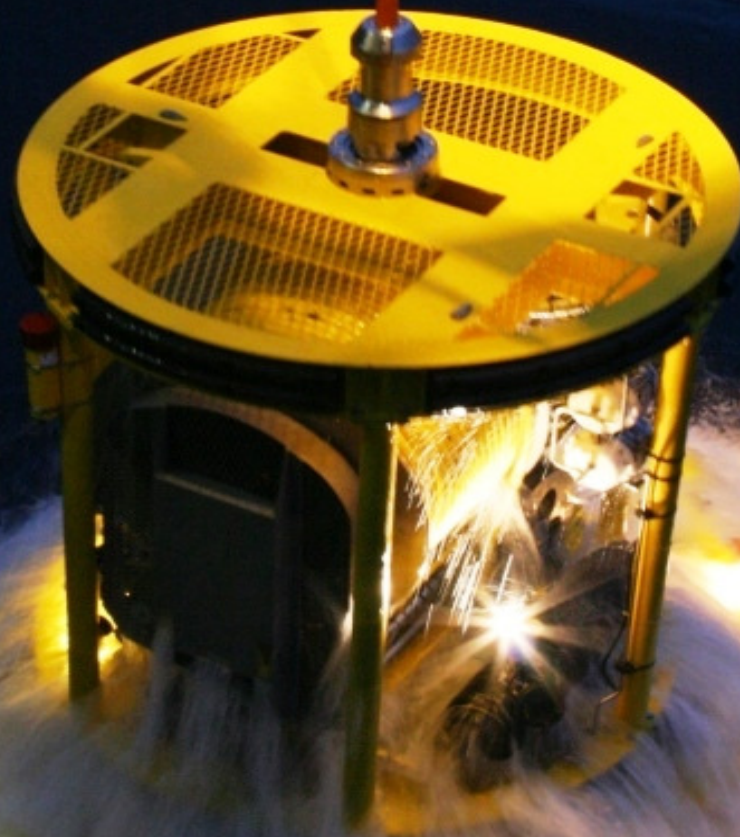


DOF Subsea ASA
2nd Quarter Report
First half year Report
2008

Q2



Applied accounting principles

This interim report for the first half-year 2008 has been prepared according to the International Financial Reporting Standards (IFRS) and the appurtenance standard for quarterly reports (IAS 34). The quarterly report is based on current IFRS standards and interpretations. Changes in these standards and Interpretations may result in changes in operational results.

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Financial calendar 2008

Preliminary dates for the publishing of the company's results are:

16th May 2008	1 st quarter 2008
27th August 2008	2 nd quarter 2008
6 th November 2008	3 rd quarter 2008
Ultimo February 2009	4 th quarter 2008

DOF Subsea ASA

DOF Subsea ASA is a listed company and a world-wide supplier of subsea services. The company performs complex subsea operations down to depths of 4000 meters. DOF Subsea ASA currently has five fully owned subsidiaries: DOF Subsea Norway, DOF Subsea UK (UK, USA, Canada), CSL(UK), DOF Subsea (Singapore, Australia) and DOF Subsea Brazil. In total, the DOF Subsea's group of companies employs more than 800 skilled workers worldwide, 16 offshore vessels and 8 newbuilds 1 nearshore vessel, ROV systems, 1 AUV/UUV system, and 11 diving spreads.

DOF Subsea's aim is to establish a permanent presence in all major offshore regions providing subsea services on our own vessels.

DOF Subsea ASA

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Key figures NOK 000

	01.04 - 30.06 2008	01.04 - 30.06 2007*	01.01 - 30.06 2008	01.01 - 30.06 2007*	01.01 - 31.12 2007
Number of shares end of period	119 733 714	112 733 714	119 733 714	112 733 714	112 583 714
Weighted average number of shares	113 741 492	112 733 714	113 159 405	98 864 700	109 257 721
Weighted average number of shares diluted	119 730 381	119 733 714	119 656 642	105 864 700	116 257 721
Earnings per share	0,67	1,44	0,88	1,79	0,92
Earnings per share diluted	0,64	1,35	0,83	1,68	0,87
EBITDA-margin	27,3 %	34,9 %	24,4 %	30,1 %	28,5 %
EBIT-margin	17,9 %	27,9 %	14,5 %	21,3 %	18,1 %
Equity ratio	38,6 %	51,1 %	38,6 %	51,1 %	39,8 %
Net interest bearing debt	3 699 128	2 006 732	3 699 128	2 006 732	3 365 895

* 2007 inkl. Gain on sold vessel 87,6 mill

Main Points 2nd Quarter

- Skandi Neptun AS, a wholly owned subsidiary of DOF Subsea, has in accordance with an agreement entered in to in 2005 with DOF Rederi AS, taken ownership of MV Skandi Neptune. As part of the agreed settlement, DOF Subsea ASA should issue 7 Million new shares to DOF Rederi AS. Price per share in the transaction was according to the original agreement of 2005 set to NOK 19.50 per share. The total registered share capital of the company is now NOK 598,668,570 consisting of 119,733,714 shares, each with par value of NOK 5,00. The vessel is currently employed on a time charter with Subsea 7.

- The 50/50 joint venture between Technip and DOF Subsea has been awarded by Petrobras a contract, worth approximately USD 250 million, for the four-year charter of a new pipelay vessel. The vessel will be used for pipelines installation and retrieval offshore Brazil, at water depths reaching 2,000 meters. The contract includes an option for an additional four-year period.

This vessel will be the first of her kind built and registered in Brazil, and will be fitted with a 200 ton lay tower and a 250 ton crane. She will be able to carry up to 2,750 tons of flexible pipe and umbilicals*.

This vessel is part of Technip and DOF Subsea's fleet development strategy. She is currently under construction at Aker Promar's yard in Rio de Janeiro, Brazil and will be owned by the Technip/DOF Subsea joint venture.

2008 2007

- Operating Income : NOK 645.1 mill (665.8*)
- EBITDA : NOK 176.0 mill (232.4*)
- EBIT : NOK 115.6 mill (186.0*)
- Net financial items : NOK – 29.8 mill (-24.8)
- Profit before tax : NOK 85.8 mill (161.2*)
- Tax : NOK -9.1 mill (-20.3)
- Profit after tax : NOK 76.7 mill (162.5**)

* 2007 incl. Gain on sold vessel 87,6 mill

** 2007 incl. Gain from discontinued operations 21,7 mill.

Profit and loss

Operating revenues in the quarter were 645.1 million an increase of 138.3 million compared with the previous quarter. (27%)

Operating profit before depreciation (EBITDA) was 176.0 million compare with 1st quarter NOK 105,4 a rise in EBITDA with 67 percent .

Cashflow

Cash flow from operations in 2nd Quarter was 25,2 MNOK. Investment activities during Q2 equalled 804,7 MNOK, while net financing activity increased cash by 632.9 MNOK. At the end of the quarter we had 569,3 MNOK in cash and cash equivalents.

Segment information

While the Subsea Engineering segment has a EBITDA of 7,1% in Q2 2008, the subsea construction support segment shows an EBITDA margin of 29.6% or 170.6 MNOK.

Key figures from the Q2 accounts 2008

The accounts for the 2nd Quarter shows the following key figures on a consolidated basis: (Q2 2007 in brackets)

HALF YEAR REPORT 2008 - UNAUDITED

Financial information (1st quarter 2008 in brackets)

Consolidated revenues for the first half year 2008 amounted to NOK 1 151.6 million, compared with NOK 1 039.3 million for the same period in 2007. This reflects continued strong markets and high activity levels.

EBITDA was NOK 232.4 million compared to NOK 281.4 million in same period 2007.

The EBITDA margin for the first half year 2008 was 24.4 percent compared to 30.1 percent in the same period in 2007. Adjusted EBITDA margin for the gain on the sale of one in Q2 2007, 21.7 percent.

Cash flow from operating activities was positive NOK 142.1 million. This reflects a NOK 804.7 million increase in net current operating assets, from NOK 143.3 million at the end of the first quarter to NOK 948 million at the end of the second quarter. Cash and bank deposits at the end of the second quarter were NOK 569.3 million, a decrease of NOK 208.9 million during the first half year.

Depreciation amounted to 60.4 million (54.3 million). Depreciation for the half year amounted to 114.7 million.

Operating profit after depreciation (EBIT) was 115.6 million (51.1 million). Operating profit after depreciation (EBIT) for the half year was 166.7 million.

Capitalized interest expenses related newbuilds in the quarter amounted to 12.7 million (11.7 million).

Net financial items for the second quarter were negative NOK 70.9 million, compared to negative NOK 32.8 million for the same period in 2007.

Profit before tax was 85.8 million (10.0 million). Profit before tax for the half year was 95.8 million.

Net profit, was 76.7 million (24.3 million). Net profit for the half year, was 101.0 million.

The Subsea Construction Support segment reported revenues of 575.7 million (436.5 million) and EBITDA of 170.6 million (100.0 million).

The engineering segment reported revenues of 70.9 million (71.5 million) and EBITDA of 5.4 million (5.4 million).

Equity ratio at the end of the second quarter was 38.6 percent, a decrease from 39.8 percent at the end of the first quarter 2008, due to the increase in the balance sheet

At the end of the second quarter, order backlog was NOK 10.7 billion

Material events

Break through in Russia, winning geotechnical and geophysical survey contract with Nordstream in the Baltic Sea as well as being pre-qualified as supplier for Sakhalin Energy. Additionally, DSV Geosea was awarded diving and construction work contract for Shell in Sakhalin.

DOF Subsea entered in to an agreement of sale of MV Geofjord, a 1984 built offshore construction support vessel for 49,75 mill.USD. The vessel will be delivered to new owners in September /October 2008. To replace this vessel in the DOF Subsea fleet, the company has agreed with DOF Rederi AS to charter in one of the newbuildings that DOF Rederi AS currently have under construction at the TEBMA yard in India. The newbuilding will be modified to accommodate for the installation of a D300 saturation dive-system, similar to the system which today is installed on the MV Geosea. The vessel will be delivered during 2nd quarter 2009.

Chairman of the Board Mr. Helge Møgster resign from his current position as Chairman.

Mons S. Aase was elected as new Chairman. Mr. Aase resigns therefore from his position as CEO of the company.

Mr. Stephen Brown, who held the position as CEO of the company's operations in Singapore and Australia and Directorships in the group's companies and subsidiaries in the region, has been appointed as new CEO of DOF Subsea ASA.

Skandi Neptun AS, a wholly owned subsidiary of DOF Subsea, has in accordance with an agreement entered in to in 2005 with DOF Rederi AS, taken ownership of MV Skandi Neptune. As part of the agreed settlement, DOF Subsea ASA should issue 7 Million new shares to DOF Rederi AS. Price per share in the transaction was according to the original agreement of 2005 set to NOK 19.50 per share.

The 50/50 joint venture between Technip and DOF Subsea has been awarded by Petrobras a contract, worth approximately USD 250 million, for the four-year charter of a new pipelay vessel. The vessel will be used for pipelines installation and retrieval offshore Brazil, at water depths reaching 2,000 meters. The contract includes an option for an additional four-year period.

There have been no other material changes to material events since the release of the Annual Report for 2007.

Financial market risk

Operational risk is the ability to deliver existing contracts at the agreed time, quality, functionality and cost. Delivering projects and equipment in accordance with the contract terms and the anticipated cost framework represents a substantial risk element, which will be the most significant factor affecting DOF Subsea financial performance.

Approximately 70 per cent of the Group's income in the first half of 2008 was denominated in foreign currencies. The Norwegian krone (NOK) has appreciated throughout the period measured against GBP, AUD and USD, currencies in which the Group has income, costs and loans. The Group aims to match the costs towards the currency of the relevant income. However, a significant portion of costs are payable in NOK. Currency exposure from vessels/ activities with income in one particular currency, are to be reduced through financing in the same currency. Net earnings from contractual income in USD

and GBP are higher than the agreed instalments on loans in these same currencies. Contractual net earnings in foreign currencies thus secure parts of loan down payment plans.

DOF Subsea works systematically with risk management in all its business areas, through extensive systems and procedures.

Prospects

DOF Subsea is expecting a healthy growth in revenue for 2008. Two new vessels, MV Skandi Seven and Skandi Salvadore will be delivered during the last half of 2008, and long-term contracts are in place for all vessels. The demand for and utilisation of the world's construction vessels is expected to be high in the coming years. With DOF Subsea's modern fleet we expect to benefit from this trend.

Condensed Financial Statements in accordance with IFRS

Unaudited Consolidated Income Statement

	01.04 - 30.06 2008	01.04 - 30.06 2007	01.01 - 30.06 2008	01.01 - 30.06 2007	01.01 - 31.12 2007
Profit and Loss Accounts NOK 000					
Sales revenues	645 132,3	665 754,9	1 151 556,4	1 039 346,3	2 073 604,6
Operating expenses before depreciation	-469 110,7	-433 324,0	-870 120,2	-726 767,7	-1 482 971,3
Operating profit before depreciation (EBITDA)	176 021,7	232 431,0	281 436,3	312 578,6	590 633,3
Depreciation	-60 407,5	-46 477,2	-114 750,2	-91 348,5	-215 300,6
Write downs and provisions	0,0	0,0	0,0	0,0	0,0
Operating profit (EBIT)	115 614,2	185 953,8	166 686,1	221 230,1	375 332,7
Net financial items	-29 798,3	-24 803,8	-70 906,0	-32 769,3	-90 646,0
Profit before taxes	85 815,9	161 150,0	95 780,1	188 460,8	284 686,7
Taxes	-9 081,0	-20 331,0	5 221,4	-20 252,4	-197 432,1
Profit from continuing operations	76 734,8	140 819,0	101 001,5	168 208,4	87 254,6
Profit from discontinued operations	0,0	21 701,8	0,0	21 701,8	14 366,8
Profit after taxes (PAT)	76 734,8	162 520,8	101 001,4	189 910,2	101 621,4
Minority interest	627,9	593,1	1 154,1	593,1	1 030,7

Unaudited Balance Sheet

Balance Sheet NOK 000	30.06.2008	30.06.2007	31.12.2007
Fixed assets			
Deferred tax asset	0,0	0,0	0,0
Other intangible assets	681 070,0	712 913,0	697 881,0
Vessels	5 820 658,4	4 249 551,8	5 191 286,8
Machinery and other equipment	662 960,4	375 167,2	665 411,0
Financial fixed assets	163 039,9	102 213,6	147 143,0
Total fixed assets	7 327 728,8	5 439 845,6	6 701 721,9
Current assets			
Bunkers	16 077,4	1 668,8	3 243,0
Vessel held for sale	173 000,0	0,0	0,0
Receivables	695 159,6	564 351,6	527 748,7
Cash and cash equivalents	569 320,4	495 009,1	778 170,4
Total current assets	1 453 557,4	1 061 029,5	1 309 162,1
Total assets	8 781 286,2	6 500 875,1	8 010 884,0
Equity			
Paid in capital	2 761 919,5	2 622 831,8	2 618 999,0
Other equity	619 577,4	692 800,2	558 753,0
Minority interest	8 938,0	3 153,9	7 783,9
Total equity	3 390 434,8	3 318 785,9	3 185 535,9
Liabilities			
Provisions	205 219,5	205 617,6	223 289,0
Other long-term liabilities	3 903 609,7	2 325 190,8	3 735 566,9
Short-term liabilities	1 282 022,1	651 280,7	866 492,1
Total liabilities	5 390 851,4	3 182 089,1	4 825 348,1
Total equity and liabilities	8 781 286,2	6 500 875,1	8 010 884,0

Unaudited Segment Information

Profit and Loss Accounts NOK 000	Subsea Construction Support	Subsea engineering	Elimination	Total
	01.04 - 30.06 2008	01.04 - 30.06 2008	01.04 - 30.06 2008	01.04 - 30.06 2008
Sales revenues	575 698,9	70 945,5	-1 512,1	645 132,3
Operating expenses before depreciation	-405 113,4	-65 509,4	1 512,1	-469 110,7
Operating profit before depreciation (EBITDA)	170 585,6	5 436,1	0,0	176 021,7
Depreciation	-59 989,4	-418,1	0,0	-60 407,5
Operating profit (EBIT)	110 596,2	5 017,8	0,0	115 614,0
Net financial items	-29 641,7	-156,6	0,0	-29 798,3
Profit before taxes	80 954,5	4 861,2	0,0	85 815,7
Taxes	-7 316,0	-1 765,0	0,0	-9 081,0
Profit after taxes (PAT)	73 638,4	3 096,4	0,0	76 734,8
Minority interest	0,0	1 154,1	0,0	1 154,1

	01.01 - 30.06 2008	01.01 - 30.06 2008	01.01 - 30.06 2008	01.01 - 30.06 2008
Sales revenues	1 012 155,7	142 420,0	-3 019,3	1 151 556,4
Operating expenses before depreciation	-741 539,9	-131 599,6	3 019,3	-870 120,2
Operating profit before depreciation (EBITDA)	270 615,9	10 820,4	0,0	281 436,3
Depreciation	-113 903,2	-847,0	0,0	-114 750,2
Operating profit (EBIT)	156 712,7	9 973,2	0,0	166 685,9
Net financial items	-70 216,4	-689,6	0,0	-70 906,0
Profit before taxes	86 496,3	9 283,6	0,0	95 779,9
Taxes	7 959,3	-2 737,9	0,0	5 221,4
Profit after taxes (PAT)	94 455,5	6 545,9	0,0	101 001,4
Minority interest	0,0	1 154,1	0,0	1 154,1

Profit and Loss Accounts NOK 000	Subsea Construction Support	Subsea engineering	Elimination	Total
	01.04 - 30.06 2007	01.04 - 30.06 2007	01.04 - 30.06 2007	01.04 - 30.06 2007
Sales revenues	598 402,9	67 352,0	0,0	665 754,9
Operating expenses before depreciation	-373 732,0	-59 592,0	0,0	-433 324,0
Operating profit before depreciation (EBITDA)	224 670,9	7 760,0	0,0	232 430,9
Depreciation	-46 095,2	-382,0	0,0	-46 477,2
Operating profit (EBIT)	178 575,7	7 378,0	0,0	185 953,7
Net financial items	-23 871,8	-932,0	0,0	-24 803,8
Profit before taxes	154 703,9	6 446,0	0,0	161 149,9
Taxes	-18 565,0	-1 766,0	0,0	-20 331,0
Profit from continuing operations	136 138,9	4 680,0	0,0	140 818,9
Profit from discontinuing operations	21 701,8	0,0	0,0	21 701,8
Profit after taxes (PAT)	157 840,7	4 680,0	0,0	162 520,8
Minority interest	0,0	593,1	0,0	593,1

	01.01 - 30.06 2007	01.01 - 30.06 2007	01.01 - 30.06 2007	01.01 - 30.06 2007
Sales revenues	971 994,3	67 352,0	0,0	1 039 346,3
Operating expenses before depreciation	-667 175,7	-59 592,0	0,0	-726 767,7
Operating profit before depreciation (EBITDA)	304 818,6	7 760,0	0,0	312 578,6
Depreciation	-90 966,5	-382,0	0,0	-91 348,5
Operating profit (EBIT)	213 852,1	7 378,0	0,0	221 230,1
Net financial items	-31 837,3	-932,0	0,0	-32 769,3
Profit before taxes	182 014,8	6 446,0	0,0	188 460,8
Taxes	-18 486,4	-1 766,0	0,0	-20 252,4
Profit from continuing operations	94 455,6	4 680,0	0,0	99 135,6
Profit from discontinuing operations	21 701,8	0,0	0,0	21 701,8
Profit after taxes (PAT)	185 230,2	4 680,0	0,0	189 910,2

Unaudited Cash Flow Statements

	01.04 - 30.06 2008	01.04 - 30.06 2007	01.01 - 30.06 2008	01.01 - 30.06 2007	01.01 - 31.12 2007
Net cash-flow from operating activities	25 177,0	-37 130,0	142 133,0	-53 231,0	151 963,0
Net cash-flow from investment activities	-804 719,0	-171 295,0	-947 970,0	-311 781,0	-1 743 239,0
Net cash-flow from financing activities	632 901,7	-89 572,9	596 987,0	570 147,0	2 079 572,4
Net changes in cash and cash equivalents	-146 640,3	-297 997,9	-208 850,0	205 135,1	488 296,4
Cash and cash equivalents at period start	715 960,7	793 007,0	778 170,4	289 874,0	289 874,0
Cash and cash equivalents at period end	569 320,4	495 009,1	569 320,4	495 009,1	778 170,4
Profit before tax + depreciation	146 223,2	207 627,2	210 530,2	279 809,3	499 987,3

Unaudited Equity

	01.04 - 30.06 2008	01.04 - 30.06 2007	01.01 - 30.06 2008	01.01 - 30.06 2007	01.01 - 31.12 2007
Equity at period start	3 176 504,9	3 170 938,8	3 185 535,9	1 721 427,6	1 721 428,0
Profit after taxes	76 734,8	162 520,8	101 001,4	189 910,2	100 591,0
Share issue	136 536,4	0,0	143 053,9	1 426 007,1	1 429 629,8
Other changes in equity	658,7	-14 673,7	-39 156,5	-18 559,0	-66 112,9
Equity at period end	3 390 434,8	3 318 785,9	3 390 434,8	3 318 785,9	3 185 535,9

Notes to the Condensed Financial Statements

1. General

The condensed consolidated interim financial statements for 2nd Quarter 2008 and 1st half year 2008, ended 30 June 2008, comprise DOF Subsea ASA and its subsidiaries (together referred to as the "Group"). The consolidated financial statements of the Group for the year ended 31 December 2007 are available upon request from the Company's office in Bergen or at www.dofsubsea.com

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2007.

2. Estimates

The preparations of interim financial statements require use of estimates, judgments and assumptions which may affect the use of accounting principles and recognized assets, liabilities, income and expenses. The resulting accounting estimates may differ from the eventual outcome. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts are the same as described in the annual report for the year 2007.

3. Segment information

As of 1st quarter 2008 we introduce additional segment information to our financial report. We have divided our activities in two segments, namely Subsea Engineering and Subsea Construction Support. In the Subsea Engineering segment, the activities in the two acquired engineering companies CSL and SEMAR is included. Thus, all the traditional Subsea construction support activities remain in the other segment.

In April 2007 DOF Subsea acquired 50% of the shares in SEMAR AS. SEMAR AS was established in 1980 and consists of approximately 25 high qualified engineers, naval architects, marine consultants, Master Mariners, and designers with broad professional experience.

DOF Subsea signed a letter of intent in April 2007 to acquire the Aberdeen-based engineering company, CSL. CSL, Construction Specialists Ltd., was an independent group delivering Subsea developments from concept to completion for oil and gas operators worldwide.

4. Share capital:

The share capital in DOF Subsea ASA at 30.06.2008 was NOK 598,668,570, comprising 119,733,714 shares, each with a nominal value of NOK 5.00. In connection with the acquisition of MV Skandi Neptune, DOF Subsea ASA carried out a private placement of NOK 136.5 m on 17 June 2008. Price per share in the transaction was according to the original agreement of 2005 set to NOK 19.50 per share.

5. Vessel held for sale

Dof Subsea has entered in to an agreement of sale of MV Geofjord, a 1984 built offshore construction support vessel for 49.75 mill.USD. The vessel will be delivered to new owners in September/October 2008. The sale will give a profit of 90 mill. NOK and release about 169 mill. NOK in cash.

6. Contingencies

The status is unchanged for the contingencies described in the annual report for 2007.

Statement of the Board of Directors and Chief Executive Officer

The Board of Directors and Chief Executive Officer have today considered and approved the condensed consolidated interim report of DOF Subsea ASA as at 30 June 2008 and for the first half-year 2008 including condensed consolidated comparative figures as at 30 June 2007 and for the first half-year 2007 ("the interim report").

The interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Norwegian requirements in Securities Trading Act.

We consider the accounting policies applied to be appropriate. Accordingly, the interim report give a true and fair view of the Group's assets, liabilities and financial position as at 30 June 2008 and as at 30 June 2007 and of the results of the Group's operations and cash flows for the first half-year 2008 and the first half-year 2007.

Bergen, 26th of August 2008
DOF Subsea ASA

Mons Aase
Chairman

Hans Gravdal
Board member

Kristijane C. Bulukin
Board member

Hilde Drønen
Board member

Ulf Henriksen
Board member

Steve Brown
CEO

Geir Johansen
CFO