

SOF: *REPORT* 1ST QUARTER 2002

- Revenues for the 1st quarter was NOK 234 mill
- Operating profit before depreciation was NOK 132 mill, an increase of 100%
- Operating profit after depreciation (EBIT) was NOK 88 mill compared to NOK 33 mill the same period last year.
- Profit before tax after 3 months was NOK 83 mill, an increase of 137% from the same period last year.

Overview over main figures for the Group (for complete figures, see attachment):

Profit and Loss Accounts	1. quarter 2002	1. quarter 2001	Total 2001
Operating revenues	234	152	881
Operating expenses	102	87	381
Ordinary depreciation	45	32	144
Operating result	88	33	356
Income from inv. in associated companies	4	2	7
Other Financial Items	-8	-1	-18
Result before taxes	83	35	344
Taxes	2	0	16
Result	81	35	328
No. of shares (mill)	35,2	35,6	35,5
Earnings per share (NOK)	2,30	0,98	9,25

Balance Sheet	31.03.2002	31.03.2001	31.12.2001
Fixed Assets (1)	3.106	2.056	2.859
Current Assets	683	314	647
Total Assets	3.789	2.370	3.506
Equity incl. minority interests	1.515	1.250	1.428
Long-term debt	2.059	1.022	1.875
Current Liabilities	215	98	203
Total Equity and Liabilities	3.789	2.370	3.506
(1) Hereof restricted bank deposits	159	162	164

Report per segment

(NOK mill.)	1. quarter 2002	Cable 1. quarter 2001	Total 2001
Total operating revenues	55	0	81
Operating result	28	0	34

(NOK mill.)	1. quarter 2002	Offshore 1. quarter 2001	Total 2001
Total operating revenues	179	152	797
Operating result	60	33	322

Economy and Finance

The increased income compared to the same period last year, is mainly due to improved utilization/higher earnings, and that the fleet is increased with 3 newbuildings.

The quarter's cash flow from operation (EBITA) reached NOK 128 mill, which is NOK 63 mill higher than the previous year.

Both the USD and GBP has impaired against NOK during the quarter. NOK 7 mill has been booked as currency gain hereof NOK 24 mill as unrealized currency gain on the Group's currency debt.

The Company's net debt at the expiry of 1st quarter was NOK 1.326 mill, which is an increase of NOK 178 mill since year-end.

The Group's long-term vessel debt per 31.3.02 was booked at NOK 1.935 mill and apportioned by 32% GBP, 54% USD and 14% NOK. The currency risk is hedged by keeping freight agreements and bank deposits in the same currency as the associated obligations. In connection with taking over the newbuilding "Normand Ivan" in March 2002, the long-term vessel debt increased with approx. NOK 225 mill. The Group has entered a 6-year interest hedging agreement for approx. 20% of the USD debt.

Booked equity at the expiry of 1st quarter 2002 was NOK 1.515 mill, which is NOK 43,- per share. The Company has not obtained statement of value for the vessels at the end of the quarter (is done per 30.6 and 31.12). At last year-end the value adjusted equity before tax per share was NOK 80,-.

At the expiry of March the contract coverage for the Group's fleet is approx. 75% (inclusive options approx. 83%) based on number of days remaining in 2002. For 2003 the coverage is approx. 43% and 52% respectively. If the Group does not enter any new long-term contracts, it will have approx. 3 offshore vessels in the spot market in the 2nd quarter. The Company's two vessels within the laying and maintenance of fibreoptic cable, is on contracts until 2004.

The quarterly accounts have been prepared in accordance with the same accounting principles as the previous annual accounts and is in accordance with preliminary Norwegian accounting standards.

The Market

Still a good demand for modern tonnage outside the North Sea contributed to 90% utilization of the North Sea fleet in the 1st quarter, which is within the same quarter last year. It was expected that the market would tighten in March/April. This has only partly happened. It is still expected that the market will improve hereafter.

Based on a stabile oil price of USD 20-25, the Company does not expect on a long-term basis that the numbers of newbuildings added to the market will have any material effect on the market.

The Market for vessel for laying and maintenance of fibre optic cable at the sea is still very weak. The improvement is depending on an improved world economy. This improvement is more likely now than for a short time back.

The Fleet

From the offices in Skudeneshavn and Aberdeen the Company is managing 23 vessels. For the time being 3 of the vessels is operated on the Brazilian continental shelf, 2 in the Gulf of Mexico, 1 in West-Africa, 1 in the Black Sea, 1 in Caribbean, whilst 15 remaining vessels are operating in the North Sea.

In March 2002 the “Normand Ivan” was delivered from Flekkefjord Slipp & Maskinfabrikk AS. The Company has pr 31.3.02 one 100% owned and four partly owned vessels under construction to be delivered the next 11 months.

In addition NorSkan Offshore Ltda (Brazilian company owned 50/50 together with DOF ASA) got their first ship delivered in March 2002. The ship, which is constructed at a Brazilian shipyard, went directly from delivery to at 8 years contract with Petrobras. Besides NorSkan Offshore Ltda have two platform vessels under construction in Brazil with planned delivery in July 2003 and February 2004, respectively.

Issues relating to the Company and its Shareholders

The annual General Meeting resolved today payment of dividend of NOK 2,- per share for 2001. Owners of shares per 13.05.02 will receive dividend, which will be paid 30.05.02.

The following 2 Directors were re-elected for a 2-year period: Tor Edv. Hestvik and Per Gunnar Solstad. Lawyer Harald Eikesdal was elected as a new Member of the Board.

Furthermore the AGM resolved to renew the Director's power of attorney to increase the share capital by up to NOK 4.280.000,- by means of new subscription limited to 2.140.000 shares each of NOK 2,-

The Directors were also granted power of attorney to acquire treasury shares to a total face value limited to NOK 7.158.832,- i.e. up to 10% of the share capital.

All power of attorney is in force until the Annual General Meeting in 2003.

Lars Peder Solstad and Sven Stakkestad will from 1. July 2002 take over as Managing Director and Deputy-managing Director in Solstad Offshore ASA. Johannes Solstad and Per Gunnar Solstad will from that date go out of the administration but continue as Members of the Board.

Skudeneshavn 13.05.02

The Board of Directors of Solstad Offshore ASA

Contacts in Solstad Shipping AS: Lars Peder Solstad or Sven Stakkestad (Phone + 47 52 85 65 00)

SOLSTAD OFFSHORE ASA

Profit and loss accounts

(NOK mill.)	2002 01.01-31.03	2001 01.01-31.03	2001 Totalt
Total operating revenues	234	152	881
Crew expenses	-70	-54	-235
Other operating expenses	-32	-33	-146
Operating result before depreciations	132	65	500
Ordinary depreciation	-36	-26	-118
Depreciation balance booked periodic maintenance	-8	-6	-26
Operating result	88	33	356
Income from investment in associated	4	2	7
Other interest income	6	5	23
Other financial income	0	0	18
Unrealised currency gain/loss	24	15	11
Other interest charges	-20	-15	-70
Other financial charges	-18	-6	0
Ordinary result before taxes	83	35	344
Taxes ordinary result	-2	0	-16
Result	81	35	328
Hereof minority share	6	0	19
Hereof majority share	75	35	310
Earnings per share	2,30	0,98	9,25

Cashflow statements

(NOK mill.)	2002 01.01-31.03	2001 01.01-31.03	2001 Totalt
Cash flow from operational activities	86	88	565
Cash flow from investment activities	-295	-84	-994
Cash flow from financing activities	224	-7	648
Net movement in cash and cash equivalents	15	-3	219
Cash and cash equivalents per 01.01	435	216	216
Cash and cash equivalents per end period	450	212	435

Report per segment

Kabel			
(NOK mill.)	2002 01.01-31.03	2001 01.01-31.03	2001 Totalt
Total operating revenues	55	0	81
Operating result	28	0	34
Offshore			
(NOK mill.)	2002 01.01-31.03	2001 01.01-31.03	2001 Totalt
Total operating revenues	179	152	797
Operating result	60	33	322

SOLSTAD OFFSHORE ASA

Balance sheets

(NOK mill.)	2002 31.03	2001 31.03	2001 31.12
ASSETS			
Fixed assets			
Intangible fixed assets	12	12	11
Tangible fixed assets	2.801	1.825	2.564
Financial fixed assets	294	219	285
Total fixed assets	3.106	2.056	2.859
Current assets			
Stocks	12	8	8
Receivables	221	94	204
Deposits, cash etc.	450	212	435
Total current assets	683	314	647
TOTAL ASSETS	3.789	2.370	3.506
EQUITY AND LIABILITIES			
Equity			
Paid-in equity	99	76	82
Retained equity	1.359	1.119	1.301
Minority interests	57	56	45
Total equity	1.515	1.250	1.428
Debt			
Long-term provisions	124	5	129
Debt to credit institutions/leasing obligations	1.935	1.017	1.746
Total long-term debt	2.059	1.021	1.875
Current liabilities	215	98	203
Total liabilities	2.274	1.120	2.078
TOTAL EQUITY AND LIABILITIES	3.789	2.370	3.506

Changes in equity

(NOK mill.)	2002 31.03	2001 31.03	2001 Totalt
Equity per 01.01	1.428	1.200	1.200
Paid in minority share	6	15	39
Paid out minority share	0	0	-53
Buy-back and sale treasury shares	0	0	-15
Result	81	35	257
Total equity end period	1.515	1.250	1.428