



First quarter 2018



Highlights

(Figures in brackets relate to previous period. The figures are unaudited.)

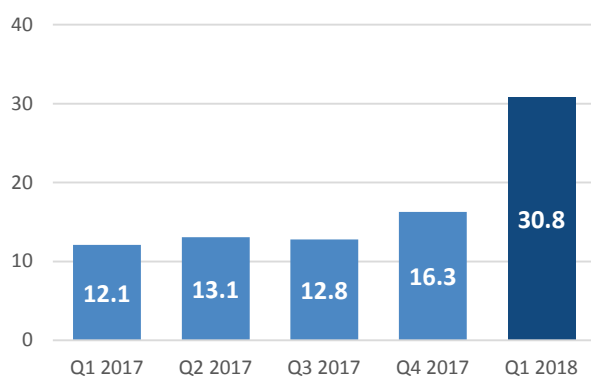
- Adjusted EBITDA, excluding one-off items, was NOK 15.6 million, an improvement from negative NOK -4.0 million in the fourth quarter.
- Operating revenue was NOK 30.8 million in the first quarter, up from NOK 16.3 million in the fourth quarter 2017. The increase was due to Penguins and Dana Western Isles revenue of NOK 27.5 in the first quarter, up from 3.2 million in the fourth quarter 2017.
- Operating costs, including one-off items, decreased by NOK 3.9 million compared to fourth quarter 2017 to NOK 18.6 million. Excluding one-off items, operating costs in the quarter were reduced by NOK 5.2 million to NOK 15.2 million (NOK 20.4 million).
- Dana Western Isles started production in November 2017. Sevan Marine is entitled to USD 0.5 per barrel produced and offloaded. The related revenue for Q1 2018 was NOK 6.8 million.
- Sevan Marine is in a solid financial position. The company has no interest bearing debt, is in a net cash position of NOK 208.7 million as of Q1 2018 and has an equity ratio of 86 percent.
- The board has recommended to return NOK 0.50 per share to shareholders. A reduction in share capital will be proposed at the upcoming annual general meeting to be held on May, 24 2018. The board will also consider future dividends or share capital reductions depending upon the financial performance and future cash flow development of the Company.

Key figures

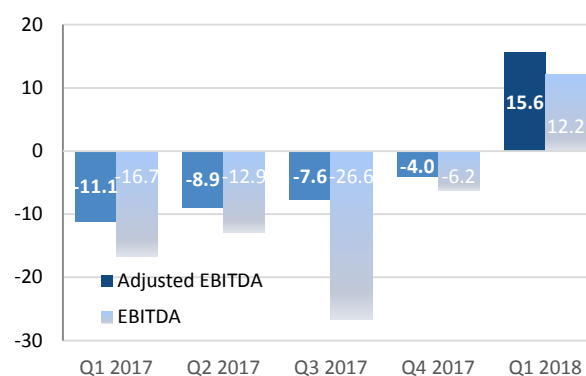
NOK million	Q1 18	Q4 17	Q1 17	2017
Revenues	30.8	16.3	12.1	54.3
EBITDA	12.2	-6.2	-16.7	-62.3
Net Profit	12.8	-8.5	-11.9	-23.7
EPS (NOK)	0.24	-0.16	-0.23	-0.45
Operating cost, excluding one-off items *	-15.2	-20.4	-23.1	-85.9
Adjusted EBITDA *	15.6	-4.0	-11.1	-31.6
Cash and cash eq.	208.7	197.5	152.3	197.5
Equity ratio (%)	86 %	83 %	66 %	83 %
Number of shares outstanding	52.6	52.6	52.6	52.6
Number of employees	31	32	34	32

* See definition of Alternative Performance Measures in Note 1.

Revenue, NOK million



EBITDA, NOK million



Operational review

Existing projects

The final investment decision regarding the Shell Penguins Redevelopment project was taken in January 2018. Sevan Marine received payment for the first milestone of USD 2.625 million (NOK 20.7 million) under the license agreement in Q1 2018. Further payments under the license agreement are subject to three milestones; completion, start-up and successful production of the unit. Sevan Marine will also provide engineering services during the construction of the unit. Future revenue from the project, including license income, is expected to be in the range of USD 17 to 18 million over the coming 3 to 5 years.

The Dana Western Isles unit successfully started production in November 2017. Sevan Marine is entitled to a variable license fee of USD 0.50 per barrel produced and offloaded from the unit. The associated license income for the first quarter 2018 was NOK 6.8 million as commissioning and start-up activities continued.

Excluding the Shell Penguins and Dana Western Isles income, revenue for Q1 was disappointing. Engineering service income fell from NOK 13.1 million in Q4 2017 to NOK 3.4 million in Q1 2018. This was driven by the completion of several projects in December 2017, for example Shell Penguins pre-EPC engineering, Dana Western Isles, ENI and other smaller studies. This was combined with a delay in the start-up of expected new projects, including new phases of work for Dana, ENI and the Shell Penguins project as well as other key prospects.

As a result of the low workload, Sevan Marine carried out a further headcount reduction in late Q1 2018 with a focus on reducing overhead and administrative costs.

Prospective projects and new developments

Sevan Marine continues to market its cost effective, cylindrical design for various projects in the UK sector of the North Sea, Norwegian Barents Sea and Australia.

Sevan Marine has carried out various paid and unpaid, early phase concept studies in relation to these potential developments in the past and remains well placed to win work in future development phases which are expected to begin in late 2018 / early 2019.

Sevan Marine has also received renewed and positive interest from oil majors and large industrial players regarding its deepwater, steel catenary riser concept, floating power distribution hub and new harsh environment drilling concept. Sevan Marine intends to carry out further development work on these concepts in 2018.

Sevan Marine's subsidiary HiLoad LNG continued the marketing and development of both the HiLoad LNG offloading system for FLNG and the Floating Regas Dock ("FRD") for small scale.

Subsequent developments

Sevan Marine was informed in May 2018 that the Norwegian authority for investigation and prosecution of economic and environmental crime ("ØKOKRIM") concluded its investigation. ØKOKRIM has dismissed the case into potential corruption involving contracts awarded to Sevan Marine in Brazil in the period 2005 to 2008.

Sevan Marine has at no stage been charged and has fully cooperated with ØKOKRIM.

Financial review

Results for the quarter

Operating revenue for the first quarter 2018 was NOK 30.8 million, up from NOK 16.3 million the previous quarter. EBITDA was positive NOK 12.2 million (negative NOK 6.2 million) and net profit was NOK 12.8 million (loss of NOK 8.5 million). EBITDA was positively impacted by the Penguins License and the Dana Western Isles royalty of NOK 27.5 million in the quarter (NOK 3.2). Net profit was positively impacted by currency exchange effects of NOK 0.2 million.

Cash Flow

As of 31 March 2018, cash and cash equivalents amounted to NOK 208.7 million compared to NOK 197.5 million in the fourth quarter. The positive cash flow in the quarter of NOK 11.2 million is mainly related to payment of the Penguins License and the Dana Western Isles royalty, partly offset by negative cash flow from operations.

Logitel Offshore

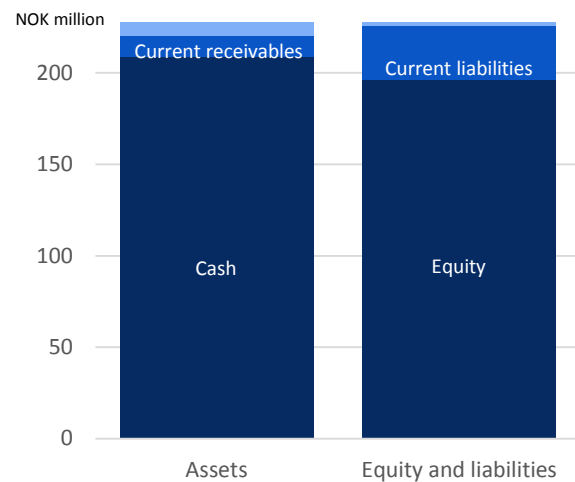
We refer to the earnings release in the second quarter of 2016 and comments made regarding the circumstances surrounding the legality and potential claims in relation to the Logitel Offshore Agreements.

The Oslo District Court ruled against Sevan Marine ASA's subsidiary Sevan Holding V AS in relation to the USD 60 million loan granted to Logitel Offshore Pte Ltd. The ruling has been appealed. The appeal date has been set for September 2019.

Financial position

The equity ratio was 86 percent as of 31 March 2018.

Balance sheet composition 31 March 2018:



Risk and uncertainty factors

Sevan Marine is exposed to market risk, credit risk, currency risk and liquidity risk. The company's overall risk management program focuses on the uncertainty of financial markets and seeks to minimize potential adverse effects on the company's financial performance.

Sevan Marine's major customers are typically oil companies with a strong financial basis, but, as with suppliers and customers in general, there is a risk that unforeseen financial difficulties on the counterparty's side may arise which could have material adverse effects on the financial condition, the cash flows and/or the prospects of Sevan Marine.

The exposure to the oil and gas market also means that the company is subject to the market risk of declining work and price pressure. The company is also subject to field development and reservoir risk in situations where the license fee is tied to production.

The outcome of the Logitel bond loan case and the timing or ability to recover any award remains highly uncertain. Despite Sevan Marine's belief that the appeal will be successful, there remains material uncertainty regarding both the amount and timing of any potential payments in relation to this case.

Sevan Marine ASA was informed during third quarter 2017 that Sembmarine SSP Inc. and Jurong Shipyard Pte Ltd have initiated patent infringement proceedings against Sevan Marine ASA as well as Sevan Drilling Ltd and Sevan Drilling North America LLC in the Southern District Court of Texas in relation to the U.S. Patent No. 9,266,587. Sevan Marine believes the case is without merit and will vigorously defend it. The plaintiffs have not yet quantified their claim for damages. Sevan Marine does not believe that this will result in any material negative consequences with respect to either existing or future uses of the Sevan technology. Sevan Marine was formally served the lawsuit during the fourth quarter 2017 and will incur legal costs during the coming quarters to defend the case.

Outlook

Q1 2018 is the first positive EBITDA quarter for Sevan Marine in over three years. Over the past quarters, Sevan Marine has dramatically reduced its cost base, resolved numerous legacy issues and secured income for 2018 and beyond. This has been a great achievement.

Sevan Marine is optimistic that it can win further early phase study work in 2018 with respect to key prospects in the North Sea, Barents Sea and/or Australia. This is despite many key prospects being delayed at the end of 2017 and a low workload in the first quarter of 2018.

Sevan Marine also expects its underlying operating costs to decrease further in late 2018 as the result of further headcount reductions and overhead cost reductions. One-off legal costs associated with the patent infringement case in the U.S. and the ongoing Logitel dispute will, however, continue to weigh negatively on overall results.

Operating profit in Sevan Marine may vary in the coming quarters depending upon services provided and the level of revenue related to Dana Western Isles. Sevan Marine is confident that given its cost effective solutions, improved revenue base, reduced costs, solid cash position and strong balance sheet, it has the resources and ability to deliver profitability and grow in the future.

Capital reduction

The board of Sevan Marine will propose to the Annual General Meeting (AGM) on May, 24 2018 to return NOK 0.50 per share to shareholders. The payment will be in the form of a reduction in share capital, instead of a dividend. The board will consider future dividends depending on the financial performance and future cash flow development of the company.

About Sevan Marine

Sevan Marine is a technology, design and engineering company. The company is developing, designing and delivering cost effective offshore solutions based on its unique cylindrical hull design and the HiLoad LNG offloading and regas technologies.

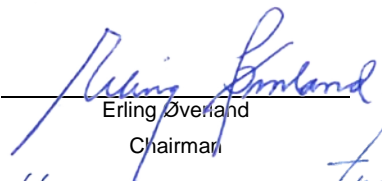
Sevan Marine is focusing its efforts on independently developing, marketing and supporting projects based on its designs and engineering competence. In doing such, the company is seeking to work with industry leading partners to further promote and develop its designs, concepts and services.

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 well understood. Amongst these are lower operating costs, favorable motion characteristics, high deck load capacity, large storage space and substantially lower construction cost compared with alternatives where a turret is needed.

The HiLoad LNG offloading and regas technology is an innovative solution allowing direct loading, offloading and regasification of LNG, minimizing major capital investments.

Oslo, May 22, 2018

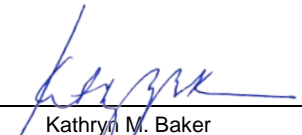
The Board of Directors of Sevan Marine ASA

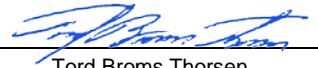



Erling Overland
Chairman

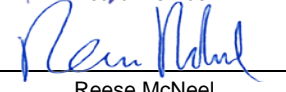
Peter Lytzen
Board Member

Ingvild Sæther
Board Member

Torstein Sanness
Board Member

Kathryn M. Baker
Board Member

Tord Broms Thorsen
Employee Representative

Line Bliksmark
Employee Representative

Reese McNeel
CEO

Interim financial statements (IFRS)

Condensed consolidated income statement

<i>NOK million</i>	Note	Q1 18	Q4 17	Q1 17	2017
Continued operations					
Operating revenue	4	30.8	16.3	12.1	54.3
Operating expense		-18.6	-22.6	-28.7	-116.6
EBITDA		12.2	-6.2	-16.7	-62.3
Depreciation, amortization and impairment		-0.4	-0.5	-0.6	-2.2
Operating profit/(loss)		11.8	-6.7	-17.3	-64.6
Financial income/(expense)		0.8	0.8	7.3	11.5
FX gain/(loss)		0.2	4.0	-2.0	-3.4
Net financial items		1.0	4.8	5.3	8.1
Profit/(loss) before tax		12.8	-2.0	-11.9	-56.5
Tax income/(expense)		0.0	-6.5	0.0	32.8
Net profit/(loss) continued operations		12.8	-8.5	-11.9	-23.7
Discontinued operations					
Disposed group classified as held for sale		0.0	0.0	-2.5	-10.1
Net profit/(loss) discontinued operations		0.0	0.0	-2.5	-10.1
Net profit/(loss)		12.8	-8.5	-14.4	-33.8

Statement of comprehensive income

<i>NOK million</i>	Q1 18	Q4 17	Q1 17	2017
Net profit/(loss)	12.8	-8.5	-14.4	-33.8
Foreign currency translation	-0.7	-1.0	0.0	-1.0
Other changes	-0.2	-0.1	0.0	-0.1
Total comprehensive income	11.9	-9.6	-14.4	-34.9

Condensed statement of financial position

<i>NOK million</i>	Note	31.03.18	31.03.17	31.12.17
Fixed assets		0.1	1.2	0.1
Intangible assets		3.9	5.5	4.3
Other non-current assets	3	3.2	46.4	3.2
Total non-current assets		7.2	53.1	7.6
Trade and other receivables	3	11.8	24.6	16.1
Cash and cash equivalents		208.7	152.3	197.5
Total current assets		220.5	176.9	213.6
Assets held for sale			81.7	
Total assets		227.7	311.8	221.2
Share capital	2	210.4	210.4	210.4
Other equity		-14.5	-12.9	-26.7
Total shareholders' equity		196.0	197.5	183.7
Non-controlling interest		0.2	7.0	0.3
Total equity		196.2	204.5	184.0
Retirement benefit obligations		0.0	4.2	0.0
Other non-current liabilities		2.2	0.0	2.3
Total non current liabilities		2.2	4.2	2.3
Current liabilities		29.4	29.8	34.9
Total current liabilities		29.4	29.8	34.9
Total liabilities		31.5	34.0	37.1
Liabilities held for sale			73.2	
Total equity and liabilities		227.7	311.8	221.2

Condensed statement of changes in equity

<i>NOK million</i>	Share capital	Share premium	Other equity	Non-controlling interest	Total equity
Equity as of January 1, 2018	210.4	0.0	-26.7	0.3	184.0
Share-based payments			0.3		0.3
Total comprehensive income for the period			12.0	-0.1	11.9
Equity as of March 31, 2018	210.4	0.0	-14.5	0.2	196.2

<i>NOK million</i>	Share capital	Share premium	Other equity	Non-controlling interest	Total Equity
Equity as of January 1, 2017	210.4	122.9	-123.6	9.2	218.9
Reclassification share premium		-122.9	122.9		0.0
Total comprehensive income for the period			110.7	-2.2	-14.4
Equity as of March 31, 2017	210.4	0.0	-12.9	7.0	204.5

Condensed statement of cash flow

<i>NOK million</i>	Q1 18	Q4 17	Q1 17	2017
Cash flows from operating activities				
Cash from operations	11.2	35.8	-61.6	-49.7
Taxes paid/repaid	0.0	0.0	0.0	31.7
Net cash generated from continued operating activities	11.2	35.8	-61.6	-18.0
Net cash generated from discontinued operating activities	0.0	0.0	11.8	25.1
Net cash generated from operating activities	11.2	35.8	-49.9	7.1
Cash flows from investment activities				
Sale of shares KANFA AS	0.0	0.0	0.0	0.9
Sale of fixed assets	0.0	0.1	0.0	0.7
Net cash from continued investment activities	0.0	0.1	0.0	1.6
Net cash from discontinued investment activities *	0.0	0.0	0.0	-37.1
Net cash from investment activities	0.0	0.1	0.0	-35.5
Cash flows from financing activities				
Dividends paid	0.0	0.0	0.0	0.0
Net cash from continued financing activities	0.0	0.0	0.0	0.0
Net cash from discontinued financing activities	0.0	0.0	0.0	0.0
Net cash from financing activities	0.0	0.0	0.0	0.0
Net cash flow for the period - continued activities	11.2	35.9	-61.6	-16.5
Net cash flow for the period - discontinued activities	0.0	0.0	11.8	-12.0
Cash balance at beginning of period	197.5	161.6	225.9	225.9
Cash balance at end of period	208.7	197.5	176.0	197.5
Cash balance at end of period continued operations	208.7	197.5	152.3	197.5
Cash balance at end of period discontinued operations	0.0	0.0	23.7	0.0

* Reflects the cash position in KANFA Group before deconsolidation.

Selected notes to the quarterly financial statements

1. General information and accounting policies

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 company and the company's interests in associated companies.

The company 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 2017.

The European Securities and Markets Authority (ESMA) issued guidelines on Alternative Performance Measures ("APMs") that came into force on 3 July 2016. Sevan Marine has defined and explained the purpose of the following APMs:

Operating cost, excluding one-off items: Management believes that "Operating cost, excluding one-off items" which excludes cost or cost reductions that arise from circumstances other than operation is a useful measure because it provides an indication of the company's operating cost base for the period without regard to significant historical and non-operational events that are expected to occur less frequently.

Adjusted EBITDA: Management believes that "Adjusted EBITDA" which excludes "one-off items" is a useful measure because it provides an indication of the profitability of the company's operating activities for the period without regard to significant historical and non-operational events that are expected to occur less frequently.

In June 2017 Sevan Marine ASA sold the remaining shares in KANFA AS to Technip Norge AS. The KANFA AS Group was the remaining part of Sevan Marine's Topside and Process Technology segment presented as discontinued operations. As Sevan Marine now is left with one segment, Floating Production, the segment note will not be part of the quarterly reporting.

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, 2017.

The Company has implemented IFRS 9 and 15 as of January 01, 2018. There have been no significant changes to the Company's financial statements as a result of these new accounting standards.

2. Shareholder structure

20 largest shareholder accounts May 16, 2018 (source: VPS)	No. of shares	%-share
TEEKAY SERVICE HOLDI	22,893,631	43.52
SPAREBANK 1 MARKETS	4,116,987	7.83
SKANDINAVISKA ENSKIL	1,763,975	3.35
MATHIAS HOLDING AS PER MATHIAS AARSKOG	1,700,000	3.23
F2 FUNDS AS	1,533,322	2.91
KING KONG INVEST AS v/ Trond Myhre	1,250,000	2.38
SUNDT AS	1,142,486	2.17
DnB NOR MARKETS, AKS DNB Bank ASA	994,916	1.89
MP PEN SJON PK	837,584	1.59
HORTULAN AS	806,327	1.53
ANDENERGY AS	804,326	1.53
INVESCO PERP EURAN S BNY MELLON SA/NV	765,804	1.46
Citibank, N.A. S/A NATIONAL FINANCI	750,421	1.43
BAKLIEN ÅSMUND	700,000	1.33
BEKKESTUA EIENDOM AS	560,000	1.06
ALTEA PROPERTY DEVEL	500,828	0.95
SVENSKA HANDELSBANKE	493,000	0.94
SIX SIS AG 25PCT ACCOUNT	460,539	0.88
GRANLUND HOLDING AS	427,201	0.81
INVESCO FUNDS BNY MELLON SA/NV	419,109	0.80
Total, 20 largest shareholders	42,920,456	81.59
Other shareholder accounts	9,686,543	18.41
Total no of shares	52,606,999	100.00
Foreign ownership	26,852,041	51.04

3. Transactions with related parties

NOK million	Q1 18	Q4 17	Q1 17	2017
Sales to related parties				
Sales to Teekay	0.3	3.1	0.1	3.5
Purchase from related parties				
Purchase from Arendal Brygge	1.3	1.2	1.3	4.8
Receivable from related parties				
Receivable from Logitel Offshore	0.0	0.0	51.3	0.0
Receivable from Teekay	0.2	0.2	0.0	0.2
Receivable from Arendal Brygge	4.6	5.0	5.0	5.0

4. Operating revenue

NOK million	Q1 18	Q4 17	Q1 17	2017
Engineering revenue	3.4	13.1	12.1	51.1
License revenue	27.5	3.2	-	3.2
Operating revenue	30.8	16.3	12.1	54.3