



SOFF: REPORT PR. 3RD QUARTER 2002

- The revenues for the year's first 3 quarters reached NOK 714 mill, an increase of 13 % compared to the same period last year.
- Operating profit after depreciation (EBIT) per 30.09.02 was NOK 248 mill compared to 256 mill last year.
- Profit pre tax per 30.09.02 was NOK 283 mill, an increase of 19% from the same period last year.
- For the 3rd quarter, the operating revenues reached NOK 237 mill, whilst profit pre tax was NOK 87 mill.

Profit and Loss Accounts		01.07-30.09 2002	01.07-30.09 2001	1.1-30.9 2002	1.1-30.9 2001	Total 2001
Operating revenue		237	260	714	633	881
Operating expenses		105	88	318	272	381
Ordinary depreciation		53	38	148	103	144
Operating profit		79	134	248	256	356
Result associated companies		8	5	18	10	7
Other Financial Items		0	-16	16	-29	-18
Result before taxes		87	123	283	237	344
Taxes		4	4	9	7	16
Result after taxes		83	119	274	230	328
No. of shares (mill)		35,2	35,3	35,2	35,3	35,5
Earnings per share (NOK)		2,36	3,37	7,79	6,53	9,25
Balance Sheet				30.09.2002	30.09.2001	31.12.2001
Fixed Assets	(1)			3.721	2.385	2.859
Current Assets				622	556	647
Total Assets				4.343	2.941	3.506
Equity incl. minority interests				1.793	1.407	1.428
Long-term debt				2.424	1.428	1.875
Current Liabilities				126	106	203
				4.343	2.941	3.506
(1) Hereof restricted bank deposits				151	162	164
Report per segment						
				Cable		
		01.07-30.09 2002	01.07-30.09 2001	01.01-30.09 2002	01.01-30.09 2001	Total 2001
(NOK mill.)						
Total operating revenues		48	29	153	36	84
Operating result		21	15	73	17	34
				Offshore		
		01.07-30.09 2002	01.07-30.09 2001	01.01-30.09 2002	01.01-30.09 2001	Total 2001
(NOK mill.)						
Total operating revenues		189	231	561	597	797
Operating result		58	119	175	239	322

Economy and finance

During the first 3 quarters of the year, the operating revenues increased by NOK 81 mill compared to the same period last year. This may mainly be subscribed to the expansion of the Company's fleet. Reduced rate levels in the spot market during 2nd and 3rd quarter together with the weakened USD and GBP rates against the NOK have affected the operating revenues negatively. Both the turnover of NOK 237 and operating result of NOK 79 mill for the 3rd quarter, were similar to the previous quarter where the corresponding figures were NOK 243 and NOK 81 mill respectively.

Cash flow from operations (EBITDA) for the first 3 quarters of the year was NOK 381 mill, which is an increase of NOK 27 mill compared to the previous year. EBITDA for the 3rd quarter solely was NOK 128 mill.

NOK 58 mill has been charged to income as net currency gain associated with the Group's currency debt in USD and GBP adjusted for deposits and contracts in the same currencies. Unrealized currency gain was NOK 133 mill.

The Company's net interest bearing debt by expiry of the 3rd quarter 2002 was NOK 1.761 mill. The increase during the quarter was NOK 191 mill and may mainly be subscribed to increase of debt associated with delivery of the Normand Mariner.

Interest bearing long-term vessel debt pr. 30.09.02 was NOK 2.309 mill, apportioned by 26% GBP, 55% USD and 19% NOK. The Group seeks extensively to reduce the currency debt by having deposits and income in the respective foreign currency. Long-term interest hedging agreements have presently been entered for approx. 41% of the USD debt.

Booked equity per 30.09.02 was NOK 1.793 mill; approx. NOK 51 pr share. The Company has not requested valuation of the fleet pr. 30.09.02. Based on brokers valuations pr. 30.06.02 (vessels without contracts) the value adjusted equity pre tax is NOK 83,- pr. share.

At expiry of October, the Group's fleet had contract coverage of approx. 83 % for the remaining part of 2002 based on number of days. Including options the respective figure is approx. 85%. For 2003 the coverage is approx. 44% and 55% accordingly. As the case was during 3rd quarter, the Company expects to have an average of approx. 4 offshore service vessels in the spot market during the 4th quarter.

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

The Market

The market development for offshore service vessels in the North Sea during 3rd quarter was as expected. The weaker utilization levels during 2nd quarter continued during 3rd quarter. A number, approx. 45 newbuildings have been delivered year to date. Simultaneously, the fleet of larger PSVs and AHTS in the North Sea has not been increased, as this type of tonnage has been awarded contracts elsewhere.

So far into 4th quarter, the fleet utilization has improved compared to previous months. The Company expects fluctuations in the rates from the North Sea market during the winter. The demand in other significant geographical markets is expected to remain strong.

For 2003, the Company assumes that the summer season in the North Sea will be somewhat improved from this year in spite of the political signs of reduced activity. The greatest expectations are, however, still associated with areas to the likes of the Mediterranean, West Africa, Brazil, the Gulf of Mexico and Australia/Asia. In addition to more likeliness for successful explorations, improved conditions and lower costs for offshore activity contributes to make these areas more attractive for investments compared to the Norwegian and British sector. The uncertainty associated with the

development of the oil price is always present, however if it remain at the current level, the basis for high activity in the offshore sector for the foreseeable future years is present.

The market for vessels used for laying and maintaining of fiber optic cable has remained weak during the past quarter.

There is a large uncertainty regarding the political conditions for the maritime industry. These have to be improved enable us to compete on the same conditions as the foreign operators.

The Fleet

From offices in Skudeneshavn and Aberdeen, the Company operates a total of 26 vessels, whereof 3 are currently operated on the Brazilian continental shelf, 2 in Mexico/US Gulf, 1 in West Africa, 1 in the Caribbean and the remaining 19 in the North Sea area. Additionally, the 50% owned Brazilian company, NorSkan Offshore Ltda operates 1 vessel in Brazil. In 4th qtr 2002/1st quarter 2003 further 2 vessels will leave the North Sea area for a shorter time of period.

In August 2002, the newbuildings Normand Mariner and Normand Flower were delivered from their respective yards. The first mentioned newbuilding is a large anchor handling vessel (AHTS) with bollard pull of 282 tons, whilst the other is a vessel designed primarily for work in the subsea segment. Normand Mariner is owned by a subsidiary where the Company owns 51%. Normand Flower is owned by an associated company where Solstad owns 50%.

Solstad Offshore ASA has currently 1 wholly owned Platform Supply Vessel (PSV) and one partly owned AHTS under construction with delivery at the turn of the year and in March 2003 respectively. In addition, NorSkan Offshore Ltda has 2 PSVs under construction in Brazil due for delivery in July 2003 and February 2004 respectively.

Issues related to the Company and its shareholders

During the first 9 months of the year, turnover of the share has been at quotations between NOK 31 and NOK 47. Pr. 08.11.02, the Company had approx. 1.700 shareholders.

Skudeneshavn 12.11.02.

Solstad Offshore ASA

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SOLSTAD OFFSHORE ASA

Profit and loss accounts

(NOK mill.)	2002 01.07-30.09	2001 01.07-30.09	2002 01.01-30.09	2001 01.01-30.09	2001 Total
Total operating revenues	237	260	714	633	881
Crew expenses	-71	-57	-212	-166	-235
Other operating expenses	-33	-30	-106	-106	-146
Operating result before depreciations	133	172	396	359	500
Ordinary depreciation	-43	-31	-120	-84	-118
Depreciation balance booked periodic maintenance	-10	-7	-28	-19	-26
Operating result	79	134	248	256	356
Income from investment in associated	8	5	18	10	7
Other interest income	3	5	14	15	23
Other financial income	6	0	0	0	18
Unrealised currency gain/loss	6	-2	133	10	11
Other interest charges	-15	-18	-56	-49	-70
Other financial charges	0	-1	-75	-6	0
Ordinary result before taxes	87	123	283	237	344
Taxes ordinary result	-4	-4	-9	-7	-16
Result	83	119	274	230	328
Hereof minority share	7	0	17	4	19
Hereof majority share	76	119	257	226	310
Earnings per share	2,36	3,34	7,79	6,53	9,25

Cashflow statements

(NOK mill.)	2002 01.07-30.09	2001 01.07-30.09	2002 01.01-30.09	2001 01.01-30.09	2001 Total
Cash flow from operational activities	104	128	262	258	565
Cash flow from investment activities	-321	-73	-1.012	-513	-994
Cash flow from financing activities	266	2	713	352	648
Net movement in cash and cash equivalents	49	57	-37	97	219
Cash and cash equivalents per 01.01	349	256	435	216	216
Cash and cash equivalents per end period	398	313	398	313	435

Report per segment

(NOK mill.)	Cable				
	2002 01.07-30.09	2001 01.07-30.09	2002 01.01-30.09	2001 01.01-30.09	2001 Total
Total operating revenues	48	29	153	36	84
Operating result	21	15	73	17	34
(NOK mill.)	Offshore				
	2002 01.07-30.09	2001 01.07-30.09	2002 01.01-30.09	2001 01.01-30.09	2001 Total
Total operating revenues	189	231	561	597	797
Operating result	58	119	175	239	322

SOLSTAD OFFSHORE ASA

Balance sheets

(NOK mill.)			2002 30.09	2001 30.09	2001 31.12
ASSETS					
Fixed assets					
Intangible fixed assets			12	11	11
Tangible fixed assets			3.397	2.122	2.564
Financial fixed assets			312	251	285
Total fixed assets			3.721	2.385	2.859
Current assets					
Stocks			12	6	8
Receivables			212	238	204
Deposits, cash etc.			398	313	435
Total current assets			622	556	647
TOTAL ASSETS			4.343	2.941	3.506
EQUITY AND LIABILITIES					
Equity					
Paid-in equity			82	82	82
Retained equity			1.559	1.291	1.301
Minority interests			152	34	45
Total equity			1.793	1.407	1.428
Debt					
Long-term provisions			114	64	129
Debt to credit institutions/leasing obligations			2.309	1.364	1.746
Total long-term debt			2.424	1.428	1.875
Current liabilities			126	106	203
Total liabilities			2.550	1.534	2.078
TOTAL EQUITY AND LIABILITIES			4.343	2.941	3.506

Changes in equity

(NOK mill.)			2002 30.09	2001 30.09	2001 Total
Equity per 01.01			1.428	1.200	1.200
Paid in minority share			97	33	39
Paid out minority share			-7	-44	-53
Buy-back and sale treasury shares/Not paid out dividen			1	-13	-15
Result			274	230	257
Total equity end period			1.793	1.407	1.428