marine nor the *FPSO Sevan Voyageur* Bondholders will incur any additional funding needs related to the cost of the *FPSO Sevan Voyageur* upgrade under the terms of the Agreement provided fulfilment of the conditions for completion of the transaction are met. *FPSO Sevan Voyageur* is contracted to E.ON Ruhrgas UK E&P for the Huntington field in the UK North Sea.

The activities relating to project management and engineering of the Sevan 1000 Goliat FPSO continued during the quarter. The EBITDAFX of these activities during the quarter was USD 12.6 million.

The hulls for FPSO Sevan 300 no. 4 and 5 are located at the COSCO Nantong Shipyard. The intention is to complete the construction of the units only upon securing contracts with clients. Licensing arrangements with respect to the units are also being actively considered and pursued. These hulls represent a substantial portion of the Company's physical assets post the Teekay Transaction and the ability to employ these hulls under either contract or license agreements will be a key success factor for the Company going forward.

Sevan also continues to work on several studies involving potential FPSO projects, license agreements and engineering support contracts. These will be increasingly important activities for the Company post the Teekay Transaction.

Topside and Process Technology

This consists of the activities of the KANFA group. The KANFA group is currently working on projects both inside and outside the Sevan Marine Group, in particular in relation to the upgrade of the *FPSO Sevan Voyageur*, the FLNG project with Samsung/Flex LNG and other external engineering projects. Tender activities continue to increase within the segment.

ORGANIZATION

The Teekay Transaction will involve the transfer of certain employees to Teekay, in particular those involved in the day-to-day operation of the FPSOs. In addition, the Company is actively seeking to align the Company's organization to put a greater emphasis on its core engineering and cylindrical hull expertise while reducing overhead expenses.

Vice-President of Finance and Investor Relations, Birte Norheim, resigned her position in Sevan Marine ASA effective from November 1, 2011, Reese McNeel of AlixPartners (Interim CFO) has assumed her responsibilities.

FINANCING ACTIVITIES

In October 2011, the Company entered into a USD 103 million fixed term loan facility for completion of the *FPSO Sevan Voyageur* (the "Teekay Bridge Loan"). The loan carries a fixed interest amount of USD 5.0 million for the time period from signing of the Agreement to the earlier of the *FPSO Sevan Voyageur* sale or September 30, 2012. After September 30, 2012 the loan carries a fixed interest rate of 10% per annum. The loan is payable upon the sale of the *FPSO Sevan Voyageur*. The loan may also become payable should First Completion not occur prior to January 31, 2012. To date the Company has drawn USD 25 million under the Facility. The loan is currently secured by liens over the hulls FPSO Sevan 300 no. 4 and 5. Upon First Completion, as defined in the Notice, the Teekay Bridge Loan will be further secured by inter alia a second priority mortgage over the *FPSO Sevan Voyageur* with the existing second priority mortgage in favour of the Voyageur Bond being released in exchange for a payment guarantee issued by Teekay (the "Teekay Voyageur Guarantee"). Further security in the form of a Norwegian law floating charge over the accessories of the Company including patents and intellectual property rights is also contemplated. Teekay will release the Company from the Teekay Bridge Loan upon the completion of the sale of the *FPSO Sevan Voyageur*. The Teekay Bridge Loan and the fixed interest amount will be paid by way of set off from the purchase price for the *FPSO Sevan Voyageur*.

As outlined and further detailed in the Notice, Sevan Marine intends to raise USD 50 million in new equity to secure liquidity after the contemplated asset sales and secure capital for future growth. Teekay will subscribe for new shares in Sevan Marine for a total consideration of USD 25 million in cash in the "Teekay Placement" against receiving an ownership share of 40% on a fully diluted basis (assuming full subscription of the proposed Teekay and Stakeholder Placements, the "Placements"). The existing shareholders and the holders of the Unsecured Bond shall be given preferred rights to subscribe for new shares for total gross consideration of USD 25 million in cash on the same terms as Teekay in the "Stakeholder Placement". The Stakeholder Placement remains subject to successful subscription by the stakeholders.

The expected ownership structure following the Placements will be as follows (assuming full subscription by the existing shareholders and the holders of the Unsecured Bond in the USD 25 million Stakeholder Placement):

- Teekay will hold 40% of the Company's share capital;
- existing shareholders will hold 40% of the Company's share capital;
- and holders of the Unsecured Bond will hold 20% of the Company's share capital

A reduction in the Company's share capital and the nominal value per share will be required to complete the Placements.

Further information related to the Placements will be published in due course. The Company will publish a prospectus in connection with the Placements which will be approved by the Norwegian Financial Supervisory Authority of Norway prior to the start of the subscription period.

COVENANT STATUS

Following the significant impairments made during Q2-2011 and the further impairments and write downs described above, the Company is in breach of both minimum liquidity covenants and equity ratio covenants under the USD 100 million and NOK 625 million bonds for *FPSO Sevan Hummingbird*, the NOK 700 million unsecured bond and the USD 83 million securitization facility as well as the USD 230 million bank facility for *FPSO Sevan Voyageur*.

The USD 230 million bank facility for *FPSO Sevan Voyageur* requires that budgeted and approved cost overruns be covered by equity. This requirement has also not been met. At the date of this report, USD 220 million has been drawn under the USD 230 million facility. As contemplated in the proposed Teekay Transactions, this facility is intended to be assumed by Teekay.

As approved by relevant bondholders in June 2010, and as part of the security arrangements pertaining to *FPSO Sevan Voyageur*, E.ON has been granted certain step-in rights in relevant contracts with selected third party vendors and suppliers, as well as an option to purchase the unit in certain circumstances. The latter right is exercisable upon the occurrence of certain trigger events (basically relating to insolvency events, breach of a minimum USD 25 million liquidity covenant which remains unremedied and enforcement of security rights by third parties). Subject to aforesaid and to further, detailed conditions, E.ON may purchase *FPSO Sevan Voyageur* against payment of a purchase price based on the higher of (i) the market value of *FPSO Sevan Voyageur*, and (ii) amounts outstanding under the USD 230 million bank loan and the NOK 870 million bond loan relating to *FPSO Sevan Voyageur*. E.ON has reserved its rights, but as of the date of this report given no indication that it intends to exercise the purchase options. E.ON, the Company and Teekay are in constructive dialogue regarding E.ON's support of the Teekay Transaction.

On October 18, 2011, bondholders in the NOK 870 million bond on *FPSO Sevan Voyageur*, the USD 270 million bond on *FPSO Sevan Piranema*, the NOK 625 million and the USD 100 million bonds on *FPSO Sevan Hummingbird*, the NOK 700 million unsecured bond and the USD 36.1 million Bridge Loan Bond (collectively the 'Bonds') confirmed agreement to the terms set out in the agreement with Teekay by entering into a lock-up and voting agreement with the Company under which they have, inter alia and subject to certain terms and conditions, committed to vote in favour of the proposed Teekay Transactions in their respective bondholders' meetings and agreed not to exercise any acceleration rights available to them under the bond loans.

E.ON Ruhrgas E&P Limited together with the USD 230 million bank facility syndicate led by ING and the USD 82.3 million securitization facility led by Investec entered into standstill agreements where under they agreed, subject to certain terms and conditions, not to exercise any acceleration rights or other remedies available to them under the relevant agreements for the period up until November 30, 2011.

RESTRUCTURING PROCESS

The Board of Directors believes that the Teekay Transaction as outlined in the Notice is the best outcome for all stakeholders and the only viable restructuring alternative. Failure to meet the conditions of the Teekay Transaction would most likely result in the Company being required to file for bankruptcy.

GOING CONCERN AND OUTLOOK

By way of securing agreement to the lock-up and voting agreement as well as the Teekay Bridge Loan, the Company has been able to alleviate its immediate liquidity pressures. Baring successful completion of the Teekay Transactions, the Company's working capital is insufficient to support its requirements going forward. The Teekay Transaction calls for First Completion by November 30, 2011. The Company may require extensions of the lock-up and voting agreement should First Completion not occur prior to this date. No guarantees can be given at this time that such extension would be granted.

The proposed Teekay Transactions including the capital increase of minimum USD 25 million from the Teekay Placement and net proceeds from the USD 25 million Stakeholder Placement, which is yet to be subscribed for, would provide the Company with sufficient working capital to support its requirements going forward and significantly reduce its debt burden.

A more robust financial structure coupled with the Company's FPSO technology and engineering know-how should form the basis for creating stakeholder value going forward. The asset light structure of the Company will rely heavily on the Company's unique technology and know-how which is something not specifically reflected in the Company's financial statements. The core focus of the Company will be on the realization of this value through license agreements, engineering services, engineering studies and new projects based on Sevan's unique cylindrical hull technology.

The Board confirms that the Q3 2011 financial statements have been prepared based on a going concern assumption. This assumption is based on a successful completion of the Teekay Transactions including the resolutions to be made by the Company's shareholders at the EGM on November 14, 2011, the USD 25 million Teekay Placement, the USD 25 million Stakeholder Placement and formal approval by the bondholders at the Bondholders' Meetings on November 10, 2011.

The final approval and execution of the Teekay Transactions and hence the restructuring itself is, however, at the date of this report, still subject to uncertainties which would impact the assumptions applied in the preparation of the Q3 2011 financial statements. In a situation where the Company was not to succeed in executing the Teekay Transactions, or any alternative and unlikely alternative restructuring, the Company will most likely be required to file for bankruptcy resulting in potential further reductions in asset values and increased costs.

The Board will continue to support and implement the Teekay Transactions. The Board believes that the Teekay Transaction represents the best possible outcome for all stakeholders involved including creditors, suppliers, customers and shareholders.

Arendal, November 8, 2011

The Board of Directors
Sevan Marine ASA

INTERIM FINANCIAL STATEMENTS

THIRD QUARTER OF 2011

CONDENSED CONSOLIDATED INCOME STATEMENT

Unaudited figures in USD million	Note	Q3 11	Q2 11*	30.09.11*	Q3 10*	30.09.10*	2010*
Operating income	3	22.0	32.1	74.8	19.1	52.2	71.8
Operating expense		-35.5	-23.1	-76.8	-12.7	-46.6	-64.2
EBITDAFX		**-13.5**	**9.0**	**-2.0**	**6.5**	**5.6**	**7.7**
Foreign exchange gain/(loss) relating to operation		3.2	-0.7	0.6	-2.6	-0.9	-0.9
EBITDA		**-10.3**	**8.3**	**-1.4**	**3.8**	**4.8**	**6.8**
Depreciation, amortization and impairment	2	-2.6	-59.1	-62.5	-5.9	-8.3	-9.4
Operating profit/(loss)		**-12.9**	**-50.8**	**-63.8**	**-2.0**	**-3.6**	**-2.6**
Income from associated companies		0,0	1.9	2.3	-0.1	0.1	0.0
Financial income/(expense)	8	-79.8	-209.7	-293.2	-8.0	-22.3	-51.3
Foreign exchange gain/(loss) relating to financing		2.0	-0.2	1.7	0.1	-3.1	1.8
Net financial items		**-77.8**	**-208.0**	**-289.2**	**-7.9**	**-25.3**	**-49.4**
Profit/(loss) before tax		**-90.7**	**-258.9**	**-353.0**	**-10.0**	**-28.9**	**-52.0**
Tax income/(expense)	9	-1.7	-34.3	-39.0	13.7	21.7	6.0
Net profit/(loss) continued operations		**-92.3**	**-293.1**	**-392.0**	**3.8**	**-7.2**	**-46.1**
Net profit/(loss) discontinued operations	**6**	**-203.4**	**-346.0**	**-596.1**	**-70.2**	**-81.0**	**-110.7**

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

STATEMENT OF COMPREHENSIVE INCOME

Unaudited figures in USD million	Q3 11	Q2 11*	30.09.11*	Q3 10*	30.09.10*	2010*
Net profit/(loss)	-295.7	-639.1	-988.0	-66.4	-88.3	-156.8
Foreign currency translation	-3.5	1.1	-1.0	2.1	0.7	0.8
Total comprehensive income	**-299.2**	**-638.0**	**-989.0**	**-64.3**	**-87.6**	**-156.0**

CONDENSED CONSOLIDATED BALANCE SHEET

Unaudited figures in USD million	Note	30.09.11	30.06.11	30.09.10	31.12.10
Sevan Capital Assets	2	110.0	914.0	2,080.7	2,145.6
Other fixed assets		1.2	6.2	39.9	38.7
Intangible assets		13.1	13.6	13.7	13.6
Investments in associates		0.0	143.3	1.2	1.1
Deferred income tax assets	9	0.0	15.3	132.9	124.1
Other non-current assets		0.4	14.5	44.6	76.1
Total non-current assets		**124.6**	**1,106.9**	**2,313.1**	**2,399.3**
Inventories		0.0	6.4	15.9	14.5
Trade and other receivables	3	44.0	68.0	53.8	57.5
Available for sale financial instruments	8	63.5	0.0	0.0	0.0
Cash and cash equivalents		11.2	33.9	67.7	116.1
Total current assets		**118.7**	**108.4**	**137.4**	**188.1**
Assets of disposal Group**	7	718.9	0.0	0.0	0.0
Total assets		**962.3**	**1,215.3**	**2,450.6**	**2,587.4**
Share capital	5	16.6	16.6	16.6	16.6
Other equity		-190.4	108.8	870.0	791.5
Total shareholders' equity		**-173.8**	**125.4**	**886.6**	**808.1**
Minority interest		0.8	0.7	0.7	0.7
Total equity		**-173.0**	**126.1**	**887.3**	**808.8**
Interest-bearing debt*		0.0	0.0	1,152.2	1,245.6
Retirement benefit obligations		1.9	1.8	1.6	1.9
Other non-current liabilities/provisions		0.7	3.9	2.8	1.8
Total non-current liabilities		**2.6**	**5.7**	**1,156.6**	**1,249.4**
Interest-bearing debt*		41.1	969.6	124.1	188.0
Current liabilities	3	58.1	113.7	282.6	341.2
Total current liabilities		**99.3**	**1,083.4**	**406.7**	**529.2**
Total liabilities		**101.9**	**1,089.1**	**1,563.3**	**1,778.6**
Liabilities of disposal Group**	7	1,033.4	0.0	0.0	0.0
Total equity and liabilities		**962.3**	**1,215.3**	**2,450.6**	**2,587.4**

* *Due to breach of covenants in certain loan agreements as well as to cross-default provisions in the loan agreements, all debt has been classified as current as of September 30 and June 30, 2011.*

** *IFRS 5 requires that operations constituting a major part of the business to be classified as discontinued when the assets are held for sale. Consolidated assets and liabilities of the material part of the floating production segment are therefore presented separately in the preliminary balance sheet as per September 30, 2011, as 'assets of disposal group' and 'liabilities of disposal group', respectively.*

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Unaudited figures in USD million	**30.09.11**	**30.09.10**	**31.12.10**
Cash flows from operation activities			
Cash from operations	103.3	32.3	49.9
Interest paid	-44.9	-47.2	-72.1
Taxes paid	0.0	0.0	-4.3
Net cash generated from operating activities	**58.4**	**-14.9**	**-26.4**
Cash flows from investment activities			
Purchases of property, plant and equipment (PPE)	-324.8	-128.4	-175.6
Purchase of minority interest	0.0	-39.0	-39.0
Purchases of intangible assets	-0.5	-0.4	-0.7
Net cash flow from investment activities	**-325.3**	**-167.8**	**-215.3**
Cash flows from financing activities			
Net proceeds from issuance of ordinary shares	0.0	0.0	0.0
Net proceeds from interest-bearing debt	810.7	242.9	606.6
Repayment of interest bearing debt	-352.7	-158.4	-414.6
Sale KANFA-TEC AS	6.4	0.0	0.0
Sale Sevan Drilling	-281.9	0.0	0.0
Purchase/sale of own bond loan	0.0	2.9	2.9
Net cash flow from financing activities	**182.5**	**87.4**	**194.9**
Net cash flow for the period	**-84.4**	**-95.3**	**-46.9**
Cash balance at beginning of period	116.1	163.0	163.0
Cash balance at end of period	**31.7**	**67.7**	**116.1**

The cash balance at the end of September 30, 2011 includes cash balances in the discontinued FPSO's, including USD 12.8 million in relation to the FPSO Sevan Voyageur.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Unaudited figures in USD million	Share Capital	Share Premium	Retained Earnings	Minority Interest	Total Equity
Equity as of December 31, 2010	**16.6**	**954.1**	**-162.7**	**0.7**	**808.8**
Adjustment Opening Balance due to					0.0
deconsolidation of Sevan Drilling			6.2		6.2
Value of share options			1.0		1.0
Total comprehensive income for the period			-989.1	0.1	-989.0
Equity as of September 30, 2011	**16.6**	**954.1**	**-1,144.6**	**0.8**	**-173.0**
Equity as of December 31, 2009	**16.6**	**954.1**	**3.8**	**38.0**	**1,012.5**
Value of share options			1.4		1.4
Purchase of minority interest			-1.1	-37.9	-39.0
Total comprehensive income for the period			-88.2	0.6	-87.6
Equity as of September 30, 2010	**16.6**	**954.1**	**-84.1**	**0.7**	**887.3**

KEY FIGURES

Unaudited figures in USD million	Note	Q3 11	Q2 11	30.09.11	Q3 10	30.09.10	2010
Basic earnings per share (USD)							
From continuing operations	1	-0.18	-0.56	-0.75	0.01	-0.01	-0.09
From discontinued operations		-0.39	-0.66	-0.09	-0.13	-0.15	-0.21
Diluted earnings per share (USD)							
From continuing operations	2	-0.18	-0.56	-0.75	0.01	-0.01	-0.09
From discontinued operations		-0.39	-0.66	-0.09	-0.13	-0.15	-0.21
Equity ratio	3	-18.0 %	10.4 %	-18.0 %	36.2 %	36.2 %	31.0 %
No. of outstanding shares (million)		526.1	526.1	526.1	526.1	526.1	526.1
No. of shares fully diluted (million)		526.1	526.1	526.1	526.1	526.1	526.1
Average no. of outstanding shares (million)		526.1	526.1	526.1	526.1	526.1	526.1
Average no. of shares fully diluted (million)		526.1	526.1	526.1	526.1	526.1	526.1
Share price (NOK)		0.48	0.39	0.48	6.02	6.02	6.50
Market capitalization (NOK, million)	4	253	205	253	3,167	3,167	3,420
Number of employees		276	305	276	494	472	506

Notes
1 Net profit / average no. of outstanding shares
2 Net profit / average no. of shares fully diluted
3 (Total shareholders' equity / total assets) x 100
4 Latest quoted share price of the reporting period x no. of outstanding shares

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 GENERAL ACCOUNTING PRINCIPLES

Sevan Marine ASA (the 'Company') and its subsidiaries (together with the Company; the 'Group') specialize in owning, operating and licensing FPSOs, based on the Company's patented cylindrical floater technology.

Sevan Marine ASA is a public limited company, incorporated and domiciled in Norway. The condensed consolidated interim financial statements consist of the Group and the Group's interests in associated companies.

The Group prepares its financial statements in accordance with International Financial Reporting Standards (IFRS) and these financial statements have been prepared in accordance with the International Accounting Standard for Interim Financial Reporting (IAS 34). As the interim financial statements do not include the full information and disclosures as required in the annual financial statements, it should be read in connection with the Annual Financial Statements for 2010.

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Annual Financial Statements for the year ended December 31, 2010, except for:

IFRS 5 – held for sale/discontinued operation
Disposal groups are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. Disposal groups are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

NOTE 2 PROPERTY, PLANT AND EQUIPMENT

The Group's main group of non-current assets relate to those classified as Sevan Capital Assets on the balance sheet. The table below summarizes changes to the balance sheet values of such assets for the full year of 2010 and as per September 30, 2011.

Property, Plant and Equipment

Unaudited figures in USD million	Construction in Progress (CIP)	Sevan Capital Assets	Drilling Rigs	FPSO Discontinued operations	Total Capital Assets
Year ended December 31, 2010:					
Book value January 1,	140.4	140.4	753.8	1,010.2	1,904.4
Additions	26.8	26.8	278.0	29.6	334.4
Depreciation charge	0.0	0.0	-34.0	-51.3	-85.3
Write-down	0.0	0.0	-7.8	0.0	-7.8
Book value December 31,	**167.2**	**167.2**	**990.0**	**988.4**	**2,145.6**
At December 31, 2010:					
Cost	171.8	171.8	1,033.4	1,124.0	2,329.2
Accumulated depreciation and write-down	-4.6	-4.6	-43.4	-135.6	-183.6
Book value December 31,	**167.2**	**167.2**	**990.0**	**988.4**	**2,145.6**

	Construction in Progress (CIP)	Sevan Capital Assets	Drilling Rigs	FPSO Discontinued operations	Total Capital Assets
Period ended September 30, 2011:					
Book value January 1,	167.2	167.2	990.0	988.4	2,145.6
Additions	1.2	1.2	18.0	99.3	118.5
Depreciation charge	0.0	0.0	-12.3	-36.3	-48.6
Write-down	-58.4	-58.4	0.0	-383.4	-441.8
Disposal of Drilling	0.0	0.0	-995.7	0.0	-995.7
Book value September 30,	**110.0**	**110.0**	**0.0**	**668.0**	**778.0**
At September 30, 2011:					
Cost	173.0	173.0	0.0	1,223.2	1,396.2
Accumulated depreciation	0.0	0.0	0.0	-171.9	-171.9
Accumulated write-down	-63.0	-63.0	0.0	-383.4	-446.4
Book value September 30,	**110.0**	**110.0**	**0.0**	**668.0**	**778.0**

The Teekay transaction has resulted in the following impairments / partial reversal of previous impairments to the book values of the discontinued FPSOs during Q3-2011.

Piranema	USD	-14.9 million
Hummingbird	USD	116.0 million
Voyageur	USD	61.0 million
TOTAL	**USD**	**162.1 million**

The impairments are due to an alignment of Sevan book values with the purchase prices in the agreement. The partial reversal of write-down in relation to Piranema is a reflection of a higher purchase price from Teekay than the current book value of Piranema.

NOTE 3 RELATED PARTY TRANSACTIONS

Following the de-consolidation of the drilling segment from the Company's consolidated financial statements during Q2-2011; the Group has the following transactions and balances relating to related party transactions:

Related party transactions

Unaudited figures in USD million	Q3 2011
Sale to related party	
Sale to the Sevan Drilling	0.6
Financial income from the Sevan Drilling	1.5
Receivable from related party	
Receivable from the Sevan Drilling	11.6
Payable to related party	
Payable to the Sevan Drilling	0.1

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

The financial income from Sevan Drilling relates to guarantee fees for guarantees provided by the Company in relation to Sevan Drilling's bank facilities.

During the period the Company employed the services of AlixPartners UK LLP for the provisioning of an interim Chief Financial Officer (CFO) and a Chief Restructuring Officer (CRO) in addition to restructuring advice on the basis of market rates.

NOTE 4 SEGMENT INFORMATION

Quarterly data	Segments: Floating Production		Topside and Process Technology		Corporate		Drilling (discontinued operation)		Adjustments and eliminations		Total	
	Q3 11	Q3 10	Q3 11	Q3 10	Q3 11	Q3 10	Q3 11	Q3 10	Q3 11	Q3 10	Q3 11	Q3 10
External revenue	15.0	14.9	5.1	1.1	1.9	3.0	0.0	0.0	0.0	0.0	22.0	19.0
Internal revenue	0.0	0.0	0.6	0.8	4.7	5.3	0.0	0.0	-5.2	-6.1	0.1	0.0
Total revenue	15.0	14.9	5.7	1.9	6.6	8.3	0.0	0.0	-5.2	-6.1	22.0	19.1
Operating expense	-5.8	-2.5	-5.6	-2.5	-27.6	-11.6	0.0	0.0	3.5	3.9	-35.5	-12.7
EBITDAFX	**9.2**	**12.4**	**0.1**	**-0.6**	**-21.1**	**-3.3**	**0.0**	**0.0**	**-1.7**	**-2.2**	**-13.5**	**6.4**
Foreign exch. gain/(loss), operation	0.4	-0.5	0.2	0.0	2.7	-2.2	0.0	0.0	0.0	0.0	3.2	-2.6
EBITDA	**9.6**	**11.9**	**0.3**	**-0.6**	**-18.4**	**-5.5**	**0.0**	**0.0**	**-1.7**	**-2.2**	**-10.3**	**3.8**
Depreciation, amortization and impairment	-1.6	-4.6	0.0	0.0	-0.5	-0.7	0.0	0.0	-0.4	-0.6	-2.6	-5.9
Operating profit/(loss)	**7.9**	**7.3**	**0.3**	**-0.7**	**-19.0**	**-6.1**	**0.0**	**0.0**	**-2.1**	**-2.8**	**-12.9**	**-2.0**
Income from associates											0.0	-0.1
Financial income/(expense)											-79.8	-8.0
Foreign exch. gain/(loss), financing											2.0	0.1
Net financial items											**-77.8**	**-8.0**
Profit/(loss) before tax											-90.6	-10.1
Tax income/(expense)											-1.7	13.7
Net profit/(loss) continued operation											**-92.3**	**3.8**
Net profit/(loss) discontined operation											**-203.4**	**-70.2**
Segment assets continued operation	290.0	1,556.4	37.2	26.8	898.5	2,204.1	0.0	1,023.9	-982.3	-2,361.9	243.5	2,449.3
Segment assets discontinued operation	785.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-66.1	0.0	718.9	0.0
Inv.m. in assoc. (equity method)	0.0	0.0	0.0	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.2
Total assets*	**1,075.0**	**1,556.4**	**37.2**	**28.0**	**898.5**	**2,204.1**	**0.0**	**1,023.9**	**-1,048.4**	**-2,361.9**	**962.3**	**2,450.6**
Segment liabilities continued operation	132.1	793.7	9.0	4.7	134.4	759.9	0.0	939.7	-173.6	-934.8	101.9	1,563.3
Segment liabilities discontinued operation	833.2	0.0	0.0	0.0	757.5	0.0	0.0	0.0	-557.3	0.0	1,033.4	0.0
Total liabilities*	**965.3**	**793.7**	**9.0**	**4.7**	**891.9**	**759.9**	**0.0**	**939.7**	**-730.9**	**-934.8**	**1,135.3**	**1,563.3**
Capital expenditure	35.2	14.6	0.0	0.0	0.0	0.3	0.0	67.8	0.0	-7.9	35.2	74.8
Non-cash exp. other than depr.	0.0	0.0	0.0	0.0	0.1	0.6	0.0	0.0	0.0	0.0	0.1	0.6

** For assets and liabilities are intra-segment balances eliminated within the segment, whilst inter-segment balances are eliminated in the elimination section*

	Segments											
YTD Data	**Floating Production**		**Topside and Process Technology**		**Corporate**		**Drilling (discontinued operation)**		**Adjustments and eliminations**		**Total**	
	30.09.11	**30.09.10**	**30.09.11**	**30.09.10**	**30.09.11**	**30.09.10**	**30.09.11**	**30.09.10**	**30.09.11**	**30.09.10**	**30.09.11**	**30.09.10**
External revenue	46.1	42.6	8.8	4.0	18.8	5.5	0.0	0.0	0.0	0.0	73.7	52.1
Internal revenue	0.0	0.0	1.2	1.7	16.5	16.8	0.0	0.0	-16.6	-18.5	1.2	0.0
Total revenue	**46.1**	**42.6**	**10.1**	**5.7**	**35.3**	**22.3**	**0.0**	**0.0**	**-16.6**	**-18.5**	**74.8**	**52.2**
Operating expense	-11.7	-7.9	-10.0	-6.9	-65.3	-39.7	0.0	0.0	10.2	7.9	-76.8	-46.6
EBITDAFX	**34.4**	**34.7**	**0.1**	**-1.2**	**-30.0**	**-17.4**	**0.0**	**0.0**	**-6.4**	**-10.6**	**-2.0**	**5.6**
Foreign exch. gain/(loss), operation	0.0	-0.5	0.3	0.0	0.2	-0.4	0.0	0.0	0.1	0.0	0.6	-0.9
EBITDA	**34.4**	**34.2**	**0.4**	**-1.2**	**-29.8**	**-17.8**	**0.0**	**0.0**	**-6.3**	**-10.6**	**-1.4**	**4.8**
Depreciation, amortization and impairment	-59.3	-4.6	-0.1	-0.1	-1.7	-2.1	0.0	0.0	-1.4	-1.5	-62.5	-8.3
Operating profit/(loss)	**-24.9**	**29.6**	**0.2**	**-1.3**	**-31.4**	**-19.9**	**0.0**	**0.0**	**-7.7**	**-12.1**	**-63.8**	**-3.6**
Income from associates											1.9	0.1
Financial income/(expense)											-292.9	-22.3
Foreign exch. gain/(loss), financing											1.7	-3.1
Net financial items											**-289.2**	**-25.3**
Profit/(loss) before tax											-353.0	-28.9
Tax income/(expense)											-39.0	21.7
Net profit/(loss) continued operation											**-392.0**	**-7.2**
Net profit/(loss) discontined operation											**-596.1**	**-81.0**
Segment assets continued operation	290.0	1,556.4	37.2	26.8	898.5	2,204.1	0.0	1,023.9	-982.3	-2,361.9	243.5	2,449.3
Segment assets discontinued operation	785.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-66.1	0.0	718.9	0.0
Inv.m. in assoc. (equity method)	0.0	0.0	0.0	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.2
Total assets*	**1,075.0**	**1,556.4**	**37.2**	**28.0**	**898.5**	**2,204.1**	**0.0**	**1,023.9**	**-1,048.4**	**-2,361.9**	**962.3**	**2,450.6**
Segment liabilities continued operation	132.1	793.7	9.0	4.7	134.4	759.9	0.0	939.7	-173.6	-934.8	101.9	1,563.3
Segment liabilities discontinued operation	833.2	0.0	0.0	0.0	757.5	0.0	0.0	0.0	-557.3	0.0	1,033.4	0.0
Total liabilities*	**965.3**	**793.7**	**9.0**	**4.7**	**891.9**	**759.9**	**0.0**	**939.7**	**-730.9**	**-934.8**	**1,135.3**	**1,563.3**
Capital expenditure	100.9	38.4	0.0	0.0	0.6	1.2	0.0	201.9	0.0	-0.5	101.5	240.9
Non-cash exp. other than depr.	0.0	0.0	0.0	0.0	1.0	1.4	0.0	0.0	0.0	0.0	1.0	1.4

* *For assets and liabilities are intra-segment balances eliminated within the segment, whilst inter-segment balances are eliminated in the elimination section*

NOTE 5 SHAREHOLDER STRUCTURE

The 10 largest shareholder accounts as at August 30, 2011

Shareholder accounts	No. of shares	%-share
BNYM AS EMEA ASIA 25 OMNIBUS	34,682,438	6.59
UMOE SHIPPING AND ENERGY	31,250,000	5.94
SKAGEN VEKST	14,542,795	2.76
JPMORGAN CHASE BANK	8,344,744	1.59
FID. FUNDS-EU. BLUE	5,075,300	0.96
SIX SIS AG 25PCT ACCOUNT	4,920,457	0.94
NORDNET BANK AB	4,432,604	0.84
PERSHING LLC	4,021,568	0.76
HAVTRÅL AS	4,000,000	0.76
SMEDAL ARNE	3,698,703	0.70
Total, 10 largest shareholder accounts	**114,968,609**	**21.85**

Total no. of shares	526,069,982	
Foreign ownership	120,852,610	22.97

NOTE 6 DISCONTINUED OPERATION – SPECIFICATION PROFIT AND LOSS

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

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

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

Unaudited figures in USD million	Q3 11	Q2 11*	30.09.11**	Q3 10	30.09.10	2010
Operating income	0.0	9.4	43.4	13.6	19.6	40.6
Operating expense	0.0	-6.1	-24.3	-14.6	-23.7	-44.5
EBITDAFX	**0.0**	**3.3**	**19.1**	**-1.0**	**-4.1**	**-3.9**
Foreign exchange gain/(loss) relating to operation	0.0	-1.4	-3.2	-5.7	-1.3	-0.4
EBITDA	**0.0**	**1.8**	**15.8**	**-6.7**	**-5.4**	**-4.3**
Depreciation, amortization and impairment	0.0	-3.1	-12.3	-9.8	-25.6	-40.0
Operating profit/(loss)	**0.0**	**-1.3**	**3.5**	**-16.5**	**-31.0**	**-44.3**
Income from associated companies	0.0	0.0	0.0	0.0	0.0	0.0
Financial income/(expense)	0.0	-2.4	-16.7	-8.7	-26.3	-36.3
Foreign exchange gain/(loss) relating to financing	0.0	0.8	-6.3	-17.6	1.2	1.7
Net financial items	**0.0**	**-1.6**	**-23.0**	**-26.3**	**-25.1**	**-34.7**
Profit/(loss) before tax	**0.0**	**-2.9**	**-19.5**	**-42.8**	**-56.1**	**-79.0**
Tax income/(expense)	0.0	-2.9	0.1	-0.4	-0.8	4.5
Net profit/(loss) discontinued operations	**0.0**	**-5.8**	**-19.4**	**-43.2**	**-56.8**	**-74.5**

**) Figures includes only the month of April as the IPO of the Drilling business was accomplished from May-11*

***) Figures at 30.04. as the IPO of the Drilling business was accomplished from May-11*

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

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

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

Unaudited figures in USD million	Q3 11	Q2 11	30.09.11	Q3 10	30.09.10	2010
Operating income	36.7	37.9	104.9	40.7	109.5	143.5
Operating expense	-45.5	-25.0	-83.0	-27.6	-70.9	-79.3
EBITDAFX	**-8.8**	**12.9**	**21.9**	**13.1**	**38.6**	**64.2**
Foreign exchange gain/(loss) relating to operation	1.6	-0.6	0.5	-0.3	-0.1	-0.2
EBITDA	**-7.2**	**12.3**	**22.4**	**12.8**	**38.5**	**64.0**
Depreciation, amortization and impairment	-174.7	-261.3	-449.5	-13.8	-39.8	-53.0
Operating profit/(loss)	**-181.9**	**-249.0**	**-427.0**	**-1.0**	**-1.3**	**10.9**
Income from associated companies	0.0	0.0	0.0	0.0	0.0	0.0
Financial income/(expense)	-35.0	-28.7	-82.3	-12.4	-25.9	-44.8
Foreign exchange gain/(loss) relating to financing	28.6	-8.5	-1.3	-17.9	0.5	-3.6
Net financial items	**-6.4**	**-37.2**	**-83.6**	**-30.4**	**-25.5**	**-48.3**
Profit/(loss) before tax	**-188.3**	**-286.2**	**-510.6**	**-31.4**	**-26.7**	**-37.4**
Tax income/(expense)	-15.1	-53.9	-66.0	4.4	2.4	1.2
Net profit/(loss) discontinued operations	**-203.4**	**-340.2**	**-576.7**	**-27.0**	**-24.2**	**-36.3**

The Operating income for the discontinued operations is adversely impacted by USD 4.6 million in previously capitalized late delivery penalty on FPSO Sevan Piranema.

In addition, the operating expense for the discontinued operations is adversely impacted by USD 8.1 million in previously capitalized net mobilization costs on FPSO Sevan Piranema.

Both of these effects arise from the Teekay Transactions described previously in this report.

Depreciation and impairment of USD 174.7 million in the third quarter is adversely impacted by an additional total write-down of USD 162.1 million for the three FPSO's included in the Teekay Transaction:

Piranema	USD	-14.9 million
Hummingbird	USD	116.0 million
Voyageur	USD	61.0 million
TOTAL	**USD**	**162.1 million**

NOTE 7 DISCONTINUED OPERATION – SPECIFICATION BALANCE SHEET

Discontinued operation. The major classes of assets and liabilities of FPSO's classified as held for sale at 30 September are as follows:

Unaudited figures in USD million	**30.09.11**
Assets	
Sevan Capital Assets	668.0
Other fixed assets	0.0
Intangible assets	0.0
Investments in associates	0.0
Deferred income tax assets	0.0
Other non-current assets	0.0
Total non-current assets	**668.0**
Inventories	0.0
Trade and other receivables	30.4
Available for sale financial instruments	0.0
Cash and cash equivalents	20.5
Total current assets	**50.9**
Total assets classified as held for sale	**718.9**
Liabilities	
Interest-bearing debt	0.0
Retirement benefit obligations	0.0
Other non-current liabilities/provisions	6.2
Total non-current liabilities	**6.2**
Interest-bearing debt	937.0
Current liabilities	90.1
Total current liabilities	**1,027.1**
Total liabilities directly associated with assets classified as held for sale	**1,033.4**

NOTE 8 FINANCIAL ASSETS AVAILABLE FOR SALE

Sevan Drilling ASA
Due to the fact that the proposed restructuring includes a transfer of the Company's Sevan Drilling shares to the unsecured bondholders, the investment in Sevan Drilling shares has been reclassified from investment in associate to financial assets available for sale. As a consequence, the book value has been written down to reflect the fair value as of the end of September 2011. The market value of the shares on September 30, 2011 was NOK 3.86 per share. This is NOK 4.14 per share less than the NOK 8.00 per share issue price. The write-down amounted to USD 79.8 million and the book value of the Sevan Drilling shares amounts to USD 63.4 million. The market value of shares on November 8, 2011 was NOK 4.20 per share or USD 72.0 million.

NOTE 9 DEFERRED TAX ASSETS

Deferred Tax Assets were impaired by USD 15.3 million during Q3 to reflect the fact that the unused tax losses in UK will exit the future Sevan Marine Group as a result of the Teekay transaction and remaining tax losses in Norway have a significantly reduce probability of use.

NOTE 10 EVENTS AFTER BALANCE SHEET DATE

The following events have occurred after the balance sheet date:

- On October 18, 2011, Bondholders holding at least 2/3 of each of Sevan Marine's outstanding bonds have confirmed agreement to the terms set out in the agreement with Teekay by entering into a lock-up and voting agreement with the Company under which they have, inter alia and subject to certain terms and conditions, committed to vote in favor of the proposed transactions in their respective bondholders' meetings and agreed not to exercise any acceleration rights available to them under the bond loans.

  The estimated impacts of the lock-up and voting agreement on the net equity position of the Company which are not reflected in the third quarter financial statements are:

  - The accounting gains on debt remission, based on book value of interest-bearing debt on September 30, 2011 currently estimated at USD 210.0 million of which USD 33.0 million relates to the FPSO Sevan Voyageur.
  - The estimated capital increase from the debt-to-equity conversion of the Unsecured Bond estimated at USD 6.25 million.
  - The estimated cash proceeds from the proceeds of the Teekay Placement of USD 25 million and the Stakeholder Placement of USD 23.5 million net of placement costs. The Stakeholder Placement remains subject to subscription.

- On October 26, 2011, the Company entered into a USD 103 million fixed term loan facility for the completion of the FPSO Sevan Voyageur (the "Teekay Bridge Loan"). To date the Company has drawn USD 25 million under the Facility.
- In October, E.ON Ruhrgas E&P Limited together with the USD 230 million bank facility led by ING and the USD 83 million securitization facility led by Investec agreed not to exercise any acceleration rights or other remedies available to them under the relevant agreements subject to the terms set out in the lock-up and voting agreement between the Bondholders and the Company.

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