

ANNUAL REPORT 2003



SOLSTAD OFFSHORE ASA



COMPANY PHILOSOPHY

The Company philosophy is to run a profitable and integrated shipping company with high specification vessels, using owned or chartered vessels. The Company's core business is oil and gas related offshore activity.



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FINANCIAL CALENDER 2004

11th May 2004	Ordinary annual general meeting
12th May 2004	Report for the 1st quarter
20th August 2004	Report for the 2nd quarter
5th November 2004	Report for the 3rd quarter
Ultimo February 2005	Provisional figures for 2004

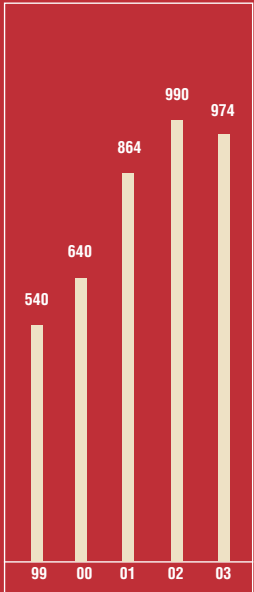
The dates may be subject to change.

The Solstad Offshore ASA Annual Report for 2003 is a translation from the Norwegian version.

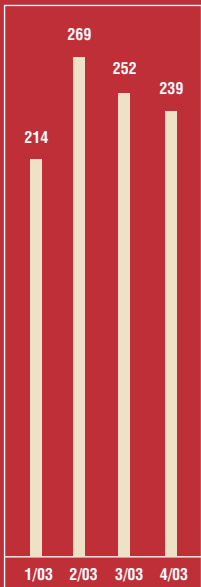
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FINANCIAL HIGHLIGHTS

FREIGHT REVENUES OVER
THE PAST FIVE YEARS (NOK mill)



FREIGHT REVENUES IN
2003 QUARTERLY (NOK mill)



PROFIT AND LOSS ACCOUNTS (NOK mill)	Ref	2003	2002	2001	2000	1999
Freight revenues		974	990	864	640	540
Deferred income/Gain on fixed assets		20	20	4	0	98
Operating result before depreciation/write-downs		519	573	494	350	364
Operating result		278	290	350	226	273
Result associated/jointly owned companies		12	22	7	0	0
Net finance		-98	-29	12	68	44
Ordinary profit before tax		193	341	345	159	229
Net profit for the year		184	327	328	153	220

BALANCE SHEETS

Vessels and other assets	4 314	3 903	2 859	2 004	1 824
Current assets	684	695	647	352	358
Total assets	4 998	4 598	3 506	2 355	2 182
Equity	1 991	1 910	1 413	1 200	1 046
Deferred tax	46	38	4	5	4
Long-term liabilities	2 751	2 442	1 886	1 040	1 035
Current liabilities	210	209	203	111	96
Long-term interest bearing liabilities	2 661	2 337	1 761	1 040	1 035
Bank overdraft	57	0	0	0	0
Free and restricted bank deposits	674	657	599	379	413
Net interest-bearing liabilities	2 044	1 680	1 162	661	622

PROFITABILITY

Operating margin	1	52 %	58 %	57 %	55 %	57 %
Earning on equity	2	9 %	20 %	25 %	14 %	23 %
Earning on capital employed	3	7 %	9 %	14 %	12 %	17 %

LIQUIDITY

Liquid assets	466	512	435	216	262
Working capital	474	487	444	241	262
EBITDA	4	436	490	350	266
Current ratio	5	3,3	3,3	3,2	3,7

ASSETS

Total assets	4 998	4 598	3 506	2 355	2 182
Equity	1 991	1 910	1 413	1 200	1 046
Equity ratio	6 40 %	42 %	40 %	51 %	48 %

KEY FIGURES

PER SHARE

KEY FIGURES PER SHARE	Ref	2003	2002	2001	2000	1999
Result of the year	7	5,21	9,27	9,25	4,29	6,16
EBITDA	4	12,39	13,93	13,88	9,81	7,43
Booked equity	8	56,46	54,23	40,12	33,68	29,27
Price/Earnings (P/E)		8,89	3,23	4,32	8,74	4,22
Price/EBITDA		3,74	2,15	2,88	3,82	3,50
Dividend		1,00	1,50	2,00	1,00	1,00
Share capital (NOK mill)		71,59	71,59	71,59	71,59	71,59
Quoted share price 31.12. (NOK)		46,30	30,00	40,00	37,50	26,00
Market capitalisation (NOK mill)		1 657	1 074	1 432	1 342	931
RISK amount per share (NOK)	9	-1,00	-1,50	-1,72	-0,79	-0,66
Average no. of shares incl. adj. for stock of treasury shares.		35 238 991	35 203 772	35 503 307	35 716 085	35 781 660
No. of shares per 31.12 incl. adj. for stock of treasury shares.		35 261 641	35 208 064	35 221 174	35 631 860	35 744 160

The Company has implemented new accounting principles and the figures from previous years are recalculated accordingly, and therefore comparable.

REFERENCES:

- 1. Operating result before depreciation in percentages of total operating income.
- 2. Result before extraordinary items, less payable/ordinary deferred tax, in percentage of booked equity including minority interests.
- 3. Operating result plus interest income and result from associated company divided by booked shareholders' equity and interest-bearing debt.
- 4. Operating result before depreciation and write-downs adjusted for gain/(loss) on sale of fixed asset and hedge effects.
- 5. Current assets divided by current liabilities.
- 6. Booked equity including minority interests in percentage of total assets.
- 7. Result of the year for the Group divided by average number of shares.
- 8. Shareholders' equity divided by outstanding number of shares per 31.12.
- 9. The last year is a preliminary estimation.

DIRECTORS REPORT



In 2003, Solstad Offshore ASA (the Group) achieved operating revenues of NOK 994 million, a decrease of NOK 16 million, or 1.6% lower than the previous year. Profit was NOK 184 million. Booked equity at the turn of the year was NOK 1,991 million (40%), equivalent to NOK 56 per share.

In 2003, the demand for modern offshore service vessels in areas outside the North Sea has been good. Brazil, West Africa, the Gulf of Mexico, the Mediterranean, the Far East and Australia have been significant areas for deployment. However, the North Sea market did not maintain its balance and the demand for the fleet (AHTS and PSV's) reduced throughout 2003. The reason for this was mainly due to the reluctance of major operating companies to invest in the area and, to some extent, the availability of vessels, which was at its lowest for many years.

In 2003, 57% of the company's turnover was generated by activity outside the North Sea market.

At the beginning of 2003, the fleet consisted of 28 vessels, 2 of which were new builds delivered in early 2003. In addition, the Company holds a 50% share of NorSkan Offshore Ltd in Brazil, which, in 2003, had two vessels under construction for the Brazilian market and one vessel in operation.

Utilization of the Company's fleet was good throughout the year. The focus has continued on health, safety and the environment that has resulted in 2003 being the best "safety year" in the history of the company, when measured by the number of Lost Time Incidents (the H factor).

1. COMPANY PHILOSOPHY, OBJECTIVES AND STRATEGIES

The Company philosophy is to run a profitable and integrated shipping company with high specification vessels, using owned or chartered vessels. The Company's core business is oil and gas related offshore activity and less laying and maintenance of fibre optic cable.

The company aims to be a major player in the offshore sector offering a wide spectrum of services from highly specialized vessels and equipment, and maritime personnel with extensive experience. In the North Sea, the aim is to continue to be among the heavy weights in the service and supply market. Internationally, the Company aims to be a larger player in supplying services to deepwater areas and subsea construction services

Within the market for laying and maintenance of fibre optic cable, the Company aims to offer high quality tonnage and maritime experience to the operators. The focus on this market will initially be based on the vessels currently operated by the Company. In addition, alternative uses for the vessels within the offshore sector will be considered.

The Company continues to focus on health, safety and the environment (HSE) and also profitability, and aims to meet the goals set for each of these areas. The most important goal within HSE is to reduce the Lost Time Incidents (LTI's) and achieve a reduction in environmental incidents.

The Company's strategy is to deliver customer-focused solutions and high quality service as well as actively developing customer services in close co-operation with existing and new customers.

In general, the Company will manage the total operation of the vessels including freight, crewing and technical management.

Increased international growth remains a part of the Company's strategy.

2. THE COMPANY'S ACTIVITIES

From its offices in Skudeneshavn and Aberdeen, the Company operate a fleet of 28 vessels, 26 of which are owned by the Group and 2 are owned by associated companies. After the year-end, the Company awarded a contract to a Norwegian shipyard for a large PSV with a delivery date of March 2005. Furthermore, NorSkan Offshore Ltda, of which Solstad Offshore ASA holds a 50% share, has two vessels in operation having just received delivery of a new build after the year-end. Another new build is under construction in Brazil with delivery scheduled for December 2004.

The majority of the Company's activities are aimed towards offshore activity. Within the fleet there is only one vessel that is not geared towards the offshore service market. Most vessels are equipped to perform more than traditional supply and anchor-handling duties. In later years, the Company has focused on vessels for installation, surveillance and maintenance of equipment both on subsea and surface installations. In addition, the Company has extended and modernised its tonnage for anchor-handling and deepwater projects. The Company has strategic ownership of shares in DeepOcean (subsea activity) and NorSkan Offshore Ltda (owners and operators of offshore service vessels in Brazil).

The Company operates one specialized vessel in the market for laying and maintenance of fibre optic cable. This vessel is on charter to Tyco until October 2004. Our other specialised vessel, the Normand Cutter, is currently undergoing conversion for specialized projects within the construction and subsea markets, initially on a 3-year charter contract with Sonsub.

The Company's international presence continued to increase during 2003. Freight revenues were apportioned by 43% from the North Sea, 7% from South America, 10% from West Africa, 30% from Central and North America and 10% from the Mediterranean.

conditions in the Norwegian and UK sectors have ensured that the market for large and specialized service vessels has significantly increased outside the North Sea. In addition, old and outdated tonnage needs to be replaced in the more remote markets.

In the long term, the discovery of new oil reserves and the production of these reserves will be the driving force for international offshore activity. Even with modest estimates for increased future consumption of oil, it will be necessary to replace produced volumes of oil with new reserves and improved production capacity will be essential. West Africa, Brazil, North America (including Mexico) and parts of Asia and Australia emerge as areas with the highest potential for growth in the offshore sector.

In the North Sea, the market for services to the offshore industry is increasingly dominated by operations such as supply and maintenance services to operating fields. This primarily applies to the UK Sector, as there is the assumption that Norway still has great potential for discovery of natural gas that may lead to the development of a transportation and production system in the Norwegian/Barents Sea.

Historically, the main categories of offshore service vessels have been Anchor Handling Tug Supply vessels (AHTS) and Platform Supply Vessels (PSVs). Technological development has resulted in demands for services requiring the building of more advanced multi-purpose and specialized vessels. The world fleet of AHTS in excess of 15,000 BHP was, at the beginning of the year, approximately 90-100 vessels but there were almost 200 PSV's with loading capabilities of over 3,000 dwt. There were around 30-70 of this type of vessel operating in the North Sea at the turn of the year. This is unchanged from the previous year.

37 vessels of this size were under construction at the beginning of the year, which was the same as last year. The number of AHTS and PSV new builds was 11 and 26 respectively.

4. THE CABLE LAYING MARKET

In 2003, there was poor demand for cable laying vessels, a similar situation to 2002, and there have not been any new projects or enquiries for this type of vessel. It is likely that there will be a significant decrease in the number of vessels operating in this market, as some tonnage is scrapped and other tonnage converted for deployment in other areas.

OVERVIEW OF VESSELS UNDER CONSTRUCTION AT 31.12.2003:						
Name	Owner Share	Type	Design	Size (DWT)	Engine Power (BHP)	Delivery
Norskan Leblon	50%	PSV	UT 755 L	3.000	5.500	02/2004
Norskan tbn	50%	AHTS	UT 722	3.000	16.800	12/2004

3. THE OFFSHORE MARKET

Market forces influencing the demand for offshore services vessels are:

- Oil price development
- The extent of current production
- Development activities including pipe-laying
- Exploration
- New markets
- Replacement of older tonnage

In the short-term, the oil price is set by regulating the production levels within OPEC and other oil-producing countries. In addition, the oil price is affected by developments in world economy, which during the last year has shown some improvement, as well as the recent threats of international conflict. In recent years, the oil price has been significantly influenced by both effective production control by OPEC and unrest in Iraq which has resulted in increases.

It is estimated that annual investments in offshore exploration, development and operation activities over the coming years will exceed USD 100 billion. The geographical allocation of these funds is primarily determined by the prospect of financial return. In later years, high operation costs and weakening political

5. COMPANY RELATED MATTERS

Solstad Offshore ASA has been listed on the Oslo Stock Exchange since 1997. As the holding company of the Group, its main activity is the ownership of shares in its various subsidiaries and other strategic investments. Solstad Shipping ASA is the management company, with Solstad Rederi AS as the ship owning/chartering company subject to the Norwegian Shipping tax regime. Normand Drift AS handles any activity not included under the shipping tax regime. These are all Norwegian subsidiaries. Furthermore, Solstad Offshore ASA holds 100% of the shares in Solstad Offshore UK Ltd in Aberdeen and 50% of the shares in NorSkan Offshore Ltda. In Rio de Janeiro/ Macaé. NorSkan Offshore Ltda is owned together with DOF ASA.

The Group's activities for sub-sea laying and maintenance of fibre optic cable are operated by Solstad Cable UK Ltd., and the Group holds a majority share of 62.5%. Companies within the Ulstein Mekaniske Verksted Holding ASA Group hold the remaining shares.

The Group's ownership in DeepOcean AS is a strategic investment with the purpose of securing profitable projects for the fleet in the subsea/survey market. The company is jointly owned with Ostensjø Rederi (33.3%) and the management of DeepOcean (33.3%).

In addition, to Solstad Rederi owning and operating vessels, it manages the Group investments for partly owned vessels, i.e., ownership through limited partnerships. The largest external partners in these limited partnerships are Ulstein Mekaniske Verksted Holding ASA Group and the Borgstein Group.

6. OWNER CONTROL AND MANAGEMENT AND SHAREHOLDERS ISSUES

The total number of issued shares in the Company was 35,794,160 at the turn of the year. The number of shareholders was 1,624, a reduction of 35 from the previous year. Foreign shareholders owned 4.3%.

The Board will propose on 11 May that a dividend of NOK 1.00 per share is paid in share dividend for 2003. The payment will be made at the end of May 2004.

The price of the company shares developed positively throughout the year. At the beginning of the year, the share price was NOK 30, compared to NOK 46.30 at the end of the year, an increase of 54%. The Company paid NOK 1.50 per share in dividend in 2003.

The Company adopts the main principles outlined in the draft "Norwegian Recommendation" for ownership and company management. There are some minor deviations on an independent basis or for practical or administrative reasons.

The Company's operations are "to operate a shipping company and related activities". The Company maintains an equal and open policy towards all its shareholders.

The aim is to make the Company attractive in the long-term, by increasing the value adjusted equity and return on the shares. The management's aim, over several years, is that the share return will equal approx. 20% of the Company's profit after tax, adjusted for any large currency loss and minority shareholders. The share dividend must also be considered in the light of future turnover and cash flow, as well as any other financial considerations affecting the Company's position.

Until the next ordinary General Meeting, the Board of Directors has the power of attorney to acquire up to 10% of treasury shares. The Board of Directors has requested power of attorney in order to be able to continuously assess this as both a strategic and short-term investment option. At 31.12.03, the total number of treasury shares was 532,519, whereof 300,000 were owned by a subsidiary, equivalent to 1.5% of the share capital. At the end of the year the Company share holding was decreased by 500,000 shares, which were sold on the stock exchange at a rate of NOK 53.50 per share.

The Board of Directors has power of attorney to increase the share capital by up to NOK 4 million. In January 2004, the Board of Directors used this power of attorney and increased the share capital by NOK 4 mill (2 million shares). This share emission was offered at NOK 53.50 per share. The Board of Directors aimed to secure liquidity for future projects and improve the liquidity between the holding company both within and out with the Norwegian tax regime.

Based on previous experience, the Board of Directors will propose that the General Meeting approve renewal of the power of attorney relating to the increase of share capital and acquisition of treasury shares.

There is no resolution that the Company shall have an elected committee. The position is that the Chairman and Deputy Chairman of the Board form the committee. The aim is to select candidates that have the best and most relevant competence to assist on the board. Furthermore, the Board should be able to act independently of private interests and should have at least two board members elected by the shareholders which are independent of the Company's main shareholders.



During the course of the first and next General Meeting three of the acting members will leave. When recruiting board members, the policy of equal opportunity will be applied as well as relevant competence and capacity.

The Boards remuneration will be reflected in the responsibility that the board has, time spent and the complexity of the industry and is not be dependent on profits. In cases where the board members take on additional projects for the company, the Board as a whole must be informed of this and the fee approved by the Board. Remuneration for such projects will be highlighted in the Annual Accounts. All transactions between board members or employees (or the companies they represent or are associated with) are done using the "arms length" principle. There is no commitment for the Company to release any other information than that under the notes to the accounts regarding the remuneration to the Managing Director and directors (or companies they represent/are associated with). The remuneration to the Managing Director and directors is considered to be at market level for the industry.

The aim is to have an information policy based on openness and the equal treatment of all shareholders and that the information shall be correct clear, relevant and timely. This will be consistent throughout our stock announcements, press releases, quarterly reports, dialogue with analysts and presentations to brokers or investors.

The auditors will annually present their plans for carrying out an audit to the Board. Furthermore, the auditors will produce a report on their findings based on accounting principles, risk areas, internal controls, etc. The audits will also produce written confirmation that the auditor satisfies the requirements for independence and objectivity. The auditors will participate in any board meetings that discuss annual accounts, as well as the ordinary General Meeting.

If the auditors are to be involved in an advisory capacity, the board must first approve this. The auditors' fees, regardless of the amount, are included in the notes to the annual accounts.

7. FINANCIAL – THE GROUP

The total operating revenue in 2003 was NOK 994 million (1,010 million). Despite a weaker North Sea market, this resulted in only a slight reduction of 1.6% on the previous year. The decrease might have been greater but for the addition to two new builds in the first quarter of 2003, and because approximately 57% of the Company's turnover was from areas out with the North Sea.

Included in operating revenue is deferred income of NOK 20 million (20 million) from the sale and charter of vessels and NOK 62 million (62 million) from realized currency gain.

The operating result after write off and depreciation was NOK 278 million (290 million), posting write offs of NOK 240 million (203 million) and NOK 0 million (80 million) in depreciation of fixed assets.

The result before tax was NOK 193 million (341 million) after charging to income NOK 86 million (posted 51 million) in net financial items. Other financial income of NOK 9,6 mill (NOK 192,0 mill) is in its totality comprised of realised currency gain, and equivalent, other financial charges comprise a realized currency loss of NOK 21,9 mill (NOK 101,5 mill).

The year's earnings per share were NOK 5.21 (9.27) Cash flow from operations (EBITDA) was NOK 436 million (491 million), giving NOK 12.39 (13.93) per share.

Apportioned by segments, the total operating revenues for offshore activity was NOK 816 million, which constituted 82% of the Group's, operating revenue. The operating result before depreciation was NOK 367 million, equivalent to an operating margin of 46%. Equivalent operating revenue in the cable-laying sector was NOK 178 million (18%) and the operating result (adjusted for deferred income) was NOK 152 million, equivalent to an operating margin of 85%. The extraordinarily high operating margins in 2003 are due to reduced operating costs following the laying up of our cable ships by the charter company.

The most significant change to the Group's balance sheet during 2003 is the acquisition of two new builds, the investment/loan for expansion in Brazil through NorSkan Offshore Ltda and the long term financing of these projects.

The book value of the vessels at 31.12.03 was in total NOK 3.812 million (3.555 million) of which NOK 0 million (87 million) relates to payment of loan instalments on new builds. The Board has considered the book value of the vessels against the preliminary Norwegian Accounting Standards (NRS) regarding the depreciation of fixed assets and has not found reason to make further depreciation.

The Group's long term interest bearing debt at 31.12.03 was NOK 2.661 million (2.337 million) apportioned by 45% GBP, 31% USD, 5% EURO, and 19% NOK. At the end of the year, 3-5 year hedging agreements were entered into for approximately 15% of the debt.

Booked equity was NOK 1.991 million (1.910 million) whereof minority interest accounted for NOK 247 million (218 million). Book equity per share was NOK 56 (NOK 54). Based on the average of three broker evaluations at 31.12.03 (vessels without contracts), value adjusted equity before tax was approximately NOK 81 per share at the end of 2003, compared with NOK 82 the previous year

At the turn of the year the working capital was positive by NOK 474 million (NOK 487 million). At the same time, interest-bearing debt was NOK 2,044 million (NOK 1,680 million).

The Group is exposed to both interest and currency risk, primarily though long term financing and freight revenues. The interest risk is to a certain extent limited by interest hedging agreements. The Group are trying to eliminate currency risk by having freight contracts in the same currency as the associated loans and obligations.

The annual accounts for 2003 have been prepared in accordance with the same principles as the previous annual accounts.

Under "financial key highlights" and "key figures per share" there are definitions of the various economic terms used together with an overview of the highlights from the Group accounts.

8. HEALTH, SAFETY AND ENVIRONMENT (HSE)

The Company's objectives for HSE and Quality Assurance (QA) are:

- The Company's activities are to be performed in a professional and knowledgeable manner in accordance with legislation and regulations
- The Company's operations are to be planned and preventative action taken to avoid injury, loss of human lives, material damage and pollution of the external environment.
- The Company's employees are to be given the necessary training and instruction to comply with the Company's HSE and QA system
- All Company activities are performed in accordance with national and international legislation and regulations as well as internal/external guidelines.
- The Company is to develop an annual HSE and QA plan and target which shall be distributed to all the Company's vessels and departments.

The Company's HSE system complies with international regulations; the IMS code (IMO's International Safety Management Code). All vessels and administration are ISM certified by Det norske Veritas. In addition, the Company's Quality Assurance system was recertified in 2003 to NS EN ISO 9001-2000. The crew

are trained in the ISM code and training is upgraded to satisfy the requirements of STCW-95 (Seafarers Training Certificate and Watch keeping Code). During the year internal audits have been performed on all the vessels.

The Company focuses strongly on preventative measures to avoid accidents and incidents. The number of RUH reports (reports from unwanted incidents) for the vessels rose in 2003 to around 1.200. This is handled by an integrated reporting system that forms an HSE knowledge base for all employees. Furthermore, these reports play an important part in preventing accidents and incidents in the future.

In total the Company had 7 Lost Time Incidents (LTI's). The H factor (the number of LTI's per 1,000,000 working days) was 2.4, which is the same as the previous year. The Company still aims to achieve zero LTI's.

The Company's vessels had a total of 9 spillages, all of which were minor, (totalling 300 litres) which polluted the environment in 2003.

At the end of the year the Company employed 722 people, of which 687 are at sea. The working environment both onshore and at sea is considered satisfactory. In 2003, absence due to illness amongst the employees within the Group was 4.8%.

The employees in administration are divided as 65% male and 35% female. Equal opportunities are important criteria for recruitment of employees. The number of female sailors is limited both in Norway and internationally. The company has, for many years, trained cadets and worked actively to engage young Norwegians in a maritime education. Despite this focus there has been little success in persuading females to commit to a maritime education or profession, either through the school authorities or through shipping organisations.

In future, the company will establish and implement the regulations in IMO's new "International Ship and Port Facility Security Code" (ISPS) and Environmental Standard 1400 addressing global pollution. The former will be implemented by 1/7/04 in accordance with government regulations. The job of plotting trends based on RUH reports will continue to have the highest priority in order to achieve the most effective working conditions to prevent injuries and spillage.

9. EXPECTATIONS FOR 2004

The key factors for increasing the demand for offshore services have improved during 2003. As in the previous year, the turnover for oil companies continued



to be good. At the same time, several companies have increased their estimates of the future oil price, something that will have a positive effect on the decision-making process to begin new exploration or development projects. If this is combined with the improvement in the world economy, it indicates an increase in activity and expectations that offshore activity and investment such as exploration drilling and development and production will be greater in the coming year.

Development in the North Sea is expected to improve in the second half of 2004, and this brings optimism for 2005 and 2006, particularly in Summer with large development projects in the Norwegian Sector (Ormen Lange, Kristin, Snøhvit). Continued activity is expected in Brazil, West Africa, the US Gulf, Mediterranean, and in the Far East and Australia.

There is a tendency for increased geographic expansion in the industry and activity in deepwater projects and the improved demand for high quality tonnage will have a positive effect on the market. The subsea market will remain weak in 2003 but in later years activities will increase.

After a year when a significant number of specialized new builds were commissioned for the market, shipyard orders are now reduced. At the same time a significant number of the current fleet that are older than 20 years will have a limited market value. Availability of high quality vessels combined with lower activity in the North Sea has resulted in unpredictable and depressed rates on the spot market.

The Board expect the demands for the Company's services to be relatively low for the first half of 2004. However, the Board are optimistic for 2005 and during the second half of 2004, it is expected that the vessels will have good contract coverage. This is mostly due to the increased activity in the North Sea.

In the longer term, the increased demand for both oil and gas combined with limited reserves, particularly of oil, will secure high offshore activity. The Company expect increasing focus on deepwater and subsea projects which will result in greater need for installation, inspection and maintenance of subsea installations. As many of the Company's newer vessels are equipped for this type of operation, it is expected that this section of the fleet will have good contract coverage.

In 2003, utilization of the fleet was 94%. At the time of accounts submission, contract coverage, based on the number of days, is 51% for 2004 (the equivalent figure for last year was 61%). In 2005, the figure current coverage is 19% (17%). Including contract options, contract coverage is 65% for 2004 and 42% for 2005. These figures include the Company's 3 standby vessels that are being transferred to new ownership on 31 March 2004.

With effect from 1 July 2003, there is a net tax arrangement introduced for the offshore fleet registered under the Norwegian Ordinary Ships Register (NOR) that contributes significantly to improving the framework agreements between seafaring nations within the EU. This arrangement is not yet permanent but is expected to be included in the Government's White Paper covering the shipping industry that is expected to be published in the Spring of 2004. To ensure a competitive framework, the Board are of the opinion that this must result in a resolution for a permanent net pay agreement for Norwegian seamen and that shipping company taxation must be brought in line with the levels in EU countries.

It is expected that the short-term market conditions for ships for laying and maintenance of fibre optic cable will be difficult. The Company only has one vessel of this type, which will be on contract until November 2004. Alternative employment for the vessels is continuously considered.

10. FINANCIAL – PARENT COMPANY

Solstad Offshore ASA reached an annual profit of NOK 12 million (2 million). Financial income was NOK 21 million including dividend from its subsidiary. NOK 8 million has been posted as currency gain associated with the Company's deposits and currency fluctuations. The year's loss from operations was NOK 4 million.

The Company's assets are primarily associated with the value of the shares in its subsidiaries, jointly owned companies and associated companies, plus deposits. Book equity at the turn of the year was NOK 865 mill, whereof NOK 766 mill may, in accordance with Norwegian corporation law, be paid as dividend. Simultaneously, the debt was NOK 112 mill, whereof NOK 38 mill has been allocated to dividends for 2003.


The annual accounts have been prepared subject to continued operation in accordance with Norwegian Accounting Law, paragraph 3-3. Based on valuations of the subsidiaries' vessels, the Board considers the market value of the Company's assets to be considerably higher than the book value.


The Board of Directors will propose that the General Meeting approve Directors Fees of NOK 775,000 for 2003. The auditors fees for 2003 are proposed as approved as NOK 205,000.

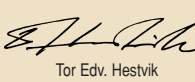
The Board of Directors propose the following appropriations:

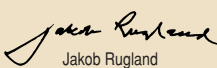
Allocated Dividends	NOK 37,794,160
Transferred from other equity	NOK 25,581,424
Nett appropriated/transferred	NOK 12,212,736


The Board of Directors Solstad Offshore ASA
Skudeneshavn, 19th March 2004

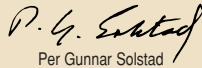

Harald Eikesdal
Chairman

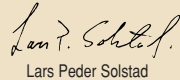

Johannes Solstad
Deputy Chairman


Tor Edv. Hestvik
Director


Jakob Rugland
Director

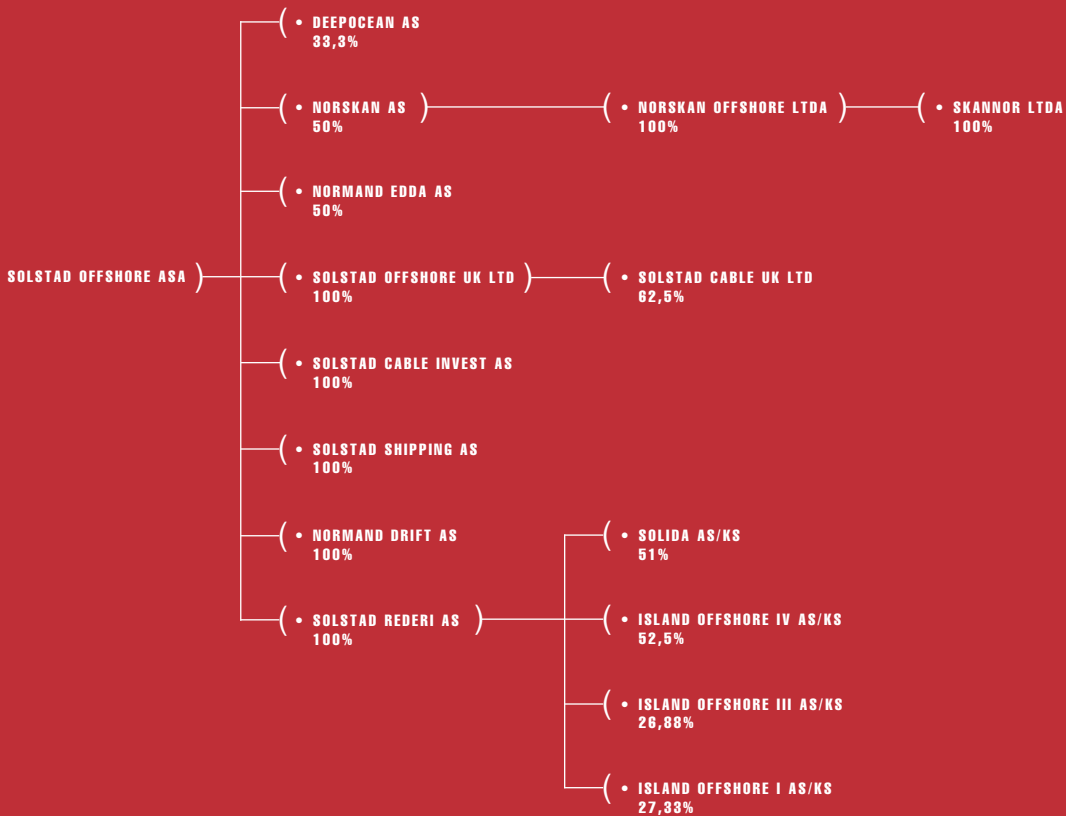

Idar Ulstein
Director


Per Gunnar Solstad
Director

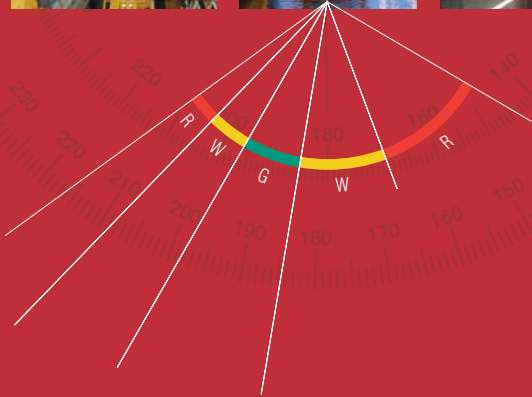

Lars Peder Solstad
Managing Director

COMPANY STRUCTURE

PER 31.12.03



FINANCIAL STATEMENT



PROFIT AND LOSS ACCOUNTS

1.1 - 31.12

PARENT COMPANY		(NOK 1 000)		GROUP		
2002	2003		Note	2003	2002	2001
1 343	2 820	Net operating revenues	4	993 926	1 010 173	868 374
-2 547	-3 405	Crew expenses	5,6	-301 098	-290 605	-235 152
0	0	Ordinary depreciation	8	-203 431	-165 849	-117 730
0	0	Write-downs	8	0	-80 000	0
0	0	Depreciation capitalized periodic maintenance	8	-36 928	-36 984	-25 987
-3 875	-3 270	Other operating expenses	5	-174 080	-146 883	-139 312
-6 422	-6 675	Total operating costs		-715 537	-720 321	-518 181
-5 079	-3 855	Operating profit/loss		278 389	289 852	350 193
0	0	Income from investment in associated- / jointly owned co's.	10	12 208	21 832	6 573
2 763	4 287	Interest income from Company in the Group	11	0	0	0
3 287	2 801	Other interest income		17 598	20 151	23 059
16 949	17 613	Other financial income	7	9 583	192 035	34 248
-611	-1 495	Other interest charges		-103 087	-80 987	-69 594
-21 425	-2 136	Other financial charges	7,12	-21 898	-101 971	-1
963	21 070	Net financing		-85 596	51 060	-5 715
-4 116	17 215	Ordinary profit before taxes		192 793	340 912	344 478
5 623	-5 002	Tax on ordinary result	13	-9 185	-14 412	-15 999
1 507	12 213	Net profit for the year		183 608	326 500	328 479
		Hereof minority share		20 301	42 837	18 855
		Hereof majority share		163 307	283 663	309 624
		Earnings per share	15	5,21	9,27	9,25
		Transfers:				
53 691	37 794	Dividends				
-52 184	-25 581	Transferred from other equity				
1 507	12 213	Total transfers				

BALANCE SHEET

PARENT COMPANY		(NOK 1 000)		GROUP	
31.12.02	31.12.03		Note	31.12.03	31.12.02
ASSETS					
Fixed assets					
Intangible fixed assets					
5 825	823	Deferred tax assets	13	0	0
0	0	Goodwill	8	6 454	8 606
5 825	823	Total intangible fixed assets		6 454	8 606
Tangible fixed assets					
0	0	Vessels and construction contracts	8	3 812 107	3 554 630
0	0	Capitalized periodic maintenance	8	45 388	32 300
0	0	Other tangible fixed assets	8	20 601	20 796
0	0	Total fixed assets		3 878 096	3 607 726
Financial fixed assets					
762 211	711 711	Investments in subsidiaries	9	0	0
62 824	55 288	Loan to companies in the Group	11	0	0
37 453	67 574	Investment in jointly owned companies	10	80 930	40 151
0	24 095	Lån til felleskontrollert virksomhet		24 094	0
6 750	10 125	Investment in associated companies	10	86 298	76 933
8 570	11 779	Investment in shares	10	14 831	11 320
62 021	68 807	Restricted bank deposits	12	208 227	145 252
2 356	3 746	Other long-term receivables		11 752	8 538
0	0	Net pension assets	6	3 126	4 349
942 185	953 125	Total financial fixed assets		429 258	286 543
948 010	953 948	Total fixed assets		4 313 808	3 902 875
Current assets					
0	0	Stocks		14 481	11 487
Receivables					
0	0	Account receivables		164 829	150 510
782	21 701	Other short-term receivables		38 977	21 054
782	21 701	Total receivables		203 806	171 564
2 513	1 763	Bank deposits and cash equivalents	17	466 067	512 142
3 295	23 464	Total current assets		684 354	695 193
951 305	977 412	TOTAL ASSETS		4 998 162	4 598 068

BALANCE SHEET

PARENT COMPANY		(NOK 1 000)		GROUP	
31.12.02	31.12.03		Note	31.12.03	31.12.02
EQUITY AND LIABILITIES					
Equity					
Restricted equity					
71 588	71 588	Share capital (35.794.160 á 2,-)		71 588	71 588
-1 103	-465	Treasury shares		-1 065	-1 103
11 601	11 601	Share premium reserve		11 601	11 601
82 086	82 724	Total restricted equity		82 124	82 086
Earned equity					
794 870	782 420	Other equity		1 662 334	1 609 909
794 870	782 420	Total earned equity		1 662 334	1 609 909
0	0	Minority interests		246 510	217 565
876 956	865 144	Total equity	14	1 990 968	1 909 561
Liabilities					
Provisions					
0	0	Deferred tax	13	46 247	37 715
0	0	Deferred income	4	89 763	105 249
0	0	Total provisions		136 010	142 964
Other long-term liabilities					
14 061	18 081	Debt to Group company	11	0	0
0	0	Other long-term debt		85 167	14 350
0	0	Debt to credit institutions / leasing obligations	12	2 576 048	2 322 621
14 061	18 081	Total long-term liabilities		2 661 215	2 336 971
Current liabilities					
5 788	10 628	Accounts payable	11	46 605	36 188
0	44 851	Bank overdraft		56 912	0
0	0	Taxes payable	13	5 351	7 917
0	0	Accrued salaries and related taxes		19 882	17 292
53 691	37 794	Dividends	14	37 794	53 691
809	914	Other current liabilities		43 425	93 484
60 288	94 187	Total current liabilities		209 969	208 572
74 349	112 268	Total liabilities		3 007 194	2 688 507
951 305	977 412	TOTAL EQUITY AND LIABILITIES		4 998 162	4 598 068
Mortgages					
Guarantees etc.					


Harald Eikesdal
Chairman

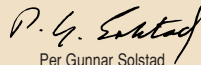
Skudeneshavn, 19th March 2004



Johannes Solstad
Deputy Chairman


Tor Edv. Hestvik
Director


Jakob Rugland
Director


Idar Ulstein
Director


Per Gunnar Solstad
Director


Lars Peder Solstad
Managing Director

STATEMENT OF CASH FLOWS

1.1 - 31.12

PARENT COMPANY		(NOK 1 000)		GROUP	
2002	2003		2003	2002	2001
CASH FLOW FROM OPERATIONS					
-4 116	17 215	Result before taxes	192 793	340 912	344 478
-1 148	0	Taxes payable	-3 319	-12 884	-5 248
0	0	Ordinary depreciation/write-downs and depr. capitalized per. maintenance	240 359	282 833	143 717
0	0	Loss / gain fixed assets	0	0	2 382
0	0	Hedging effects on future contract income in foreign currency	-74 820	116 839	369
0	0	Effect of change in pension assets	1 223	4 690	1 373
8 322	-1 649	Unrealised currency gain / loss	20 677	-192 035	-10 542
-1 786	4 840	Change in short-term receivables / payables	-6 896	-533	-46 198
-309	-20 815	Change in other accruals	-80 745	40 082	134 813
963	-409	Net cash flow from operations (A)	289 272	579 904	565 144
CASH FLOW FROM INVESTMENTS					
0	0	Invested in tangible fixed assets (vessels)	-460 112	-1 285 606	-901 711
0	0	Payment of capitalized periodic maintenance	-50 016	-39 681	-33 082
0	0	Sale of fixed assets	1 550	772	15 846
35 118	13 795	Investment in other shares	-53 688	-19 849	-75 182
35 118	13 795	Net cash flow from investments (B)	-562 266	-1 344 364	-994 129
CASH FLOW FROM FINANCING					
0	0	Payment from minority interests	8 644	129 652	-13 940
-70 405	-52 847	Payment of dividends	-52 847	-70 404	-35 794
1 365	12 925	Investment of treasury shares	926	1 365	-15 093
7 951	-6 787	Payment of restricted bank deposits	-62 975	18 647	-885
4 032	9 185	Payment of long-term receivables	0	0	0
-361	-25 483	Repayment of long-term receivables	-27 308	-5 519	-3 018
0	44 851	Bank overdraft raised	56 912	0	0
14 061	4 020	Long-term debt raised (vessels)	554 794	1 069 030	794 673
0	0	Repayment of long-term debt	-251 227	-300 769	-77 873
-43 357	-14 136	Net cash flow from financing (C)	226 919	842 002	648 070
-7 276	-750	Net change in cash and cash equivalents (A+B+C)	-46 075	77 542	219 085
9 790	2 513	Cash and cash equivalents per. 01.01.	512 142	434 600	215 516
2 513	1 763	Cash and cash equivalents per. 31.12 (Note 20)	466 067	512 142	434 600



NOTES

NOTE 1 ACCOUNTING PRINCIPLES

(Unless otherwise stated, figures are given in NOK 1000)

GENERAL The annual accounts have been prepared in accordance with the Accounting Act and general accepted accounting principles in Norway. The most important accounting principles are described below.

CONSOLIDATING The Group includes the parent company Solstad Offshore ASA and companies where the parent company has direct or indirect majority of the voting share capital.

The Group accounts have been prepared using homogenous principles. The cost price of shares in subsidiaries is eliminated against the equity in the subsidiary at the time of acquisition.

Intercompany profit from sales within the Group is fully eliminated in the Group accounts. Foreign subsidiaries are consolidated by converting the profit and loss accounts at transaction rate, vessels and ordinary depreciations at historic rates and other balance sheet items at the exchange rate at the balance sheet date. The conversion variance is classified as a financial item in the profit and loss accounts, as the subsidiaries are integrated.

REPORTING BY SEGMENTS Until June 2001, the Group had only one business segment, offshore. From June 2001 and onwards, the Group extended its range of services to include maintenance and lying of fiber optic cable at sea. Such services are performed by the Normand Cutter and Normand Clipper, which the Group took delivery of in 2001. The revenues and costs associated to these vessels are in their totality reported under the cable segment, whilst the remaining vessels belong to the offshore segment. Overhead costs are apportioned between the segments accordingly.

USE OF ESTIMATES In connection with the preparation of the accounts, estimates and assumptions influencing the accounts are being used. Actual figures may differ somewhat from the estimates.

FOREIGN CURRENCIES Monetary items in foreign currencies are converted at the exchange rate of the balance sheet date. The following exchange rates have been used in the books:

	GBP	USD	BRL
Per 31.12.01	13,091	9,0226	3,954
Per 31.12.02	11,162	6,9559	1,990
Per 31.12.03	11,907	6,6929	2,335

The Company secures future currency freight revenues by having the corresponding loans in the same currencies. This is booked as a cash flow hedging in accordance with a discussion paper regarding financial instruments from "Norsk RegnskapsStiftelse". This entails that exchange rates effects on loans complying with accounting hedging is temporarily booked against the equity until the freight revenues are realized. The foreign currency debt is converted at the date of the balance sheet. The freight revenues are booked at hedging rate.

COST OF BORROWING Cost of borrowing is capitalized at the time of borrowing and charged over the maturity of the loan.

RECOGNITION OF CURRENT ASSETS Stocks are valued at the lowest of acquisition- and estimated sales value. Receivables are entered at face value with deductions of anticipated losses.

CONSTRUCTION CONTRACTS Installments of construction contracts are entered in the balance sheets as fixed assets. Costs related to the on-site supervision team and other construction related costs pre delivery, including construction loan interests are capitalized per vessel.

FIXED ASSETS, DEPRECIATIONS AND WRITE-DOWNS Fixed assets are entered in the balance sheets at acquisition costs with the accumulated depreciation deducted. The depreciations are linear and stipulated on the basis of assessment of the remaining economic life of each of the fixed assets. Depreciation of the vessels is based on 25-year economic life. Gain from sale of vessels and construction contracts are entered as operating income, as sale is considered a part of the Company's ordinary business activities.

Goodwill is depreciated at 10% of cost price, as the acquisition is expected to be of value to the Group for a minimum of 10 years.

If indications of decreased values associated to any fixed assets become available, estimates of value in use are carried out, and a write-down to the highest of net sales value and net present value will be done.

REVENUE RECOGNITION Income and costs related to the vessel contracts are apportioned according to number of days each contract lasts before and after the end of the accounting period.

RECOGNITION OF LEASED ASSETS The Company differentiates between financial- and operational leases. In terms of operational leases, the annual leasing cost is entered as operational costs on a continuous basis. Financial leases are shown as assets and debt, and the annual leasing costs are entered as interest and installments.

NOTES

BALANCE BOOKED PERIODIC PLANNED MAINTENANCE (DRYDOCKING)

The resolution criteria, which the extent of repairs during dry-docking is based on, state it is to be regarded as investment resolutions. The cost is capitalized and depreciated over the period until the next dry-docking take place, normally 24 months. When purchasing vessels, acquisition cost of vessel and capitalized dry-docking is decomposed. Ordinary maintenance costs are being charged the operating result at the time of maintenance.

TAXES The Norwegian shipping tax regulations imply that the shipping companies on certain conditions are not being taxed on their current income, but if and whenever the income is paid as dividend or if the company no longer complies with the stipulated terms for being taxed under the legislation. Net financial income, will however be taxed on a current basis.

Deferred tax/deferred tax assets are calculated in accordance with the liability method at 28%, based on temporary differences between accounting and tax related values existing at expiry of the financial year, and tax related deficits to be carried forward.

Temporary tax increasing and – decreasing differences are recorded in the balance sheet and entered as net figures. Deferred tax on added values related to acquisition of subsidiaries, jointly owned- and associated companies are not recognized.

The present value of deferred tax associated with temporary tax increasing differences carried forward to the shipping tax company from and including 1996 and 1997, and subsequent profits, are considered insignificant as the Company does not expect that material parts of these funds will be paid as dividends in the foreseeable future. Potential dividends are paid of taxed equity of the current year's profit. Deferred tax assets are recognized when it is probable that the asset can be utilized.

CLASSIFICATION OF ITEMS IN THE ACCOUNTS Assets determined for permanent ownership or use, and account receivables due more than one year from the expiry of the financial year are entered as fixed assets. Remaining assets are classified as current assets.

Debt due more than one year after expiry of the financial year is entered as long-term debt. With the exception of the first year's installment on mortgages and leasing obligations, remaining debt is classified as short-term debt.

FINANCIAL INSTRUMENTS Entered financial contracts are defined as either hedging- or trading transactions. Entered hedging transactions are apportioned

and classified in the same way as the associated hedging objects or future transactions. For hedging instruments, the forward exchange rates are entered linearly during the hedging period in accordance with the accruals standard. Trading transactions are measured at market value.

CONTINGENCIES Contingent losses that are probable and quantifiable are charged to the accounts, whilst contingent gains/income is not.

PENSIONS Pensions and pension obligations are included in the profit and loss accounts and in the balance sheet in accordance with Norwegian Accounting Act. Net pension cost comprises the pension accrued during the period including future increase of wages and estimated interest, less estimated return on the pension funds and any impact of changes in estimates and plans. Net pension asset is capitalized to the extent it may be utilized for future pension obligations.

SHARES AND HOLDING IN OTHER COMPANIES Short-term investments related to shares are valued at the lowest of cost price and market value.

Shares in subsidiaries, associated- and jointly owned companies are entered in the parent company accounts at cost price and written down to the extent there is a significant reduction in value which is not considered temporary. The same write-down criterion is also used for the Group accounts. In the Group accounts, the equity method (net) is used in terms of strategic investments in other companies where the holding is 20-50% (associated- and jointly owned companies). Foreign jointly owned companies are treated as integrated units.

GRANTS Grants related to the net tax agreement (NOR vessels from 01.07.03) and crew subsidies are entered in the books as a cost reduction.

TREASURY SHARES Treasury shares are entered at nominal value under the item "Share capital". The difference between nominal- and acquisition cost is entered as "Other equity".

STATEMENT OF CASH FLOWS The Group applies the indirect method. Investments in shares and other liquid resources with maturity over 3 months are not included under cash equivalents.



NOTES

NOTE 2 MAJOR TRANSACTIONS/EVENTS

Major transactions/events in 2003:
The Group has during 2003 taken delivery of 2 vessels. In February the Group took delivery of Normand Flipper (Solstad Rederi AS) at a cost price of NOK 215 mill. I March the Normand Master (Solida KS) where delivered at a cost price of NOK 335 mill. I additon a joint company in the Group (NorSkan Offshore Ltda) took delivery of NorSkan Flamengo in June at a cost price of USD 17 mill. I November the Group entered into conversion contract of Normand Cutter from cable vessel to offshore vessel at NOK 180 mill, for delivery in May 2004.

Major transactions in 2002:
The Group has during 2002 taken delivery of 4 vessels. In March, the Group took delivery of Normand Ivan (Solstad Rederi AS) at a cost price of NOK 275 mill. In May and August, the Normand Mermaid and Normand Mariner (Solida KS) were delivered at a cost price of NOK 325 mill and NOK 320 mill respectively. In addition, the Normand Flower (Island Offshore IV) was delivered in September at a cost price of NOK 330 mill. In December, the Group increased its share in Island Offshore IV to 52,5%, hence consolidating the company as a subsidiary.

Major transactions in 2001:
Sale and back leasing of the newbuilds Normand Cutter (cable vessel - delivered in June 2001) and Normand Clipper (cable vessel - delivered in October 2001), at a total value of NOK 892 mill. The transaction entailed a gain of NOK 132 mill, which is amortisated over the firm leasing period of 6 years. Additionally, an associated company of the Group (Island Offshore III) took delivery of the newbuild Normand Rover in November at a cost price of NOK 275 mill.

NOTE 3 FINANCIAL MARKET RISK AND FINANCIAL INSTRUMENTS

The Group is exposed to interest and currency risks. The interest risk is to a certain degree hedged by using financial instruments. The Group has, among others, entered 3-5 year interest hedging agreements for approx. 15% of the debt. The currency risk associated to freight contracts in foreign currencies has partly been secured by having loans in the same currency, in addition some of the revenues are sold forward. Except for treasury shares, the Group has not invested in listed shares.

NOTE 4 REPORTING BY SEGMENTS AND GEOGRAPHICAL AREAS

Offshore service related activity is the Groups main business segment. From June 2001, the Group extended its range of services to include lying and maintaining of fibre optic cable at sea.

	Offshore			Cable			Total		
	2003	2002	2001	2003	2002	2001	2003	2002	2001
Net operating revenues	816 198	788 834	786 502	157 883	201 494	77 050	974 081	990 328	863 552
Deferred income from assets	0	0	0	19 845	19 845	4 822	19 845	19 845	4 822
Total operating revenues	816 198	788 834	786 502	177 728	221 339	81 872	993 926	1 010 173	868 374
Operating costs	449 125	372 585	341 490	26 053	64 904	32 974	475 178	437 488	374 464
Operating result pre depreciation	367 073	416 249	445 012	151 675	156 436	48 898	518 748	572 685	493 910
Depreciation/Write-downs (1)	206 722	163 485	129 083	33 637	119 348	14 634	240 359	282 833	143 717
Operating result	160 351	252 764	315 929	118 038	37 088	34 264	278 389	289 852	350 193
Total assets (2)	3 790 152	3 295 274	2 146 361	741 944	790 652	915 742	4 998 162	4 598 068	3 062 103
Interest free debt/accounts payable	101 114	124 258	92 969	14 148	30 622	38 338	115 263	154 880	131 307
Current year's investments	510 128	1 325 286	140 396	0	0	794 397	510 128	1 325 286	934 793

(1) Includes both ordinary depreciation and depreciation of planned periodic maintenance. For apportionment of income and costs between the various segments, it is referred to note 1.
(2) Deposits and interest bearing debt is not apportioned.

Freight revenues are geographically apportioned as follows:

		2003	2002	2001
North Sea	43 %	414 689	476 306	579 660
North- and central America	30 %	292 647	154 592	0
Mediterranean/Remaining Europe	10 %	100 958	164 192	137 864
West Africa	10 %	98 730	62 007	12 689
South America	7 %	67 057	133 233	133 339
Total	100 %	974 081	990 328	863 552

In addition there are booked approx. NOK 20 mill as deferred income from sale and leaseback of vessels.

NOTES

NOTE 5 OTHER EXPENSES, WAGES, EMPLOYEES AND DISTINCTIVE CONTRIBUTIONS

PARENT COMPANY			GROUP		
2002	2003		2003	2002	2001
0	0	Employees vessels	273 033	265 133	212 458
2 546	3 405	Employees administration	28 065	25 472	22 694
2 546	3 405	Total crew expenses	301 098	290 605	235 152
Wages			205 837	202 666	159 269
Employers' tax			21 652	28 829	22 852
Pension costs			5 360	4 110	3 016
Other contributions			15 205	12 281	9 324
Travelling costs, course and other personal costs.			53 044	42 719	40 691
Total crew expenses			301 098	290 605	235 152
Average number of employees			570	515	428
The Groups has received grants in terms of crew subsidies and net wages agreement, which have been booked as a reduction of crew costs, at a total of NOK 35 mill (2002 NOK 13 mill., 2001 NOK 13 mill.).					

REMUNERATION TO DIRECTORS, MANAGING DIRECTOR AND AUDITOR

The following amounts have been charged to income:

	Group		
	2003	2002	2001
Board of Directors	628	752	1 339
Managing Director	1 103	1 049	902
Auditor, auditing	800	907	700
Auditor, consulting	132	401	345
Total	2 663	3 109	3 286

NOK 422.500 has in 2002 been charged to income as Directors' fees for the parent Company, and NOK 205.000 and NOK 43.500 as fees to the auditor related to auditing and consulting services respectively. There are no distinctive agreements regarding remuneration associated with resignation for the Chairman of the Board. Neither are there any distinctive bonus- or option programmes for any members of the Board or the Group management. No loans have been given to members of the Company's management. An agreement securing the Managing Director 12 months salary is in place.

Other operating expenses on NOK 174 mill (2002 NOK 147 mill, 2001 NOK 139 mill), is mainly consisting of technical operating expenses, insurance and IT/communication costs.

NOTE 6 PENSIONS

The scheme is insurance based, and had 487 members pr. 31.12.2003. It is based on the following assumptions: discount rate 6%, expected return 7%, adjustment of salary 3% and adjustment of pension 2%.

	GROUP		
	2003	2002	2001
Estimated commitments	42 646	34 222	28 567
Value of pension fund assets	37 588	34 697	33 430
Not booked changes of assumptions	8 183	3 873	4 176
Net pension assets	3 126	4 349	9 039
Pension costs break down as follows:			
Present value of the year's pension earnings	5 236	4 403	3 402
Interest payable accrued commitments	2 143	1 714	1 449
Expected return on pension fund assets	-2 357	-2 309	-2 138
Change of assumptions charged to income	339	303	303
Charged payroll tax	509	173	582
Pension cost	5 870	4 284	3 598

The effect of the changes of estimates and deviations between estimated and actual return is being charged over the 14-years amortisation period. Balance booking of the net assets is based on that the funds may be used for future pension premium payments.

NOTES

NOTE 7 FINANCIAL ITEMS

Parent Company: Other financial income amounting to NOK 17,6 mill (NOK 16,9 mill) consists of NOK 8,1 mill in realised currency gain, NOK 8,3 mill in dividend and gain in sale of shares and received group distribution of NOK 1,2 mill. Other financial costs of NOK 2,1 mill (NOK 19,1 mill) relates to bank- and guarantee costs.

Group: Other financial income of NOK 9,6 mill (NOK 192,0 mill) is in its totality comprised of realised currency gain, and equivalent, other financial charges comprise a realized currency loss of NOK 21,9 mill (NOK 101,5 mill).

NOTE 8 TANGIBLE FIXED ASSETS / INTANGIBLE FIXED ASSETS

	Cost price	Additions	Disposals	Acc. depr./	Book value	Depr./write-
GROUP:	01.01.2003	this year	this year	write-downs	31.12.2003	downs this year
				31.12.2003		
Vessels and construction contracts	4 532 027	458 250	-1 550	-1 176 621	3 812 107	199 223
Goodwill	21 518	0	0	-15 064	6 454	2 152
Machinery, equipment etc.	26 235	1 862	0	-7 496	20 601	2 056
Total Group	4 579 780	460 112	-1 550	-1 199 181	3 839 162	203 431
Capitalized periodic maintenance				2003	2002	2001
Capitalized periodic maintenance 01.01				32 300	29 604	22 509
Addition this year				50 016	39 680	33 082
Depreciation periodic planned maintenance this year				-36 928	-36 984	-25 987
Capitalised periodic maintenance 31.12				45 388	32 300	29 604

Depreciation of vessels is based on an estimated economic lifetime of 25 years. Goodwill is associated with the acquisition of the management company and is depreciated over 10 years, as the acquisition is expected to have a value for the Company for a minimum of 10 years. Machinery, equipment etc. are depreciated at 15-25%.

For 4 of the Group's vessels (Normand Pioneer, Normand Progress, Normand Cutter and Normand Clipper) long-term leasing agreements with British owners have been entered. The two first mentioned vessels have a leasing agreement until the beginning of 2005, whilst the other two have equivalent agreements until the beginning of 2008. At expiry of the firm leasing period (ref note 12), the agreements are either to be extended or the Group will take over by transferring the British owning company at agreed prices. For Normand Pioneer and Normand Progress the price is totally GBP 45 mill, whilst the respective price for Normand Cutter and Normand Clipper is totally approx. GBP 51 mill.

The vessels have been carried forward in the Group's balance sheets, as the combination of the entered lease and option agreements is considered to be financial leases according to generally accepted Norwegian accounting standards.

CONSTRUCTION CONTRACTS

Pr. 31.12.2003, the following 2 vessels are under construction (overview at 100%):

Construction contracts	Delivery	Owners	Owner-ship	Contract price	Paid instalments	Remaining 31.12.2003	Due 2004
NorSkan Leblon	Feb. 2004	N.Offshore Ltda	50 %	\$17 200	\$10 080	\$7 120	\$7 120
Eisa 479	Des. 2004	N.Offshore Ltda	50 %	\$41 000	\$21 400	\$19 600	\$19 600

The Company has options to change parts of the equipment of the vessels and the prices may therefore vary somewhat from the above. Financing of newbuilds 08 is finalised. For the other newbuild, financing is under compilation.

NOTES

NOTE 9 SHARES IN SUBSIDIARIES

	Place of business	Owner- ship	Number of shares	Nominal value	Share capital	Costprice/ book value
Solstad Shipping AS	Skudeneshavn	100 %	10 000	1 000	10 000	10 000
Solstad Rederi AS	Skudeneshavn	100 %	60 150	100	6 015	673 486
Normand Drift AS	Skudeneshavn	100 %	150	1 000	150	150
Solstad Offshore UK Ltd	Aberdeen	100 %	100	GBP 1	GBP 0,1	18 075
Solstad Cable Invest AS	Skudeneshavn	100 %	2 000	1 000	2 000	10 000
Sum						711 711

Shares in jointly owned- and associated companies, owned by Group company

	Place of business	Owner- ship	Number of shares	Nominal value	Share capital
Owned by Solstad Rederi AS:					
Solida AS	Skudeneshavn	51 %	6 120	1 000	12 000
Solida KS	Skudeneshavn	51% (*)			
Island Offshore IV AS	Ulsteinvik	52,5 %	36 750	100	7 000
Island Offshore IV KS	Ulsteinvik	52,5% (*)			

Owned by Solstad Offshore UK LTD:

Solstad Cable UK LTD	Aberdeen	62,5 %	312 500	GBP 1	GBP 313
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(*) Total share by general partner and direct ownership in the limited company

Solstad's share of uncalled limited partnership capital in subsidiaries pr. 31.12.03 was NOK 10,5 mill.

NOTE 10 SHARES IN JOINTLY OWNED - AND ASSOCIATED COMPANIES ETC.

Shares in jointly owned - and associated companies, owned by Parent Company

	Place of business	Owner ship	Number of shares	Equity Cost price	Equity 31.12.2003	Result 2003 (100%)
NorSkan AS (FKV) (*)	Skudeneshavn	50 %	67 250	84 901	165 065	-1 314
Normand Edda AS (FKV)	Skudeneshavn	50 %	75	75	238	8
DeepOcean AS (TS)	Haugesund	33,33 %	36 000	10 125	40 650	235
Sum				95 101	205 953	-1 071

(*) Included NOK 244.393 on a 0,2% directly owned share in NorSkan Offshore Ltda.

Shares in jointly owned - and associated companies, owned by Group company

	Place of business	Owner ship	Equity share Cost price	Equity share 01.01.2003	Share of result 2003	Other adjustment 2003	Equity share 31.12.2003
NorSkan AS/N. Offshore Ltda (FKV)	Skudeneshavn	50% (*)	84 901	39 986	-585	41 377	80 778
Normand Edda AS (FKV)	Skudeneshavn	50 %	75	165	4	-50	119
DeepOcean AS (TS)	Haugesund	33 %	10 125	11 407	90	3 375	14 872
Explorer II AS (TS)	Skudeneshavn	25 %	409	541	-64	-477	0
Island Offshore I AS (TS)	Ulsteinvik	27,33 %	2 131	2 026	-16	0	2 010
Island Offshore III AS (TS)	Ulsteinvik	26,88 %	1 745	1 586	0	0	1 586
Island Offshore I KS (TS)	Ulsteinvik	24,6 %	21 681	29 920	-1 746	0	28 174
Island Offshore III KS (TS)	Ulsteinvik	24,19 %	14 613	31 453	14 524	-6 288	39 689
Sum			135 680	117 084	12 207	37 937	167 228

(*)Solstad Offshore ASA ows 0,2% in NorSkan Offshore Ltda and 50% in NorSkan AS which ows 99,6% in NorSkan Offshore Ltda.

Solstad's share of uncalled limited partnership capital in associated companies pr. 31.12.03 was NOK 9,3 mill.

NOTES

Investments in shares owned by the Parent Company		Owner-	Booked
Owned by Solstad Offshore ASA:		ship	value
Seabed Geophysical AS		11,84 %	11 779
Solstad Offshore ASA has given a convertible subordinated loan to Seabed Geophysical AS of NOK 3.745.856 at 7% interest.			
Investments in shares owned by a Group Company		Owner-	Booked
Owned by Solstad Shipping AS		ship	value
ResQ AS (not AC)		22,35 %	2 750
NOTE 11 INTER COMPANY GROUP (PARENT COMPANY)			
Solstad Offshore ASA had the following receivables/debt from Group companies:	31.12.2003	31.12.2002	Interest rate
Solstad Offshore (UK) Ltd	0	10 500	-
Solstad Cable UK	51 692	48 311	5,14 %
Normand Drift AS	3 595	4 012	5,00 %
Solstad Cable Invest AS	-18 081	-14 061	5,00 %
Solstad Shipping AS (accounts payable)	-10 628	-5 788	-
Total	26 578	42 974	
Group receivables due more than one year after expiry of the financial year is approx. NOK 54 mill			

NOTES

NOTE 12 MORTGAGE DEBT AND OTHER LONG-TERM LIABILITIES

PARENT COMPANY			GROUP	
2002	2003		2003	2002
0	0	Mortgage debt	1 370 070	1 216 949
0	0	Leasing obligations	1 205 978	1 105 672
0	0	Total long-term debt	2 576 048	2 322 621

Booked value pledged assets:

PARENT COMPANY			GROUP	
2002	2003		2003	2002
62 021	68 807	Bank deposits	208 227	145 252
0	0	Accounts receivables	164 829	150 510
0	0	Vessels	3 579 574	3 193 046
62 021	68 807	Total book value	3 952 630	3 488 808

Some of the vessels have been placed as security for the mortgages. In addition, the accounts receivables and the bank deposits have been pledged. As security for fulfilment of the entered lease agreements, parent- and subsidiary guarantees have been placed. The newbuilds, a vessel and a cash deposit of GBP 17 mill have furthermore been placed as security. Solstad Offshore ASA has granted guarantees associated with Normand Drift and DeepOcean AS of NOK 12 mill and approx. and NOK 5 mill respectively, and also approx. USD 16 mill associated with NorSkan Offshore Ltda. Solstad Rederi AS has granted a guarantee related to Solida KS of NOK 51 mill. Of guarantee costs, approx. NOK 2 mill has been charged "Other Financial Items" in the Parent Company's accounts for 2003.

The Group's long-term debt was apportioned by 31% USD, 45% GBP, 5% Euro and 19% NOK.

The loan agreements are subject to, among others, that the owner companies working capital is positive at all times and that the vessels' market value amounts to a minimum of 125-135% of the outstanding loans. Regarding the working capital requirements, the first year's instalments of the mortgage debt is exempted. The Company meets all requirements of the loan agreements pr. 31.12.03. In addition to the pledged assets/negative security clauses, the agreements include re-assignment of factoring agreements and requirements to insurance.

Instalments of mortgage debt and leasing obligations pr. 31.12.2003 (NOK mill):

2004	2005	2006	2007	2008	After 2008
133	753	223	204	829	434

The Group's average interest on vessels debt during 2003 was approx. 4,1%.

At expiry of the firm leasing periods (in 2005 and 2008 respectively) of the leased vessels, the lease agreements are either being extended or the Group is taking over by transferring the British owning company at agreed rates. For further information see note 8.

NOTES

NOTE 13 TAX

PARENT COMPANY			GROUP	
2002	2003		2003	2002
202	0	Tax payable	653	5 917
-5 825	5 002	Ordinary changes in deferred tax / deferred tax assets	8 532	8 495
-5 623	5 002	Tax	9 185	14 412
Apportionment of tax on ordinary result				
-5 623	5 002	Norwegian	6 102	12 159
0	0	Foreign	3 083	2 253
-5 623	5 002	Total	9 185	14 412
Temporary differences				
Outside shipping tax regime		Tax effect		
0	0	Net pension assets	875	4 349
0	0	Fixed assets / provisions	47 444	153 607
-20 803	-2 938	Uncovered loss carried forward	-2 072	-23 164
-20 803	-2 938	Total temporary differences	46 247	134 792
0	0	Deferred tax, net	46 247	37 715
Applied tax rate Norway			28 %	28 %
Within the shipping tax regime				
Negative balance for taxed income			177 037	177 037
Accumulated, untaxed income (*)			1 659 313	1 521 399
Uncovered loss carried forward (financial items)			34 696	51 027
			0	0
Deferred tax				
Total deferred tax (Group)			46 247	37 715
Explanation on why taxes do not constitute				
28% of result pre tax:				
-1 152	4 820	28% tax of result pre tax	53 982	95 455
-4 596	-2 654	Dividends UK / remuneration	0	0
126	2 836	Permanent differences / shipping tax regime	-44 797	-81 043
-5 622	5 002	Estimated tax	9 185	14 412

Deferred tax related to shares in subsidiaries, associated- or jointly owned companies has not been booked. Present value of deferred tax associated with the tax increasing temporary differences transferred to the company which is subject to shipping tax from and including 1996 and 1997, and subsequent profits, is considered insignificant as the Company does not plan to pay these funds as dividend in the foreseeable future. Deferred tax on deviating values at group level of associated with foreign partnership has been calculated in the Group accounts.

If the company subject to shipping tax should fail to meet the stipulated terms or resign from the regime, tax will be imposed. Such tax imposition will be based on market values. Furthermore, tax is payable on dividends from the company to any shareholders outside the regime.

A specific calculation of deferred tax in the UK has been undertaken (30% tax rate).

Tonnage tax is classified as operating costs.

NOTES

NOTE 14 EQUITY, SHAREHOLDERS AND TREASURY SHARES

	Share	Premium	Other	Total	
PARENT COMPANY	Capital	Fund	Equity	Equity	
Equity pr. 31.12.2002	70 486	11 601	794 870	876 956	
Purchase of treasury shares (11.400)	-23	0	-285	-308	
Sale of treasury shares (330.200)	660	0	12 572	13 233	
Not paid dividends treasury shares	0	0	844	844	
Result of the year	0	0	12 213	12 213	
Allocated dividends	0	0	-37 794	-37 794	
Equity pr. 31.12.2003	71 123	11 601	782 420	865 144	
	Share	Premium	Other	Minority	Total
GROUP	Capital	Fund	Equity	Interests	Equity
Equity pr. 31.12.2002	70 486	11 601	1 609 909	217 565	1 909 561
Purchase of treasury shares (11.400)	-23	0	-285	0	-308
Sale of treasury shares (330.200)	60	0	1 173	0	1 233
Not paid dividends treasury shares	0	0	844	0	844
Effect on hedging contract income	0	0	-74 820	0	-74 820
Result of the year	0	0	163 307	20 301	183 608
Allocated dividends	0	0	-37 794	0	-37 794
Minority interests	0	0	0	8 644	8 644
Equity pr. 31.12.2003	70 523	11 601	1 662 334	246 510	1 990 968

The Parent Company's share capital pr. 31.12.03 represents 35.794.160 shares at NOK 2,-. Number of share holders pr. 31.12.03 was 1.653. The Board of Directors has power of attorney to increase the share capital by 2 mill shares at NOK 2,- and to implement a capital appreciation of up to 140.000 shares at NOK 2,- towards employees of the Group. Furthermore, the Board has power of attorney to acquire treasury shares in line with the legislation (10%).

SHAREHOLDERS WITH MORE THAN 1% INTEREST PR. 31.12.03:

Solstad Invest AS	7 103 813	19,84 %
Solstad Trading AS	6 802 693	19,00 %
Solhav Invest II AS	2 504 701	6,99 %
Solstad, Johannes	1 622 976	4,53 %
Verdipapirfondet SKAGEN	1 350 000	3,77 %
Ulsmo AS	964 478	2,69 %
Storebrand Livsforsikring	932 350	2,60 %
Borgstein Verdi AS	910 200	2,54 %
Pareto Fondsforvaltning	780 000	2,17 %
Bakkely Invest AS	704 037	1,96 %
Solstad Offshore ASA (incl. subsidiary)	532 519	1,48 %
JP Morgan Chase Bank	523 800	1,46 %
Tine Pensjonskasse	460 000	1,28 %
	25 191 567	70,37 %

BOARD OF DIRECTORS AND MANAGING DIRECTORS SHARE INTEREST IN THE COMPANY

In accordance with the definition under the Company legislation, the Directors had the following holdings per 31.12.03:

Harald Eikesdal	0	shares
Tor Edv. Hestvik	2 400	shares
Johannes Solstad	18 034 183	shares
Jakob Rugland	21 200	shares
Per Gunnar Solstad	264 399	shares
Idar Ulstein	964 478	shares

Managing Director Lars Peder Solstad, owns 77.203 shares and Deputy Managing Director Sven Stakkestad owns 2.000 shares per 31.12.2003. The Company's auditor is not a shareholder. The Company had a stock of 532.519 treasury shares pr 31.12.2003 at a cost price of NOK 20,4 mill, wherof 11.400 shares are purchased at the market and 30.200 sold to employees in 2003. 300.000 of the treasury shares are owned by a subsidiary company. The acquisition of treasury shares is based on valuation of the Company.

NOTES

NOTE 15 EARNING PER SHARE

Earnings per share in 2003 was NOK 5,21. Equivalent result per share in 2002 and 2001 was NOK 9,27 and NOK 9,25 respectively. Earnings per share i is calculated by dividing the Group result by the average number of shares adjusted by stock of treasury shares. There does not exist any instruments that give any possibility for dilution.

NOTE 16 TRANSACTIONS WITH RELATED PARTIES

Related parties are considered to be members of the Board (including represented companies) and the management of the Company. In addition to Director's fee, the Chairman of the Board has received NOK 45.000 as remuneration for legal assistance to the Company.

There are no management agreements with related parties outside the Group charging the Company management fees. The Group leases office- and workshop premises at market value from a company where the main share holder controls 100% at a total of NOK 1 mill. Furthermore, the Group has used a shipyard where the main share holder controls 100% for repairs and conversions of the Group's vessels amounting to NOK 3,4 mill.

For several year, the Group has used Ulstein Verft AS as supplier of vessels. Director Idar Ulstein is chairman and indirectly shareholder of the yard. Intercompany debt/receivables is interest bearing.

NOTE 17 DEPOSITS

NOK 13,4 mill (NOK 10,9 mill) of the Group's deposits constitutes restricted deposits (tax withheld). Furthermore, parts of the deposits are pledged. Reference is made to note 12.

NOTE 18 TRANSACTIONS / EVENTS AFTER THE BALANCE SHEET DATE

NorSkan Offshore Ltda has in February taken delivery of NorSkan Leblon (PSV) at a cost price of USD 17,5 mill.

Solstad Offshore ASA has 29th January 2004 done a private placement of 2.000.000 shares at a quotation of NOK 53,50 per share. The placement constitutes an extension of share capital with approx. 5,5% and new share capital will be NOK 75.588.320, distributed on 37.794.160 shares. The Company sold at the same time 500.000 (whereof 300.000 was owned by a subsidiary company) treasury shares at NOK 53,50. After the sale the Company has a stock of treasury shares of 32.519.

Solstad Rederi AS, a wholly owned subsidiary of Solstad Offshore ASA, has ordered a PSV (VS 4420) at a contract value of approx. NOK 235 mill. The vessel will be delivered in March 2005.

Solstad Offshore UK LTD, a wholly owned subsidiary of Solstad Offshore ASA, sold their 3 standby vessels in March 2004. The price, which was equal to the booked gain, was NOK 25 mill

NOTE 19 ENVIRONMENTAL CONDITIONS

All vessels are in compliance with current environmental requirements. None of the vessels have during 2003 been fined or punished for breach of environmental regulations. None of the vessels holds impositions of upgrading or improvement related to technical outfitting or any other measures in order to comply with current environmental requirements.

The Company's HSE-system complies with international standards, the ISM code (IMO's International Safety Management Code). All vessels plus the administration have been ISM certified by Det Norske Veritas. The Company's Quality Assurance system has furthermore been certified in accordance with NS-EN ISO 9001:2000.

NOTE 20 ADDITIONAL INFORMATIONS TO THE STATEMENT OF CASH FLOWS

The Group utilizes the indirect method. Investments in shares and other bonds with maturity over 3 months are not included under cash equivalents. Included under cash and cash equivalents pr. 31.12.03, are restricted deposits of NOK 13,4 mill in form of tax withheld funds.

NOTE 21 IMPELMENTATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

Solstad Offshore ASA will have to adopt International Financial Reporting Standards (IFRS) from IASB in the consolidated accounts in 2005. The financials for 2004 will be restated in accordance with IFRS to be comparable. The IFRS to be applied in 2005 is yet not finalized. Therefore, an analysis of current conflicts between IFRS and the current accounting principles for the Group may not be relevant at the time of transition from Norwegian GAAP to IFRS. Having said that, the Group expects to change certain accounting policies as a result of the transition to IFRS.

The most significant expected changes apply to the following; (I) certain differences regarding the accounting for pensions may be charged to shareholders' equity in the IFRS opening balance (the consequence is that the shareholders' equity will decrease) (II) allocation of the cost of property, plant and equipment to its significant parts and reflection of residual value for depreciation purposes (the consequence is that the ordinary depreciation charge may change) (III) no liability recognition of proposed dividend (the consequence is that the shareholders' equity will increase), (IV) it is expected that there will be no ordinary depreciation of goodwill under IFRS. The accounting regulations related to impairment tests of goodwill is expected to be in accordance with the current principles applied by the Group (the consequence is that the result and shareholders' equity will increase assuming no impairment charge) (V) IFRS has implemented more stringent requirements for applying hedge accounting. (VI) There are to a certain degree uncertainty related to how to record deferred taxation for companies within the Norwegian (and UK) tonnage tax system. It seems like the accounts have to reflect a deferred tax liability based on the nominal tax rate for withheld profits and transferred tax positions (the consequence is that the shareholders' equity decreases). In addition, debt to be repaid within the next twelve months will be classified as current liabilities. The Group will, if possible with sufficient reliability, quantify the effects of the implementation of IFRS in the 2004-accounts. Reporting according to IFRS is planned from first quarter 2005.

AUDITOR'S REPORT



To the Annual Shareholders' Meeting of
Solstad Offshore ASA

Auditor's report for 2003

We have audited the annual financial statements of Solstad Offshore ASA as of 31 December 2003, showing a profit of NOK 12.2 million for the parent company and a profit of NOK 183.6 million for the Group. We have also audited the information in the Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit. The financial statements comprise the balance sheet, the statements of income and cash flows, the accompanying notes and the consolidated accounts. These financial statements and the Directors' report are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and on other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and auditing standards and practices generally accepted in Norway. Those standards and practices require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and auditing standards, an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- the financial statements have been prepared in accordance with law and regulations and present the financial position of the Company and of the Group as of 31 December 2003, and the results of its operations and its cash flows for the year then ended, in accordance with accounting standards, principles and practices generally accepted in Norway
- the Company's management has fulfilled its duty to properly register and document the accounting information as required by law and accounting standards, principles and practices generally accepted in Norway
- the information in the Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and comply with law and regulations.

Oslo, 19 March 2004
ERNST & YOUNG AS

Asbjørn Rødal
State Authorised Public Accountant (Norway)

Note: The translation to English has been prepared for information purposes only.

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Lillehammer, Moss, Måløy, Notodden, Oslo, Otta, Porsgrunn/Skien,
Sandefjord, Sortland, Slanger, Steinkjer, Tromsø, Trondheim, Tønsberg,
Vikersund, Ålesund

THE FLEET

FOR SHIPSDetails, www.solstad.com

OFFSHORE CONSTRUCTION VESSEL (OCV)



1. Normand Flower



2. Normand Mermaid



3. Normand Rover



4. Normand Pioneer



5. Normand Progress



6. Normand Tonjer

CABLE LAYING VESSEL (CLV)



7. Normand Clipper



8. Normand Cutter

LARGE ANCHORHANDLING/TUG/SUPPLY VESSEL (AHTS)



9. Normand Master



10. Normand Mariner



11. Normand Ivan



12. Normand Borg



13. Normand Atlantic



14. Normand Neptun

THE FLEET

FOR SHIPSDetails, www.solstad.com

SMALLER ANCHORHANDLING/FIELD SUPPORT VESSEL (AHTS)



15. Normand Mjølne



16. Normand Draupne



17. Normand Jarl



18. Normand Drott



19. Normand Trym



20. Normand Prosper



21. Normand Hunter



22. Normand Ranger

PLATFORM SUPPLY VESSEL (PSV)



23. Normand tbn



24. Normand Flipper



25. Normand Vester



26. Normand Carrier

VESSELS OWNED BY NORSKAN OFFSHORE LTDA



27. NorSkan tbn



28. NorSkan Leblon



29. NorSkan Flamengo

THE FLEET

PER 15. APRIL 2004

		Built year	Design	Reg.	HP	DWT	Deck areal m²	Winch power	Bollard pull	Dry bulk	Standby rescue	Oil- skimming equip.	Fi-Fi	DP class
OFFSHORE CONSTRUCTION VESSEL (OCV)														
1	Normand Flower	2002	UT 737	IOM	9 860	4 000	960					x		3
2	Normand Mermaid	2002	P 103	IOM	13 000	4 100	800					x		3
3	Normand Rover	2001	UT 745 E	NIS	7 500	4 000	960					x		2
4	Normand Pioneer	1999	UT 742	IOM	27 800	5 292	1000	500	286					2
5	Normand Progress	1999	UT 742	IOM	27 800	5 292	1000	500	304					2
6	Normand Tonjer	1983	UT 705	NOR	6 000	3 191	600							2
CABLE LAYING VESSEL (CLV)														
7	Normand Clipper	2001	VS 4125	NIS	10 600	10 000			140					2
8	Normand Cutter	2001	VS 4125	NIS	10 600	10 000			140					2
LARGE ANCHORHANDLING/TUG/SUPPLY VESSEL (AHTS)														
9	Normand Master	2003	A 101	NOR	23 500	3 700	600	500	282			x		2
10	Normand Mariner	2002	A 101	NOR	23 500	3 700	600	500	282			x		2
11	Normand Ivan	2002	VS 480	NOR	20 000	4 138	600	500	240	x		x		2
12	Normand Borg	2000	UT 722 L	NIS	16 800	2 873	570	500	202	x		x		1
13	Normand Atlantic	1997	UT 740	NOR	19 400	4 200	560	500	220	x	x	x	x	2
14	Normand Neptun	1996	UT 740	NIS	19 400	4 200	560	500	222	x	x	x	x	1
SMALLER ANCHORHANDLING/FIELD SUPPORT VESSEL (AHTS)														
15	Normand Mjolne	1985	UT 718	NOR	18 000	2 500	590	300	170	x	x	x	x	2
16	Normand Draupne	1985	UT 718	NOR	18 000	2 500	590	300	170	x	x	x	x	2
17	Normand Jarl	1985	UT 712	NOR	12 000	2 000	536	300	150	x	x	x	x	1
18	Normand Drott	1984	UT 712	NOR	12 000	2 000	536	300	148	x	x	x	x	-
19	Normand Trym	1984	ME 303	NOR	12 728	2 200	473	250	146	x	x	x	x	1
20	Normand Prosper	1983	UT 704	NOR	9 200	1 875	495	250	90	x	x		x	-
21	Normand Hunter	1982	Hommelvik	REB	9 800	1 370	418	150	115	x				-
22	Normand Ranger	1982	UT 704	NOR	9 200	1 820	418	250	90	x	x	x	x	-
PLATFORM SUPPLY VESSEL (PSV)														
23	Normand tbn	2005	VS 4420		9 500	6 400								
24	Normand Flipper	2002	UT 745 E	NOR	9 600	4 400	960			x				2
25	Normand Vester	1998	UT 745	NOR	10 300	4 587	956			x	x	x		2
26	Normand Carrier	1996	UT 745	NOR	10 300	4 560	956			x		x		2
VESSELS OWNED BY NORSKAN OFFSHORE LTDA														
27	NorSkan tbn	2004	UT 722 L	REB	16 800	2 873	400	350	180					
28	NorSkan Leblon	2004	UT 755 L	REB	5 500	3 000	621			x				1
29	NorSkan Flamengo	2003	UT 755 L	REB	5 500	3 000	621			x				1

CONTRACT COVERAGE

PER. 15. APRIL 2004

		2004	2005	2006	2007	2008
OFFSHORE CONSTRUCTION VESSEL (OCV)						
1	Normand Flower	12/2004 + option	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
2	Normand Mermaid	08/2004 + option	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
3	Normand Rover	12/2004	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
4	Normand Pioneer	180 days/year + option	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
5	Normand Progress	100 days/year + option	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
6	Normand Tonjer	300 days/year + option	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
CABLE LAYING VESSEL (CLV)						
7	Normand Clipper	10/2004	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
8	Normand Cutter	05/2007 + option	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
LARGE ANCHORHANDLING/TUG/SUPPLY VESSEL (AHTS)						
9	Normand Master	Spot	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
10	Normand Mariner	Spot	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
11	Normand Ivan	Spot	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
12	Normand Borg	07/2005 + option	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
13	Normand Atlantic	05/2004	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
14	Normand Neptun	10/2005	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
SMALLER ANCHORHANDLING/FIELD SUPPORT VESSEL (AHTS)						
15	Normand Mjølne	11/2005	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
16	Normand Draupne	06/2005	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
17	Normand Jarl	06/2004	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
18	Normand Drott	06/2004	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
19	Normand Trym	12/2004 + option	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
20	Normand Prosper	Spot	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
21	Normand Hunter	06/2004	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
22	Normand Ranger	07/2004 + option	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
PLATFORM SUPPLY VESSEL (PSV)						
23	Normand tbn	Del. March 2005	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
24	Normand Flipper	09/2005 + option	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
25	Normand Vester	05/2004	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
26	Normand Carrier	12/2004	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
VESSELS OWNED BY NORSKAN OFFSHORE LTDA						
27	NorSkAn tbn	Del. Dec. 2004 - 12/2012	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
28	NorSkAn Leblon		<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
29	NorSkAn Flamengo	09/2007	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>

Some of the charterparties include clauses which under certain conditions gives the charter the right to cancel.

Contract
 Charters option



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