



CONTENTS

INTERIM FINANCIAL REPORT FIRST HALF 2016

Main Events and Developments, Second Quarter 2016	3
Sevan Marine	4
Main Figures, Second Quarter 2016	4
Business Segments	4
Outlook	5

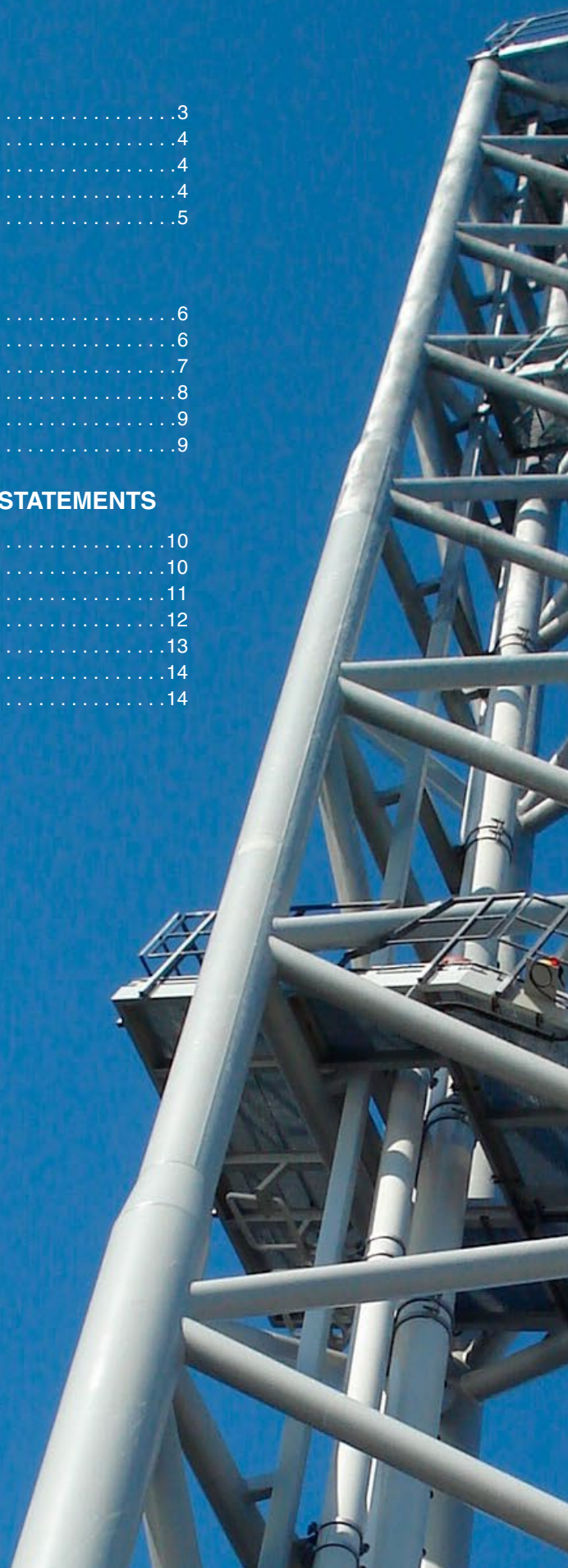
INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Income Statement	6
Statement of Comprehensive Income	6
Condensed Consolidated Balance Sheet	7
Condensed Consolidated Cash Flow Statement	8
Condensed Consolidated Statement of Changes in Equity	9
Key Figures	9

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Note 1	General accounting principles	10
Note 2	Related party transactions	10
Note 3	Segment information	11
Note 3	Segment information	12
Note 4	Shareholder structure	13
Note 5	Logitel Offshore transaction	14
Note 6	Events after balance sheet date	14

RESPONSIBILITY STATEMENT



INTERIM FINANCIAL REPORT FIRST HALF 2016

FOR

SEVAN MARINE ASA

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

Main Events and Developments, Second Quarter 2016

Focus on UK sector FPSO prospect and FLNG study with oil major

Sevan Marine has continued to provide engineering support for the UK sector FPSO prospect during the quarter. Payments under the License Agreement remain subject to the field developers’ final investment decision and start of construction of the unit, which is not expected until 2017. Sevan Marine expects to continue to provide engineering support through 2016 and into 2017.

A continuation of the FLNG feasibility study for a specific FLNG field development with a U.S. oil major was agreed and work started during the quarter with the agreed phase expected to run through the end of 2016.

Continued work on existing projects

Sevan Marine continued to provide engineering and site support services for the Goliat, Logitel Offshore and Dana Western Isles projects. Work on the Logitel Offshore project will come to an end in Q3 2016 as the construction contracts with the yard in China have been cancelled. The work for Sevan Marine on the Goliat project is expected to decline substantially from Q3 2016 with the vessel now successfully producing in the Barent’s Sea.

Sevan Marine remains entitled to a variable license fee linked to production with respect to the Dana Western Isles project. Sevan Marine continues to support the construction of the vessel at the COSCO yard in China, and Dana has announced that the FPSO will not commence production before the second half of 2017.

Further development work on the ultra deep water application with steel catenary risers

Substantial progress was made regarding the Sevan Marine design for use in the U.S. Gulf of Mexico with Steel Catenary Risers (SCRs). A successful model test was carried out at the Offshore Technology Research Centre (OTRC) at Texas A&M University in May 2016 which attracted substantial market interest. Further testing and development is being planned for 2017. Sevan Marine hopes to obtain approval to use its unique cylindrical design with steel catenary risers as a non-disconnectable FPSO with the ability to retain cargo during a hurricane. This would be a first in the U.S. Gulf of Mexico and Sevan Marine believes it will provide a substantially cheaper solution compared to the disconnectable, turret based solutions used today.

Increased market awareness through increased business development activity

Sevan Marine met with numerous oil companies, lease providers, suppliers, partners and clients in the U.S., China, Australia and Europe during the quarter. Sevan Marine also held a two day user forum in Arendal, Norway bringing together current operators and partners of existing Sevan Marine designed units. The feedback received is very positive. The Sevan Marine cylindrical design is widely seen by oil majors around the world as a credible and proven alternative to other floating installation designs. The inherent advantages are also well understood. Amongst these are excellent motion characteristics, lower operating costs, high deck load capacity, large storage space and substantial lower construction cost compared with alternatives when a turret is needed. Sevan Marine remains optimistic that the increased industry focus on cost-effective solutions will lead to increased work for the Company as the market improves.

This increased market awareness has already led to the Sevan Marine concept being selected for small feasibility studies for projects in the Barents Sea and Caribbean.

HiLoad

HiLoad LNG continued the marketing and development of both the HiLoad offloading system for FLNG and the Floating Regas Dock (“FRD”) for small scale regasification projects. With respect to the FRD, initial Pre-FEED work for the Vires Energy Corporation project in the Philippines was completed.

Improved Performance of KANFA

The KANFA group saw improved results in the quarter driven by further recognition of margin on the USD 50 million OCTP project from Yinson Production which was successfully delivered in the quarter. KANFA maintained a solid workload in the quarter driven by the finalizing of the OCTP project.

Disposal of KANFA Aragon AS

Sevan Marine announced on June 28, 2016 the successful disposal of its 50 percent stake in KANFA Aragon AS to SembCorp Marine Ltd for cash consideration of NOK 20 million.

The disposal represents a further positive step in Sevan Marine’s efforts to reduce complexity, reduce cost and increase focus on its core cylindrical hull technology.

Logitel Offshore

We refer to the press releases of May 23, 2016, August 05, 2016 and the Q1 2016 earnings release and comments made regarding the circumstances surrounding the legality and potential claims in relation to the Logitel Offshore Agreements. The Board of Sevan Marine maintains that substantial claims may be made against the parties involved, and Sevan Marine is dedicated to seeking the best outcome for the Company and its shareholders. The first step in this respect will be to commence legal action against Logitel Offshore Pte Ltd claiming payment of an amount exceeding USD 60 million in relation to the Logitel loan, and in parallel to commence arbitration against both Logitel Offshore Pte Ltd and Teekay Offshore Partners LP claiming payment of an amount of approximately USD 10 million in relation to the Fourpartite Agreement. Sevan Marine reserves the right to, at any time, pursue other involved parties. Agreements suspending time-bar limitations have been entered into with such involved parties.

On August 04, 2016, Teekay Offshore Partners ("Teekay") also made the announcement of the cancellation of the shipyard contracts for the two remaining Logitel Offshore units.

The outcome of this situation and any potential recovery of value remains uncertain. As such, there remains material uncertainty regarding both the amount and timing of any payments in relation to the Logitel agreements. In accordance with IFRS accounting standards and based on the cancellation of the shipyard contracts, Sevan Marine has recorded a further non-cash impairment of USD 13 million in relation to the Logitel loan as per June 30, 2016. Sevan Marine will do its utmost to realize the underlying merits and outperform the impairments taken over the coming months.

Strategic Review Process

Sevan Marine appointed Pareto Securities in April 2015 to explore potential strategic options for the Company. During the quarter, Sevan Marine received indicative expressions of interest from industrial parties regarding the purchase of certain assets of Sevan Marine. These offers reflected a discount to the current market value of the Company, and the Board has therefore decided to focus the strategic review process on Sevan Marine's continued development as a standalone Company.

Sevan Marine will focus its efforts on independently developing, marketing and supporting the execution of projects based on its unique cylindrical hull design. In doing such, the Company will seek to work with industry leading partners to further promote and develop the concept.

Dividend policy

The Board has communicated an intention to pay a dividend depending upon developments. Given the uncertain market outlook, and the unresolved situation with regard to Logitel, no extraordinary dividend is planned in 2016.

Sevan Marine

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

The Group has no interest-bearing debt and focuses on securing new projects under an engineering and technology license model within the FPSO, FSO and FLNG market, as well as within other offshore markets.

Sevan Marine's business segment Topside and Process Technology contributes with a substantial portion of the Group's total revenue. Within this segment, Sevan Marine has entered into a strategic partnership with Technip. In 2014 Sevan Marine agreed to sell 49 percent of KANFA AS to Technip Norge AS ("Technip"). Technip has the option to take over the remaining 51 percent of KANFA AS in 2017 based on a multiple of 2014, 2015 and 2016 results.

Main Figures, Second Quarter 2016

(Previous quarter figures in brackets)

Operating revenue for the second quarter 2016 was USD 16.9 million (USD 21.0 million). EBITDA was negative USD 0.3 million (negative USD 7.0 million), and operating loss was USD 0.4 million (loss of USD 7.1 million). Net loss was USD 11.6 million (loss of USD 8.1 million). EBITDA is positively impacted by results in the Topside and Process segment where further margin on the OCTP project has been recognized in the quarter. The net loss in the quarter is negatively impacted by the further impairment of the Logitel Loan.

As of June 30, 2016, cash and cash equivalents amounted to USD 31.7 million (USD 41.3 million). The change in cash and cash equivalents is largely attributable to working capital changes in the Topside and Process segment as well as the NOK 20 million in proceeds received from the sale of Sevan Marine's 50 percent stake in KANFA Aragon AS.

The equity ratio was 51.3 per cent as of June 30, 2016 (44.9 per cent).

Business Segments

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

Floating Production

The main activities in the Floating Production segment relate to engineering and project management in ongoing projects, for example Goliat, the Dana Petroleum Western Isles project, Logitel Offshore, the UK North Sea prospect, the FLNG feasibility study and several smaller engineering studies for potential new FLNG/FPSO/FSO and HiLoad projects.

The Q2 2016 result in Floating Production remains unsatisfactory. External revenue in Q2 2016 amounted to USD 4.1 million (USD 5.1 million), and EBITDA was negative USD 2.4 million (negative USD 7.6 million). Q2 2016 EBITDA is driven by reduced income and further restructuring and legal costs which are only partially offset by cost savings.

The total assets were USD 38.1 million (USD 51.9 million). The floating production segment held USD 26.9 million (USD 27.0 million) in cash and cash equivalents on June 30, 2016.

Topside and Process Technology

This business segment consists of the activities of the KANFA companies (KANFA AS and KANFA Aragon). External revenue in Q2 2016 was USD 12.8 million (USD 15.9 million) of which USD 2.8 million (USD 2.2 million) was attributable to KANFA Aragon. EBITDA was positive USD 2.1 million (positive USD 0.6 million) of which USD 0.5 million (USD 0.5 million) was attributable to KANFA Aragon. Revenue is positively impacted by the Yinson OCTP project in KANFA. The margin is also positively impacted by the result in KANFA Aragon where they had a high utilization driven by work with a large Singaporean based client.

The total assets were USD 15.0 million (USD 24.6 million). The Topside and Process Technology segment held USD 4.8 million (USD 14.3 million) in cash and cash equivalents on June 30, 2016. The large decrease in cash is largely related to working capital in the OCTP project. Sevan Marine ASA has issued guarantees to support overdraft, guarantee and foreign exchange facilities for both KANFA AS and KANFA Aragon AS.

Outlook

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

Sevan Marine faces a difficult market with many key prospects continuing to be delayed. The Board expects that 2016 and 2017 will be difficult years. Substantial cost reduction measures have already been taken, including redundancies as well as temporary salary reductions and reduced working time by all employees. Despite further cost reductions, which will be required, the Board expects Floating

Production cash flow to be negative in the coming few quarters due to ongoing operating losses driven by a lack of work and license fees.

In the Floating Production segment, work on the Dana Western Isles and UK sector FPSO projects is expected to continue through the year and into 2017. Work on the Goliat and Logitel Offshore projects is expected to end in the coming months. Sevan Marine remains hopeful that it can secure further feasibility study work for 2016 and 2017 in addition to the FLNG study with the US oil major and small studies already received.

Sevan Marine is also hopeful that the Vires Energy Corporation Project in the Philippines will proceed with further FEED and follow-up work related to the FRD to be provided by HiLoad.

In the Topside and Process segment, KANFA AS does not expect to be awarded any substantial process package awards in 2016 given the low market activity. Cost reduction measures may also need to be taken if workload is insufficient. It is expected that the working capital change and cash flow in the segment will continue to be negative during Q3 2016 prior to reversing near year end 2016 when the final project milestone on the OCTP project is expected to be received. Technip has the option to take over the remaining 51 percent of KANFA AS in 2017 based on a multiple of 2014, 2015 and 2016 results. No substantial gains can be expected if Technip should decide to exercise the option.


Sevan Marine has received substantially increased interest in its unique design from many, high quality, global oil and gas majors. Sevan Marine believes that this is a reflection of both the changing market place, increased willingness of oil majors to consider different technologies and Sevan Marine's own business development efforts.

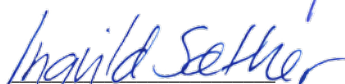
Sevan Marine believes given its unique cost effective solution, the increased market interest, its solid cash position and cost reduction plans that it has the resources and ability to successfully weather the current slowdown in activity and to regain profitability in the years to come.

Oslo, August 24, 2016

The Board of Directors of Sevan Marine ASA



Erling Øverland
Chairman



Peter Lytzen
Board Member


Ingvild Sæther
Board Member


Kjetil Sjursen
Board Member


Kathryn M. Baker
Board Member


Vidar Andersen
Employee Representative


Ann-Kristin Nielsen Løvland
Employee Representative


Carl Lieung
CEO

INTERIM FINANCIAL STATEMENTS

FIRST HALF OF 2016

CONDENSED CONSOLIDATED INCOME STATEMENT

Unaudited figures in USD million	Note	Q2 16	Q1 16	30.06.2016	Q2 15	30.06.2015	2015
Operating revenue	2	16.9	21.0	37.9	15.5	30.9	80.0
Operating expense		-17.5	-27.4	-44.9	-17.9	-36.5	-90.0
EBITDAFX		-0.6	-6.4	-7.0	-2.4	-5.6	-10.0
Foreign exchange gain/(loss) relating to operation		0.3	-0.6	-0.3	-0.6	-0.2	-0.7
EBITDA		-0.3	-7.0	-7.3	-3.0	-5.7	-10.7
Depreciation, amortization and impairment		-0.1	-0.1	-0.2	-0.1	-0.2	-6.4
Operating profit/(loss)		-0.4	-7.1	-7.5	-3.1	-5.9	-17.1
Financial income/(expense)	5	-11.0	-2.2	-13.2	-37.6	-37.1	-37.5
Foreign exchange gain/(loss) relating to financing		-0.1	1.1	1.0	1.6	-0.5	-2.7
Net financial items		-11.2	-1.1	-12.2	-36.0	-37.6	-40.2
Profit/(loss) before tax		-11.6	-8.1	-19.7	-39.2	-43.5	-57.2
Tax income/(expense)		0.0	0.0	0.0	0.1	-0.1	-4.8
Net profit/(loss)		-11.6	-8.1	-19.7	-39.1	-43.6	-62.0

STATEMENT OF COMPREHENSIVE INCOME

Unaudited figures in USD million	Q2 16	Q1 16	30.06.2016	Q2 15	30.06.2015	2015
Net profit/(loss)	-11.6	-8.1	-19.7	-39.1	-43.6	-62.0
Actuarial gains/losses	0.0	0.0	0.0	0.0	0.0	0.1
Foreign currency translation	-0.1	-0.1	-0.1	0.7	0.3	0.8
Total comprehensive income	-11.6	-8.2	-19.8	-38.4	-43.3	-61.1

CONDENSED CONSOLIDATED BALANCE SHEET

Unaudited figures in USD million	Note	30.06.16	31.03.16	30.06.15	31.12.15
Fixed assets		0.5	0.6	0.7	0.6
Intangible assets		1.2	1.2	6.6	1.3
Investments in associates		0.0	0.0	0.4	0.0
Deferred income tax assets		0.0	0.0	0.1	0.0
Loan	5	0.0	13.0	15.0	16.0
Other non-current assets	5	5.4	5.4	11.1	5.4
Total non-current assets		7.1	20.2	33.9	23.3
Trade and other receivables	2	14.2	14.9	29.4	26.7
Cash and cash equivalents		31.7	41.3	30.3	36.6
Total current assets		45.9	56.2	59.7	63.3
Total assets		53.1	76.5	93.6	86.6
Share capital	4	34.6	34.6	34.6	34.6
Other equity		-7.4	-0.3	25.9	8.4
Total shareholders' equity		27.2	34.3	60.5	43.0
Non-controlling interest		1.0	7.3	7.2	6.8
Total equity		28.2	41.6	67.7	49.8
Retirement benefit obligations		0.8	1.0	0.8	0.9
Other non-current liabilities/provisions		0.3	0.3	1.1	0.3
Total non-current liabilities		1.1	1.3	2.0	1.2
Current liabilities	2	23.7	33.5	23.9	35.5
Total current liabilities		23.7	33.5	23.9	35.5
Total liabilities		24.8	34.8	25.9	36.7
Total equity and liabilities		53.1	76.5	93.6	86.6

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Unaudited figures in USD million	30.06.16	Q2 16	Q1 16	30.06.15	2015
Cash flows from operation activities					
Cash from operations *	-3.8	-12.0	8.2	3.4	0.4
Taxes paid	-3.5	0.0	-3.5	-0.3	-0.9
Net cash generated from operating activities	-7.3	-12.0	4.7	3.1	-0.5
Cash flows from investment activities					
Purchase of property, plant and equipment (PPE)	0.0	0.0	0.0	-0.1	-0.1
Purchase of intangible assets	0.0	0.0	0.0	0.0	-0.8
Sale of shares KANFA Aragon	2.4	2.4	0.0	0.0	0.0
Repayment of Logitel loan	0.0	0.0	0.0	0.0	10.0
Net cash flow from investment activities	2.4	2.4	0.0	-0.1	9.1
Cash flows from financing activities					
Dividends paid	0.0	0.0	0.0	0.0	0.0
Net cash flow from financing activities	0.0	0.0	0.0	0.0	0.0
Net cash flow for the period	-4.9	-9.6	4.7	3.0	8.7
Cash balance at beginning of period	36.6	41.3	36.6	27.3	27.3
Cash balance at end of period	31.7	31.7	41.3	30.3	36.6
Debt to credit institutions	0.0	0.0	0.0	0.0	-0.6
Net cash balance at end of period	31.7	31.7	41.3	30.3	36.0

* Cash from operations in Q2 16 and per 30.06.16 includes a negative deconsolidation effect of USD 1.4 million related to the sale of KANFA Aragon AS.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Unaudited figures in USD million	Share Capital	Share Premium	Retained Earnings	Non-controlling Interest	Total Equity
Equity as of December 31, 2015	34.6	21.0	-12.6	6.8	49.8
Total comprehensive income for the period			-14.8	-5.0	-19.8
Disposal of KANFA Aragon			-0.9	-0.9	-1.8
Equity as of June 30, 2016	34.6	21.0	-28.3	1.0	28.2

Unaudited figures in USD million	Share Capital	Share Premium	Retained Earnings	Non-controlling Interest	Total Equity
Equity as of December 31, 2014	34.6	21.0	46.8	8.6	111.0
Total comprehensive income for the period			-41.9	-1.4	-43.3
Equity as of June 30, 2015	34.6	21.0	4.9	7.2	67.7

KEY FIGURES

Unaudited figures in USD million	Note	Q2 16	Q1 16	30.06.2016	Q2 15	30.06.2015	2015
Basic earnings per share (USD)	a	-0.22	-0.15	-0.37	-0.74	-0.83	-1.18
Diluted earnings per share (USD)	b	-0.22	-0.15	-0.37	-0.74	-0.83	-1.18
Equity ratio	c	51.3 %	44.9 %	51.3 %	64.7 %	64.7 %	49.7 %
No. of outstanding shares (million)		52.6	52.6	52.6	52.6	52.6	52.6
No. of shares fully diluted (million)		52.6	52.6	52.6	52.6	52.6	52.6
Average no. of outstanding shares (million)		52.6	52.6	52.6	52.6	52.6	52.6
Average no. of shares fully diluted (million)		52.6	52.6	52.6	52.6	52.6	52.6
Share price (NOK)		22.9	19.4	22.9	19.0	19.0	17.3
Market capitalization (NOK, million)	d	1,205	1,021	1,205	1,000	1,000	910
Number of employees		112	145	112	181	181	171

Notes

a) Net profit / average no. of outstanding shares

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

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

d) Latest quoted share price of the reporting period x no. of outstanding shares

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 GENERAL ACCOUNTING PRINCIPLES

Sevan Marine ASA is a technology, project development and engineering company.

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

The Group prepares its financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by EU and these financial statements have been prepared in accordance with the International Accounting Standard for Interim Financial Reporting (IAS 34). As the interim financial statements do not include the full information and disclosures as required in the annual financial statements, it should be read in connection with the Annual Financial Statements for 2015.

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, 2015.

NOTE 2 RELATED PARTY TRANSACTIONS

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

Unaudited figures in USD million	Q2 16	Q1 16	30.06.2016	Q2 15	30.06.2015	2015
Sale to related party						
Sale to Teekay	0.0	0.1	0.2	0.1	0.9	1.9
Sale to Logitel Offshore	0.9	1.0	1.9	2.8	6.1	8.7
Financial income from Logitel Offshore	0.0	0.0	0.0	0.0	0.5	0.0
Purchase from related party						
Teekay	0.0	0.0	0.0	0.0	0.0	0.2
Purchase from Arendal Brygge	0.1	0.2	0.3	0.2	0.4	0.4
Receivable from related party						
Receivable from Teekay	0.0	0.1	0.0	0.4	0.4	0.2
Receivable from Arendal Brygge	0.0	0.0	0.0	0.2	0.2	0.1
Receivable from Logitel Offshore	6.2	5.7	6.2	11.9	11.9	10.7
Loan to related party						
Logitel Offshore	0.0	13.0	0.0	25.0	25.0	16.0

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

NOTE 3 SEGMENT INFORMATION

Quarterly data	Segments							
	Floating Production		Topside and Process Technology**		Eliminations		Total	
	Q2 16	Q2 15	Q2 16	Q2 15	Q2 16	Q2 15	Q2 16	Q2 15
External revenue	4.1	7.6	12.8	7.9	0.0	0.0	16.9	15.5
Internal revenue	0.1	0.2	0.0	0.2	-0.1	-0.5	0.0	0.0
Total revenue	4.2	7.8	12.8	8.2	-0.1	-0.5	16.9	15.5
Operating expense	-6.9	-9.7	-10.8	-8.7	0.1	0.5	-17.5	-17.9
EBITDAFX	-2.7	-1.9	2.1	-0.5	0.0	0.0	-0.6	-2.4
Foreign exch. gain/(loss), operation	0.2	-0.5	0.0	0.0	0.0	0.0	0.3	-0.6
EBITDA	-2.4	-2.4	2.1	-0.6	0.0	0.0	-0.3	-3.0
Depreciation, amortization and impairment	-0.1	-0.1	0.0	0.0	0.0	0.0	-0.1	-0.1
Operating profit/(loss)	-2.5	-2.5	2.1	-0.6	0.0	0.0	-0.4	-3.1
Financial income/(expense)							-11.0	-37.6
Foreign exch. gain/(loss), financing							-0.1	1.6
Net financial items							-11.2	-36.0
Profit/(loss) before tax							-11.6	-39.2
Tax income/(expense)							0.0	0.1
Net profit/(loss) continued operation							-11.6	-39.1
Segment assets	38.1	78.5	15.0	14.7	0.0	0.0	53.1	93.2
Inv.m. in assoc. (equity method)	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.4
Total assets*	38.1	78.9	15.0	14.7	0.0	0.0	53.1	93.6
Segment liabilities	11.3	15.4	13.6	10.5	0.0	0.0	24.8	25.9
Total liabilities*	11.3	15.4	13.6	10.5	0.0	0.0	24.8	25.9

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

** Topside and Process Technology segment consists of KANFA AS Group on a 100% consolidated basis. Sevan Marine's ownership of KANFA AS is 51% and Sevan Marine's 50% ownership in KANFA Aragon was sold on June 28, 2016. Sevan Marine ASA has issued guarantees to support overdraft, guarantee and foreign exchange facilities for both KANFA AS and KANFA Aragon.

NOTE 3 SEGMENT INFORMATION

YTD data	Segments							
	Floating Production		Topside and Process Technology**		Eliminations		Total	
	30.06.16	30.06.15	30.06.16	30.06.15	30.06.16	30.06.15	30.06.16	30.06.15
External revenue	9.2	17.7	28.7	13.3	0.0	0.0	37.9	30.9
Internal revenue	0.3	0.3	0.0	0.3	-0.3	-0.7	0.0	0.0
Total revenue	9.5	18.0	28.7	13.6	-0.3	-0.7	37.9	30.9
Operating expense	-19.2	-21.1	-26.0	-16.0	0.3	0.7	-44.9	-36.5
EBITDAFX	-9.7	-3.1	2.7	-2.4	0.0	0.0	-7.0	-5.6
Foreign exch. gain/(loss), operation	-0.3	-0.2	0.0	0.0	0.0	0.0	-0.3	-0.2
EBITDA	-10.0	-3.4	2.7	-2.4	0.0	0.0	-7.3	-5.7
Depreciation, amortization and impairment	-0.1	-0.2	0.0	0.0	0.0	0.0	-0.2	-0.2
Operating profit/(loss)	-10.2	-3.5	2.7	-2.4	0.0	0.0	-7.5	-5.9
Financial income/(expense)							-13.2	-37.1
Foreign exch. gain/(loss), financing							1.0	-0.5
Net financial items							-12.2	-37.6
Profit/(loss) before tax							-19.7	-43.5
Tax income/(expense)							0.0	-0.1
Net profit/(loss) continued operation							-19.7	-43.6
Segment assets	38.1	78.5	15.0	14.7	0.0	0.0	53.1	93.2
Inv.m. in assoc. (equity method)	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.4
Total assets*	38.1	78.9	15.0	14.7	0.0	0.0	53.1	93.6
Segment liabilities	11.3	15.4	13.6	10.5	0.0	0.0	24.8	25.9
Total liabilities*	11.3	15.4	13.6	10.5	0.0	0.0	24.8	25.9

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

** Topside and Process Technology segment consists of KANFA AS Group on a 100% consolidated basis. Sevan Marine's ownership of KANFA AS is 51% and Sevan Marine's 50% ownership in KANFA Aragon was sold on June 28, 2016. Sevan Marine ASA has issued guarantees to support overdraft, guarantee and foreign exchange facilities for both KANFA AS and KANFA Aragon.

NOTE 4 SHAREHOLDER STRUCTURE

The 20 largest shareholder accounts as at August 19, 2016

Shareholder accounts	No. of shares	%-share
TEEKAY SERVICE HOLDING	22,893,631	43.52
HOME CAPITAL AS	2,435,448	4.63
F2 FUNDS AS	1,687,577	3.21
GOLDMAN SACHS INTERN	1,296,691	2.46
MATHIAS HOLDING AS	1,277,682	2.43
DEUTSCHE BANK AG	1,271,502	2.42
SUNDT AS	1,257,486	2.39
KING KONG INVEST AS	1,250,000	2.38
SVENSKA HANDELSBANKE	868,000	1.65
MP PENSJON PK	837,584	1.59
ANDENERGY AS	804,326	1.53
INVESCO PERP EUR SMA	765,804	1.46
DNB NOR MARKETS, AKS	749,293	1.42
CARE HOLDING AS	700,505	1.33
BAKLIEN ÅSMUND	700,000	1.33
APOLLO ASSET LTD.	600,000	1.14
BEKKESTUA EIENDOM AS	542,066	1.03
PARETO BANK ASA	500,000	0.95
HORTULAN AS	471,800	0.90
CITIBANK, N.A.	450,355	0.86
Total, 20 largest shareholder accounts	41,359,750	78.62
Total no. of shares	52,606,999	
Foreign ownership	30,046,137	57.11

NOTE 5 LOGITEL OFFSHORE TRANSACTION

We refer to the press releases of May 23, 2016, August 05, 2016 and the Q1 2016 earnings release and comments made regarding the circumstances surrounding the legality and potential claims in relation to the Logitel Offshore Agreements. The Board of Sevan Marine maintains that substantial claims may be made against the parties involved, and Sevan Marine is dedicated to seeking the best outcome for the Company and its shareholders. The first step in this respect will be to commence legal action against Logitel Offshore Pte Ltd claiming payment of an amount exceeding USD 60 million in relation to the Logitel loan, and in parallel to commence arbitration against both Logitel Offshore Pte Ltd and Teekay Offshore Partners LP claiming payment of an amount of approximately USD 10 million in relation to the Fourpartite Agreement. Sevan Marine reserves the right to, at any time, pursue other involved parties. Agreements suspending time-bar limitations have been entered into with such involved parties.

On August 04, 2016, Teekay Offshore Partners ("Teekay") also made the announcement of the cancellation of the shipyard contracts for the two remaining Logitel Offshore units.

The outcome of this situation and any potential recovery of value remains uncertain. As such, there remains material uncertainty regarding both the amount and timing of any payments in relation to the Logitel agreements. In accordance with IFRS accounting standards and based on the cancellation of the shipyard contracts, Sevan Marine has recorded a further non-cash impairment of USD 13 million in relation to the Logitel loan as per June 30, 2016. Sevan Marine maintains the estimated carrying value of USD 5 million in relation to variable proceeds expected for Arendal Spirit. Sevan Marine will do its utmost to realize the underlying merits and outperform the impairments taken over the coming months.

NOTE 6 EVENTS AFTER BALANCE SHEET DATE

Please refer to the comments regarding Logitel Offshore above.

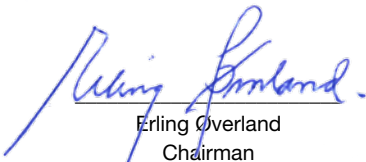
RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the interim consolidated financial statements for the period January 1 to June 30, 2016 have been prepared in accordance with IAS 34 – Interim Financial Reporting, and give a true and fair view of the Group’s assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the Interim Financial

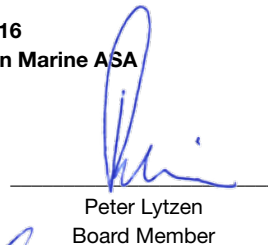
Report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties transactions.

Oslo, August 24, 2016

The Board of Directors of Sevan Marine ASA



Erling Overland
Chairman



Peter Lytzen
Board Member



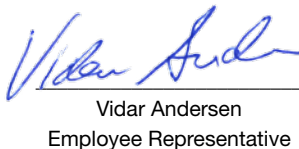
Ingvild Sæther
Board Member



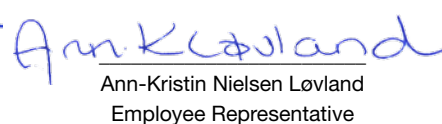
Kjetil Sjursen
Board Member



Kathryn M. Baker
Board Member



Vidar Andersen
Employee Representative



Ann-Kristin Nielsen Løvland
Employee Representative



Carl Lieungh
CEO



Sevan Marine ASA - Arendal

Kittelsbuktheien 5
4836 Arendal
NORWAY

Phone: (+47) 37 40 40 00
Fax: (+47) 37 40 40 99

Sevan Marine - Oslo

Verkstedveien 3
0277 Oslo
NORWAY

Phone: (+47) 91 70 40 00
Fax: (+47) 37 40 40 99

Sevan Marine - Singapore

435 Orchard Road
Level 11, Wisma Atria
SINGAPORE 238877

Phone: (+65) 68 38 05 75
Fax: (+65) 68 36 78 86

KANFA Group

Nye Vakås vei 80
1395 Hvalstad
NORWAY

Phone: (+47) 64 00 18 00
Fax: (+47) 64 00 18 01