N E W H O R I Z O N S

Annual Report 2008

DOF ASA

BUSINESS CONCEPT:

DOF's business concept is to be actively involved in long-term and industrial offshore activities, via the ownership and operation of modern offshore vessels and by providing high quality services to customers. DOF's strategy is to engage the majority of its fleet on long-term contracts, thus limiting the group's exposure to short-term market fluctuations.

VISION:

DOF aims to be the preferred supplier of offshore and subsea services to the global oil and gas industry. We intend to generate the highest possible yield on our shareholders' investments, and we plan to achieve this via recruitment and maintenance of skilled and motivated employees, utilisation of the most up-to-date and advanced technology and a focus on quality, health, safety and the environment within all parts of our organisation.

Our journey started in Austevoll, Norway in 1981. DOF was founded with the aim to be a leading participant in the growing North Sea offshore industry. The business concept was based on a long-term strategy to provide a modern fleet of offshore vessels, and to engage these vessels on long-term contracts.

Today, almost 30 years later, we operate with offices and vessels all over the world. Our focus is still the same, but the services offered to the market are more complex and diversified.

We are always looking for new and profitable markets, innovative vessel designs and better, safer and more efficient ways to solve our operations. We understand that the success of tomorrow depends on our dedication and commitment today, and we are always ready for new challenges.

Index

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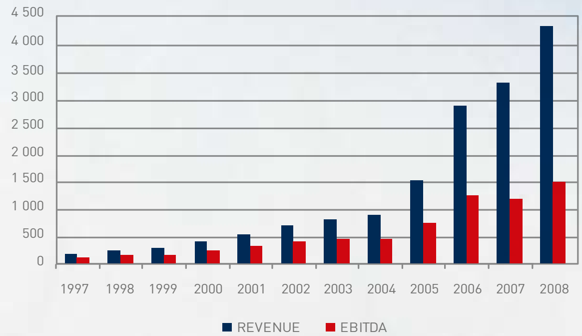
KEY FIGURES DOF ASA

Amounts in NOK mill.		2008	2007	2006
From the income statement				
Operating revenues		4 340	3 454	3 011
Operating expenses		2 784	(2 225)	(1 719)
Operating profit before depreciation		1 556	1 229	1 292
Odinary depreciation		(643)	(530)	(417)
Operating profit		912	699	875
Financial expenses		(380)	(351)	(126)
Unrealized profit/loss on currencies		(655)	315	(23)
Pre-tax profit		(123)	663	726
Result of the year		100	222	657
Result of the year (ex. unrealized profit/loss on currencies)		755	(93)	680
Minority interests		35	48	208
From the balance sheet				
Vessel and other non current assets		15 563	13 829	8 148
Current assets		4 268	2 913	2 493
Total assets		**19 831**	**16 742**	**10 641**
Equity		5 499	4 555	3 291
Long-term liabilities		11 330	10 563	5 878
Short-term liabilities		3 002	1 624	1 472
Total liabilities and equity		**19 831**	**16 742**	**10 641**
Key ratios				
Net cash flow	1	1 176	878	1 166
Current ratio	2	1,42	1,79	1,69
Equity ratio	3	28%	27%	31%
Operation margin	4	36%	36%	43%
Return on equity	5	2%	5%	20%
Average no. of shares		**82 767 975**	**82 767 975**	**75 579 663**
Earnings per share	6	0,79	2,10	5,95
Earnings per share (ex. unrealized profit/loss on currencies)	7	8,71	-1,70	6,25
Net cash flow per share	8	14,20	10,61	15,43

1) Pre tax profit + depreciation +/- unrealized profit/loss on currencies
2) Current assets/short-term liabilities
3) Equity/total capital
4) Result before depr.and finance/total revenue
5) Result of the year/booked equity
6) Result - minority interests/average number of shares
7) Result - minority interests-unrealized profit/loss on currencies
8) Cash flow item 1/average number of shares

GROWTH BALANCE 1997-2008
(figures in Nok mill)

GROWTH RESULT 1997-2008
(figures i Nok mill)



1981 - 1996

Fleet: 2 - 10 vessels
Aug 1981: DOF founded
1985: DOF Management founded
1995: JV Brøvig Offshore

1997 - 2000

Fleet: 11 - 15 vessels
1997: Listed on Oslo Stock Exchange
1998: First construction support vessels
1999: DOF UK founded

2001 - 2004

Fleet: 15 - 30 vessels
2001: Entry to Brazil (JV with Solstad in Brazil, Norskan founded)
2003: JV with BOA, first work in Egypt

2005 - 2006

Fleet: 30 - 55 vessels
2005: Acquisition of Geoconsult and listing of GEO ASA (DOF Subsea) on Oslo Stock Exchange
2006: DOFCON founded, ordered 7 large construction vessels; acquired 100% of Norskan

2007

Fleet: 55 - 65 vessels
DOF Installer founded, four large AHTS ordered; DOFCON merged into DOF Subsea; Founded Aker DOF Supply (a 50% JV with Aker ASA)

2008

Fleet: 65 - 70 vessels
Partnered with First Reserve to purchase DOF Subsea ASA in a take-private transaction

2008 HIGHLIGHTS

1ST QUARTER 2008

January
DOF Rederi took delivery of Skandi Mongstad, which started a 10 yrs contract with StatoilHydro after delivery.

March
The subsidiary DOF BOA sold Skandi Hercules (AHTS) for approx. USD 100 million.

DOF Subsea ASA agreed the sale of Geofjord (ROV-vessel). The sale was completed in the second half of 2008, agreed price approx. USD 50 million.

The subsidiary DOF Rederi signed a 5-year contract with StatoilHydro for Aker PSV 06 LNG design. The first DOF's LNG powered PSV.

DOF signed a LOI with Petrobras for a 5-yrs contract for Skandi Hav. The contract will start in Q3 2009, and the vessel will be upgraded to an OTSV (Offshore Terminal Support Vessel).

2ND QUARTER 2008

April
DOF Installer signed a LOI for a 5-yrs contract with StatoilHydro for its first newbuilding.

May
DOF has contracted one MPSV from Tebma Shipyard, India.

The subsidiary DOF Rederi sold its pipe-laying vessel, Skandi Navica, to Subsea7. The sale generated a gain of approx. NOK 100 mill.

June
DOF ASA sold its shares in DeepOcean ASA at a price of NOK 32 per share. This sale generated a gain of approx. NOK 100 million.

DOF Subsea and Technip's 50/50 JV in Brazil signed a 4-year contract with Petrobras for one pipe-laying vessel.

DOF Rederi sold Skandi Neptune to DOF Subsea.

DOF signed a LOI with British Gas for chartering of Skandi Giant in Brazil for a one-year contract with an option for one additional year. The contract started in October 2008.

3RD QUARTER 2008

July
DOF signed a LOI with First Reserve Corporation with the intention to present an offer for all the shares in DOF Subsea ASA and to enter into certain subsequent transactions.

Norskan signed a contract with Aker Yards ASA for the construction of three AHTS vessels in Brazil. Two vessels are Aker Yards AH 12 design and the third is of AH 05 design. The vessels are equipped for operations in the Brazilian market and are scheduled for delivery in December 2010, mid 2011 and the end of 2011.

DOF Rederi signed a 2-year contract for Skandi Falcon in India. The contract started in August 2008.

DOF Subsea took delivery of Skandi Acergy, the largest construction vessel ever built in Norway. The vessel started a 8 yrs contract with Acergy after delivery.

DOF terminated UK tax lease structures and refinanced three PSV's.

September
The due diligence process regarding transaction with First Reserve Corporation (FRC) was completed. A revised offer was published.

DOF Subsea took delivery of Skandi Seven, which started a 5 yrs contract with Subsea 7.

DOF Subsea Pte entered into a joint venture with Greatship in India.

4TH QUARTER 2008

October
DOF signed a contract with Petrobras for the delivery of 1 RSV vessel. The company plans to utilise Skandi Chieftain for this contract, which is scheduled to start in May 2009. DOFSUB will carry out ROV services.

Norskan signed a LOI for a three years contract with OGX for hull no. 25 at Aker Promar. Norskan secured BNDES financing for all newbuildings in Brazil, and secured on average an 80% degree of financing of new-buildings and extra equipment for the construction vessels, total funding USD 670 mill.

December
The transaction with FRC took place, whereby DOF Subsea Holding AS took over the shares in DOF Subsea ASA on December 1st. At the same time, the company was delisted from the Stock Exchange. DOFSUB took over three newbuildings from DOF and 50.5% of the shares in DOF Installer ASA. DOFSUB is 49% owned by FRC and 51% owned by DOF. DOF Subsea Holding took out a loan from Nordea of NOK 660 million in connection with the purchase of shares in DOF Subsea ASA. This loan has a duration of 3 years.

The sale of Geofjord was executed in Q4, generating a gain of NOK 165 million.

DOF purchased Skandi Waveney together with an investor group. The vessel has been on a B/B charter since 2001 and is currently on contract for Marathon. It is scheduled to start on a 2-year contract in Brazil at the end of 2009. The purchase of Skandi Waveney was financed by a loan from DVB Bank.

1ST QUARTER 2009

January
Norskan/Skandi Waveney entered into a 2 + 2 year contract with StatoilHydro Brasil Ltd. This contract starts in Q4 2009.

Norskan/Aker DOF Supply AS signed a LOI with StatoilHydro Brasil Ltd. for a 2 + 2 year contract. Aker DOF Supply's second newbuilding will be used for this contract, which is expected to start in Q3 2010.

February
DOF took delivery of Skandi Flora, which started a 5 yrs contract with StatoilHydro.

DOF Subsea/Technip JV took delivery of Skandi Arctic. The vessel is committed to a 8 yrs contract with Technip UK.

2ND QUARTER 2009

April
At April 1st DOF Subsea agreed to sell its shares in Aker Oilfield Services at a price of approx. NOK 277 mill.

New Horizons

DOF's long-term goal is to be the leading global supplier of services related to offshore supply, survey, IRM and construction support. In 2008, we have taken several steps in the right direction towards this goal.

In June, Skandi Falcon started on DOF's very first long-term contract in India. We see South East Asia as a very interesting market, with the potential to achieve considerable growth within the deep-sea segment in the near future. For DOF, it is important to be a part of this projected growth.

2008 was also a year in which we made progress in Brazil. For the second year running, Norskan was awarded the title of best service company in Brazil by Petrobras, in competition with more than 60 companies. Brazil may perhaps be the most interesting and fastest growing market in our industry. We have an excellent position in Brazil and are starting to reap the benefits of our long-term efforts there. We were awarded a number of new contracts in 2008, and now have long-term contracts in Brazil with Shell, Chevron, StatoilHydro, BG, OGX and Petrobras. Our recent customers in Brazil are StatoilHydro, OGX and BG.

In 2007, we ordered 4 major construction and anchor handling vessels for DOF Installer ASA. The first ship in this series already has a long-term contract with StatoilHydro. We also signed a similar agreement with StatoilHydro for a newly developed ship of Aker PSV 06 LNG design. This will be our very first gas-operated ship. We are registering an increasing interest in environmental-friendly shipping, not just at home but also abroad. It is therefore important to retain our position as the leading company in the development of environmental-friendly and future-oriented ships.

The second half of 2008 was marked by the international financial crisis and falling oil prices. In such a climate, our working day becomes more challenging. With very few exceptions, banks are currently more interested in minimising their exposure than in giving out new loans. This means that not all companies and projects will receive the financing required. We have also registered that demand for our services is lower than expected before the financial crisis.

DOF has long-term and good relationships with its banks. We also have strong relationships with our customers. Contractual coverage is good for both 2009 and 2010. Our market projections in the long term remain unchanged. We believe that demand on both the supply and subsea markets will increase, and are therefore confident that our long-term strategy is appropriate.

The DOF Group now has more than 2.300 employees. These represent our most important resource. We are the preferred supplier for a number of oil companies, and it is the skills of our employees which have allowed us to achieve such a unique position.

Our main point of focus continues to be the life and health of our customers and employees. Unfortunately, we still experience personal injuries in our line of work. We therefore intend to make further improvements to our long-term investments in QHSE.

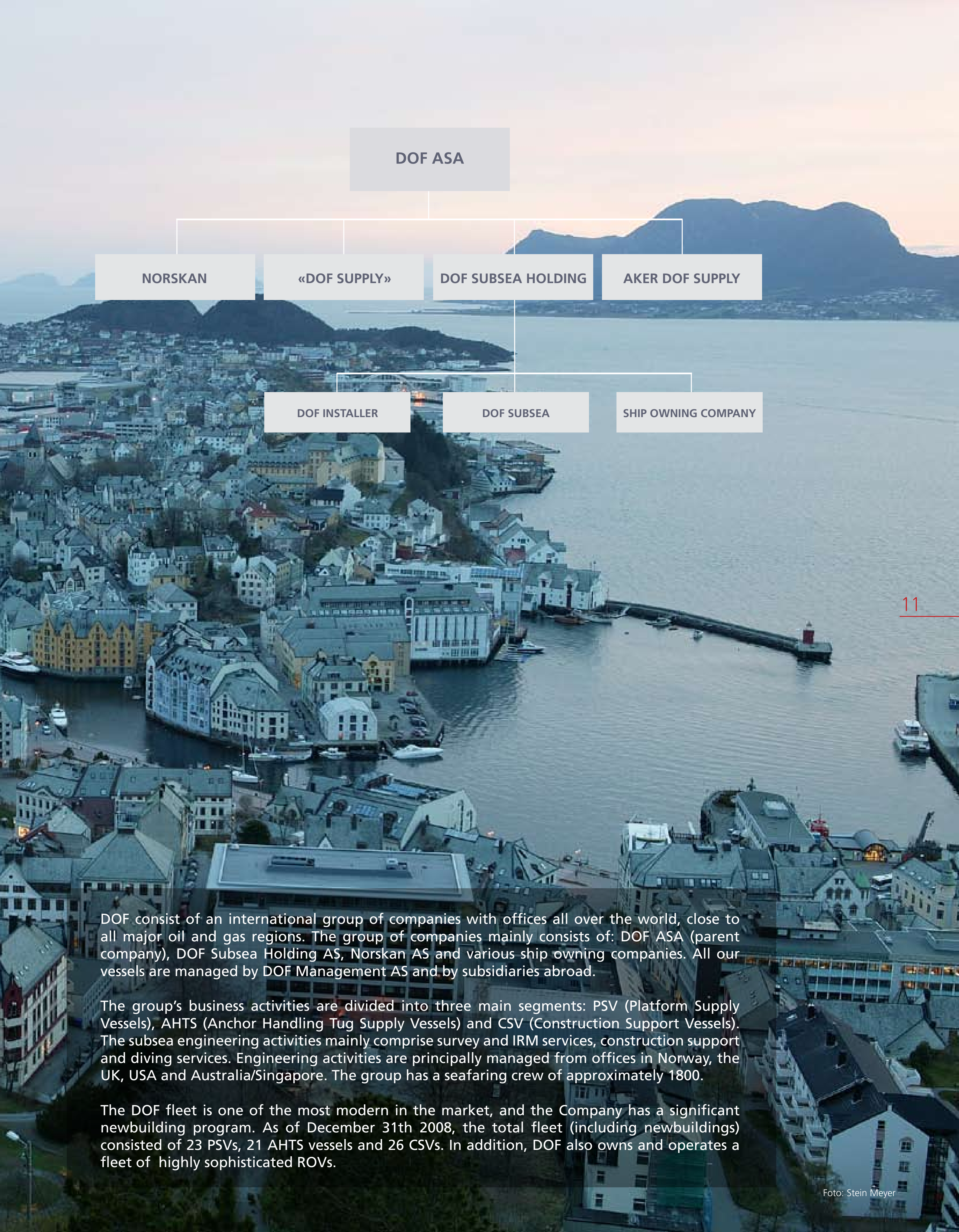
Mons Aase
CEO

The DOF fleet is owned by the following companies:

	PSV	AHTS	CSV	Total fleet
DOF ASA	18	3	1	22
NORSKAN OFFSHORE	4	8	0	12
DOF SUBSEA AS	0	0	25	25
DOF INSTALLER ASA	0	4	0	4
AKER DOF SUPPLY	1	6	0	7
Total fleet	**23**	**21**	**26**	**70**

DOF ASA is a world leading provider of essential offshore and subsea services to the global oil and gas industry. We own and operate a modern offshore-/subsea fleet, which currently consists of 70 vessels – including newbuildings and ships operated by subsidiaries. DOF is also one of the world's leading and most experienced suppliers of services to the subsea market.

Since the founding in 1981 we have experienced a major growth in our fleet and organization. The initial business concept was to provide the market with a modern fleet of offshore vessels, and to engage the vessels on long-term contracts. Providing high quality services i.e., within the subsea market, has been a focus area the last decade. To fulfill our goals, DOF is always thinking long term. Both within market opportunities and vessel design. In addition DOF has a goal to be innovative in the field of quality, health, safety and the environment. The company understands that this is required to continue sailing in the forefront of our market.



DOF consist of an international group of companies with offices all over the world, close to all major oil and gas regions. The group of companies mainly consists of: DOF ASA (parent company), DOF Subsea Holding AS, Norskan AS and various ship owning companies. All our vessels are managed by DOF Management AS and by subsidiaries abroad.

The group's business activities are divided into three main segments: PSV (Platform Supply Vessels), AHTS (Anchor Handling Tug Supply Vessels) and CSV (Construction Support Vessels). The subsea engineering activities mainly comprise survey and IRM services, construction support and diving services. Engineering activities are principally managed from offices in Norway, the UK, USA and Australia/Singapore. The group has a seafaring crew of approximately 1800.

The DOF fleet is one of the most modern in the market, and the Company has a significant newbuilding program. As of December 31th 2008, the total fleet (including newbuildings) consisted of 23 PSVs, 21 AHTS vessels and 26 CSVs. In addition, DOF also owns and operates a fleet of highly sophisticated ROVs.

Foto: Stein Meyer


RDEM E PROGRESSO

A Norwegian offshore adventure in Brazil

Norskan has been a supplier to Petrobras since 2003. In 2007 and again in 2008 they won the General Safety Award for their operations with Petrobras.

Norskan Offshore Ltda. represents the DOF Group's activity in Brazil. The company was established in 2001 due to a strong believe in the future for this region and market. Today Norskan is the largest offshore vessel operator in the region, with ownership of seven Brazilian built vessels, management of further eight DOF vessels and three new builds on order. Norskan is also the largest Norwegian capital company in its segment in Brazil.

Since the founding in 2001 DOF has invested hundreds of millions US$ in vessels, equipment and the people working in Norskan. This has resulted in a great growth in business with long-term agreements and contracts with several large customers like Petrobras, Shell, Chevron, British Gas and StatoilHydro. Norskan is well positioned in the Brazilian market with a market share up to 35%.

In 2008, Norskan closed a variety of contracts. Among them the following ones are to be highlighted:

SKANDI CHIEFTAIN A three-year contract with Petrobras with extension option for three more years.

SKANDI IPANEMA A three-year contract with OGX with extension option for one more year.

SKANDI SANTOS A five-year contract with extension option for five more years. (Aker Oilfield vessel).

SKANDI VITÓRIA A four-year contract with Petrobras with extension option for four more years (Joint venture with Technip).

SKANDI GIANT A one-year contract with BG with extension option for one more year.

«We participate in a segment which has the privilege of knowing that the world will not stop producing oil. Therefore, our services will be even more demanded»

Hans Ellingsen
CEO-Norskan Offshore Ltda

SKANDI HAV A four-year contract with Petrobras with extension option for four more years.

It has always been a great concern for Norskan to serve its clients with excellence and Norskan is aware that a good performance relies on the satisfaction and skills of its staff. Therefore, Norskan offers continually training programs and annual seminars on Management and Safety for its 515 employees: 19 working at the headquarters in Rio de Janeiro, 26 at the base in Macae, 8 in Buildingteam and 354 on the vessels. DOF Subsea do Brasil currently has 108 employees.

There are also 6 youth apprentices in the offices of Rio and Macae. They are between 16 and 18 years old, and from low income neighborhoods and they work in the company with the main proposal of learning. It is very gratifying for Norskan to help these adolescents and their families, offering them a range of opportunities in their lives that did not exist prior to this. These teenagers represent the expectations that Norskan deposits in the offshore future and they all have great chances of progressing within the company, becoming, consequently, an example to other young people in the same situation as theirs.

In 2007 and 2008, Norskan ranked first place on two categories of Petrobras Award. In one of these categories, Norskan has become Petrobras' best supplier against other Offshore Supply companies (a program called PEOTRAM with 33 participating companies) and on the other category, first place against almost 75 companies of various segments regarding the Management System of QHSE.

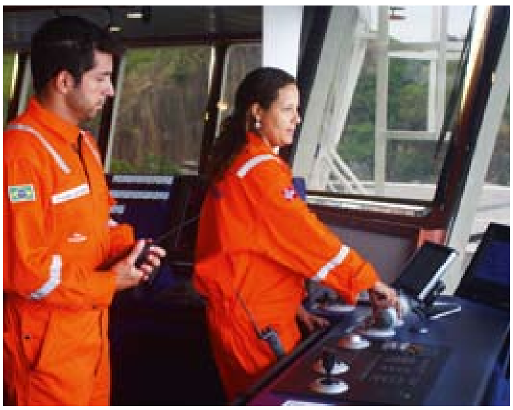
Furthermore, the quality of its services at sea is demonstrated monthly by the evaluations performed by Petrobras aboard the vessels managed by Norskan.

Norskan Offshore

The average score of these evaluations is currently 9,55. Norskan has never registered a Lost Time Incident (LTI) on its fleet. Such an average is a consequence of a serial of programs implemented in 2008 and aimed to the employees.

THE PRE-BOARDING PROGRAM consists of meetings performed by the representatives of all departments (QHSE, HR, IT, OPE/TEC) and directed to the crew to board. These meetings take place in the morning of the boarding day and the representatives disseminate various concepts, among them:

• Update on main internal facts and routines that happened during the period of leave with the participation of representatives of all management bodies of the company (QHSE, HR, IT, OPE/TEC);



• Update on main external facts and routines (concerned parties) that happened during the period of leave;

• Trainings on Norskan's Integrated Management System;

• Dissemination and discussion about internal and external incidents that happened during the period of leave;

• Discussion about the issues addressed on the last meeting minute about aboard management performed by the crew upon their disembark;

• Evaluation of the psychological and behavioral viability of each member of the crew (fulfillment to the situational module of Norskan's Conduct Program) through researches, interviews and group dynamics performed by external pro-fessionals (Psychologists and Psychiatrics);

• Dissemination and discussion about the implementation/results of the Life Quality Program of Norskan (Nutritional Module) performed by external professionals (Nutritionists) and by the management body of the company;

• Dissemination by the QHSE of the company of a topic from the Environmental Education Program.

THE BEHAVIORAL PROGRAM is conducted by the QHSE and HR departments together with a third party company with specialists in Psychology and Psychiatry. The program is divided in three modules: two annual ones and one continuous module. The Psychological and Behavioral mo-dules are evaluated annually, at this moment the psychological and behavioral profile of each collaborator and of each work team is defined. The corrections will be made from these findings in

order to adequate their profile to the desired ones. These corrections are performed on the situational module in the pre-boarding meetings through interviews, group dynamics and the boarding of psychologists and psychiatrists in our vessels.

THE LIFE QUALITY PROGRAM is a part of the nutritional module and it is conducted by the departments of QHSE, HR and OPE/TEC and developed by professionals in the nutrition segment that have restructured all the onboard food chain. Suppliers were adapted and re-qualified; cooks and ship stewards are trained on food safety and on the preparation of new balanced menus; all crew is trained in awareness; blood exams are performed on volunteers for the following up of the effectiveness of the program and satisfaction researches are performed for the feedback of the procedures. Norskan believes that the healthy intake of its crew has a straight impact on their professional accomplishments.

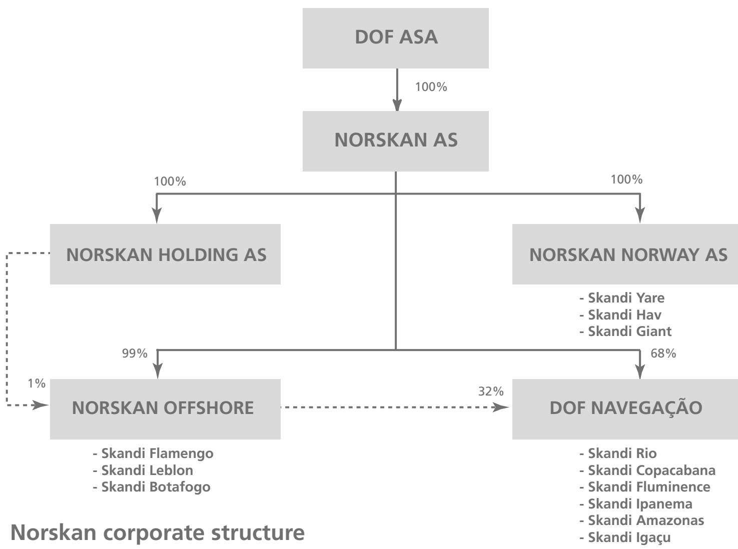
THE CONTINUOUS IMPROVEMENT PROGRAM is conducted annually by the QHSE department. During this phase, groups are formed among the collaborators in order to present works on continuous improvement that take into consideration both the current and the desired scenarios and the costs for the changes that will lead to the desired scenario. These works are anonymous and evaluated by a cross-functional land group that award the three works with the highest rates. Regardless of the awarding, all works which are approved are implemented, adding value to the QHSE with cost reduction.

Even facing the economical global crisis, Norskan has big plans for its future. The company holds a signed construction contract for five more vessels in the next three years, in the amount of US$ 500 million and CEO Hans Ellingsen is optimistic: "We participate in a segment which has the privilege of knowing that the world will not stop producing oil. Therefore, our services will be even more demanded". In the next 18 months, the group shall participate in the market of the country with a 25% to 35% share.

Left: *Officer training*
Middle left: *Norskan engineer working in the engine room*
Middle right: *Seamen assembling equipment on helideck*
Right: *Skandi Rio*

THE INTERNAL BAD PROGRAM is conducted by the QHSE and HR departments which perform quarterly evaluations of the crew, the classes and the vessels considering the achievement of targets stipulated by the QHSE and HR departments. The crew that achieve the targets are granted a bonus.

THE GET TO KNOW YOUR VESSEL PROGRAM is conducted by the QHSE, HR and OPE/TEC departments, which identify the main operation systems of the vessels and determine a template of training per activity. These trainings are moni-tored during the year and at the end of it an evaluation of the fleet is proposed. The crew with the highest grade is granted a bonus.



Norskan corporate structure

Deep water success

With Geograph, DOF Subsea proudly opens a new chapter of cutting-edge subsea services.

DOF Subsea was first seen on the "horizon" of the offshore oil and gas sector in spring 2005 when as Geo ASA was listed on the Oslo Stock Exchange. The Company, now renamed DOF Subsea, has grown to become a leading provider of subsea services with an established capability in all the major oil and gas production areas around the world.

DOF Subsea provides a diversified range of services through three key business lines; vessel chartering, subsea projects and engineering.

«By 2010 DOF Subsea will have the largest, most modern construction support fleet in the world.»

Steve Brown
CEO-DOF Subsea AS

Our core capability is differentiated in the market by a combination of three factors; complex project execution to depths of 4000 mtrs. A strong business model which ensures we control the assets, subsea equipment and services required to perform subsea work and establishing genuine collaboration with customers. DOF Subsea builds relationships and delivers tailored solutions in the field.

Day to day we provide project management, construction support, repair and maintenance of subsea structures, survey and positioning operations, ROV and diving operations – supported by engineering expertise. We do this from a world class fleet of offshore vessels, supported with ROV, diving and survey systems.

DOF Subsea employs a highly skilled team of over 1200 people, on and offshore, to deliver our vision which is to be the preferred integrated subsea service provider worldwide.

The past four years, from 2005 to present, have been a path dedicated to the strategic growth necessary to achieve this aim.

By a careful process of establishing business units and acquisitions the group has established a platform to move to the next step in the company's development. In 2008 DOF Subsea was delisted from the Oslo Stock Exchange with the establishment of a new shareholding structure. DOF Subsea is now owned 51% by DOF ASA and 49% by First Reserve Corporation. First Reserve is a leading energy-focused private equity firm, with over 25 years of investing in the energy industry. The partnership between DOF and FRC will enable DOF Subsea to continue to develop as a leading subsea services company.

Situated in Norway, United Kingdom, West Africa, The Gulf of Mexico, Brazil and Australasia, DOF

Deep water success

Subsea is positioned to capitalise on the reported growth sectors. The deep water sector is forecast to continue its growth trend with healthy annual expenditure into 2013. Almost 75% of which is set to come from Africa, The Gulf of Mexico and Brazil - the very places DOF subsea has established strong connections with global and national oil and gas operators. Another region the group has developed since 2005, Asia, is also set to see significant increases in activity and expenditure over the next four years.

Notably for DOF Subsea, 2009 started with delivery of the Skandi Salvador construction support vessel which is deployed in Brazil. The market demand for vessels and services from 2009 - 2013 is expected to grow, despite more moderate levels of expenditure predicted in 2009 and 2010. By 2010 DOF Subsea will have the largest, most modern construction support fleet in the world. The group will be in a unique position to take advantage of the resulting opportunities.




Top left: *2009 starts with delivery of the Skandi Salvador, poised to capitalise on the predicted sector growth in Brazil.*
Top right: *Diver conducting an inspection of a pipe lay stinger.*
Bottom left: *ROV Triton T1 ready for operation.*
Bottom right: *ROV control room onboard a DOF Subsea vessel.*

Triton XLS ROV, depth range down to 3000 metres

DOF subsea
delivering solutions at any depth

DOF management

International growth and focus on QHSE

DOF Management AS is a wholly owned subsidiary of DOF ASA and provides ship management for the total DOF group of companies. DOF Management has a crew of highly skilled professionals both onshore and offshore to perform the task of ship-management, ship-operation, and the service delivered to our customers. DOF Management provides the experience, knowledge and flexibility on how to operate offshore vessels according to the owners and our customers' demands. With systematic development of the company's expertise and services we expect the company to remain the preferred supplier to all major operators within our market segments.

Human resources

DOF Management AS considers the human aspect to be the most valuable asset within its organization. Mutual respect, constructive cooperation, empathy and understanding amongst all personnel involved in the company's activities, are fundamental conditions for a healthy and efficient work environment.

We understand that our people are the key factors for success in all parts of the DOF group of companies. It is our priority to meet the increased request from the offshore Industry for high quality services, with a staff of motivated, well trained, experienced and safety minded employees.

On the Marine side it is our policy to offer trainee positions for qualified apprentices, cadets and Junior Officers, and train them to the highest marine level. Our aim is to have at least 2 trainee positions on all vessels.

We will give all individuals a professional development during training and job experience, and ensure equal career opportunities for all our employees based on qualifications, performance and safety behavior.

Since most of our growth will take place outside our traditional operational area, our work force will become more and more international. The main challenges for the company will be to integrate experienced DOF personnel with qualified new employees into a uniform workforce, to man the vessels and offices, and to ensure the same grade of quality operations that has always been our "trade mark".

DOF Management AS in Norway and UK has in 2008 employed more than 1.200 persons onboard the vessels and in the Management organizations. With the present new-build quantity, we will, within the next 3 – 4 years, need to employee more than 1.000 new colleagues.

Quality, Health, Safety and the Environment

In 2008, DOF Management AS has continued to control its activities related to Quality, Health, Safety and the Environment according to the goals established: to achieve zero occupational injuries and illness, maintain a good working environment, raise consciousness and maintain control of environmental aspects and sustain high regularity for operations. Since 1995, the company has had certification according to the ISM code, with ISO 9001 and ISO 14001 certification since June 2002.

An annual audit was carried out by DnV in Q1 2008, with the purpose of verifying that the two merged companies operate according to the same guidelines.

Safety

In 2008, the company noticed a marked reduction in lost time injury frequency (no. personal injuries resulting in absence per 1.000.000 hours of occupational exposure, (LTIF) from 3.16 in 2007 to 2.08.) There was also a reduction in the total recordable case frequency (TRC) from 6.13 in 2007 to 2.87 in 2008.

DOF sadly experienced the first fatality in the company's history, when an ROV supervisor was killed while working on the ROV spread. DOF Subsea was in lead of the incident investigation and lessons learned have been transferred to the industry via IMCA (ref. IMCA Safety Flash 07/08).

There was a minor reduction in the number of incident reports in 2008 compared with 2007, and the company has noticed an increase in involvement in relation to the use of Safety Observations.

By reporting even minor elements and actions, we can prevent accidents from happening.

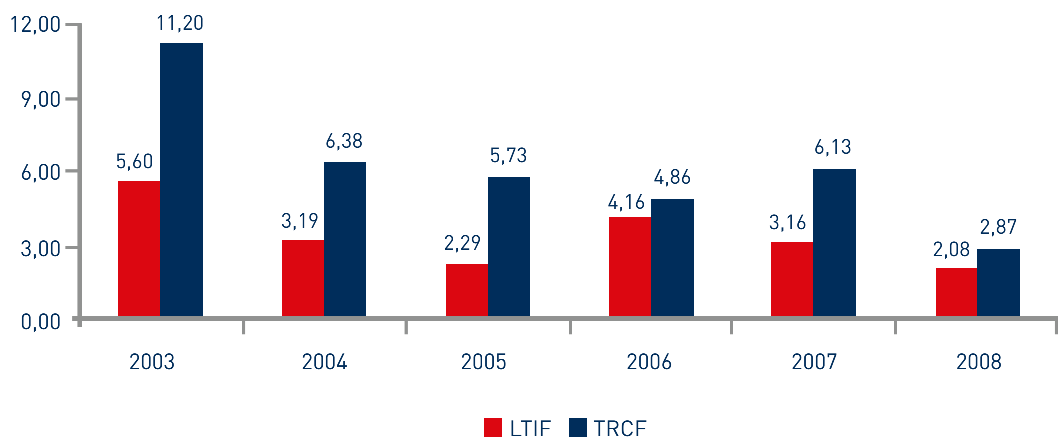
Our zero injury goal is definite, and the company is working on the long-term measures established in recent years, which focus on management involvement and the individual employee's impact on HSE results.

An analysis of the root causes of incidents in 2008 indicates that a lack of safety awareness and insufficient planning resulted in 40% of personal injuries in our fleet. When examining the underlying causes, the most frequent are inattentiveness and underestimating risk. The QHSE Plan for 2009 describes measures which focus on these causes, including the 5 course packages on which the Safety Coaches will concentrate in 2009.

Environment

In terms of the external environment, 12 incidents were reported in 2008 which resulted in acute discharge of oil/oily liquids or chemicals.

DOF's environmental program has been reviewed and contains a number of new elements/measures which will be assessed in 2009. A project has been established to document measures introduced on the newbuildings in recent years, and to assess upgrades of existing vessels (e.g. NOx).



Quality

In December, DOF carried out an investigation of customer satisfaction. Analysis of the feedback indicates a definite improvement since 2007.

However, we did not achieve our target of 100% regularity (zero off-hire). The reasons for off-hire in 2008 were problems with thrusters, azimuth and cranes, and delays during periods at the yards.

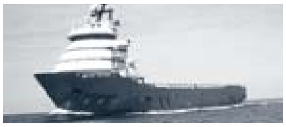
The road ahead

Activities for 2009 are described in a separate plan (QHSE Plan), and measures have been established within all elements of QHSE. The most important contribution towards our progress will be to sustain the current level of involvement.

2009 will see the introduction of a new focus area – health – and DOF has signed an IA (inclusive workplace) agreement with NAV (The Norwegian Welfare and Labour Administration). We therefore have to establish goals for health and introduce systematic measures in relation to sick leave and follow-up of employees on long-term sick leave.

DOF


Skandi Barra


Skandi Buchan


Skandi Caledonia


Skandi Captain


Skandi Chieftain


Skandi Commander


Skandi Falcon


Skandi Flora


Skandi Foula


Skandi Marstein


Skandi Mongstad


Skandi Rona

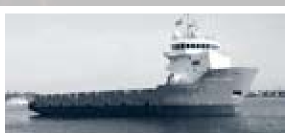

Skandi Sotra

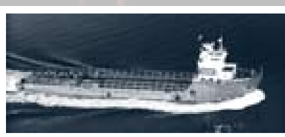

Skandi Stolmen


Skandi Texel


Skandi Waveney

NORSKAN


Norskan Flamengo


Skandi Hav


Norskan Leblon


Skandi Yare

PLATFORM SUPPLY VESSELS

PSV

Platform Supply Vessels transport oilfield products and supplies to offshore drilling and production facilities.

DOF


Skandi Admiral


Skandi Møgster


Skandi Stord

NORSKAN


Norskan Botafogo


Norskan Copacabana


Skandi Fluminence


Skandi Giant


Skandi Rio

ANCHOR HANDLING TUG SUPPLY VESSELS

AHTS

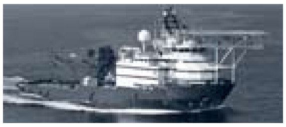
Anchor Handling Tug Supply Vessels are used to set anchors for drilling rigs, tow mobile drilling rigs and equipment from one location to another.

DOF SUBSEA


Geobay


Geo Challenger


Geograph


Geoholm


Geosea


Geosounder


Geosund


Skandi Acergy


Skandi Achiever


Skandi Arctic


Skandi Bergen


Skandi Carla


Skandi Inspector

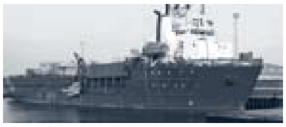

Skandi Neptune


Skandi Patagonia


Skandi Salvadore


Skandi Seven

DOF

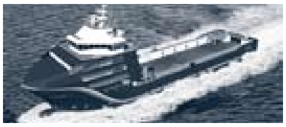

Skandi Fjord

CONSTRUCTION SUPPORT VESSELS

CSV

Construction Support Vessels and Multi Purpose Support Vessels are the most complicated vessels in the DOF fleet. Diving vessels, well stimulation vessel, pipe lay vessels and others belong in this category.

DOF


Aker PSV 06 LNG


Aker PSV 09 CD x 2


Aker AH08 x 6

NORSKAN


Aker AH05


Aker AH12 x 2

DOF SUBSEA


Aker AH04 x 4


Aker OSCV 03


Aker OSCV 06 x 2


Aker OSCV 06L

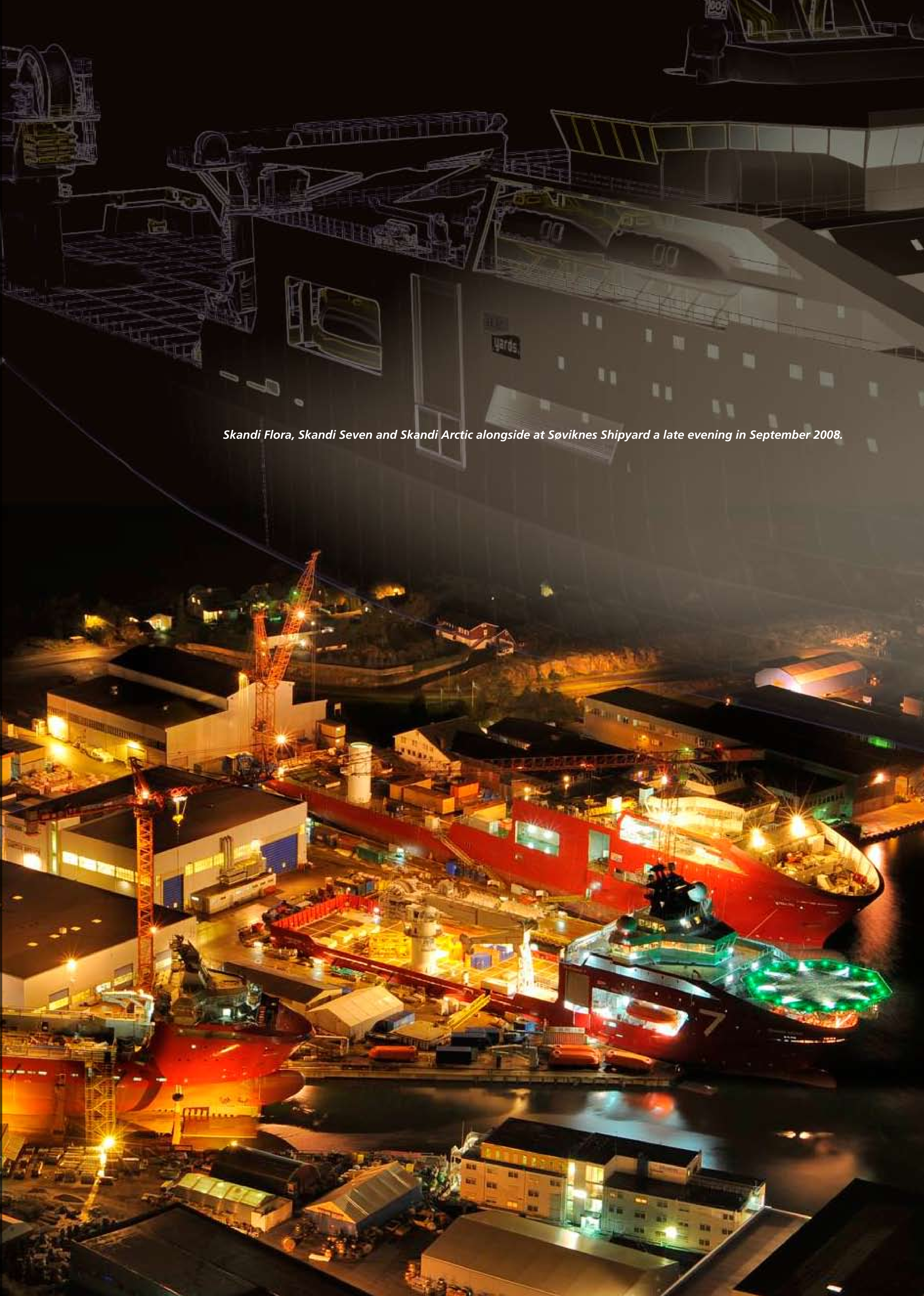

Aker OSCV 06L DSV


Vik-Sandvik 470 MPOV MKIII x 2


Vik-Sandvik 485 MPSV

NEW BUILDINGS

DOF has several vessels, in all classes, on order. New technology and smart engineering will ensure efficient and environmental friendly operations in the future.



Skandi Flora, Skandi Seven and Skandi Arctic alongside at Søviknes Shipyard a late evening in September 2008.

Extreme vessels for extreme operations

Top: *Skandi Achiever*
Above: *Skandi Seven*
Left: *Skandi Acergy*

The newbuilding program in the DOF group of companies is presently including 25 vessels that are to be delivered in the period 2009-2012. These vessels are all advanced offshore vessels of various categories, such as platform supply vessels, anchor handling vessels and offshore construction- /specialized vessels. We are involved with shipyards in Norway, Brazil, Singapore, Vietnam and India.

Our extensive newbuilding program is certainly a challenge, but in parallel with the fleet growth we have ensured also to extend and build-up required competence in our project-/ and vessel management organization, and are accordingly confident that we are able to handle the challenges in a good manner. This we have also proven with the deliveries of our newbuildings the recent years. We further have established a good cooperation with our clients involved with the newbuildings, such as Technip, Acergy, Subsea 7 and Aker Oilfield Services. These are all providing valuable input during the newbuilding phase.

2008 was a particularly hectic period, first of all due to delivery of four advanced (and impressive) newbuildings. Our largest supply vessel so far, Skandi Mongstad, was delivered in January from Kleven shipyard, and thereafter we took delivery of the subsea-/ offshore construction vessels Skandi Acergy and Skandi Seven from STX Søviknes, and Skandi Salvador from STX Promar. Skandi Acergy, with her main dimensions 157 m length and 27 m beam, is by far the largest vessel in our fleet and presently our "flagship". This vessel is provided with extreme capacities, in line with several of our other newbuildings, both related to vessel size, deck equipment-/crane capacities, power installations and sea keeping performance.

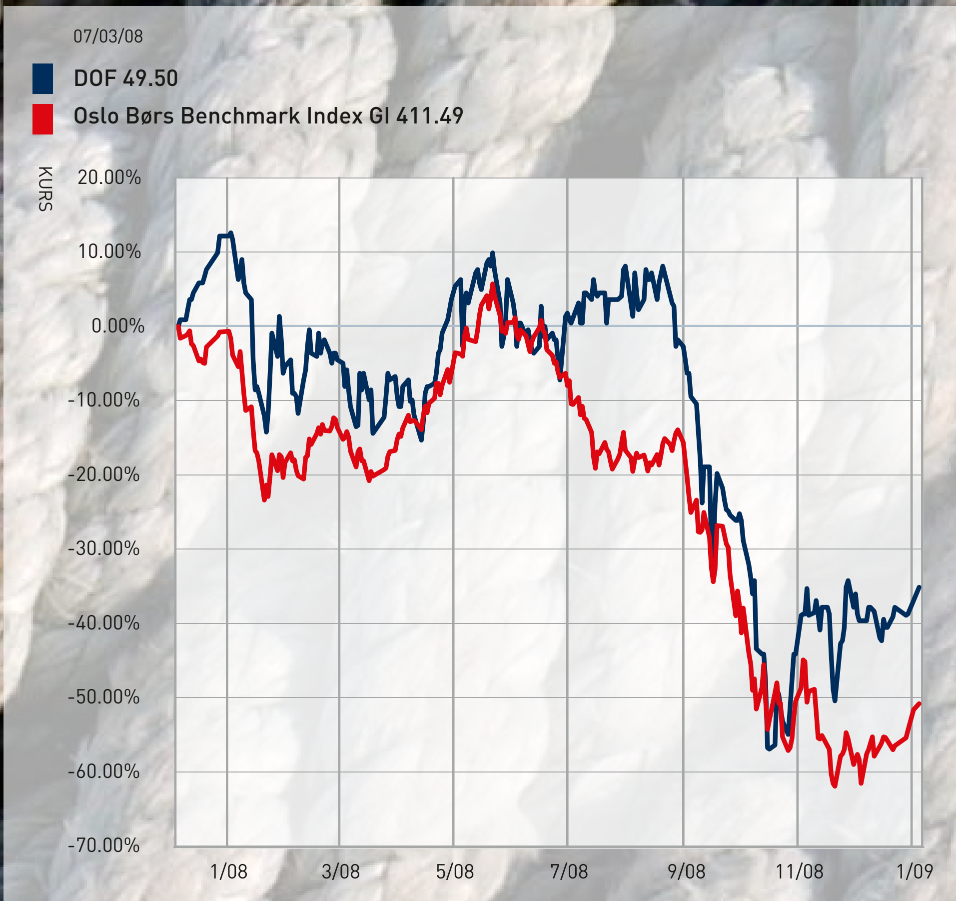
This enables our newbuildings/vessels to meet the future heavy duty requirement for operations on deeper depths.

In 2009 we intend to take delivery of two similar design offshore construction vessels as Skandi Acergy; i.e. the combined construction- /diving vessel Skandi Arctic, a joint venture project with Technip, and furthermore a well intervention vessel on contract to Aker Oilfield Services.

A major part of our newbuildings are presently being built by STX on their shipyards at Søviknes and Aukra, and in Brazil and Vietnam. STX have proven that they are capable of delivering advanced and complex offshore service vessels.

The development in DOF the recent years has been significant, and the extensive newbuilding program has been a major contributor in this respect.

It is fair to say that DOF with vessels recently delivered and under construction are heading towards new horizons.


07/03/08
DOF 49.50
Oslo Børs Benchmark Index GI 411.49
KURS
20.00%
10.00%
0.00%
-10.00%
-20.00%
-30.00%
-40.00%
-50.00%
-60.00%
-70.00%
1/08
3/08
5/08
7/08
9/08
11/08
1/09

Shareholder information

Shareholder structure
As of 31.12.08 the 20 largest shareholders owned approx 80% of the Company's shares. The Table below shows the 20 largest shareholders 31.12.08:

Name	No. shares	Voting shares
MØGSTER OFFSHORE AS	42 012 250	50,76%
VERDIPAPIRFOND ODIN NORGE	5 460 300	6,60%
SKAGEN VEKST	4 050 000	4,89%
PARETO AKSJE NORGE	3 421 000	4,13%
SKANDINAVISKA ENSKILDA BANKEN	2 344 000	2,83%
PARETO AKTIV	1 997 100	2,41%
MP PENSJON	1 671 800	2,02%
ODIN OFFSHORE	1 510 000	1,82%
VESTERFJORD AS	873 650	1,06%
ADAX AS	807 000	0,98%
RBC DEXIA INVESTOR SERVICES BANK	580 800	0,70%
MUSTAD INDUSTRIER AS	565 000	0,68%
AKSJEFONDET ODIN NORGE II	450 500	0,54%
VERDIPAPIRFOND ODIN MARITIM	400 000	0,48%
CITIBANK N.A. NEW YORK BRANCH	338 648	0,41%
MOCO AS	338 100	0,41%
SPAREBANK 1 SR-BANK	303 344	0,37%
PACTUM AS	300 000	0,36%
POSH AS	282 600	0,34%
FORSVARETS PERSONELLSERVICE	247 400	0,30%
Total	**67 953 492**	**82,10%**
Other shareholders	14 814 483	17,90%
Total	**82 767 975**	**100,00%**

Shareholder policy
DOF ASA shall at all times provide its shareholders, the Oslo Stock Exchange and the finance market in general (through the Oslo Stock Exchange information system) timely and exact information. Such information will be given in the form of annual reports, quarterly reports, press releases, stock exchange notifications and investor presentations, as appropriate. The Company will strive to clarify its long-term potential, including strategy, value drivers and risk factors. The Company will have an open and active policy in its approach to investor relations and will make regular presentations in connection with annual and preliminary results.

In general, DOF will present all inside information. In any event, the Company will provide information about individual events, such as resolutions adopted by the Board and the AGM concerning dividends, mergers/demergers or changes in share capital, the issue of subscription rights, convertible loans and all agreements of significance between Group companies or related parties.

The chairman and the other Board members shall be available for discussions with major shareholders in order to achieve a balanced understanding of these shareholders' viewpoints and focus, but under due care of the regulations in ASAL, VPHL and BØRSREG. The chairman shall ensure that the shareholders' views are communicated to the entire Board.
The Board shall consider the interests of all shareholders and treat all shareholders equitably.

All transactions that are not of minor significance between the Company and a shareholder, a Board member or a senior employee (or related parties) shall be subject to value assessment by an independent third party. If the consideration exceed 5% of DOF's share capital, such transactions shall be subject to the approval of the shareholders at the AGM, in so far as this is required by ASAL, section 3-8.

Board members and senior employees shall inform the Board if they have any significant interest in a transaction to which the Company is a party.

There are no restrictions in the trade of Shares in DOF, and DOF shall not establish mechanisms designed to prevent or repel takeover bids, unless this has been approved by the general meeting with a two thirds majority (of votes cast and of the share capital represented). However, in the event of a takeover bid, the Board may take steps that are clearly in the best interest of the shareholders, for example by offering the shareholders advice on the offer, or, where relevant, by finding an alternative buyer ("white knight").

Development of share price since listing
The Figure below illustrates the development of the share price, and OSBEX from date January 2st to December 31st

Dividend Policy
DOF's objective is to provide a competitive return on the shareholders' invested capital through payment of a dividend and appreciation of the share price. In considering the scope of the dividend, the Board emphasizes safety, predictability and stability, as well as the Company's dividend capacity, the need to have a healthy and optimal level of equity, and also adequate financial resources in order to pave the way for future growth and investment, and the wish to minimise capital costs.

DOF ASA has paid dividend regularly the last 5 years. DOF ASA intends to pay annually dividend in the next few years.

Power of Attorney to the Board of Directors. Increase of the share Capital
In the General Meeting 15 May 2008, the Directors were given a Power of Attorney to increase

the Company's share capital up by up to NOK 75 000 000 through the issue of up to 37 500 000 shares, each with a nominal value of NOK 2.00. The Power of Attorney is valid until the ordinary General Meeting in 2009.

The Power of Attorney includes a right to deviate from the shareholders preemptive right by law to subscribe for new shares. Further, the Power of Attorney includes a right to increase the Company's share capital in return for non-cash contributions. The Power of Attorney does not include a decision on a merger pursuant to the Norwegian Public Limited Companies Act, Section 13-5.

Acquisition of own shares
In the General meeting 15 May 2008, the Directors were given a Power of Attorney to acquire up to 10 % of the Company's shares, pursuant to the provisions of chapter 9. II in the Norwegian Public Limited Companies Act.

The highest nominal value of shares that may be acquired pursuant to this power of attorney is NOK 16 553 595.00. The lowest amount that can be paid is NOK 20 per share and the highest amount NOK 100 per share.

Within the limits of the law, the Board of Directors are granted Power of Attorney to decide the manner in which the purchase and sale of own shares can take place, taking due account of the principle of equanimity whereby no-one shall derive particular or special advantage from such acquisitions.

The power of attorney is valid until the ordinary general meeting in 2009, no later however than 30 June 2009.

The justification for the proposal is that it may be financially advantageous for the Company to possess own shares. The possession of own shares can generate a profit through own-account trading, and the shares can be used in payment for possible acquisitions of other companies and for similar purposes.

Financial calendar 2009
Preliminary dates for the publishing of the company's results are:

12th May 2009	**1st quarter 2009**
26th August 2008	**2nd quarter 2009**
9th November 2008	**3rd quarter 2009**
Ultimo February 2010	**4th quarter 2009**

Ordinary General Meeting is planned held May 27th 2009.

Holding	No. of shareholders	No. of shares	% shares
1 - 1000	2 802	1 035 380	1,2%
1001 - 10 000	773	2 851 441	3,4%
10 001 - 100 000	236	7 016 918	8,5%
100 001 - 1 000 000	36	9 397 786	11,4%
1 000 001 >	8	62 466 450	75,5%
Total	3 855	82 767 975	100,0%
Foreign ownership			5,8%
Norwegian ownership			94,2%


SKANDI CALEDONIA

Analytical information

The DOF Group operates within three different business segment related to types of vessels and activities. The majority of all revenues are based on day rates. The result and cash flow for the Group can be influenced by a number of variable factors and variance in types of business segments and in particular the activity from subsea. The company policy is to manage all risks and to reduce the major risks which are related to changes in currency rates, interest rates and utilization of vessels and equipment. Our intention is to monitor and understand the impact of changing market conditions on our results and cash flow and to initiate actions to reduce the effects of such changes.

Segments

The Group earnings structure are divided in three segments; PSV (Platform Supply Vessel), AHTS (Anchor Handling Tug and Supply) and CSV (Construction Support Vessel). In addition the Group earning structure can be divided into two categories: 1) Vessels operating on firm time charter agreements where the revenue reflects vessel- and crew hire and 2) Vessels operating on contracts where the revenue reflects engineering services in addition to vessel- and crew hire. Vessels under category one are basically PSV and AHTS. The majority of the CSV's work under category two and are owned by DOF Subsea. Earnings from these vessels are firm contracts and project contracts and earnings can vary based on utilization of the vessels. The subsea vessels (CSV) are used as operating vehicles which serve as platforms for a range of equipment and personnel needed for various services offered by DOF Subsea. DOF Subsea also owns and operates a large fleet of ROV's including in their vessel operations.

In addition part of DOF Subsea's business are revenues which do not include own vessels. Margins from these projects vary from vessels operations.

Comments to operating result

Operating revenue

DOF Group's revenue in 2008 amounted to MNOK 4 339.7 compared to MNOK 3 454.4 in 2007. The growth in revenue is due to more vessels in operation in 2008 and gain from sale of assets. The Group took delivery of 5 vessels, of which three vessels were large and complex construction vessels. Three vessels were sold in 2008. Based on average number of vessels in operation in 2008 the Group operated 3 more vessels compared to 2007. Total revenues from vessel and ROV operations in 2008 were MNOK 4 061.7 and total revenues from engineering activities were MNOK 278. DOF sold two vessels in 2008 (AHTS and CSV), and DOF Subsea sold one CSV in 2008. The Group's gain from sale of vessels in 2008 was MNOK 304.9 (MNOK 87).

Operating costs

Total operating costs in 2008 were MNOK 3 427.3 compared to MNOK 2 754.9 in 2007 which is an cost increase of approx 24%. The increase in costs is driven by operation of more vessels and higher activity from the engineering business. Depreciation costs increased from MNOK 529.8 in 2007 to MNOK 643.3 in 2008. The salary costs have increased with approx 28% and reflects the growth in engineering activity, more complex operations and more vessels in operation. In 2008 as well as in 2007 there has been a high pressure in the employee- and contractor market in all the Group's segments.

Operating profit before depreciation (EBITDA) amounting to MNOK 1 555.7 (MNOK 1 232.0) and operating profit amounted to MNOK 912.5 (MNOK 702.2). The increased Ebitda can be explained by gain from sale of assets and more vessels in operation. Ebitda excluding gain from sale of assets and badwill is MNOK 1 252.1 (MNOK 1 089). Margins have partially been effected by currency fluctuations. Approx. 70% of the Group's revenues are other currency than NOK.

Result of the year

Net financial result totalled -MNOK 1 035.6 (-MNOK 36.8). Net financial result has been effected by unrealized loss on foreign currencies, total - MNOK 655.4 (MNOK 314) and represents weak NOK and R$ to USD. For the Brazilian operation R$ is used as the functional currency and represents approx MNOK 300 of the total unrealized loss on currency in 2008 and respectively a gain in 2007 of approx MNOK 180. It is the company's opinion that the Brazilian operation has no currency exposure as the company's long-term contracts are based on a rate element in R$ to cover operation costs and a rate element in USD to cover the finance costs. As DOF does not make use of hedge accounting, the entire figure has been charged to the annual result.

Net financial income for associated companies was MNOK 124.8 (MNOK 42.5). The result in 2008 basically represents gain from sale of shares in DeepOcean ASA.

Tax costs are in total MNOK 223.0 (-MNOK 440.8). Approx MNOK 100 of the tax gain is related to reversal of the environmental fund for tonnage tax companies. In 2007 the companies taxed under the previous shipping tax regulations in Norway were taxed for withheld profits for the last 10 years which were earned under the previous shipping tax regime. A third of the deferred tax was qualified as environmental share and not defined as payable tax. In 2008 the Norwegian Government allowed reversal of tax on the environmental funds.

Comments to balance sheet

Assets

The Group assets increased from MNOK 16 741.7 to MNOK 19 830.8 which is an increase of 18%. The asset growth can be mainly be explained by investments in vessels and equipment and consolidation of new activity. The Group took delivery of five vessels and sold three vessels in 2008. DOF acquired approx. 40% in DeepOcean ASA in December 2007, and these shares were sold in June 2008. The Group has an extensive new-building program and paid installments and unemployed capital per 31 December 2008 is MNOK 3 940.8. This number represents basically installments on new vessels, ROV's with expected delivery in period from 2009-2010, and did not generate any revenues in 2008.

Equity

The Group equity increased from MNOK 4 554.8 to MNOK 5 498.8 MNOK 99.9 of the equity growth is derived from profit in 2008 of which MNOK 34.7 is booked as minority interest. In 2008 DOF carried out a transaction with First Reserve Corporation (FRC) whereby DOF Subsea Holding AS took over the 100% of shares in DOF Subsea ASA. At the same time DOF Subsea ASA was delisted at the Oslo Stock Exchange. DOF Subsea Holding took over three new-buildings and 50,5% shares in DOF Installer ASA from DOF. DOF Subsea Holding AS is owned 51% by DOF and 49% by FRC. These transactions resulted in a increased equity of MNOK 545.2 and represent consolidation of new activity and share issue in a subsidiary of MNOK 300.

The equity to assets ratio was approx. 28% at year end 2008 compared to 27% in 2007. The equity ratio based on fair market value of the fleet and assets was approx. 50%. Dividend paid in 2008 was MNOK 122.9 (MNOK 82.0).

Liabilities

The Group's net-interest bearing debt amounted to MNOK 9 503.7 as of 31.12.2008 compared to MNOK 8 606.8 at year end 2007. The Group's liabilities have increased as result of delivery of new vessels and ROV's. Short term of long term debt, MNOK 1 795.4 include one fleet loan and one bond with maturity 2nd half 2009. Both loans are expected to be renewed within 1st half 2009.

The debt/equity ratio was 2,61 calculated on 31.12.08 and 2,68 year end 2007.

Comments to the cash flow

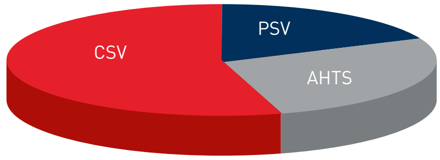
The net cash flow from operations in 2008 was MNOK 719.5 (MNOK 877.8). Adjusted with unrealized gain on currency in 2007 the cash flow from operations has increase with MNOK 138.4 and represents higher activity and more vessels in operation.

Investments in activities show a net negative cash flow effect of MNOK 1 649.8 (MNOK 4 642), whereof MNOK 2 289 are cash flows from sale of assets and - MNOK 3 890 are investments in fixed assets.

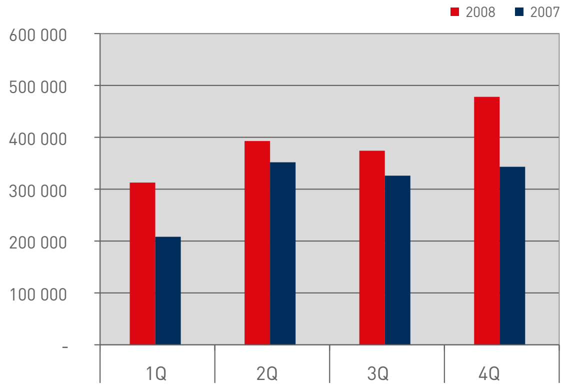
Financing activities show a positive cash flow effect of MNOK 1 903.1 (MNOK 4 071) whereof MNOK 4 243.8 is new long term debt and MNOK 2 891 are payments on long term debt.

Working capital is MNOK 1 266.1 (MNOK 1 288.9). The decrease in working capital is driven by short term part of long term debt and represents two loans with maturity in 2009. Total cash is MNOK 2 831 (MNOK 1 858.7) of which MNOK 1 183 (MNOK 974.7) is restricted cash. Adjusted with the short term of long term debt and restricted cash, the working capital is MNOK 1 878.5 (MNOK 1 140.5) The trade receivables have increased with MNOK 431.1 and trade creditors have increased with MNOK 146.4.

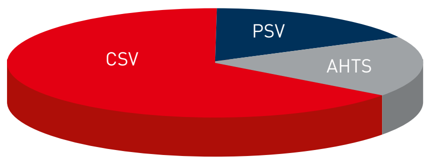
EBITDA per segment 31.12.2008



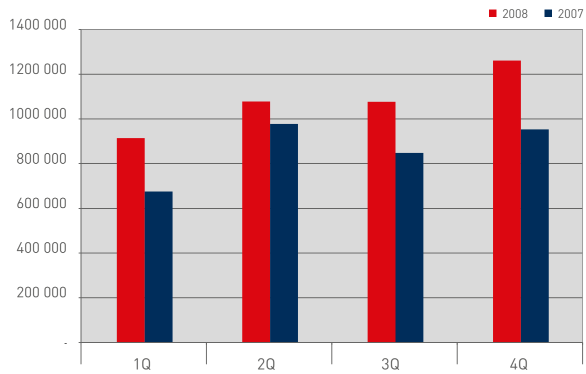
EBITDA quarterly

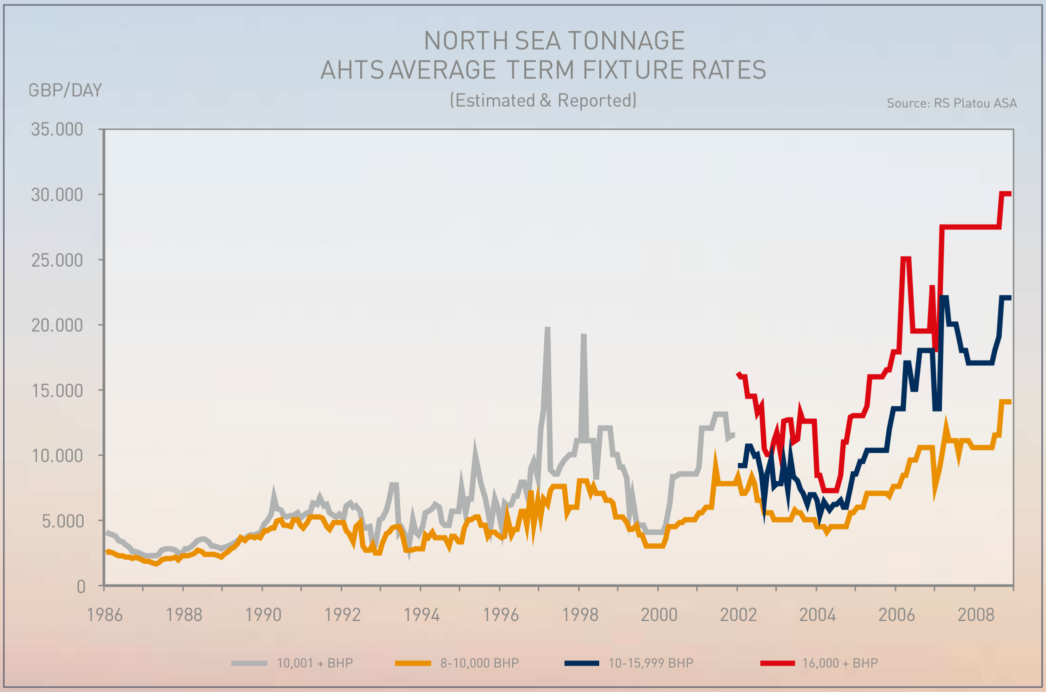


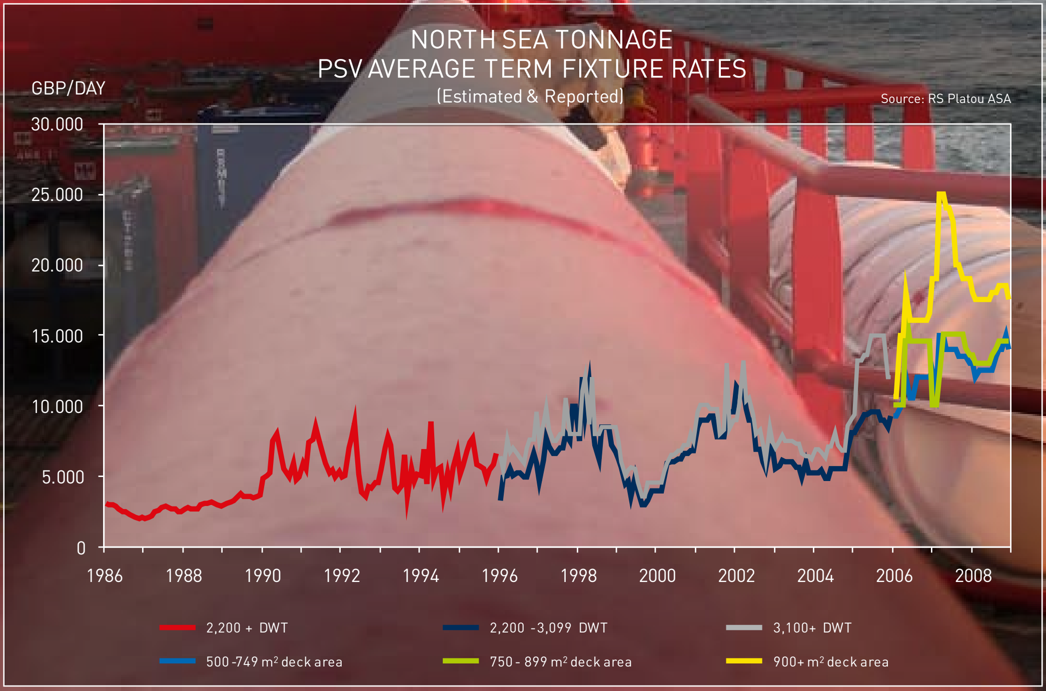
Revenue per segment 31.12.2008



Revenue quarterly




NORTH SEA TONNAGE
AHTS AVERAGE TERM FIXTURE RATES
(Estimated & Reported)
GBP/DAY
Source: RS Platou ASA
35.000
30.000
25.000
20.000
15.000
10.000
5.000
0
1986
1988
1990
1992
1994
1996
1998
2000
2002
2004
2006
2008
10,001 + BHP
8-10,000 BHP
10-15,999 BHP
16,000 + BHP


NORTH SEA TONNAGE
PSV AVERAGE TERM FIXTURE RATES
(Estimated & Reported)
GBP/DAY
Source: RS Platou ASA
30.000
25.000
20.000
15.000
10.000
5.000
0
1986
1988
1990
1992
1994
1996
1998
2000
2002
2004
2006
2008
2,200 + DWT
2,200 -3,099 DWT
3,100+ DWT
500 -749 m² deck area
750 - 899 m² deck area
900+ m² deck area

The Market

Despite the financial crisis and the corresponding global economic downturn in the second half of 2008, the offshore support vessel market was still in surprisingly good shape. In 2008, day rates for offshore support vessels remained robust and the North Sea spot market even boasted some all-time record breaking rates for large anchor handling tug supply (AHTS) vessels. At the same time, newbuilding and S&P activity cooled down towards the end of the year, impacted by financing challenges, the low price of oil and owners with a "wait and see" attitude.

The offshore support vessel market is not immune to variations in the world economy. During the course of the year, the oil price, which is the main driver for the offshore support vessel market, surged to over $140 per barrel, mainly caused by high economic growth especially in China and India. Then, by the end of the year the price plummeted to under $40 per barrel as a result of the financial crisis and economic downturn. However, even if 2009 might prove to be a rough year for the offshore support vessel market due to lower demand and the many newbuildings scheduled for delivery, it is important to look beyond 2009 where the fundamental drivers for the oil market and the corresponding offshore support vessel market are still in place.

Newbuildings

Newbuilding order placement slowed down in 2008 as a result of the large order book, lower oil price and limited access to capital. Towards the end of the year, the offshore support vessel market even experienced some newbuilding cancellations as a result of shipyards in financial distress and owners reassessing their market exposure, as well as a close to full stop to financing. Overall, the number of new orders placed for medium and large supply tonnage in 2008 decreased about 50 percent compared to 2007. At the same time, we estimate that newbuilding prices increased about 5-10 percent during 2008. While the number of orders placed last year went down, shipyards delivered about 40 percent more medium and large supply vessels in 2008 than 2007.

North Sea Chartering

In 2008, the chartering market for North Sea supply tonnage remained about as tight as the previous record years of 2006 & 2007. On average, utilization of the whole North Sea supply vessel fleet was about 91 percent in 2008. PSV utilization held steady at 97 percent on average in 2008, similar to the previous year, while AHTS utilization dipped 3 percent to 83 percent, compared to the previous year. AHTS spot day rates in 2008 were on average at the same level or a bit higher than the previous year while PSV spot rates were 20-30 percent lower in 2008 compared to 2007. According to the records, AHTS term fixtures were 5-10 percent less in 2008 than in 2007 and while the term day rates for smaller PSVs remained stable, larger PSVs enjoyed roughly 15 percent higher day rates than in 2007.

Sale & Purchase

In 2008, the secondhand market for offshore support vessels experienced a flurry of high value transactions. In the first half of 2008, the market was active, but then it slowed down with the impact of the financial crisis in the second half of 2008. The slowdown in the sale & purchase market in 2008 was not related to low vessel day rates but rather to difficulty in obtaining financing. We expect limited liquidity in the secondhand market in 2009. Valuations will likely, from an historical perspective, remain high for a period.

Construction Vessels

Although 2009 may bring rough waters, we expect to see long-term growth in the demand for subsea construction vessels based on offshore activity indicators such as pipeline and subsea equipment installation as well as IMR (Inspection, Maintenance & Repair) of already existing infra-structure.

1. INTRODUCTION

1.1 Background

DOF ASA ("DOF" or the "Company"), is the parent company in DOF's group of companies (The "Group"), it is established and registered in Norway and subject to Norwegian law, hereunder corporate and other laws and regulations. The Company's aim is to observe all relevant laws and regulations, and the Norwegian recommendation for Corporate Governance. This also applies for all other companies within the Group, and consequently this document applies to the extent reasonable for all companies therein.

The Company's Board of Directors adopted in its meeting held on 15 January 2007 a revised document which largely and in principle adhered to the then applicable Corporate Governance standard, with a few deviations. The Board of Directors have examined a revised version of the current Corporate Governance standard, published by the Norwegian Committee for Corporate Governance (NUES) on 4 December, 2007. The Board has approved and adopted this document as the Company's Corporate Governance Policy to reflect the will of DOF to fully comply with the current Corporate Governance standards recommendations from NUES. The Company will act in compliance with laws and regulations as applicable from time to time in respect of handling and control of insider trading rules and information to the shareholders and the market.

1.2 Objective

This governing document contains measures which have been and will be implemented to secure efficient management and control of the activities of the Company. The main objective is to establish and maintain systems for communication, surveillance and incentives which will increase and maximize the financial results of the Company, its long term soundness and overall success, and investment return for its shareholders. The development and improvement of the Company's Corporate Governance is a continuous and important process which the Board of Directors and the Executive Management keep a keen focus on.

1.3 Rules and regulations

The Company is a public limited company listed on the Oslo Stock Exchange. In that respect the Company is subject to the Corporate Governance regulations contained in the Public Limited Companies Act 1997 (asal.), the Securities Trading Act 2007 (vhpl), the Stock Exchange Act with regulations (børsreg) and other applicable legislation.

1.4 Management of the Company

Management of and control over the Company is divided between the shareholders, represented through the general meeting of the shareholders, the Board of Directors and the Managing Director (CEO) in accordance with applicable legislation. The Company has an external and independent auditor.

1.5 Implementation and reporting on Corporate Governance

The Board of Directors must ensure that the Company implements sound Corporate Governance.

The Board of Directors must provide a report on the Company's Corporate Governance in the annual report. The report must cover every section of the Code of Practice. If the Company does not fully comply with this Code of Practice, this must be explained in the report.

The Board of Directors should define the Company's basic corporate values and formulate ethical guidelines in accordance with these values. The Group has drawn up a separate policy for Corporate Governance, and the Board has decided to follow the Norwegian Recommendation for Corporate Governance.

Departures from the Recommendations: None

2. BUSINESS

The Company's business shall be clearly defined in its Articles of Association.

The Company shall aim at securing and developing the Company's position as a leading actor within its business activities, to the benefit of its owners, and based on strategies founded on ethical behaviour within applicable laws and regulations.

The annual report should include the objectives clause from the Articles of Association and contain descriptions of the Company's principal objectives and strategies.

The objective of the Company is to be engaged trading and shipping business and other offshore related activity, including participation in other companies with the same or similar objects. These statements appear in §2 of DOF ASA's Articles of Associations.

Departures from the Recommendations: None

3. EQUITY AND DIVIDENDS

The Company should have an equity capital at a level appropriate to its objectives, strategy and risk profile.

The aim of the Company is to produce a competitive return on the investment of its shareholders, through distribution of dividends and increase in share prices. The Board of Directors shall in its assessment of the scope and volumes of dividend emphasize security, predictability and stability, dividend capacity of the Company, the requirement for healthy and optimal equity as well as adequate financial resources to create a basis for future growth and investment, and considering the wish to minimize capital costs.

Mandates granted to the Board of Directors to increase the Company's share capital shall be subject to defined purposes and frames and shall be limited in time to no later than the date of the next annual general meeting. This should also apply to mandates granted to the Board for the Company to purchase own shares.

Equity:

The Board of Directors considers consolidated equity to be satisfactory. The Company's need for financial strength is considered at any time in the light of its objective, strategy and risk profile.

Dividend policy:

The Board of Directors shall in its assessment of the scope and volumes of dividend emphasize security, predictability and stability, dividend capacity of the Company, the requirement for healthy and optimal equity as well as adequate financial resources to create a basis for future growth and investment, and considering the wish to minimize capital costs.

Capital Increase:

The Board has the authority until the ordinary general meeting in 2009 to increase the share capital by issuing 37 500 000 shares.

Purchase of treasury shares:

The Board has the authority, until the ordinary general meeting in 2009, to purchase treasury shares in DOF ASA limited to 10% of the Company's share capital. Shares may not be purchased for less than NOK 20 per share, and no more than NOK 100 per share. At 31 December 2008, the Group owned no treasury shares.

Departures from the Recommendations: None

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

The Company shall only have one class of shares.

Any decision to waive the pre-emption right of existing shareholders to subscribe for shares in the event of an increase in share capital must be justified.

Any transactions the Company carries out in its own shares shall be carried out either through the stock exchange or at prevailing stock exchange prices if carried out in any other way.

In the event of any not immaterial transactions between the Company and shareholders, members of the Board of Directors, members of the Executive Management or close associates of any such parties, the Board shall arrange for valuation to be obtained from an independent third party. This will not apply if the transaction requires the approval of the general meeting pursuant to the requirements of the Public Limited Companies Act. Independent valuation should also be arranged in respect of transactions between companies in the same group where any of the companies involved have minority shareholders.

Members of the Board of Directors and the Executive Management are obliged to notify the Board if they have any material direct or indirect interest in any transaction entered into by the Company.

Class of shares:
DOF ASA has only one class of shares. The Articles of Associations place no restrictions on voting rights. All shares are equal.

Trading in treasury shares:
The Board's authorisation to acquire treasury shares is based on the assumption that the acquisition will take place in the open market. Acquired shares may be disposed in the market or used as payments for acquisitions.

Transactions between related parties:
See note 30 for related party transactions.

Departures from the Recommendations: None

5. FREELY NEGOTIABLE SHARES
Shares in listed companies must, in principle, be freely negotiable. Therefore, no form of restriction on negotiability should be included in a Company's Articles of Association. The Articles of Association place no restrictions on negotiability. The shares are freely negotiable.

Departures from the Recommendations: None

6. GENERAL MEETINGS
The Board of Directors should take steps to ensure that as many shareholders as possible may exercise their rights by participating in general meetings of the Company, and that general meetings are an effective forum for the views of shareholders and the board. Such steps should include:

• making the notice calling the meeting and the support information on the resolutions to be considered at the general meeting, including the recommendations of the nomination committee, available on the company's website no later than 21 days prior to the date of the general meeting, and sending this information to shareholders no later than two weeks prior to the date of the general meeting
• ensuring that the resolutions and supporting information distributed are sufficiently detailed and comprehensive to allow shareholders to form a view on all matters to be considered at the meeting
• setting any deadline for shareholders to give notice of their intention to attend the meeting as close to the date of the meeting as possible
• ensuring that shareholders who cannot attend the meeting in person can vote by proxy
• ensuring that the members of the Board of Directors and the nomination committee and the auditor are present at the general meeting
• making arrangements to ensure an independent Chairman for the general meeting

The notice calling the general meeting shall provide information on the procedures shareholders must observe in order to participate in and vote at the general meeting. The notice should also set out:

• the procedure for representation at the meeting through a proxy, including a form to appoint a proxy
• the right for shareholders to propose resolutions in respect of matters to be dealt with by the general meeting
• the web pages where the notice calling the meeting and other supporting documents will be made available. The Company should, at the

earliest possible opportunity, make available on its website:

- information on the right of shareholders to propose matters to be considered by the general meeting
- proposals for resolutions to be considered by the general meeting, alternatively comments on matters where no resolution is proposed
- a form for appointing a proxy

The Board of Directors and the Chairman of the general meeting should ensure that the general meeting is given the opportunity to vote separately for each candidate nominated for election to the Company's corporate bodies.

By virtue of the Annual General Meeting, the shareholders are guaranteed participation in the Groups supreme governing body. The following matters shall be discussed and resolved at the annual general meeting:

- Adoption of the annual financial statement and the annual report, including distribution of dividends.
- Any other matters which by virtue of law or the articles pertain to the general meeting

Notification:

The annual general meeting shall be held each year no later than six months after the end of each financial year. The 2009 AGM is scheduled May 27th. Notification is sent out within the deadlines in the Code of practice and relevant documentation are available on the Group's website at least 21 days prior to the general meeting. The Financial Calendar is published on the internet and through a notification to Oslo Stock Exchange.

Participation:

It is possible to register by post, telefax or e-mail. Shareholders who cannot attend the meeting can authorise a proxy, and the system facilitates the use of proxies on each individual item for discussion.

Departures from the Recommendations: None

7. NOMINATION COMMITTEE

The Company should have a nomination committee, and the general meeting should elect the chairperson and members of the nomination committee and should determine the committee's remuneration.

The nomination committee should be laid down in the Company's Articles of Association.

The members of the nomination committee should be selected to take into account the interests of shareholders in general. The majority of the committee should be independent of the Board of Directors and the Executive Management. At least one member of the nomination committee should not be a member of the corporate assembly, committee of representatives or the Board. No more than one member of the nomination committee should be a member of the Board of Directors, and any such member should not offer himself for re-election. The nomination committee should not include the Company's Chief Executive or any other member of the Company's Executive Management.

The nomination committee's duties are to propose candidates for election to the corporate assembly and the Board of Directors and to propose the fees to be paid to members of these bodies.

The nomination committee should justify its recommendations.

The Company should provide information on the membership of the committee and any deadlines for submitting proposals to the committee.

According to the Articles of Association § 6 the Company shall have a nomination committee. The nomination committee shall issue a proposal to the general meeting regarding the election of shareholder elected Board members. The nomination committee shall consist of three members. The members of the committee shall be elected by the Company's annual general meeting, which also appoints the committee's chairman.

The members of the nomination committee are elected by the general meeting for terms of two years at a time. The general meeting determines the remuneration of the committee's members.

Composition:
The current committee was elected on the AGM on May 15th 2008 and consists of:

Ole R Møgster. Mr. Møgster has long experience from the fish harvesting and offshore supply market. Mr. Møgster is one of the main shareholders of Laco AS, which is the main shareholder of DOF ASA.

Harald Espedal. Mr. Espedal holds an MBA and Master of accounting from Norwegian School of Economics. Mr. Espedal is the Managing Director in Skagen AS. He has extensive experience as analyst and portfolio manager within insurance companies and asset management companies. Mr. Espedal is a Director at Oslo Børs Stock Exchange and in VPS Holding ASA.

Kristine Herrebrøden. Mrs. Herrebrøden is corporate lawyer at Thommessen law firm and has worked as laywer since 2004. She has extensive experience in financial and corporate transactions. Two of the members are independent of DOF ASA's main shareholder(s) and the Executive Management.

Departures from the Recommendations: None

8. BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

The composition of the Board of Directors should ensure that the Board can attend to the common interests of all shareholders and meets the Company's need for expertise, capacity and diversity. Attention should be paid to ensuring that the Board can function effectively as a collegiate body.

The composition of the Board of Directors should ensure that it can operate independently of any special interest. The majority of the shareholder-elected members of the Board should be independent of the Company's Executive Management and material business contacts. At least two of the members of the Board elected by shareholders should be independent of the Company's main shareholder(s). In the assessment of independency the following criteria shall be considered:

• whether the relevant person has been employed with the Company during the foregoing three years
• whether the relevant person has received or is receiving other kinds of remuneration from the Company other than the Director's remuneration, or participates in a share option program or result based remuneration arrangement
• Whether the relevant person has had major business relation with the Company over the three foregoing years.

The Board of Directors shall not include representatives of the Company's Executive Management. With a view to effective group management, representatives from the Executive Management may however serve as Directors in group subsidiaries.
The Chairman of the Board of Directors shall be elected by the general meeting.

Members of the Board of Directors shall not be elected for more than two years at a time.
The annual report shall provide information to illustrate the expertise and capacity of the members of the Board of Directors and identify which members are considered to be independent.
Members of the Board of Directors shall be encouraged to own shares in the Company.

Composition of Board of Directors:
According to the Articles of Association § 5 The Company's Board of Directors shall consist of 4 – 7 Directors elected by the shareholders. DOF ASA has endeavoured to adapt Directors' backgrounds, competence, capacity and affiliation to the Group's business activities and its need for diversity.

The Board of Directors consists of the following persons:

Helge Møgster. Chairman. Mr. Møgster is one of the main owners in Laco AS, the main shareholder of DOF ASA and Austevoll Seafood ASA. He has long experience from both the offshore supply and fishery industry. He is holding board positions in several companies.

Helge Singelstad. Mr. Singelstad is CEO in Lerøy Seafood Group ASA. Mr. Singelstad is educated in engineering from Bergen Ingeniørskole, he is business school graduate from NHH, and he has a degree from the first year of law school at UIB. Singelstad has experience from different types of businesses: oil companies, ship equipment and the seafood sector. Mr. Singelstad has had executive positions in Lerøy Seafood Group ASA since 1993 with exception of one year as CEO in Laco AS.

Wenche Kjølås. Mrs Kjølås is the CFO in Grieg Logistics, Bergen, since 2006. She has vast experience from various industries in Norway, and also serves as a Board member in numerous companies. She holds a business graduate degree from the Norwegian School of Economics and Business Administration from NHH.

Britt Mjellem. Mrs. Mjellem is the Senior Sales Manager & Advisor for Amesto AS. Coming from both the investment banking sector and the shipbuilding industry, Britt has over 20 years experience from the monetary exchange markets.

Oddvar Stangeland. Mr Stangeland started his career with DOF back in 1982 as a Technical Manager before becoming the CEO in 1985. He stepped down as CEO in 2005 handing over his position to Mons Aase. He holds a degree in Marine Engineering and Naval Architecture (MSc) from the Norwegian Institute of Technology.

The Boards autonomy:
Except for the Chairman Helge Møgster and Oddvar Stangeland, all members of the Board are independent of the Company's major shareholders, the Company's management and the Company's main business relations. There are no conflicts of interest between any duties to the Company of the members of the Board or the Company's management, and their private interests or other duties. No members of Group management are Directors. Directors are elected by the general meeting for a term of two years.

Directors' ownership of shares:
Helge Møgster owns directly 236 930 shares and indirectly through Laco AS 38 975 439 shares in the Company.

Oddvar Stangeland owns, directly 20 000 shares and indirectly though Kanabus AS 8 000 shares in the Company.

Britt Mjellem, owns 1 000 shares n the Company.
Wenche Kjølås, owns indirectly, through Jawendel AS, 3 000 shares in the Company.

Departures from the Recommendations: None.

9. THE WORK OF THE BOARD OF DIRECTORS

The Board of Directors shall produce an annual schedule for its work, with particular emphasis on objectives, strategy and implementation.

The Board of Directors shall from time to time issue instructions for its own work as well as for the Executive Management with particular emphasis on clear internal allocation of responsibilities and duties. The CEO, CFO and Director of Legal Affairs/ Counsel of the Company shall have an obligation and a right to participate in the meetings of the Board of Directors as long as anything to the contrary has been decided. A deputy chairman should be elected for the purpose of chairing the Board in the event that the chairman cannot or should not lead the work of the Board.

The Board of Directors shall consider appointing board committees in order to help ensure thorough and independent preparation of matters relating to finical reporting and compensation paid to the members of the Executive Management. Membership of such sub-committees should be restricted to members of the Board who are independent of the Company's Executive Management.

The Board of Directors shall provide details in the annual report of any board committees appointed. The Board of Directors shall evaluate its performance and expertise annually.

Board responsibilities:
Norwegian law lays down the tasks and responsibilities of the Board of Directors. These include overall management and supervision for the Company. Towards the end of each year the Board adopts a detailed plan for the following financial year. This plan covers the follow-up of the Company's operations, internal control, strategy development and other issues. The Company complies with the deadlines issued by Oslo Stock Exchange with regards to interim reports.

Instructions to the Board of Directors:
The Board's instructions are extensive and were last revised on 28.03.2008. The instructions cover the following points: the Boards responsibly and obligations, CEO's information requirement to the Board, the Board's procedures.

Use of Board committees:
The use of Nomination Committee is stipulated in the Articles of Association. Moreover, the Board set up an Audit Committee by the end of 2008. The committee prepare items for consideration by the Board. They are solely responsible to the full corporate Board and their authority is limited to making recommendations to the Board.

Audit committee:
The Audit committee has responsibilities related to financial reporting, the independent auditor and risk management and consists of two Board members. The independent auditor usually attends the meetings. The CEO and other Directors are entitled to attend if they so desire.

Members: Wenche Kjølås, Chairman, Britt Mjellem and Helge Singelstad.

The Board's self-evaluation:
Each year, a special Board meeting shall be organised on topics related to the Groups operations and the Board's duties and working methods. The Board's working methods and interaction are discussed on an ongoing basis. The Board has not yet had a formal self-evaluation; however this item is on the annual schedule for its work in 2009.

Departures from the Recommendations: The Board has not yet carried out a formal self-evaluation; however this item is on the annual schedule for its work in 2009.

10. RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors must ensure that the Company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the Company's activities. Internal control and the systems should also encompass the Company's corporate values and ethical guidelines.

The Board of Directors should carry out an annual review of the Company's most important areas of exposure to risk and its internal control arrangements.

The Board of Directors should provide an account in the annual report of the main features of the Company's internal control and risk management systems as they relate to the Company's financial reporting.

The Board of Directors and internal control:
The Board of Directors regularly receives reports that cover financial status and important KPI for the operating companies within the group. The quarterly financial statements and management reports are also subject to review at quarterly Board meetings.

The Board's annual review:
The Board holds a yearly meeting with the auditor where the auditor gives an assessment on important internal control areas. The Directors present a review of the Company's financial status in the Directors report.

Departures from the Recommendations: None

11. REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration of the Board of Directors should reflect the Board's responsibility, expertise, time commitment and the complexity of the Company's activities.

The remuneration of the Board of Directors should not be linked to the Company's performance. The Company should not grant share options to members of its board. Members of the Board of Directors and/or companies with which they are associated should not take on specific assignments for the Company in addition to their appointment as a member of the board. If they do nonetheless take on such assignments this should be disclosed to the full board. The remuneration for such additional duties should be approved by the board.

The annual report should provide information on all remuneration paid to each member of the Board of Directors. Any remuneration in addition to normal Directors' fees should be specifically identified.

The Directors fees are decided by the AGM. The Directors' fee are not linked to the Company's performance. Oddvar Stangeland has had assignments for the Company as an technical advisor in various new-building/ and re-building projects. None of the other Board members have during 2008 had assignments for the Company in addition to being members of the Board.

Departures from the Recommendations: None

12. REMUNERATION OF THE EXECUTIVE MANAGEMENT

The Board of Directors is required by law to establish guidelines for the remuneration of the members of the Executive Management. These guidelines shall be communicated to the annual meeting.

The guidelines for the remuneration of the Executive Management shall set out the main principles applied in determining the salary and other remuneration of the Executive Management. The guidelines should help to ensure convergence of the financial interests of the Executive Management and the shareholders.

Performance-related remuneration of the Executive Management in the form of share options, bonus programmes or the like should be linked to value creation for shareholders or the Company's earnings performance over time. Such arrangements, including share option arrangements, should incentivise performance and be based on quantifiable factors over which the employee in question can have influence.

The remuneration policy for the Executive Management is determined by the Board of Directors and communicated to the annual general meeting. The guidelines regarding the remuneration are approved by the AGM. See note 12 for guidelines for remuneration to Executive Management.

The existion remuneration policy, approved on the 2008 AGM, aloves performance- related remuneration. The Executive Management has currently no performance-related remuneration.

Departures from the Recommendations: None

13. INFORMATION AND COMMUNICATIONS

The Board of Directors should establish guidelines for the Company's reporting of financial and other information based on openness and taking into account the requirement for equal treatment of all participants in the securities market.

The Company should publish an overview each year of the dates for major events such as its annual general meeting, publication of interim reports, public presentations, dividend payment date if appropriate etc.

All information distributed to the Company's shareholders should be published on the Company's web site at the same time as it is sent to shareholders.

The Board of Directors should establish guidelines for the Company's contact with shareholders other than through general meetings.

A calendar of most important dates is published on the Oslo Stock Exchange and the Company's website. Information to the Company's shareholders is distributed via the Oslo Stock Exchange and the Company's website on an ongoing basis, immediately after decisions have been made. There have not yet been established guidelines for the Company's contact with shareholders other than through general meeting.

Departures from the Recommendations: There have not yet been established guidelines for the Company's contact with shareholders other than through general meeting.

14. TAKE-OVERS

The Board of Directors should establish guiding principles for how it will act in the event of a take-over bid. During the course of a take-over process, the Board of Directors and management of both party making the offer and the target company have an independent responsibility to help ensure that shareholders in the target company are treated equally, and that the target company's business activities are not disrupted unnecessarily. The Board of the target company has a particular responsibility to ensure that shareholders are given sufficient information and time to form view of the offer.

The Board of Directors should not seek to hinder or obstruct take-over bids for the Company's activities or shares unless there are particular reasons for this. In the event of a take-over bid for the Company's shares, the Company's Board of Directors should not exercise mandates or pass any resolutions with the intention of obstructing the take-over bid unless this is approved by the general meeting following announcement of the bid.

If an offer is made for a Company's shares, the Company's Board of Directors shall issue a statement evaluating the offer and making a recommendation as to whether shareholders should or should not accept the offer. If the Board finds itself unable to give a recommendation to shareholders on whether or not to accept the offer, it should explain the background for not making such a recommendation. The Board's statement on a bid should make it clear whether the views expressed are unanimous, and if this is not the case it should explain the basis on which specific members of the Board have excluded themselves from the Board's statement. The Board should consider whether to arrange a valuation from an independent expert. If any member of the Board or Executive Management, or close associates of such individuals, or anyone who has recently held such position, is either the bidder or has a particular personal interest in the bid, the Board should arrange an independent valuation in any case. This shall also apply if the bidder is a major shareholder. Any such valuation should be either appended to the Board's statement, be reproduced in the statement or be referred to in the statement.

Any transaction that is in effect a disposal of the Company's activities should be decided by a general meeting.

DOF ASA's Articles of Association contain no limitation with regard to share acquisition. The shares are freely transferable. Transparency and equal treatment of shareholders is a fundamental policy. When a bid is made for the Company, the Board of Directors will make a well-grounded evaluation of the bid.

Departures from the Recommendations: None

15. AUDITOR

The auditor should submit the main features of the plan for the audit of the Company to the Boards of Directors annually. The auditors should participate in meetings of the Board of Directors that deal with the annual accounts. At these meetings the auditor should review any material changes in the Company's account principles, comment on any material estimated accounting figures and report all material matters on which there has been disagreement between the auditor and the Executive Management of the Company.

The auditor should at least once a year present to the Board of Directors a review of the Company's internal control procedures, including identified weaknesses and proposals for improvement.
The Board of Directors shall hold a meeting with the auditor at least once a year at which neither the CEO nor any other member of the Executive Management is present.

The Board of Directors shall establish guidelines in respect of the use of the auditor by the Company's Executive Management for services other than the audit. The Board should receive annual written confirmation from the auditor that the auditor continues to satisfy the requirements for independence. In addition, the auditor should provide the Board with summary of all services in addition to audit work that have been undertaken for the Company.

The auditor will each autumn prepare a plan for auditing activities in the coming year.
The auditor attends several of the Board meetings during the year. At the meeting in the autumn the auditor presents risk areas and an evaluation of the Company's internal control routines.

The Board of Directors have not yet held a meeting with the auditor at which neither the Chief Executive nor any other member of the Executive Management are present. The audit committee has held a meeting with the auditor at which neither the Chief Executive nor any other member of the Executive Management were present.

In addition to ordinary audit, the auditing company has provided consultancy services related to accounting. Reference is made to the notes to the consolidated financial statements.

Departures from the Recommendations:
None

Helge Møgster
Chairman

Born 1953. Helge Møgster is a main owner in Laco AS, which is the main shareholder of DOF ASA and Austevoll Seafood. Mr. Møgster has long experience from the offshore supply market and fish harvesting. He is the Chairman of DOF ASA and he chairs and serves on numerous Boards of Directors.

Helge Singelstad
Board member

Born 1963. Helge Singelstad is Group Managing Director in Lerøy Seafood Group ASA. Mr. Singelstad has experience from different types of businesses: oil companies, ship equipment and the seafood sector. He holds a degree in computer engineering, a degree in Business Administration, and 1st degree of law from the University of Bergen.

Britt Mjellem
Board member

Born 1961. Britt Mjellem is Senior Sales Manager & Advisor for Amesto AS. Her background is from the shipbuilding industry and she has more than 20 years experience from investment management in the foreign exchange market.

Oddvar Stangeland
Board member

Born 1944. Oddvar Stangeland started his career with DOF in 1982 as technical manager, and held the position as the company's CEO 1985 – 2005. Prior to this he has was a project engineer-/ project manager in Norwegian and International shipping companies. He holds a degree in Marine Engineering and Naval Architecture (MSc) from the Norwegian Institute of Technology.

Wenche Kjølås
Board member

Born 1962. Wenche Kjølås is CFO in Grieg Logistics in Bergen since 2006. She has experience from various industries in Norway. She serves a numerous Boards of Directors. She has a business graduate from the Norwegian School of Economics and Business Administration from NHH.

Mons S. Aase
CEO

Born 1966. Mr. Aase has been part of the management team since 1998, first as CFO and Deputy Managing Director, CEO in DOF ASA from 2005. Mr. Aase has various experiences from the finance and shipbroker industry. Mr. Aase holds a MSc from the Norwegian Institute of Technology, and a Cand. Merc. from the Norwegian School of Economics and Business Administration in Bergen.

Report of the Board of Directors DOF ASA

DOF ASA (the Company) owns and operates supply and subsea vessels and provides engineering and service activities related to subsea operations. The DOF Group (the Group) divides its activities into three principal segments: PSV (platform supply vessels), AHTS (anchor handling tug supply vessels) and CSV/ROV (construction support vessels and remotely operated vessels).
As of 31 December 2008, the Group had control of a fleet totalling 70 vessels including newbuildings. The fleet comprises the following vessels:

- 23 platform supply vessels (PSV)
- 21 anchor handling tug supply vessels (AHTS)
- 26 subsea/construction/seismic vessels (CSV/ROV)

The Group has offices on all five continents and is the main/part owner of 6 service/engineering companies with specialised expertise related to subsea operations. The head office is located on the island of Storebø in Austevoll municipality.

The Group's business concept is to be international engaged in long-term and industrial offshore business. The Group aims to sustain its strategy to target highly qualified personnel. The Group operates with a balanced affreightment strategy which centres on long-term contractual coverage for the main share of its business.

Group activities in 2008

Supply PSV-AHTS

The supply fleet is principally owned by the subsidiaries DOF Rederi AS and Norskan AS. In January, DOF Rederi received delivery of 1 PSV. This vessel started on a long-term contract for StatoilHydro in February. In March, DOF Rederi contracted a newbuilding from STX Europe (formerly Aker Yards). This vessel will be the Company's first gas vessel and is intended for a 5-year contract with StatoilHydro after delivery. The supply segment sold 2 vessels in 2008, 1 AHTS and 1 specialised vessel. In 2008, the main share of DOF Rederi's fleet was operational in the North Sea. In 2008, the Company planned to restructure the supply fleet by transferring a number of vessels to Norskan in connection with new contracts awarded in Brazil.

A number of long-term contracts have been signed and other contracts renewed for the supply fleet throughout the year. This involves Brazil in particular, where 9 long-term contracts were signed in 2008. The subsidiary Norskan AS experienced a significant growth in 2008 with contract renewals for the company's own fleet, access to a higher number of vessels and responsibility for marine operations for DOF and DOF Subsea's vessels in Brazil. In July 2008, Norskan contracted 3 newbuildings from STX Promar, 1 for delivery in 2010 and 2 for delivery in 2011. A long-term contract has been signed for the first newbuilding. Norskan was awarded first prize during the "Safety Award 2008" from Petrobras, repeating their achievement from 2007. The prize is mainly related to HSE policy and standards.

DOF Installer ASA owns 4 newbuilding contracts for large AHTS vessels. A long-term contract with StatoilHydro has been signed for the first newbuilding. The vessels are scheduled for delivery in 2010 and 2011.

The Company owns 50% of the shares in Aker DOF Supply AS, which in turn owns 6 AHTS vessels and 1 PSV. The vessels are scheduled for delivery in 2010-2012. A long-term contract has been signed for 1 vessel with StatoilHydro, Brazil.

CSV - Subsea

The subsidiary DOF Subsea (DOFSUB) owns the largest and most modern fleet of construction vessels on the market in addition to a large ROV fleet. DOFSUB's vessels provide services related to survey, construction, IRM (Inspection, Repair and Maintenance) and diving.

DOFSUB has two Joint Ventures (JV) with Technip; one JV for a diving vessel and one JV for a pipe laying vessel in Brazil.

DOFSUB enjoyed a considerable growth in 2008 and has received delivery of 4 newbuildings, of which 3 are secured long-term contracts. 1 vessel was sold in 2008.

In December, the Company purchased 39.9% of DeepOcean ASA. During the first half of 2009, the process towards a merger of DeepOcean and DOF Subsea started. However, another party made a bid for the shares in DeepOcean, and the Company therefore decided to sell its shares in June. This sale generated a gain of approx. NOK 125 million.

In June, the Company initiated negotiations with First Reserve Corporation (FRC), with the intention of making a bid for all the shares in DOFSUB. An agreement was signed with FRC in October to set up a new holding company owned 51/49 by DOF and FRC and with the intention to make a bid for all the shares in DOFSUB at NOK 36 per share. This transaction was completed on 1 December 2008.

Health, safety and the environment

In 2008, the company has continued to control its activities related to Quality, Health, Safety and the Environment according to the goals to achieve zero occupational injuries and illness, maintain a good working environment, raise awareness and maintain control of environmental aspects and sustain high regularity for operations. Since 1995, the company has had certification according to the ISM code, with ISO 9001 and ISO 14001 certification since June 2002.

An annual audit was carried out by DnV in Q1 2008, with the purpose of verifying that the two merged companies (DOF Management and Geoshipping) operate according to the same guidelines. The business in Brazil complies with similar standards to DOF Management.

In 2008, the company noticed a marked reduction in lost time injury frequency (no. personal injuries resulting in absence per 1,000,000 hours of occupational exposure, LTIF) from 3.16 in 2007 to 2.08. There was also a reduction in the total recordable case frequency (TRCF) from 6.13 in 2007 to 2.87 in 2008.
Unfortunately, for the first time in the Company's history, there was a fatality at work. A ROV Supervisor, working for DOF Subsea, died while working on the ROV equipment. The accident occurred when the vessel was in dock. DOF Subsea took charge of the investigation into this accident, and the experience they have learned has been distributed to the shipping industry via IMCA (ref. IMCA Safety Flash 07/08).

There was a minor reduction in the number of incident reports in 2008 compared with 2007, and the company has noticed an increase in involvement in relation to the use of Safety Observations. By reporting even minor factors and actions, we can prevent accidents from happening.

Our zero injury goal is definite, and the company is working on the long-term measures established in recent years, which focus on management involvement and the individual employee's impact on the HSE results.

An analysis of the root causes of incidents in 2008 indicates that a lack of safety awareness and insufficient planning resulted in 40% of personal injuries in our fleet. The most frequent causes behind these incidents are inattentiveness and underestimating risk. The QHSE Plan for 2009 describes measures which focus on these causes, including the 5 course packages on which the Safety Coaches will concentrate in 2009.

External environment

In terms of the external environment, 12 incidents were reported in 2008 which resulted in acute discharge of oil/oily liquids or chemicals.

DOF's environmental program has been reviewed and contains a number of new elements/measures which will be assessed in 2009. A project has been established to document measures introduced on the newbuildings in recent years, and to assess upgrades of existing vessels.

Working environment

The Group has a total of approx. 2,350 employees and an average sick leave in 2008 of 4.2%. Sick leave among employees in DOF Sjø for 2008 was 6.1%, an increase in comparison with 2007, when sick leave was 4.8%. The number of seafarers employed by DOF Management as of 31 December 2008 was 1,090. Of these, 680 were employed by DOF Sjø, 70 by DOF Singapore (UK personnel) and 340 by DOF OSM Marine Services. Sick leave in the subsidiary DOF Subsea Holding AS totalled 2.02% and for Norskan (Brazil) it was 2.9%.

There has been a considerable pressure on the labour market in 2008. However, in light of the financial crisis, this pressure eased in the last months of the year and the situation is expected to return to normal in 2009. Despite this, the Group intends to maintain its focus on recruitment and training to crew the newbuildings.

Equal opportunities
The Group aims to ensure equal opportunities between women and men at work. Traditionally, the number of female employees on the vessels has been low. However, the Company has a goal to gradually increase the female ratio of seafarers. For the land-based administration, the ratio of female employees was 45% at year-end 2008. The Board of Directors comprises three men and two women.

Salary and other remuneration to management
The Chairman of the Board determines management salaries. Pursuant to Norwegian company legislation, the Board of Directors has compiled a personal statement regarding salary and other remuneration to management which will be presented and discussed during the ordinary General Meeting. We refer to the notes to the accounts for more detailed information on remuneration to management.

Shareholders
The Company is listed on the Oslo Stock Exchange. At year-end, the Company had 3,855 shareholders. The Company's majority shareholder is Møgster Offshore AS (previous DOF Holding AS).

Consolidated accounts
The consolidated accounts are prepared in accordance with the International Financial Reporting Standards (IFRS) and the accounting report is based on current IFRS standards and interpretations. Amendments in standards and interpretations may result in changes to the figures presented. The same accounting principles and calculation methods applied in the last annual accounts have been applied to this document.

Consolidated income in 2008 was NOK 4 339.7 million (NOK 3 454.4 million), of which gain on sales totalled NOK 304.9 million (NOK 87.6 million). The net increase in operating income (excl. gain on sales) totalled NOK 668 million and represents an increase in activities and the operation of a higher number of vessels as compared to 2007. The operating result was NOK 912.5 million (NOK 702.2 million). Throughout the year, the Group has received delivery of 5 vessels and sold 3 vessels.

Net financial costs for 2008 were negative at NOK 380.2 million (negative NOK 351.6 million) and unrealized currency losses/gain were- NOK 655.4 million (NOK 314.6 million) Currency exchange rates have been extremely volatile throughout the year, and the NOK and R$ in particular have weakened against the USD. This resulted in a significant unrealised loss on foreign exchange in 2008 compared with an unrealised gain in 2007. Included in this figure is an unrealised loss on foreign exchange from Norskan of approx. NOK 300 million, representing the weak R$ against the USD. However, the Company believes that in reality Norskan is not exposed to USD currency as the main share of Norskan's long-term contracts are based on a rate element in R$ to cover operations and a rate element in USD to cover liabilities in the same currency. The Company does not make use of hedging so the entire difference is charged to the result.

Ever since the transition regulations for the shipping company tax scheme were adopted in 2007, there have been discussions on whether the third which comprises the environmental fund is to be classified as equity or liability. As the regulations were formulated such that there was a 15-year deadline for the use of the fund, the fund was classified as a liability under IFRS. In January 2009, the Ministry of Finance announced the annulment of the 15-year deadline so that the fund can be classified as equity. As a result, the Company's environmental fund has been reclassified to equity as of 31 December 2008. The reclassification to equity has been carried out by reversing the provision from 2007 for the environmental fund via the tax cost in the profit & loss account, resulting in a reduction in tax of approx. NOK 100 mill.

The result for the year amounted to NOK 99.9 million (NOK 1.21 per share) compared with NOK 221.9 million (NOK 2.10 per share) in 2007. Cash flow for the year (pre-tax result, unrealised loss on foreign exchange and depreciation) totalled NOK 1 175.6 million (NOK 877.9 million).

The consolidated balance sheet at year-end 2008 totalled NOK 19 830.8 million (NOK 16 741.7 million). The increase in the consolidated balance sheet is related to the consolidation of DOF Installer ASA and access to new vessels. The Group received delivery of 5 newbuildings in 2008.

The Group's net interest-bearing liabilities total NOK 9 503.7 million as of 31 December 2008 (NOK 8 606.8 million). Group liabilities have seen an increase due to the growth in the fleet. The transaction with

First Reserve has had an impact on the consolidated balance sheet with the consolidation of new business and a liquidity effect of NOK 930 million. Non-utilised capital as of 31 December 2008 totals approx. NOK 3 940.8 million and mainly comprises instalments paid on newbuildings.

The total cash flow from operating activities for the Group was NOK 719.5 million. Net cash flow from investment activities was negative NOK 1 649.8 million. From financial activities, the cash flow totalled NOK 1 903.1 million.

As of 31 December 2008, the Group's cash holding totalled NOK 2 831.5 million, of which NOK 1 183 million was bound liquidity in relation to long-term financing. The short-term share of the long-term liabilities due for payment in 2009 amounted to approx. NOK 1.8 billion. Of this figure, approx. NOK 750 million comprises loans due for payment and expected to be renewed in 2009. Planned net investments in 2009 total approx. NOK 2.6 billion, of which NOK 2.0 billion are planned as new long-term liabilities.

Risk

The "financial crisis" which hit in 2008 has presented a financial challenge for a number of companies. The global financial crisis and subsequent economic downturn has had little impact to date on the Company's earnings, as the majority of vessels are secured long-term contracts. However, the economic downturn has provided a number of major challenges in procuring long-term financing for the Company's newbuildings and re-financing of the existing fleet. The Company has a major investment program in 2010 and 2011, of which parts of the investments have been secured long-term financing. The planned investment program for the Group in 2010-2011 amounts to approx. NOK 10.2 billion, of which approx. NOK 8.6 billion is long-term liabilities to be taken out in connection with investments. Parts of the long-term liabilities taken out, approx. NOK 5.5 billion, represent loans from official banks/institutions which require bank guarantees. The Company owns 50% of Aker DOF Supply AS which has 6 vessels under construction. The Company has not yet secured long-term financing for these vessels. A long-term affreightment contract has been signed for 1 of the vessels.

The Group's earnings are mainly denominated in USD, GBP and NOK and the Group therefore has exposure to changes in foreign exchange rates, particularly USD and GBP. The Group attempts to reduce this risk by entering into forward contracts and adapting the long-term liabilities to earnings in the same currency.

The Group is exposed to changes in interest rates as the main share of the Company's liabilities has a floating rate of interest. The long-term liabilities for the business in Brazil have a limited exposure to changes in interest rates as a fixed rate of interest has been established for the entire duration of the loan.

The Group's credit risk is considered to be low as the Company's customers traditionally have sufficient financial capability to meet their obligations. Historically, the Company has had a low level of bad debts. A provision of approx. NOK 2.5 million has been made for bad debts at year-end 2008.

The Group is exposed to changes in prices for newbuildings and delayed delivery of newbuildings. The Group attempts to reduce this exposure by making use of fixed price contracts and entering into contracts with suppliers with the necessary financial strength and expertise.

The Group is exposed to market fluctuations which may result in a lower degree of exploitation of the Group's fleet. Attempts are made to reduce this risk by securing long-term charters for the main part of the fleet.

Going concern

The Group has a satisfactory economical and financial position which provides the grounds for continued operations and further development of the company, satisfying the going concern assumption pursuant to section 3-3a of the Accounting Act. The Group expects to encounter more difficulties than usual when applying for long-term financing for newbuildings. The Company aims to sustain its strategy for securing long-term occupation for the main part of its fleet.

Corporate governance

The Company applies those principles contained in the Norwegian recommendation for corporate governance, published 4 December 2007. For a detailed description of corporate governance, please see the annual report.

Allocation of annual result

The parent company annual accounts have returned a profit of NOK 549.1 million. The Board of Directors proposes transferring this figure to other equity. After the above-mentioned allocation, the Company's free equity totals NOK 2 441.1 million.

The consolidated accounts have returned a profit of NOK 99.9 million, of which NOK 34.7 million is transferred to minority interests and NOK 65.2 million is transferred to other equity.

Outlook

The global financial crisis has presented a number of major challenges in terms of securing financing of the Group's fleet of newbuildings. The main part of this fleet which does not have long-term financing has secured funding from governmental financing schemes in Norway and Brazil. However, these schemes require bank guarantees from commercial banks. The Company has directed its resources towards securing financing for all newbuildings scheduled for delivery between 2010 and 2012.

The Group has high contractual coverage for its fleet, at 87% in 2009 and 78% in 2010. All contracts have been entered into with financially strong customers, including oil companies and major offshore/engineering companies. To date in 2009, the spot market in the North Sea has been weak for both subsea and supply services, and this market is expected to witness significant fluctuations compared with the previous year. The market in Brazil is expected to remain strong in 2009.

2 newbuildings have been delivered so far in 2009, both of which have started on long-term contracts.

In 2009, DOF Subsea has sold its shares in Aker Oilfield Services, generating a gain of approx. NOK 200 million.

The Company aims to continue to grow DOF Subsea together with a new and financially strong partner.

Storebø, 22 April 2009
The Board of Directors for DOF ASA

Helge Møgster
(Chairman)

Oddvar Stangeland

Wenche Kjølås

Britt Mjellem

Helge Singelstad

Mons Aase
(CEO)

PROFIT AND LOSS ACCOUNT

DOF ASA		Amounts in NOK 1 000		GROUP	
IFRS	IFRS			IFRS	IFRS
2008	**2007**		**Note**	**2008**	**2007**
62 572	72 430	Sales income	5, 8	3 969 672	3 285 576
66 892	-6 539	Other operating income	5	370 050	168 805
129 464	**65 891**	**Operating income**	**4, 29**	**4 339 722**	**3 454 381**
3 382	12 609	Wage costs etc.	17, 28	1 636 825	1 282 683
7 739	8 153	Depreciation	6, 7	643 265	529 791
71 695	59 116	Other operating expenses	28, 29	1 147 178	942 472
82 816	**79 878**	**Operating expenses**		**3 427 268**	**2 754 946**
46 648	**-13 987**	**Operating profit/loss**	**4**	**912 454**	**699 435**
773 024		Investments in subsidiaries/affiliated companies	10	124 834	42 681
52 403	405 663	Financial revenues	27	479 719	456 319
-187 710	-6 422	Unrealized profit/loss on currencies	27	-655 382	122 801
-212 864	-227 493	Financial costs	27	-984 747	-658 555
424 853	**171 748**	**Net financial items**	**27**	**-1 035 575**	**-36 755**
471 501	**157 761**	**Pre-tax profit/loss**		**-123 121**	**662 680**
-77 597	-7 588	Tax	18	-222 983	440 786
549 098	**165 349**	**Profit/loss for the year**		**99 862**	**221 894**
		Minority interests		34 711	47 953
549 098	**165 349**	**Profit/loss for the year for the parent company's shareholders**		**65 151**	**173 941**
6.63	2.00	Earnings per share (NOK)	25	0,79	2,10
		Information on allocation			
549 098	165 349	Other equity		65 151	173 941

BALANCE SHEET

DOF ASA		Amounts in NOK 1 000		GROUP	
IFRS	IFRS		Note	IFRS	IFRS
31.12.2008	**31.12.2007**			**31.12.2008**	**31.12.2007**
		Assets			
78 051	424	Deferred tax advantage	18	123 330	12 242
		Customer relationship	6	5 500	9 504
-	-	Goodwill	3, 6	499 661	516 559
78 051	**424**	**Intangible assets**		**628 490**	**538 305**
167 445	165 916	Vessels	7	10 057 764	8 945 935
30 827	72 430	Newbuilds	7	3 940 763	2 202 224
-	-	Machine and other operating equipment	7	789 813	732 450
198 273	**238 346**	**Fixed assets**	**7, 19**	**14 788 340**	**11 880 609**
3 360 465	2 928 734	Investments in subsidiaries	9, 27	-	-
46 631	1 225 323	Investments in affiliated companies and joint-controlled companies	9, 10, 27	139 696	1 404 501
-	-	Investments in shares and units	11, 27	5 999	792
706 434	343 328	Other long-term receivables	14, 24, 27	269	5 005
4 113 530	**4 497 385**	**Financial assets**		**145 963**	**1 410 298**
4 389 854	**4 736 155**	**Non current assets**		**15 562 793**	**13 829 212**
-	**-**	**Inventory**	**12**	**13 441**	**3 784**
98 745	27 902	Accounts receivables	13, 24, 27	1 151 004	719 886
423 506	10 149	Other receivables	14, 24, 27	272 025	328 875
522 251	**38 051**	**Receivables**		**1 423 029**	**1 048 761**
-	**1 277**	**Short term investments**		**-**	**1 277**
264 152	**356 624**	**Cash and cash equivalent**	**15, 27**	**2 831 502**	**1 858 697**
786 403	**395 952**	**Current assets**		**4 267 972**	**2 912 519**
5 176 257	**5 132 108**	**Total assets**		**19 830 765**	**16 741 731**

BALANCE SHEET

DOF ASA		Amounts in NOK 1 000		GROUP	
IFRS	IFRS		Note	IFRS	IFRS
31.12.2008	**31.12.2007**			**31.12.2008**	**31.12.2007**
		Equity and liabilities			
165 536	165 536	Share capital	16	165 536	165 536
454 453	454 453	Share premium fund	16	454 453	454 453
619 989	**619 989**	**Subscribed equity**	**16**	**619 989**	**619 989**
2 441 118	2 021 523	Other equity		2 449 709	2 448 410
2 441 118	**2 021 523**	**Retained earnings**	**16**	**2 449 709**	**2 448 410**
-	**-**	**Minority interests**	**16**	**2 429 121**	**1 486 387**
3 061 106	**2 641 512**	**Equity**	**16**	**5 498 819**	**4 554 786**
-	-	Deferred tax	18, 27	353 438	408 738
		Other provisions	17, 27	20 141	14 809
-	-	Other provisions and commitments	20	228 820	212 291
-	**-**	**Provisions for commitments**		**602 399**	**635 838**
744 893	743 370	Bond loan	19, 27	1 470 654	1 473 870
249 500	1 592 097	Debt to credit institutions	19, 27	8 920 720	6 994 293
		Long-term liabilities	18, 27	173 967	288 240
907 499	106 315	Other long-term liabilities	15,19-21, 24, 27	162 357	1 171 055
1 901 892	**2 441 782**	**Other long-term liabilities**		**10 727 698**	**9 927 458**
50 500	-	Debt to credit institutions	19, 27	1 795 407	826 292
21 139	423	Accounts payable	24, 27	419 924	273 500
-	-	Tax payable	18, 27	86 841	61 224
474	425	Public duties payable		98 170	70 267
141 145	47 967	Other short-term liabilities	23, 24, 27	601 507	392 367
213 258	**48 815**	**Short-term liabilities**		**3 001 849**	**1 623 650**
2 115 150	**2 490 597**	**Liabilities**	**4**	**14 331 946**	**12 186 946**
5 176 257	**5 132 108**	**Total equity and liabilities**		**19 830 765**	**16 741 731**

Storebø, 22 April 2009

Helge Møgster
Chairman

Helge Singelstad
Member of the board

Oddvar Stangeland
Member of the board

Wenche Kjølås
Member of the board

Britt Mjellem
Member of the board

Mons S. Aase
CEO

STATEMENT OF CASHFLOW

DOF ASA		Amounts in NOK 1 000	GROUP	
IFRS	IFRS		IFRS	IFRS
2008	**2007**		**2008**	**2007**
471 501	157 762	Pre-tax profit/loss	-123 121	662 680
-56 284		Gain on sale of assets	-317 780	-87 553
7 739	8 153	Depreciation of fixed assets	643 265	529 791
	163 430	Depreciation/write-downs of fixed assets		
-70 843	-1 581	Change in accounts receivables	-431 118	-178 806
20 716	-28 250	Change in accounts payable	146 424	-897
		Difference between pensions charged against income and payments made/received	5 332	6 723
271 658	-16 998	Impact of changes in rate of exchange	681 590	-36 140
-320 130	-18 231	Change in other accrual items (working capital)	278 721	28 635
228 820		Items without impact on cash flow		-56 533
-331 197	-352 703	Gain on sale of shares	-126 292	
		Income when applying the straight line/equity method	1 458	-42 681
		Tax paid for the period	-38 987	-31 853
221 980	**-88 418**	**Net cash flow from operational activities**	**719 492**	**793 366**
		Disbursements for purchase of intangible assets		-150 641
97 886	-	Payments received for sale of fixed assets	1 163 344	410 000
-9 351	-11 480	Disbursement for purchase of fixed assets	-3 890 443	-3 554 750
2 419 708	343	Payments received for sale of shares and units	1 126 540	333
-1 856 359	-1 654 483	Disbursements for purchase of share and units	-84 146	-1 345 925
245 599		Payments received for sale of shares	1 817 962	
-6 467		Disbursements for purchase of shares	-1 769 032	
		Net cashflow acquisitions	-18 769	
209 258	-18 388	Net change in long-term intragroup balances		-1 375
		Payments received on long-term receivables	4 736	
1 100 274	**-1 684 008**	**Net cash from investment activities**	**-1 649 808**	**-4 642 358**
	1 932 209	Payments received on opening new long-term liabilities	4 243 807	4 872 480
-1 290 574	-143 000	Disburesements on downpayment of long-term liabilities	-2 891 083	-675 010
	11 378	Payments received from subsidiaries		
		Equity payments received	845 550	40 807
-124 152	-82 027	Dividends	-124 152	-82 768
		Payments provision lease	-171 000	
-1 414 726	**1 718 560**	**Net cash flow from financing activities**	**1 903 122**	**4 155 509**
-92 472	**-53 866**	**Net change in cash and cash equivalent**	**972 806**	**306 517**
356 624	**410 490**	**Cash and cash equivalent at the start of the period**	**1 858 697**	**1 552 180**
264 153	**356 624**	**Cash and cash equivalent at the end of the period**	**2 831 502**	**1 858 697**
			-	
			2 831 502	

Changes in equity - Group — **Amounts in NOK 1 000**

	Share capital	Share premium fund	Own shares	Total subscribed equity	Other equity	Conversion differences	Minority interests	Total equity
Equity 31.12.06 IFRS	**165 536**	**454 452**		**619 989**	**1 919 728**	**-71 024**	**822 169**	**3 290 860**
Conversion differences						281 526	-39 763	241 763
Profit/loss for the year					173 941		47 953	221 894
Changes in minorities					-74 328		-19 567	-93 895
Capital increase in subsidiaries							668 841	668 841
Effect of transition from associated companies to consolidation					312 518			312 518
Impact of closing forex hedging					-11 923			-11 923
Dividend payment					-82 027			-82 027
Changes in minority aft. acquisitions							6 754	6 754
Tax effect of share issue payments								
Changes in equity for the year	**-**	**-**		**-**	**318 181**	**281 526**	**664 218**	**1 263 925**
Equity 31.12.07 IFRS	**165 536**	**454 452**		**619 989**	**2 237 908**	**210 502**	**1 486 387**	**4 554 786**
Equity 31.12.07 IFRS	**165 536**	**454 452**	**-**	**619 989**	**2 237 908**	**210 502**	**1 486 387**	**4 554 786**
Profit/loss for the year					65 151		34 711	99 862
Conversion differences						842		842
Other gains/losses charged directly to equity					-5 948			-5 948
Effect of transition from associated companies to consolidation					65 406		62 842	128 248
Total recognised income for the period					124 609	842	97 553	223 004
Capital increase in subsidiaries							545 181	545 181
Changes in minorities							300 000	300 000
Dividend payment					-124 152			-124 152
Total equity from shareholders in the period					**-124 152**		**845 181**	**721 029**
Changes in equity for the year	**-**	**-**	**-**	**-**	**457**	**842**	**942 734**	**944 033**
Equity 31.12.08 IFRS	**165 536**	**454 452**	**-**	**619 989**	**2 238 365**	**211 344**	**2 429 121**	**5 498 819**

Changes in equity - DOF ASA — **Amounts in NOK 1 000**

	Share capital	Share premium fund	Own shares	Total subscribed equity	Other equity	Total equity
Equity 31.12.06 IFRS	**165 536**	**454 452**		**619 989**	**1 944 039**	**2 564 028**
Dividend payment					-82 027	-82 027
Impact of closing forex hedging					-5 839	-5 839
Profit/loss for the year					165 350	165 350
Equity 31.12.07 IFRS	**165 536**	**454 452**		**619 989**	**2 021 523**	**2 641 512**
Equity 31.12.07 IFRS	**165 536**	**454 452**		**619 989**	**2 021 523**	**2 641 512**
Profit/loss for the year					549 097	549 097
Other gains/losses charged directly to equity					-5 350	-5 350
Total recognised income for the period					**543 747**	**543 747**
Dividend payment					-124 152	-124 152
Total equity from shareholders in the period					**-124 152**	**-124 152**
Equity 31.12.08 IFRS	**165 536**	**454 452**	**-**	**619 989**	**2 441 118**	**3 061 106**

1. General

DOF ASA is a public limited company registered in Norway. The head office is located on the island of Storebø in the municipality of Austevoll, Norway.

DOF ASA is the parent company of a number of companies, as specified in note 9.

The group's activities comprise three segments, as specified in note 4.

The Annual Accounts were approved for publication by the Board of Directors on 22 April 2009.

All amounts in the notes are stated in NOK thousand.

2. Accounting principles

Main principles
Both the company accounts and consolidated accounts for DOF ASA have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

With the exception of investments held for trading or available for sale - which are valuated at fair value, the historical cost method is applied.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 30.

The accounting year is the same as the calendar year. The items in the accounts are ordered according to type.

Changes in accounting principles and errors
The effects of changes in accounting principles and correction of significant errors in previous annual accounts are reported directly against equity. Comparison figures are revised accordingly.

Consolidation principles
The consolidated accounts include DOF ASA and companies over which DOF ASA has controlling interest. Controlling interest is normally achieved when the group owns, either directly or indirectly, more than 50% of the shares in the company, and the group has the capacity to exercise actual control over the company. Minority interests are included in the group's equity. Subsidiaries are consolidated from the date upon which control is transferred to the group. Consolidation ends on the date upon which the group no longer has control.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. Companies which have been acquired or sold in the year in question are consolidated from/to the date for execution of the acquisition/sale.

Intragroup transactions and intragroup balances, including internal profit and unrealised gain and loss are eliminated. Unrealised gain generated from transactions with associated companies is eliminated with the group's holding in the associated company. Unrealised loss is eliminated in the same manner, but on the condition that there is no indication of impairment in the asset sold within the group.
The consolidated accounts are prepared on the assumption that uniform accounting principles are applied to similar transactions and other incidents with similar conditions. Accounting principles in the subsidiaries are amended when necessary to bring them in line with the group's accounting principles.

Subsidiaries/associated companies
For the parent company, subsidiaries and associated companies are valued according to the cost method. The investment is valued at original cost unless write-down is required. Dividends and other distributions are reported as income once the decision to pay dividends has been reached by a valid body within the subsidiary/associated company. Should the dividend or other distribution received exceed the share of retained earnings for the ownership period, the surplus amount is reported on the accounts as repayment of invested capital, and charged as a reduction of the investment on the balance sheet.

Jointly controlled companies
Jointly controlled companies are economic activities regulated by an agreement between two or more parties, so that these parties have joint control over the activities. Participation in jointly controlled companies is recognised according to proportionate consolidation. According to this method, each participant reports on their accounts their share of income, costs, assets and liabilities.

Associated companies
Associated companies are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associated companies are accounted for using the equity method of accounting and are initially recognised at cost. The group's investment in associated companies includes goodwill identified on acquisition, net of any subsequent write-downs.

The group's share of profit or loss from associated companies is recognised in the profit & loss account along with the balance sheet value of the investments and the share of changes to equity not recognised on the profit & loss account. The group does not recognise its share of losses when this would result in a negative balance sheet value for the investment (including unsecured receivables for the entity), unless the group has taken on a commitment or issued guarantees for the obligations of the associated company.

Unrealised gains on transactions between the group and its associated companies are eliminated to the extent of the group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Conversion of foreign currency
a) Functional and presentation currency
Items included in the financial statement of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statementsare presented in Norwegian Kroner (NOK), which is the parent company's functional and presentation currency.

b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the conversion at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement

c) Group companies
The results and financial position of all the group entities that have a functional currency which differs from the presentation currency are converted into the presentation currency as follows:
a) assets and liabilities presented at consolidation are converted to presentation currency at the foreign exchange rate on the date of the balance sheet,
b) income and expenses are converted using the average rate of exchange, and
c) all resulting exchange differences are recognised as a separate component of equity.

Foreign exchange differences in the equity are recognised on disposal of foreign business activities.

Classification of assets and liabilities
Assets are classified as current assets when:
- the asset forms part of the unit's service cycle, and is expected to be realised or consumed over the course of the unit's normal production time;
- the asset is held for trading;
- the asset is expected to be realised within 12 months of balance sheet date;
- the asset is cash or cash equivalents, with the exception of when there are restrictions for exchange or use to repay debts within 12 months of balance sheet date.

All other assets are classified as fixed assets.

Liabilities are classified as short-term when:
- the liability forms part of the unit's service cycle, and is expected to be settled in the course of normal production time;
- the liability is held for trading;
- settlement of the liability has been agreed upon within 12 months of the balance sheet date;
- the entity does not have an unconditional right to postpone settlement of the liability until at least 12 months after balance sheet date.

All other liabilities are classified as long-term.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are recognised as borrowings under short-term liabilities on the balance sheet.

Accounts receivable
Accounts receivables are recognised initially at fair value and subsequently measured at amortised cost. The interest factor is ignored if insignificant. A provision for loss is made when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the accounts receivable are impaired. The amount of the provision is the difference between the asset's nominal value and the recoverable value, which is the present value of estimated future cash flows, discounted at the original effective interest rate. Changes to this provision are recognised under other operating costs.

When a trade receivable is uncollectible, it is written off against the provision for trade receivables.

Fixed assets
Fixed assets, with the exception of investment assets, are valuated at cost price minus accumulated depreciation and write-down. The cost price for the fixed assets is the purchase price including duties/tax and direct purchasing costs connected to implementing the fixed asset.

Expenses incurred after the fixed asset has been implemented, such as repair and maintenance, are charged against income as normal. When it can be proven that repair/maintenance has generated increased earnings, the expenses will be recognised as addition of fixed assets.

When assets are sold or disposed of, the cost price and accumulated depreciation are reversed in the accounts, and any loss or gain from the disposal reported on the profit and loss account.

Depreciation of assets is calculated using the straight-line method based on their estimated useful lives and residual value. Each part of a fixed asset which has a significant value of the total cost price is depreciated separately using the straight-line method over their estimated useful lives. Components with similar useful lives are depreciated as one component. Estimated useful life for a fixed asset and the method of depreciation are reviewed on an annual basis to ensure that the method and period applied are in accordance with economic reality for the fixed asset. The same applies to scrap value.

Scrap value for a vessel is established as 50% of the acquisition cost. The Board of Directors in DOF ASA has reached a decision whereby the group's intention is not to own a vessel which is older than 20 years. The Board is of the opinion that 50% of the steel value is validly recoverable after 20 years and this is established as residual value. If however a vessel is not sold by the time it has reached 20 years, the residual value is depreciated over the next 10 years.

The company monitors transactions with vessels on the market and carries out an annual re-assessment of residual value and useful life of its fleet of vessels.

Plants under construction are classified as fixed assets and are recognised at incurred costs related to the fixed asset. Plants under construction are not depreciated before the fixed asset is in use.
Fixed assets are assessed for write-down on each balance sheet date. If fixed assets have a higher book value than fair value, these are written down to minimum fair value. This write-down may be reversed with up to a corresponding amount for the write-down if the book value is lower than fair value.

Periodic maintenance
Periodic maintenance is reported on the balance sheet as a part of the vessel, and straight line depreciated over the period until the next periodic maintenance, normally after 30 months. On the purchase of new vessels, a ratio of the cost price is valuated as periodic maintenance.

Financial lease contracts
The group presents financial lease contracts in the accounts as assets and liabilities, quoted at cost price or, if lower, the present value of the cash flow to the lease contract. When calculating the present value of the lease contract, the implicit interest cost in the lease contract is used, when this can be determined. If this is not possible, the company's marginal rate of interest on loans on the market is used instead. Direct costs connected with the lease contract are included in the cost price of the asset. Monthly lease payments are separated into an interest factor and a downpayment factor. The interest cost is allocated to different periods so that the interest cost for the outstanding debt is identical for different periods.

The asset involved in a financial lease contract is depreciated. The depreciation period is consistent with that for similar assets owned by the group. If it is not certain that the company will take over the asset on expiry of the lease contract, the asset is depreciated over the shortest of the lease contract's maturity and the deprecation period for similar assets owned by the group.

If a sale - lease back transaction results in a financial lease contract, any gains on such transactions will be deferred and recognised over the contract period.

Operational lease contracts
Lease contracts where the significant share of the risk is carried by the lessor are classified as operational lease contracts. Lease payments are classified as operating expenses, and are recognised on the profit and loss account for the entire contractual period.
In cases where a "sale and leaseback" transaction results in an operational lease contract, and it becomes clear that the transaction has been performed at fair value, any gain or loss is recognised on the profit and loss account on completion of the transaction. Should the sales price be under the fair value, any gain or loss will be recognised directly, unless this results in future lease payments which are lower than the market price. In such an event, the gain/loss is amortised for the duration of the lease period. If, however, the sales price exceeds fair value, the overcharge is amortised for an estimated period of use for the asset.

Goodwill
Added value from the acquisition of a company which cannot be attributed to identifiable assets or liabilities on the date of the acquisition is classified as goodwill on the balance sheet. For investments in associated companies, goodwill is included in the cost price of the investment.

The identifiable assets and liabilities on transaction date are reported at fair value on transaction date. The minority share of identifiable assets and liabilities is calculated on the basis of the minority share of fair value of identifiable assets and liabilities.

When allocating the costs of a merger, should new information emerge after a purchase which involves the fair value of assets and liabilities at the time of transaction, the allocation may be changed until the first set of accounts has been presented or on expiry of a 12 month period.

Goodwill is not subject to amortisation but there is an annual assessment of the extent to which the reported value can be justified with regard to future earnings. In the case of indications of a requirement to write-down goodwill, the company shall assess the extent to which discounted cash flow related to the goodwill exceeds the reported value of the goodwill. If the discounted cash flow is lower than the reported value, the goodwill will be written down to fair value.

Negative goodwill
Negative goodwill in the case of company acquisitions is reported as income after a re-identification and re-valuation of the transferred assets and commitments has been carried out, in order to ensure that negative goodwill is not attributed to erroneous valuation of assets or commitments.

Currency
Monetary items and debt in foreign currency are converted to Norwegian kroner (NOK) according to the exchange rate on balance sheet date. Foreign exchange gain and loss are recognised on the profit and loss account and classified as financial items.

Borrowings
Borrowings are recognised at fair value, net of transaction costs incurred, when the loan is paid out. Borrowings are subsequently stated at amortised cost using the effective interest method.

To the extent that borrowing costs are directly attributable to the construction of new fixed assets, the costs are recognised on the balance sheet as a part of the cost price for the fixed asset. Interest expenses related to the borrowing are recognised on the balance sheet when the borrowing costs accrue during the construction period for the fixed asset. Borrowing costs are recognised consecutively until the time the fixed asset has been delivered and is ready for utilisation. Write-down is required if the cost price exceeds the fair value of the fixed asset.

Borrowing is classified as short-term liabilities unless the borrowing involves an unconditional right to postpone payment of the liabilities for more than 12 months from balance sheet date.

Unsecured obligations and accounting provisions
Unsecured obligations and provisions are recognised when, and only when, a company faces a lawful obligation (legal or constructive) as a result of a past event and it is probable (more than 50%) that a settlement will be required for the obligation, and that a reliable estimate can be made of the amount of the obligation. Unsecured obligations and provisions are reviewed at each balance sheet date and adjusted to the best estimate. When timing is insignificant, the liability is reported at the estimated cost of release from the liability.

Otherwise, when timing is significant for the amount of the obligation, it is recognised at current value. Every increase in the amount of the obligation over time is reported as interest costs.

Contingent liabilities arising from purchases of activities are reported at fair value, even if the liability is not probable. The assessment of probability and fair value is a continuous process. Changes in fair value are recognised on the profit and loss account.

Equity
Ordinary shares are classified as equity.

Transaction costs related to equity transactions, including tax effect of transaction costs, are directly charged against equity. Only transaction costs which are directly related to equity transactions are charged to equity.

Currency conversion differences that occur as a result of changes in exchange rates on consolidation of foreign entities are recognised directly against equity. Exchange rate changes related to monetary items (receivables and debt), which in reality are a part of the company's net investment in foreign entities, are treated as currency conversion differences and consequently recognised directly against equity. On the sale of foreign activities, the accumulated conversion differences relating to the sold entity are reversed, and the conversion differences subsequently reported together with the gain or loss from the sale.

Minority interests
Minority interests include the share held by minority interests of the balance sheet value of subsidiaries including the share of identifiable added value at the time of acquisition.

A loss from a consolidated subsidiary which can be attributed to the minority interest must not exceed the minority interests' share of equity in the consolidated subsidiary. Any excessive loss amount is charged to the majority interests' share of the subsidiary to the extent that the minority interests are not committed and can accept their share of the loss. If the subsidiary starts to return a profit, the majority interests' share of the subsidiary's equity is adjusted so that the minority interests' share of the previous loss has been covered.

Principles for recognising income
The group recognises income when it is probable that future economic benefits will flow to the entity and when the amount of income can be reliably measured.
The amount of income is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

The mobilisation fee is invoiced specifically to the charterer and recognised as income during the mobilisation period in rare cases where the vessel does not have a fixed contract and there is a long period of mobilisation. In certain cases, the mobilisation fee is included in the day rate; and is then recognised as income throughout the contractual period.

Sales income is shown net of value-added tax and discounts.

Sales within the group are eliminated.

a) Sale of services
The group's operational vessels are leased out on charter parties. Customers lease vessels, crew inclusive. The charterer determines (within the contractual limits) how the vessel is to be utilised. There is no time charter revenue when the vessels are off hire, for example during periodic maintenance.

In addition to the lease of vessels, the company has a number of agreements for lease of room on vessels (hotel), provisions and extra crews.

The group has evaluated "IFRIC interpretation 4 Determination whether an arrangement contains a lease" and has concluded that the time charters (TC) represent lease of assets and are therefore subject to IAS 17.

b) Interest income
Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate. After write-down, the interest income is recognised on the basis of the original effective interest rate.

c) Dividend income
Dividend income is recognised when the right to receive payment is established.

Current and deferred income tax:
The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associated companies operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated accounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised on the balance sheet to the extent it is probable that the future taxable profit will be available against which the temporary differences can be utilised.
Deferred tax is calculated on the basis of provisional differences from investments in subsidiaries and associated companies, with the exception of when the company has control of the time for reversal of the provisional differences, and it is probable that reversal will not take place in the foreseeable future.

Both tax payable and deferred tax are recognised directly in equity, to the extent they relate to items recognised directly in equity.

Companies under the shipping company tax regime:
Parts of the group's activities are structured in accordance with the regulations regarding the tax system for shipping companies. Pursuant to this system, only net financial items have been subject to taxation up to and including 2006. In addition, the companies have recognised a tonnage tax. Tonnage tax is presented as an operating cost.

Up to and including 31.12 2006, no provisions have been made for deferred tax in the group companies within the shipping company tax regime, on the basis that the companies did not intend to pay dividends in excess of taxed capital in the foreseeable future. Estimated tax rate was therefore established as 0% for the companies taxed according to the shipping company tax regulations. These were amended on 01.01.2007 and imply a withdrawal/entrance tax for leaving the old scheme and entering the new scheme. After entry, normal income will be tax free. The company will continue to report tonnage tax.

All those group companies formerly in the shipping company tax regime have chosen to enter the new regime with effect from 01.01.2007.

Tax on the gain generated by withdrawal from the old tax regime is payable over 10 years. Taxes payable in more than one year have been discounted.

A third of the gain amount represents a provision to the company's fund for environmental initiatives etc. The funds allocated to the company's fund for environmental initiatives will be taxed if the funds are not utilised for specific environmental initiatives. The environmental fund has been re-classified from liability to other equity, and the tax cost related to this provision from the previous year has been reversed via the tax cost for the current year.

Employee benefits
a) Pensions and pension obligations
Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The group has both defined

benefit and defined contribution plans. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains and losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates for high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity similar to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are charged or credited to income over the employees' expected average remaining working lives.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the contribution period). In this case, the past-service costs are amortised on a straight-line basis over the contribution period.

For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as salary costs when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

b) Bonus plans and severance pay
Certain contracts of employment include the right to receive a bonus in relation to the fulfilment of defined financial criteria and agreements which provide the right for severance pay upon termination of the working relationship. Provisions are made in those cases where the company has a commitment to make payment of such.

Write-down of assets
Depreciable, non-financial assets are tested for impairment whenever there are indications of a fall in the value of the asset. If the balance sheet value of an asset is higher than the recoverable amount, a write-down is recognised on the profit & loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and current value based on future utilisation of the asset.

Fair value reduced by estimated sales costs is the amount achievable on sale to an independent third party, minus sales expenses. The recoverable amount is established individually for all assets. However, if this is not possible, the recoverable amount is calculated together with the entity to which the asset belongs.

Write-downs which are reported on the profit and loss account for previous periods are reversed when information shows there was no requirement for the write-down, or that previous write-down amounts on the profit and loss account were too high. However, there is no reversal if the balance sheet value is higher than what it would have been if normal depreciation had been applied.

Other assets valued at amortised cost are written down when it becomes probable that the company will not receive full settlement in relation to the contractual instalments for loans, receivables or hold to maturity investments. Write-downs are charged to income. Reversal of write-downs from previous years is recognised once events indicate that the causes for the write-down no longer exist. Reversals of previous write-downs are recognised as income. However, reversals of previous write-downs are only carried out until the balance sheet value is the same as the amount which would have applied if the write-down had not been carried out before.

Hedging
Monetary items and debts in foreign currency are converted to Norwegian kroner (NOK) based on the balance sheet date exchange rate. As the group has comprehensive international activities, it is exposed to fluctuations in exchange rates. The group's currency strategy involves balancing fixed future income (freight income) and liabilities in foreign currency. As of 31.12.08, the group had one hedging contract.

Segments
A business segment is a group of assets and operations (area of activity) engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is engaged in providing products and/or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

The group's primary reporting format is determined by business segment, and the group operates within three business segments:
1) PSV (Platform Supply vessel)
2) AHTS (Anchor Handling Tug Supply Vessel)
3) CSV (Construction Supply Vessel)

The secondary reporting format is defined by the geographical segments and the group's business is divided between a number of geographical areas: The North Sea, Mediterranean/South-East Asia, West Africa and America.

Contingent liabilities:
Contingent liabilities are defined as:
(i) possible liabilities resulting from past events, but where their existence relies on future events;
(ii) liabilities which are not reported on the accounts because it is improbable that the commitment will result in an outflow of resources;
(iii) liabilities which cannot be measured to a sufficient degree of reliability.
Contingent liabilities are not reported on the accounts, with the exception of contingent liabilities which originate from the acquisition of activities. Significant contingent liabilities are presented in the notes to the accounts, except for contingent liabilities with a very low probability of existence.

A contingent asset is not recognised on the accounts, but is disclosed in the notes to the accounts if there is a certain degree of probability that the group will benefit economically from the asset.

Financial assets:
The group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of profiting from short-term price fluctuations. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

b) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as fixed assets. Loans and receivables are classified as "accounts receivable and other receivables", and as cash and cash equivalents on the balance sheet.

c) Available-for-sale financial assets
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in fixed assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit & loss account. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category, including interest income and dividends, are presented on the profit & loss account within "other (losses)/gains – net" in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised on the profit & loss account as part of other income when the group's right to receive payments is established. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques.

The group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. See separate paragraph in the note regarding accounts receivable.

Events after balance sheet date
New information regarding the group's financial standing on balance sheet date is included in the accounts. Events occurring after balance sheet date, which do not impact the group's financial standing on balance sheet date, but which have a significant impact on future periods, are presented in the notes to the accounts.

Use of estimates
The management has applied estimates and premises which have an impact on assets, liabilities, income, costs and information on potential obligations. This applies in particular to depreciation of fixed assets, write-down assessments, pension commitments and tax. Future events may result in changes to these estimates. Estimates and their underlying premises are assessed on an ongoing basis. Changes in accounting estimates are recognised for the period in which they occurred. If the changes also apply to future periods, the effect of the change is distributed over current and future periods. See also note 30.

Statement of cash flow
The statement of cash flow presents the total cash flow divided into operating activities, investment activities and financing activities. The statement shows the impact of the individual activities on cash reserves. The statement of cash flow is prepared in accordance with the indirect model. Re-evaluation of long-term liabilities has been re-classified from financing to cash flow from operating activities as this reporting of income has no impact on cash. Comparison figures have been amended accordingly.

Earnings per share
Earnings per share are calculated by dividing the majority share of the profit/loss for the period by a time-weighted average of the number of ordinary shares for the same period.

Government grants
Grants relating to the net wages scheme and the refund scheme for seafarers are recognised as a reduction of wage costs.

3. Significant acquisitions in the year and pro forma information

Amounts in NOK 1 000

For acquired companies, total activities are transferred on acquisition. For accounting purposes, consolidation is based on the acquisition method. Identified added value presented in the added value analysis is shown below for significant acquisitions during the year. Acquisitions have been paid for in cash and shares.

NEWLY ESTABLISHED COMPANIES AND ACQUISITIONS IN 2008

Group acquisitions of companies in 2008	Method of acquirement	Date of acquisition/ consolidation	Share of voting capital	Added value goodwill	Added value identifiable assets	Payment/ capital contribution
DOF Installer ASA	Acquisition	2008	51%	-	128 248	262 590
Acquisition cost 31.12					**128 248**	**262 590**

	DOF Installer ASA Book value	Fair value
Construction contracts	510 341	638 589
Current assets	81 591	81 591
Total assets	**591 932**	**720 180**
Equity	589 491	717 739
Long-term liabilities		
Deferred tax	1 346	1 346
Total equity and liabilities	1 095	1 095
	591 932	**720 180**
Result for period after acquisitions		**2 907**

*Deferred tax is reported at nominal value pursuant to IFRS

The book value of the investments according to the past equity method was NOK 205 million for 45% of the shares. The transaction which resulted in the transition from associated company to subsidiary required disbursements of NOK 57.6 million and a cash flow into the company of NOK 38.8 million from the initial consolidation of the subsidiary.

None of the acquisitions made in 2008 had an impact on the consolidated accounts for DOF ASA. Below is more detailed information on acquisitions/new companies founded in 2008:

Norskan Norway AS: The company was founded at the end of October 2008 with shareholder's capital of NOK 100 000. The company is owned by Norskan AS which is a subsidiary of DOF ASA.

Norskan Holding AS: The company was founded at the end of October 2008. The company is owned by Norskan AS which is a subsidiary of DOF ASA.

DOF Installer AS: DOF ASA purchased 8% of the company in 2008 for NOK 10 000 000. The company is now a wholly-owned subsidiary of DOF ASA.

DOF Holding Pte: The company was founded in 2008, with its head office in Singapore. Paid-in equity for the foundation of the company totalled NOK 2 956 000.

Waveney AS: The company was founded at the end of 2007. DOF ASA owns 100 % of the company.

DOF Subsea Holding 2 AS: On 28 October 2008, DOF ASA made a bid to purchase the shares in DOF Subsea AS. On 2 December 2008, DOF acquired 49,581,790 shares in DOF Subsea AS, corresponding to 41.41% of the shares, at a price of NOK 36 per share. After the acquisition, the total shareholding was 118 037 781 shares in DOF Subsea AS, corresponding to 98.58% of the share capital in DOF Subsea AS. DOF ASA subsequently transferred 118,037,781 shares in DOF Subsea AS, corresponding to 98.58% of the share capital in DOF Subsea AS to DOF Subsea Holding AS, a company where DOF ASA owns 51% of the shares after a transfer. DOF ASA received payment comprising (i) NOK 2 311 149 000 in cash and (ii) 61 063 992 shares in DOF Subsea Holding AS. After this transfer, DOF ASA no longer owns shares in DOF Subsea AS, with the exception of indirect ownership via DOF Subsea Holding AS. In connection with payment for DOF's bid, mentioned above, DOF ASA transferred 2 845 500 shares, corresponding to 50.5% of the share capital in DOF Installer ASA to DOF Subsea Holding AS and received payment in shares in DOF Subsea Holding AS. DOF ASA also transferred its rights and obligations under three shipbuilding contracts with Tebma Shipyards Limited to DOF Subsea Holding AS and received payment for this in the form of shares in DOF Subsea Holding AS.

DOF Subsea AS was a consolidated subsidiary in 2007, and based on the fact that DOF ASA remains a majority shareholder, the company is still consolidated. The above-mentioned transactions therefore have no impact on the total operating income or result for the group. The acquisition analysis is reflected in the accounts for the DOF Subsea AS group. For more detailed information, please see these accounts.

Group acquisitions in 2007	**Date of acquisition/ consolidation**	**Share of voting capital**	**Added value goodwill**	**Added value identifiable assets**	**Book equity on acqui-sition**	**Payment/ acqui-sition cost incl. expenses**
DOF Boa AS	01.11.2007	100%		543 419	197 257	335 000
DOFCON AS	29.01.2007	100% *	9 007	666 699	595 476	1 262 172
CSL Ltd.	12.04.2007	100% *	131 210		5 431	133 234
Semar AS	23.04.2007	50% *	26 580		14 667	27 742
Acquisition cost at 31.12			**166 797**	**1 210 118**	**812 831**	**1 758 148**
Depreciation/write-down in 2007				3 622		
Added value reported in balance sheet at 31.12			**166 797**	**1 206 496**		
Depreciation period			**N/A**	**10 - 20 years**		
Depreciation method			**N/A**	**Straight line**		

Share of profit/loss after date of acquisition	
DOF BOA AS	33 235
Semar AS	2 156
CSL Ltd.	7 924
DOFCON AS	37 062
TOTAL	**80 377**

ACQUISITION OF DOF ASA	Balance Sheet - DOF Boa AS						
	Balance Sheet - DOF Boa 31.10.07	Added value	Total		Additions 50% acqui-sition	Added value	Group additions at fair value
Vessels	376 581	543 419	920 000		188 291	543 419	731 710
Other fixed assets							
Financial assets							
Current assets	101 946		101 946		50 973		50 973
Total assets	**478 528**	**543 419**	**1 021 946**		**239 264**	**543 419**	**782 683**
Equity	195 307	474 669	669 976		97 654	474 669	572 323
Badwill		56 533	56 533			56 533	56 533
Long-term liabilities	273 920		273 920		136 960		136 960
Deferred tax		12 216	12 216		-	12 216	12 216
Current liabilities	9 301		9 301		4 651		4 651
Total liabilities and equity	**478 528**	**543 419**	**1 021 946**		**239 264**	**543 419**	**782 683**

335 000 Payment in cash and shares on acquisition of 50% shareholding in DOF Boa

4 702 Cash held by DOF Boa on acquisition

330 298 Cash payment on acquisition

Acquisitions through the parent company DOF ASA:
In mid-November 2007 DOF ASA acquired a 100% shareholding in DOF Boa AS. This company owns two vessels.

DOF Boa AS was consolidated with the parent company with effect from 1 November 2007. Badwill of NOK 56 533 000 arose on acquisition which has been posted in the consolidated profit and loss account.

In mid-December 2007 Dof ASA acquired a 39.96% shareholding in Deep Ocean ASA. The acquisition cost was NOK 1 023 607 000. The added value on acquisition is estimated at NOK 551 888 000. See note 10.

Acquisition through the subsidiary DOF Subsea ASA:
* In the first quarter DOF Subsea acquired a 100% shareholding in DOFCON ASA and in Construction Specialists Ltd. (CSL Ltd.).
DOF Subsea also acquired a 50% shareholding in Semar AS.

The consideration/acquisition cost includes the cost of financial and legal advisers in the sum of NOK 303 000 for acquisitions carried out in 2007.

A write-down test for goodwill is carried out each year. The basis of calculation of the recoverable amount (here the useful value) is the budgeted future cash surplus. In order to defend the value of goodwill in the balance sheet, it is not necessary to incorporate the real growth in the budget assumptions, even with a discount rate of more than 10%.

DOF ASA had a 47% shareholding (approx.) in Dofcon at the date of the acquisition by DOF Subsea ASA.

Pro forma profit and loss figures have been prepared in order to give a more correct picture based on the composition of the Group at the end of 2007. Greater uncertainty is attached to pro forma figures than is the case with actual accounting figures and they will not necessarily reflect the results that would have been achieved if the acquisitions had been made at an earlier date. The pro forma figures have been prepared on the assumption that the acquisitions of DOF Boa AS, Dofcon AS, CSL Ltd, and Semar AS took effect from 1 January 2007.

Where the Group has used its own funds for acquisition purposes, the actual return received by the Group on these funds until the date of acquisition is eliminated in the pro forma figures. If the acquisition is financed through a share issue and the issue is directly linked to the acquisition, no adjustment is made for the financing costs in the pro forma figures. Transactions between the parties prior to the acquisitions are eliminated. No material transactions between the parties have been shown to exist prior to the acquisitions.

Group (amounts in NOK 1 000)	Proforma 2007
Operating income	3 575 706
Operating costs before depreciation	2 242 068
EBITDA	**1 333 638**
Depreciation	540 198
Operating profit	**793 440**
Net financial items	41 924
Pre-tax profit	**751 516**
Tax	448 926
Profit after tax	**302 590**
Earnings per share	**3.66**

DOF ASA owned approx. 47% in DOFCON ASA at the time of the acquisition.

	DOFCON AS		Semar AS		CSL Ltd.		TOTAL	TOTAL
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
Deferred tax assets	2 180	2 180	16	16			2 196	2 196
Goodwill		9 007		26 580	40 411	123 730	40 411	159 317
Customer relations						9 504	-	9 504
Vessels	394 995	1 061 694	-		-		394 995	1 061 694
Other fixed assets	-		4 232	4 232	3 340	3 340	7 572	7 572
Financial assets	-		896	896	-		896	896
Current assets	204 911	204 911	12 491	12 491	57 539	57 539	274 941	274 941
Total assets	**602 086**	**1 277 792**	**17 635**	**44 215**	**101 290**	**194 113**	**721 011**	**1 516 120**
							-	
Equity	595 473	1 262 172	5 431	32 011	29 442	122 265	630 346	1 416 448
							-	-
Long-term liabilities	-		533	533	16 335	16 335	16 868	16 868
Deferred tax	-	9 007					-	9 007
Current liabilities	6 613	6 613	11 671	11 671	55 513	55 513	73 797	73 797
Total liabilities and equity	**602 086**	**1 277 792**	**17 635**	**44 215**	**101 290**	**194 113**	**721 011**	**1 516 120**
Profit in period after acquisition		**37 062**		**2 156**		**7 924**		

4. Segment informasjon **Amounts in NOK 1 000**

Business segment
The DOF group operates within three segments in relation to strategic types of activities and vessel types. The different business segments are divided into PSV (Platform Supply Vessel), AHTS (Anchor Handling Tug Supply Vessel) and CSV (Construction Support Vessel). The subsidiary DOF Subsea is represented as one segment (CSV) .

Geographical segment
The group divides its activities into three geographical regions based on the customers' locations: Europe/West Africa, Australasia and Americas/World wide. DOF ASA shows no balance sheet value for its segment assets in the secondary segment as the vessels are owned and operated through Norway and are used globally. DOF ASA therefore considers that dividing the assets by geographical segment would not provide any meaningful information.
.

Segment information YTD 2008

Business segment	**PSV**		**AHTS**		**CSV**		**GROUP**	
NOK 1 000	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**
Operating income	703 546	599 299	679 657	584 930	2 956 519	2 270 152	4 339 722	3 454 381
EBITDA	261 455	234 537	405 726	329 860	888 538	664 829	1 555 719	1 229 226
Depreciation	155 376	137 586	113 661	121 889	374 228	270 316	643 265	529 791
EBIT	**106 079**	**96 951**	**292 065**	**207 971**	**516 010**	**394 513**	**912 454**	**699 435**
Net financial items							-1 035 575	-36 755
Annual result							**99 862**	**221 894**
Assets	**3 694 170**	**3 541 827**	**2 456 294**	**2 473 848**	**13 586 938**	**10 666 693**	**19 737 402**	**16 682 368**
Jointly controlled companies	16 749	15 711	76 614	43 652			93 363	59 363
Total assets	3 710 919	3 557 538	2 532 908	2 517 500	13 586 938	10 666 693	19 830 765	16 741 731
Equity	632 610	681 291	479 557	493 275	4 386 652	3 320 857	5 498 819	4 554 785
Liabilities	**3 078 309**	**2 860 536**	**2 053 351**	**1 980 573**	**9 200 286**	**7 345 836**	**14 331 946**	**12 186 945**
Cash flow from operations	122 314	166 789	187 068	237 016	410 110	474 033	719 492	877 838
Cash flow from investments	-313 464	-974 895	-214 475	-696 354	-1 121 869	-2 971 109	-1 649 808	-4 642 358
Cash flow from finance	361 593	895 628	247 406	569 945	1 294 123	2 605 464	1 903 122	4 071 037
Investments	**755 172**	**1 060 776**	**516 697**	**757 697**	**2 702 721**	**3 232 842**	**3 974 589**	**5 051 316**

Geographical segment	Europe/ West Africa		Australasia		America/World wide		GROUP	
NOK 1 000	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**
Operating income	2 238 641	2 042 180	789 426	549 760	1 311 655	862 441	4 339 722	3 454 381

5. Operating income

Amounts in NOK 1 000

DOF ASA 2008	DOF ASA 2007	Operating income comprises:	Group 2008	Group 2007
62 572	72 430	Freight income	3 969 672	3 285 576
62 572	**72 430**	**Total sales income**	**3 969 672**	**3 285 576**
56 284	-	Gain on sale of fixed assets *	317 780	87 553
10 608	-6 539	Other operating income	52 269	81 252
66 892	**-6 539**	**Total other operating income**	**370 050**	**168 805**
129 464	**65 891**	**Total operating income**	**4 339 722**	**3 454 381**

*Gain on sale of fixed assets in 2008 comprises gain on sale of vessels Skandi Navica, Skandi Hercules and Geofjord.

6. Intangible assets

Amounts in NOK 1 000

	2008				2007			
Group:	**PSV**	**AHTS**	**CSV**	**Total**	**PSV**	**AHTS**	**CSV**	**Total**
Goodwill								
Acquisition cost at 01.01	2 867	2 867	510 825	516 559	2 867	2 867	369 688	375 422
Additions							170 753	170 753
Disposals								-
Conversion differences							-29 616	-29 616
Acquisition cost at 31.12	**2 867**	**2 867**	**510 825**	**516 559**	**2 867**	**2 867**	**510 825**	**516 559**
Write-down at 01.01				-				-
Write down for the year				-				-
Accumulated conversion differences			-16 898	-16 898				
Write-downs 31.12.	**-**	**-**	**-16 898**	**-16 898**				**-**
Book value 31.12.	**2 867**	**2 867**	**493 927**	**499 661**	**2 867**	**2 867**	**510 825**	**516 559**

Goodwill relates to the acquisition of subsidiaries. Goodwill comprises the difference between nominal and discounted amounts in terms of deferred tax, synergy effects, organisational value, brandname and key personnel and their expertise. The group has estimated recoverable value to be fair value minus sales costs for the sale of CGU (cash generating units). For goodwill classified under the CSV segment above, which is attributable to the DOF Subsea AS group, the recoverable value is based on the transaction where DOF Subsea AS was removed from the Oslo Stock Exchange on 1 December 2008. The transaction was carried out between independent parties. There were no incidents which indicate impairment during the period between the date of the transaction and balance sheet date. The new owner executed an allocation of the payment where the entire payment was allocated to identifiable assets, an indication that the book value of the cash generating unit remains intact within the group. On the basis of this estimate, it is not considered necessary to write down goodwill in 2008. The CGU is defined as for the different segments, in line with financial reporting from previous years.

Goodwill is not depreciated. However, the group carries out an annual write-down test to test the requirement for write-down. In addition, write-down tests are carried out when there are indications of impairment.

Customer relationships have been posted at NOK 5 500 000 under intangible assets as of 31.12. Customer relationships are reported at cost price minus straight line depreciation. The best estimate for service life is 3 years. Customer relationships are identified in connection with the acquisition of CSL Ltd. in 2007. In 2008, a figure of NOK 4 000 000 has been amortised in connection with customer relationships.

7. Fixed assets **Amounts in NOK 1 000**

Group 2008:	Vessels	Periodic maintenance	Newbuildings	Operating equipment	Total 2008
Acquisition cost as of 31.12.07	10 686 928	254 648	2 202 224	847 891	13 991 691
Re-classification	-303 285		303 285		-
Acquisition cost as of 01.01.08	10 383 643	254 648	2 505 509	847 891	13 991 691
Additions	1 182 411	146 345	2 547 636	130 147	4 006 539
Assets classified as held for sale, and other disposals					-
Additions from acquisitions (see note 3)			638 589		638 589
Vessels completed from newbuildings	1 774 315		1 774 315		-
Disposals	1 669 095	93 327		77 268	1 839 690
Conversion differences	-62 120	2 766	23 344	14 347	-21 663
Acquisition cost as of 31.12.08	**11 609 154**	**310 432**	**3 940 763**	**915 117**	**16 775 466**
Depreciation as of 01.01.08	1 898 476	97 165	-	115 442	2 111 083
Depreciation for the year	505 129	81 549	-	56 588	643 265
Depreciation on disposals for the year	673 773	46 724		46 726	767 223
Depreciation 31.12.08	**1 729 832**	**131 990**	**-**	**125 304**	**1 987 126**
Write-down 01.01.08	-				-
Write-down / reversals for the year	-				-
Write-down 31.12.08	**-**	**-**	**-**	**-**	**-**
Book value 31.12.08	**9 879 322**	**178 442**	**3 940 763**	**789 813**	**14 788 340**
Depreciation rates	3,33 - 6,67%	40%		10 - 20%	
Depreciation method	Straight line	Straight line		Straight line	

Group 2007:	Vessels	Periodic maintenance	Newbuildings	Operating equipment	Total 2007
Acquisition cost at 01.01.07 *	7 881 593	146 924	633 451	699 988	9 361 956
Additions	2 327 527	173 452	1 361 550	242 557	4 105 086
Assets classified as held for sale, and other disposals	-	-	-	-	-
Additions from acquisitions (see note 3)	731 710		1 061 694		1 793 404
Disposals	550 634	65 989	848 083	95 695	1 560 401
Conversion differences	-296 732	-261	6 388	-1 041	-291 646
Acquisition cost at 31.12.07	**10 686 928**	**254 648**	**2 202 224**	**847 891**	**13 991 691**
Depreciation at 01.01.07 *	1 482 340	85 927		69 389	1 637 656
Depreciation for the year	416 136	65 754		47 901	529 791
Depreciation on disposals in the year	-	54 516		1 848	56 364
Depreciation at 31.12.07	**1 898 476**	**97 165**	**-**	**115 442**	**2 111 083**
Write-down at 01.01.07	-	-		-	-
Write-down/reversal during the year	-	-		-	-
Write-down at 31.12.07	**-**	**-**	**-**	**-**	**-**
Book value at 31.12.07	**8 788 452**	**157 483**	**2 202 224**	**732 450**	**11 880 609**
Depreciation rates	3,33 - 6,67%	40%		10 - 20%	
Depreciation method	Straight line	Straight line		Straight line	

DOF ASA 2008	DOF ASA 2007	Advance payments for newbuildings	Group 2008	Group 2007
30 827	72 430	Advance payments newbuildings/business assets	3 940 763	2 202 224

Capitalised interest costs
In 2008, a total of NOK 50 414 000 in interest costs on newbuilding loans directly attributable to the building of business assets has been capitalised.

As of 31.12.08, a write-down test was carried out of all the group's vessels and newbuilding contracts. In those cases where the book value could not be justified by independent broker estimates, including any added/reduced value for affreightment contracts, the company has carried out a calculation of utilitarian value in accordance with IAS 36. These utilitarian value calculations are based on projections of future income and cost levels and discount rates, and there is naturally an amount of uncertainty connected with these parameters. Changes in the parameters will result in a different utilitarian value and a different result of the write-down assessment for the vessels. The write-down test of fixed assets did not result in write-down of business assets for the group in 2008.

As of 31.12.08, the group has 26 vessels under construction. The downpayment structure for future commitments related to these newbuildings is presented below:

Group	2009	2010	2011	Remaining	Total
Total group	**2 412 490**	**3 342 476**	**1 820 000**	**-**	**7 574 966**
Of which financed as of 31.12	**2 230 000**	**3 110 000**	**1 392 000**	**-**	**6 732 000**

* MNOK 3 200 of financing in 2010 and 2011 are fundings from Norwegian and Brazilian Government which require L/C's from commercial bank

See also note 32.

The company owns 50% of Aker DOF Deepwater AS (formerly Aker DOF Supply AS) as of 31.12.08. Future downpayment structure for commitments related to newbuildings as of 31.12.08 for Aker DOF Deepwater AS is as follows:

	2009	2010	2011	2012	Total Capex
Total vessels	**298 651**	**718 154**	**508 765**	**479 766**	**2 005 337**

Long-term financing of Aker DOF Supply is not secured. The company is in a position to apply for loans from Eksportfinans because most of the deliveries are Norwegian equipment.

DOF ASA 2008	Vessel	Periodic maintenance	Newbuilding	Total 2008
Acquisition cost as of 01.01.08	204 561	1 681	72 430	278 672
Additions		9 351		9 351
Assets held for sale and other disposals				-
Disposals		423	41 602	42 025
Conversion differences				-
Acquisition cost as of 31.12.08	**204 561**	**10 609**	**30 828**	**245 998**
Depreciation as of 01.01.08	39 067	1 258		40 325
Depreciation for the year	7 050	689		7 739
Depreciation on disposals for the year		339		339
Depreciation 31.12.08	**46 117**	**1 608**	**-**	**47 725**
Write-downs 01.01.08				
Write-downs / reversals for the year				
Write-downs 31.12.08	**-**	**-**	**-**	**-**
Book value 31.12.08	**158 444**	**9 001**	**30 828**	**198 273**
Depreciation rates	3,33 - 6,67%	40%		
Depreciation method	Straight line	Straight line		

DOF ASA 2007	Vessel	Periodic maintenance	Newbuilding	Total 2007
Acquisition cost as of 01.01.07	204 561	1 681	60 950	267 192
Additions			11 480	11 480
Assets held for sale and other disposals				
Disposals				-
Conversion differences	-	-		-
Acquisition cost as of 31.12.07	**204 561**	**1 681**	**72 430**	**278 672**
Depreciation as of 01.01.07	30 914	1 258		32 173
Depreciation for the year	8 153			8 153
Depreciation on disposals for the year				-
Depreciation 31.12.07	**39 067**	**1 258**		**40 326**
Write-downs 01.01.07	-	-		
Write-downs / reversals for the year	-	-		
Write-downs 31.12.07	**-**	**-**		**-**
Book value 31.12.07	**165 494**	**423**	**72 430**	**238 346**
Depreciation rates	3,33 - 6,67%	40%		
Depreciation method	Straight line	Straight line		

8. Operational lease agreements - leasing of vessels

Amounts in NOK 1 000

Parts of the group's operational fleet are leased out on time charter. The group has analysed the "IFRIC interpretation 4 Determination of whether an arrangement contains a lease" and concluded that a time charter (TC) represents the lease of an asset and consequently is covered by IAS 17. Lease income from lease of vessels is therefore reported to the profit and loss account on a straight line basis for the duration of the lease period. The lease period starts from the time the vessel is put at the disposal of the lessee and terminates on the agreed date for return of the vessel. The application of IFRIC 4 (with effect from 01.01.06) does not constitute any change in the reporting of income compared with previous years. The table below shows the minimum future lease payments related to non-terminable operational lease agreements (TC contracts). The figures are nominal in amounts of NOK 1 000. These figures include lease of vessels. Future payments have been rounded up to include the forecasted increase in the consumer price index of 3% per year.

	2008	2007
Operational lease agreements 1 year	2 823 260	1 429 820
Due between 2 and 5 years	7 034 669	3 196 887
Due later than 5 years	169 352	454 224
	10 027 282	**5 080 931**

9. Investments in subsidiaries

Amounts in NOK 1 000

GROUP

Directly owned subsidiaries	Owner	Main business	Nationality	Registered office	Share capital	Ownership and voting share	Result for the year (bus. reg.)	Equity 31.12 (100%)
DOF Subsea Holding AS	DOF ASA	Subsea Eng./ Construc	Norway	Austevoll	160 176	51%	9 733	5 096 878
DOF Rederi AS	DOF ASA	Shipping	Norway	Austevoll	123 900	100%	174 255	516 384
DOF Management AS	DOF ASA/ DOF Subsea AS	Operation of shipping co	Norway	Austevoll	38 316	100%	-6 534	93 444
DOF Boa AS	DOF ASA	Shipowning	Norway	Austevoll	100 100	100%	256 613	418 949
DOF UK Ltd.	DOF ASA	Shipowning	Scotland	Aberdeen	13	100%	-6 545	114 191
DOF Egypt	DOF ASA	Shipowning	Egypt	Kairo	3 499	100%	916	73 071
District Supply VII AS	DOF ASA	Shipowning	Norway	Austevoll	100	100%	-29	116
DOF Installer AS	DOF ASA	Shipowning	Norway	Austevoll	1 100	100%	124 798	125 100
Waveney AS	DOF ASA	International shipping	Norway	Oslo	100	100%	-5	95
Norskan AS	DOF ASA	Shipowning	Norway	Austevoll	134 500	100%	-16 096	112 727

Jointly controlled companies	Owner	Registered office	Share capital	Ownership and voting share	Result for the year (bus. reg.)	Equity 31.12 (100%)
Aker DOF Deepwater AS (formerly Aker DOF Supply AS)	DOF ASA/Aker Capital AS	Austevoll	200	50%	-141	59 942
DOFTECH DA *	DOFCON AS/Technip Norge AS	Austevoll	250 000	50%	36	189 171
* General partnership, capital not called in NOK 60 865 000						

Associated companies	Owner	Registered office	Share capital	Ownership and voting share	Result for the year	Equity 31.12 (100%)
Aker Oilfield Services ASA	DOF Subsea AS	Oslo	321 409	21,3 %	-24 019	845 388
Master & Commander	DOF Subsea AS	Oslo	100	20%	17 497	80 922
Waveney IS	DOF ASA	Austevoll	36 000	47%	-819	35 181

In Q2 2009, DOF Subsea AS sold its shareholding in Aker Oilfield Services AS to Aker Solutions AS for NOK 277 000 000. The gain on the sale booked to the accounts is NOK 190 000 000. The cooperation between DOF and Aker Oilfield Services will continue.

Tier subsidiaries	Owner	Registered office	Share capital	Ownership and voting share
DOF Geo UK Ltd	DOF Subsea AS	Aberdeen	-	100%
DOF Subsea Pte	DOF Subsea AS	Singapore	134 007	100%
DOF Subsea UK Ltd	DOF Subsea AS	Aberdeen	25 946	100%
DOFCON AS	DOF Subsea AS	Åstveit Bergen	6 680	100%
Geo Rederi AS	DOF Subsea AS	Åstveit Bergen	17 400	100%
Geo Rederi II AS	DOF Subsea AS	Åstveit Bergen	26 400	100%
Geoconsult AS	DOF Subsea AS	Åstveit Bergen	600	100%
DOF Oilfield Services AS	DOF Subsea AS	Åstveit Bergen	25 000	96%
Semar AS	DOF Subsea AS	Oslo	117	50%
Geo do Brazil Ltda	DOF Subsea AS	Macaè	187 472	100%
DOF Subsea Holding II AS	DOF Subsea Holding AS	Austevoll	119 864	51%
DOF Subsea Asia/Pacific Pte Ltd	DOF Subsea Pte	Singapore	-	100%
DOF Subsea Australian Pty	DOF Subsea Pte	Perth	23 691	100%
International Subsea Services Pte	DOF Subsea Pte	Singapore	-	100%
Century Subsea Corp	DOF Subsea Uk Ltd	New Foundland	6 956	100%
Century Subsea Inc.	DOF Subsea Uk Ltd	Houston	6 775	100%
Century Subsea Ltd	DOF Subsea Uk Ltd	Aberdeen	5 476	100%
CSL Ltd.	DOF Subsea Uk Ltd	Aberdeen	1	100%
DOFCON Brasil AS	DOFCON AS	Åstveit Bergen	100	100%
DOFCON Do Brasil Ltda	DOFCON AS	Macae	348 801	100%
Geofjord Shipping AS	Geo Rederi AS	Åstveit Bergen	10 000	100%
Geograph Shipping AS	Geo Rederi AS	Åstveit Bergen	100	100%
DOF Subsea Norway AS	Geoconsult AS	Åstveit Bergen	112	100%
Geosund AS	Geoconsult AS	Åstveit Bergen	100	100%
Norskan Offshore Ltda	Norskan AS/Norskan Holding AS	Rio Brasil	276 811	100%
Norskan Norway AS	Norskan AS	Austevoll	100	100%
Norskan Holding AS	Norskan AS	Austevoll	100	100%
DOF Navegacão Ltda	Norskan AS/Norskan Offshore Ltda	Rio Brasil	187 551	100%
DOF Argentina	DOF Management	Buenos Aires	65	100%
DOF Sjø AS	DOF Management	Austevoll	100	100%
DOF Installer ASA	DOF Subsea Holding II AS	Austevoll	5 631	51%
DOF Subsea AS	DOF Subsea Holding II AS	Austevoll	119 734	100%
Anoma AS	DOF ASA /DOF Subsea	Austevoll	600	90%
DOF Subsea Angola	Anoma AS	Angola	-	90%
Anoma Congo	Anoma AS	Kongo	-	90%
DOF Management Pte	DOF Management AS	Singapore	513	100%

DOF ASA

Directly owned subsidiaries	Owner	Acquisition cost
DOF Subsea Holding AS	DOF ASA	2 594 456
DOF Rederi AS	DOF ASA	123 900
DOF Management AS	DOF ASA	58 408
DOF Boa AS	DOF ASA	385 069
DOF UK Ltd	DOF ASA	11
DOF Egypt	DOF ASA	3 498
District Supply VII AS	DOF ASA	100
DOF Installer AS	DOF ASA	11 012
Norskan AS	DOF ASA	180 845
Waveney AS	DOF ASA	100
DOF Holding Pte	DOF ASA	2 956
Norskan Holding AS	DOF ASA	110
Total cost of subsidiaries		**3 360 465**

For information about registered office and ownership, please see above.

10. Investments in associated companies and jointly controlled companies

Amounts in NOK 1 000

Associated companies - Group	Aker Oilfield Services AS (1)	Master and Commander AS (2)	Waveney IS (3)	DeepOcean ASA (4)	Total
Balance sheet value 01.01.2008	88 224	40 000	-	1 023 607	1 151 831
					-
Additions/disposals 2008			16 566	-1 153 942	-1 137 376
					-
Share of result 2008	-5 116	-204	-181	126 292 000	124 834
					-
Dividend/conversion differences 2008	-	407			407
					-
Balance sheet value 31.12.	**83 108**	**40 203**	**16 385**		**139 696**

1) DOF Subsea and Aker founded Aker Oilfield Services Ltd. in March 2007. In Q2 2009, DOF Subsea AS sold its shareholding in Aker Oilfield Services AS to Aker Solutions AS for NOK 277 000 000. The gain on the sale booked on the accounts is approx. NOK 190 000 000. Cooperation between DOF and Aker Oilfield Services will continue.
2) Master and Commander AS was founded in December 2006. The company owns 2 vessels.
3) Internal partnership founded in 2008. DOF ASA owns 47 % while a group of investors owns the remaining shares. In December, the vessel Skandi Waveney was purchased via the partnership. The vessel has been on a B/B contract with DOF Rederi AS since 2001. The agreement expires in April 2009.
4) The shareholding in DeepOcean ASA was sold in 2008, generating a gain of NOK 126 292 000.

The group's share of profit/loss, assets (incl. added value) and liabilities of associated companies:

2008 Name	Registered office	Assets	Liabilities	Turnover	Result	Ownership
Master and Commander AS*	Oslo	129 895	113 711	29 823	3 499	20.0 %
Aker Oilfield Services AS	Oslo	229 377	49 310	-	-5 116	21.3 %
Waveney IS	Storebø	22 683	22 863	185	-181	47.0 %
		381 955	**185 883**	**30 008**	**-1 798**	

* Master and Commander AS operates with USD as functional currency in the group, but presents its accounts with NOK as functional currency, thus the difference in the group's share of result.

Jointly controlled companies - Group
Jointly controlled companies represent investments in companies where the group along with others can exercise decisive influence. Cooperation is based on an agreement which regulates key aspects of the collaboration between tahe parties. In relation to accounting practice, the group posts its share of the jointly controlled company's income, assets, liabilities and cash flow on a pro rata basis in the consolidated accounts.As of 31.12.2008, the group has two major investments in jointly controlled companies: Aker DOF Supply AS and Doftech DA.

	Aker DOF Supply AS 2008	Aker DOF Supply AS 2007	Doftech DA 2008	Doftech DA 2007
Current assets	2 279	948	1 718	1 757
Fixed assets	186 612	118 725	196 146	187 378
Short-term liabilities	1 322	231	8 692	-
Long-term liabilities	127 627	59 359	-	-
Income	-	-	82	124
Costs	141	18	46	-

DOF ASA Associated companies (AC) and Jointly controlled companies (JV)	2008			2007		
	Cost price	Write-down	Book value	Cost price	Write-down	Book value
Norskan Ltda (TS)	-	-		6	-	6
DeepOcean ASA (TS)	-	-		1 023 607	23 359	1 000 248
DOF Installer ASA (TS)	-	-	-	195 004	-	195 004
Aker DOF Supply AS (JV) *	30 065	-	30 065	30 065	-	30 065
Total associated companies	**30 065**	**-**	**30 065**	**1 248 682**	**23 359**	**1 225 323**

** changed name in 2009 to Aker DOF Deepwater AS*

On the consolidated accounts, associated companies are recognised according to the equity method, and jointly controlled companies according to the proportional consolidation method.

11. Other investments

Amounts in NOK 1 000

Group:	2008	2007
Primary capital certificates	484	484
Other investments*	5 515	308
Other investments 31.12.	**5 999**	**792**

Other investments comprise an investment in Borea Noterte.

Unrealised loss connected with this investment has been recognised as NOK 8 819 000 in 2008.

12. Fuel reserves

Amounts in NOK 1 000

Group:	2008	2007
Fuel reserves	13 441	3 784
Fuel reserves 31.12.	**13 441**	**3 784**
Write-down of stock as of 31.12	**-**	**-**

13. Accounts receivable

Amounts in NOK 1 000

DOF ASA 2008	DOF ASA 2007		Group 2008	Group 2007
98 745	27 902	Accounts receivable at nominal value	1 151 743	739 030
-	-	Provision for bad debts	-739	-19 144
98 745	**27 902**	**Accounts receivable at 31.12**	**1 151 004**	**719 886**

Group accounts receivable relate mainly to major international oil companies.
The Company has an historically low level of bad debts, and the credit risk is considered to be minor.

As of 31.12, the company had the following accounts receivable which had matured but not been paid.

Total	Not matured	<30 d	30-60d	60-90d	>90d
98 745	49 149	7 233	-	2 358	40 005

14. Other receivables

Amounts in NOK 1 000

DOF ASA 2008	DOF ASA 2007	Other short-term receivables	Group 2008	Group 2007
2 650	-	Public fees receivable	-26 972	28 422
-	1 225	Pre-paid expenses	219 736	51 951
-	4 204	Accrual of income	-	81 838
350 252	-	Short-term intragroup receivables	-	-
-	-	Currency adjustments	-4 088	-
-	-	Refund of net salary receivable	-	16 926
486	-	Accrued interest income	486	-
60 433	-	Unrealised gain/loss forward contracts	61 134	-
7 072		Short-term receivables from employees	7 072	
2 613	4 718	Other short-term receivables	14 657	149 738
423 506	**10 149**	**Other short-term receivables at 31.12.**	**272 025**	**328 875**

DOF ASA 2008	DOF ASA 2007	Other long-term receivables
706 434	343 328	Intragroup long-term receivables
706 434	**343 328**	**Other long-term receivables at 31.12.**

15. Cash and cash equivalent **Amounts in NOK 1 000**

DOF ASA 2008	DOF ASA 2007		Group 2008	Group 2007
-	-	Cash	309	2 121
264 152	356 624	Bank deposits	2 831 193	1 856 576
264 152	**356 624**	**Cash and cash equivalent at 31.12**	**2 831 502**	**1 858 697**
376	**283**	**Of which non-dist. funds**	**1 100 190**	**421 210**
-	**-**	**Lease deposit**		**553 542**
6.42%	**3.08%**	**Effective interest rate on bank deposits**	**4.10%**	**2.63%**

* Of consolidated non-distributable funds, NOK 980 200 000 is attributable to governmental financing of export for one vessel being built at a Norwegian yard. The figure is committed to a financial institution which provides the necessary guarantees for the loan and is responsible for payment of the loan. The locked in deposit and the accompanying loans are recognised at gross values.

16. Share capital and shareholder information **Amounts in NOK 1 000**

Share capital: The share capital in DOF ASA as of 31.12.2008 was NOK 165 535 950 distributed between 82 767 975 shares, each with a nominal value of NOK 2.00. There were no changes to the number of shares in 2008.

Share issue authorisation: The Annual General Meeting has allocated authorisation to the Board of Directors for a capital increase of up to 37 500 000 shares at a nominal value of NOK 2.00. This authorisation expires on 30 June 2009.

Shareholders: The 20 largest shareholders of DOF ASA and shares owned by management and board members including shareholdings held by closely related persons and companies at 31 December 2008 were as follows:

Shareholders at 31.12.08		No. of shares		Shareholding
MØGSTER OFFSHORE AS		42 012 250		50,76%
VERDIPAPIRFOND ODIN NORGE		5 460 300		6,60%
SKAGEN VEKST		4 050 000		4,89%
PARETO AKSJE NORGE		3 421 000		4,13%
SKANDINAVISKA ENSKILDA BANKEN		2 344 000		2,83%
PARETO AKTIV		1 997 100		2,41%
MP PENSJON		1 671 800		2,02%
ODIN OFFSHORE		1 510 000		1,82%
VESTERFJORD AS		873 650		1,06%
ADAX AS		807 000		0,98%
RBC DEXIA INVESTOR SERVICES BANK		580 800		0,70%
MUSTAD INDUSTRIER AS		565 000		0,68%
AKSJEFONDET ODIN NORGE II		450 500		0,54%
VERDIPAPIRFOND ODIN MARITIM		400 000		0,48%
CITIBANK N.A. NEW YORK BRANCH		338 648		0,41%
MOCO AS		338 100		0,41%
SPAREBANK 1 SR-BANK		303 344		0,37%
PACTUM AS		300 000		0,36%
POSH AS		282 600		0,34%
FORSVARETS PERSONELLSERVICE		247 400		0,30%
Total		**67 953 492**		**82,10%**
Other shareholders		14 814 483		17,90%
Total		**82 767 975**		**100,00%**

Board of Directors				
Helge Møgster	Chairman of the Board	236 930		0,29%
Helge Singelstad	Board member			
Oddvar Stangeland	Board member	28 000		0,03%
Wenche Kjølås	Board member	3 000	*	0,004%
* Shares owned via Jawendel AS				
Britt Mjellem	Board member	1 000	*	0,001%
* Shares owned via Mjellem Invest AS				

Via Laco AS, Helge Møgster and Ole Rasmus Møgster have indirect control of 92.77% of the shares in Møgster Offshore AS, the main shareholder of DOF ASA.

Oddvar Stangeland owns 3.32 % of Møgster Offshore AS via Kanabus AS. He also owns 8,000 shares directly via Kanabus AS.

DOF ASA

Management group				
Mons S. Aase	CEO	338 100	*	0,41%
* Shares owned via Moco AS				
Anders A. Waage	COO	1 675		0,002%
Hilde Drønen	CFO	15 675	*	0,02%
* Shares owned directly and via Djupedalen AS				
Arnstein Kløvrud	CTO	-		-
Total shares owned by board members and management		**624 380**		**0,75%**

17. Pensions and pension commitments

Amounts in NOK 1 000

DOF ASA has a company pension scheme with the life insurance company Nordea Liv Norge ASA. In 2008, this scheme comprised 789 active members and 37 pensioners. The scheme covers life-long retirement pension from the age of 67. It also includes disability pension and child pension. The Group also has an uninsured pension scheme for three former offshore employees which is financed from the company's operations. There is also a defined contribution scheme for 63 employees in DOF Management AS for which the pension costs totalled
NOK 1 550 000 in 2008. All shore-based employees have obligatory occupational pension schemes. Offshore employees are not included in this scheme.

Seafaring employees have a separate pension scheme. Pension age is 60 and pension payments are made from the company's pension scheme until the age of 67. From 67, the retirement pension is paid under the National Insurance Scheme. The group pension scheme is coordinated with the pension insurance scheme (Pensjonstrygden for sjømenn) for seafarers, and constitutes 60% of the pensionable income after 30 years of qualifying service. This scheme is insured. The calculations comply with IFRS (IAS 19).

Estimate deviations and the impact of changed assumptions are amortised over an average expected remaining period of service. The company's legal commitments are not affected by the accounting treatment of the pension commitments. The average expected remaining period of service for shore based employees is 21.92 years and for seafarers 24.77 years.

Net pension cost:	**2008**	**2007**	**2006**	**2005**
Present value of accumulated pension entitlements	17 140	17 643	9 860	7 779
Capital cost of previous pension entitlements	4 570	4 026	2 464	2 429
Expected return on plan assets	(4 174)	(3 095)	(2 855)	(2 378)
Administrative expenses	1 090	850	612	353
Changes in estimates reported in the profit and loss account	1 450	928	340	10
Employer's national insurance contribution for the year	2 599	2 021	1 420	415
Extraordinary changes in pension commitments	-	(6 494)	-	-
Extraordinary changes in plan assets	-	1 399	-	-
Extraordinary changes not recorded in the profit and loss account	-	3 560	-	
Net pension cost for the year incl. employer's national insurance contribution	**22 675**	**20 839**	**11 839**	**8 608**

Estimated pension commitments:					
Estimated pension commitments	135 521	135 521	102 679	95 185	
Estimated plan assets	(83 590)	(83 590)	(66 292)	55 973	
Estimate deviations not reported in the profit and loss account	(38 289)	(38 289)	(26 841)	(33 636)	
Accrued employer's national insurance contribution	6 499	6 499	5 263	5 582	
Net pension commitment at 31.12	**20 141**	**20 141**	**14 809**	**8 086**	

Economic assumptions:	**31.12.08**	**31.12.07**	**01.01.07**
Discount rate	4,3% 3,8 %	4,70%	4,35%
Anticipated return on plan assets	6,3% / 5,8 %	5,75%	5,40%
Anticipated rise in salaries	4% / 4,5%	4,50%	4,50%
Anticipated rise in pensions	4,25%/2,8%/ 1,5%	2,00%	4,25%
Anticipated rise in basic amount under the national insurance	4,25%	4,25%	4,25%
Turnover	0% / 3%	0,00%	0,00%
National insurance contribution	14,10%	14,10%	14,10%
Anticipated CPA acceptance rate 62-67 years of age:	0,00%	0,00%	0,00%

Reconciliation, opening and closing balance:	
Net pension commitment 1.1 inc. nat. ins. cont. reported in balance sheet	14 809
Deviation compared with equity	5 021
Net pension cost for the year inc. nat. ins. cont.	22 675
Pension payments CPA/uninsured incl. nat. ins. cont.	-
Investment in plan assets etc., incl. nat. ins. cont.	(22 364)
Net pension comm. at 31.12 incl. nat. ins. cont. reported in bal.	**20 141**

Reconciliation of pension commitment, opening and closing balance:		
Present value of accrued pension commitment at 01.01 (PBO)	98 426	
Gross pension cost for the year	22 675	
Pension payments for the year	(1 098)	
Deviation (change in assumptions/experience)	11 518	
Estimated present value accrued pension commitments at 31.12	**135 521**	

Reconciliation of plan assets, opening and closing balance:		
Plan assets at 01.01.	65 180	
Anticipated return on plan assets	4 174	
Administrative expenses	(1 090)	
Pension payments for the year	(1 098)	
Investment in plan assets etc.	19 701	
Deviation (changes in assumptions/experience)	(3 276)	
Estimated present value of pension commitment at 31.12.	**83 590**	

At 31 December	2008	2007	2006	2005
Present value of contribution-based pension commitment	135 521	102 542	93 787	59 335
Fair value of pension fund assets	83 590	70 837	52 218	44 421
Deficit/surplus	**51 931**	**31 705**	**41 569**	**14 914**

18. Tax

Amounts in NOK 1 000

DOF ASA 2008	DOF ASA 2007	Tax consists of:	Group 2008	Group 2007
30		Tax payable in Norway*)	-92 476	333 642
		Tax payable foreign activity	26 027	27 113
-77 627	-8 496	Change in deferred tax Norway	-36 953	34 437
		Change in deferred tax foreign activity	-117 398	47 191
	908	Estimate deviations from previous years	-2 183	-1 597
-77 597	**-7 588**	**Tax cost/income**	**-222 983**	**440 786**
		Reconciliation of nominal and effective tax rate		
471 500	157 760	Profit before tax	-123 121	662 680
132 020	**44 173**	**Estimated tax cost (28%)**	**-34 474**	**185 550**
-209 617	**-51 761**	**Deviation between actual and estimated tax cost**	**-188 510**	**255 235**
		Reason for difference between actual tax cost and estimated tax cost		
-209 617	-98 429	Tax effect of non-taxable income and non tax-deductible costs	-14 854	-6 793
	45 760	Change in value of market-based current assets	-	113
	908	Estimate deviations from previous years	17 208	1 597
		Effect of shipping tax regime tax settlement on transition to new scheme	-104 291	329 749
		Effect of shipping tax	-77 957	-44 872
		Foreign tax rate deviation	-8 616	-24 559
-209 617	**-51 761**	**Deviation from estimated tax cost**	**-188 510**	**255 235**

Deferred tax:
Below is a specification of the temporary differences between the accounting and tax values, and the calculation of deferred tax/deferred tax assets at the end of the financial year.

2008	2007	Basis of deferred tax	2008	2007
83 311	117 120	Property plant and equipment	-1 480 822	-1 463 926
	-182	Current assets	-98 345	182
27 030	-4 000	Other differences	-253 705	
		Liabilities	-1 515	-238 300
110 341	**112 938**	**Total temporary differences**	**-1 834 387**	**-1 702 044**
30 895	31 623	Deferred tax (-) / deferred tax assets (28%)	-513 628	498 121
389 093	114 453	Tax deficit	1 074 120	358 310
278 752	**1 514**	**Basis for calculation of deferred tax (-) / deferred tax assets**	**-760 267**	**-1 343 734**
78 051	**424**	**Total deferred tax (-) / deferred tax assets**	**-230 108**	**-396 496**
-	**-**	**Gross deferred tax**	**-353 438**	**-408 738**
78 051	**424**	**Gross deferred tax assets**	**123 330**	**12 242**

* Ever since the transition regulations for the shipping company tax scheme were adopted in 2007, there have been discussions on whether the third which comprises the environmental fund is to be classified as equity or liability. As the regulations were formulated such that there was a 15-year deadline for the use of the fund, the fund was classified as a liability under IFRS. In January 2009, the Ministry of Finance announced the annulment of the 15-year deadline so that the fund can be classified as equity. As a result, DOF ASA's consolidated environmental fund has been reclassified to equity as of 31 December 2008. The reclassification to equity has been carried out by reversing the provision from 2007 for the environmental fund via the tax cost in the profit & loss account.

* From 01.01.1997 to 31.12 2006, several group companies have been taxed in accordance with the regulations for the old shipping company tax regime in Norway, cf. section 51-A of the Taxation Act. With effect from 1 January 2007, the companies have chosen to transfer to the new shipping company tax regime - cf. section 8-10 of the Taxation Act. This resulted in a tax settlement on 1 January 2007, which was as follows:

		28%
Tax basis on transition to the new regime	**1 078 532**	**301 989**
Paid 2008		30 199
Present value (discount rate: 7%)		
Provision for short-term tax payable (1/10 of basis)		30 199
Provision for long-term tax payable**		173 967
Provision for tax payable in connection with transition to new regime		**204 166**

* The tax demand will lapse in so far as the company invests in environmental initiatives approved under relevant regulations.

** Calculated on a present value basis and discounted over 10 years and classified as tax payable.

19. Other long-term liabilities **Amounts in NOK 1 000**

Bond loans
DOF ASA has 3 bond loans with maturity in 2009,2010 and 2011. DOF Subsea AS has 2 bond loans with maturity in 2009 and 2011. The trustee acting on behalf of the bond loan owners is Norsk Tillitsmann ASA, while the account manager is Nordea Bank Norge ASA. Two bond loans are listed on the Stock Exchange. The terms of the bond loans are floating interest of 3 month NIBOR + (105bp - 250 bp). All bond loans have quarterly interest regulation. There is no individual security established for the bond loans. DOF ASA has the right to freely acquire its own bonds.

Long-term liabilities to credit institutions
The main share of the group's fleet is financed via mortgage loans, principally maritime mortgages. Mutual covenants have been established for the maritime mortgage in DOF ASA and the maritime mortgage in DOF Subsea ASA.

For DOF ASA the most significant financial covenants are as follows:
- value-adjusted equity shall be higher than 30% or higher than 20% if the contractual coverage for the fleet is higher than 70%
- the group shall have, at all times, cash reserves of minimum NOK 500 million.

For DOF Subsea AS' fleet, the most significant financial covenants are as follows:
- the group shall have, at all times, cash reserves of minimum NOK 300 million
- the ratio between the company's EBITDA and net interest costs must not be lower than 2:1

For DOF Subsea Holding AS a loan at holding company level has been taken out, and financial covenants for this loan are as follows:
- the group shall have, at all times, cash reserves of minimum NOK 300 million
- the ratio between the company's EBITDA and net interest costs must not be lower than 2:1
- book equity ratio must be minimum 25%.

For 2009, DOF Subsea Holding AS has signed a waiver regarding cash covenants.
Moreover, the group must document its capacity to serve its liabilities over the next 12 months, and the fair value of the group's fleet must be minimum 125% of outstanding loans.

In addition to the above-mentioned financial covenants, the following terms have also been included in several loan agreements:
- The group's assets must be fully insured
- No changes are allowed in classification, management or ownership of the vessels without prior written approval from the banks
- DOF ASA shall have not less than a 33% shareholding in DOF Subsea AS, and Møgster Offshore AS shall have not less than own minimum 33% of the shares in DOF ASA
- The group cannot be merged, demerged or activities sold without prior written approval from the banks
- DOF ASA shall be listed on the Oslo Stock Exchange
- In addition, the normal terms for this type of loan apply

All of the group's vessels have been given as security for the respective maritime loans
The terms for the maritime loan are NIBOR + (0.60%-2.00%)
The terms for the acquisition loans are NIBOR + 2.75%

DOF ASA 2008	DOF ASA 2007	Overview of long-term liabilities	Group 2008	Group 2007
694 393	735 918	Bond loans	1 470 654	1 473 870
300 000	1 599 549	Liabilities to credit institutions	8 920 720	6 994 293
	-	Long-term tax liabilities	173 967	288 240
678 679	106 315	Other long-term liabilities	162 357	1 171 055
1 673 072	**2 441 782**	**Total liabilities (excl. instalments 2009)**	**10 727 698**	**9 927 458**

Group: Instalment profile - long-term liabilities	2009*	2010	2011	2012	2013		Total*
Bond loans	304 500	299 077	867 077	-	-		1 470 654
Mortgage loans/maritime loans	1 341 208	1 260 317	424 013	457 013	457 013	6 740 063	10 679 627
Long-term leasing liabilities	119 500	7 796	7 796	7 796	7 796	83 157	233 841
Other long-term liabilities		17 289	16 223	5 726	2 278	115 820	41 516
Long-term tax liabilities	30 199	30 199	30 199	30 199	30 199	119 005	270 000
Total	**1 795 407**	**1 614 678**	**1 345 308**	**500 734**	**497 286**	**7 058 045**	**12 811 458**

DOF ASA: Instalment profile - long-term liabilities	2009*	2010	2011	2012	2013	Then	Total
Bond loans	50 500	299 077	395 316	-	-	-	744 893
DnB NOR		249 500	-	-	-	-	249 500
Skandi Caledonia lease		6 500	6 500	6 500	6 500	94 841	120 841
Total	**50 500**	**555 077**	**401 816**	**6 500**	**6 500**	**94 841**	**1 115 234**

DOF ASA 2008	DOF ASA 2007	Liabilities secured by mortgage	Group 2008	Group 2007
300 000	**1 697 282**	**Liabilities to credit institutions incl. leasing liabilities**	**10 949 968**	**8 165 348**
300 000	**1 697 282**	**Total liabilities**	**10 949 968**	**8 165 348**
		Assets provided as security		
198 273	238 346	Fixed assets	14 788 340	11 880 609
198 273	**238 346**	**Total assets provided as security**	**14 788 340**	**11 880 609**
7,5%	**7,2%**	**Average rate of interest**	**6,20%**	**6,49%**

For loans issued directly to ship-owning subsidiaries of DOF ASA and DOF Subsea ASA, a parent company guarantee has been issued for the nominal amount of the loans in addition to interest accrued at any given time. The effective interest rate for long-term interest-bearing liabilities is calculated as 7.4 % for DOF ASA and 6.7 % for the group in 2008.

Fair value of long-term loans
The price of the company's three bond loans at 31.12.2008 was as follows:

Loan	Price 31.12.08	Outstanding
DOF ASA 04/09	98.00	50 500
DOF ASA 06/11	86.39	397 000
DOF ASA 07/10	91.00	300 000
DOFSUB 01	90.25	500 000
DOFSUB02	97.50	254 000

Other long-term liabilities, with the exception of long-term loans, have nominal value equivalent to fair value of the liability.

20. Other provisions for commitments

Amounts in NOK 1 000

The 5 vessels previously financed as "UK lease" have been released from their lease contracts in 2008.
Remaining leasing commitment related to these vessels is NOK 0. There may be risk related to the tax commitment existing for the former UK leases, but this is considered to be so low that it has not been reported on the accounts. See note 21 for description of the UK lease.

21. Other long-term liabilities - lease

Traditional lease

As of 31.12.08, two traditional leases remain. These involve Skandi Caledonia and Skandi Carla. Skandi Carla is recognised on the balance sheet for the DOF Subsea group. The lease for Skandi Carla was settled in January 2009. The lease for Skandi Caledonia is recognised on the balance sheet for DOF ASA under other long-term liabilities at a figure of NOK 121 mill, while the lease on Skandi Carla is booked as a liability for DOF Subsea AS with a figure of NOK 113 mill.

Financial lease combined with tax advantage
Five of the group's vessels are financed as "UK-lease". This implies that the vessels are formally owned by separate British holding companies outside the group, which charter the vessels on B/B charter to the group's subsidiary, DOF UK Ltd. DOF Rederi AS has covered DOF UK Ltd's obligation to cover the financing of these vessels for a minimum period of 6 years via a charter party. After 6 years, the owner can demand that the shipowning company take over all assets of the British holding company at a price of approx. 75% of the original cost of the vessels. For accounting purposes, it is assumed that the owner will demand that DOF Rederi purchases the share in the British holding companies, and consequently the vessels.

The five above-mentioned vessels were released from their lease contracts in the period from May to August, and all the group's UK leases have therefore been settled in 2008. The remaining lease commitment for UK leases as of 31.12.08 is therefore NOK 0.

There may be a risk related to a possible tax commitment relating to the previous UK leases, but this is considered to be so low that it has not been considered in the accounts. The case was recently reviewed by a lawyer and his statements support the above-mentioned assessment. As of 01.01.2008, a provision of NOK 212 million has been made to cover the tax effects related to release from these lease contracts. In connection with the release, DOF has purchased the vessels out of the lease. As this element has been booked as a financial lease, no new cost price has been established for the vessels. In connection with the release from the lease system, DOF was obliged to settle a number of tax bills/structural bills. These have been recognised on the accounts, and provisions eliminated, generating a positive non-recurring effect of NOK 41 million.

22. Guarantee commitments

The parent company has given a conter-guarantee to DnBNOR in connection to the banks L/C to BNDES, Brazil for the funding of 4 vessels owned by Norskan. In addidtion a parent company guarantee has been given to BNDES directly for the funding of two other vessels owned by Norskan. The total guarantee obligation to BNDES is USD 155 million as of 31.12.08.

The parent company has issued an on-demand guarantee to DVB Bank in connection with the financing of 1 vessel belonging to DOF BOA AS. At 31.12.08 the loan totalled USD 23 mill. In January 2009, the ship was sold from DOF BOA AS to Norskan Norway AS.

The parent company has issued an on-demand guarantee to Barclays Bank for up to USD 5 million in connection with the contractual obligations of the subsidiary in Egypt.

DOF Subsea AS has issued a guarantee for a mortgage including accrued interest to the subsidiaries in the sub-group where the company is the parent. This guarantee commitment totalled NOK 5 516 mill as of 31.12.08.

23. Other short-term liabilities **Amounts in NOK 1 000**

DOF ASA 2008	DOF ASA 2007	Specification of other short-term liabilities	Group 2008	Group 2007
2 516	4 946	Deferred revenue	3 941	41 558
4 166	9 370	Accrued interest	76 072	52 711
837	9 099	Costs payable	214 227	112 736
7 786	24 552	Other short-term liabilities	248 530	142 113
125 840	-	Intragroup liabilities		-
	-	Unrealised loss on forward contracts	58 737	43 249
141 145	**47 967**	**Other short-term liabilities**	**601 507**	**392 367**

24. Intra-group loans and balances **Amounts in NOK 1 000**

DOF ASA 2008	DOF ASA 2007	Specification of intra-group balances
706 434	308 212	Long-term receivables from companies in the same group and JV*
350 251	60 218	Short-term receivables from companies in the same group and JV
79 088	-	Accounts receivable from group companies
1 135 773	**368 430**	**Receivables from group companies**
557 838		Long-term loans from group companies*
125 840		Short-term loans from group companies
21 139	918	Accounts payable to group companies
704 817	**918**	**Liabilities to group companies**
430 956	**367 512**	**Net intra-group balances**

* Loans to companies within the same group and loans from companies within the same group are interest-bearing. Interest on loans is as for market rates and terms.

25. Earnings per share **Amounts in NOK 1 000**

Ordinary earnings per share are calculated as the relationship between the annual result payable to the shareholders of NOK 65 151 000 (NOK 173 941 000 in 2007) and the weighted average of outstanding ordinary shares throughout the financial year of 82 767 975 shares. In the calculation of the diluted earnings per share, the result payable to the shareholders and the number of weighted average outstanding shares are adjusted for all dilution effects.

Group: Basis of calculation of earnings per share	**2008**	**2007**
Profit for the year after minority interests	65 151	173 941
Average outstanding number of shares	82 767 975	82 767 975
Earnings per share for parent company shareholders (NOK)	**0,79**	**2.10**
Any adjustments		
	2008	2007
Diluted result for parent company shareholders for the year		
Annual result for shareholders	65 151	173 941
Interest on convertible bonds (after tax)	-	-
Diluted result payable for the year to the parent company shareholders	**65 151**	**173 941**
	2008	**2007**
Average number of outstanding shares	**82 767 975**	**82 767 975**
Earnings per hare	**2008**	**2007**
Continued operations		
- Ordinary	0,79	2.10
- Diluted	0,79	2.10

26. Lease contracts	Amounts in NOK 1 000

Operational lease contracts:
In addition to the lease of office premises and Skandi Carla and Skandi Waveney (Skandi Waveney will be leased until 30.04.09), the group has no significant lease contracts for fixed assets which are not recognised in the balance sheet. The main office is leased from Austevoll Eiendom AS for NOK 1 082 000 per year. Austevoll Eiendom AS is a subsidiary of Austevoll Seafood ASA. Austevoll Seafood ASA is a subsidiary of Laco AS. See note 30. DOF Subsea AS leases the premises at Nedre Åstveit in Bergen. Skandi Waveney has been on lease to DOF Rederi AS on a B/B charter since delivery in 2001. The contract expires on 30 April 2009. In January 2009, Norskan Offshore Ltda. signed a letter of intent with StatoilHydro Petroleo Brasil Ltda. for the lease of Skandi Waveney. Contractual period is 2 years with the option for a further lease period of 2 * 1 year. The contract starts in Q4 2009. Skandi Waveney is owned by Waveney IS, a company which is owned 47% by DOF ASA. The minimum lease for Skandi Waveney is only included in the presentation below until 30 April 2009 for the period in which there is uncertainty as to the lease amount when entering into a new contract.

Overview of future minimum lease:

Group	0-12 months	1-5 years	After 5 years	Total
Minimum lease - vessels	118 170	-	-	118 170
Lease of head office	2 526	10 104	-	12 630
Total				

Redemption amount for Skandi Carla is NOK 113 861 000 and is included in the minimum lease for the initial year.

Financial lease contracts:
The group's assets under financial lease contracts include 2 vessels, several ROVs, machines and operating equipment. In addition to lease payments, the group has asset maintenance and insurance obligations. Assets under financial lease contracts are as follows:

DOF ASA	2008	2007
Vessels	215 170	278 672
ROVs	-	-
Machinery and operating equipment	-	-
Total acquisition cost	**215 170**	**278 672**
Accumulated depreciation at 01.01	40 326	32 173
Depreciation	7 850	8 153
Net balance sheet value	**166 994**	**238 346**

Group	2008	2007
Vessels	445 284	2 302 347
ROVs	21 840	13 613
Machinery and operating equipment	50 559	18 058
Total acquisition cost	**517 683**	**2 334 018**
Accumulated depreciation at 01.01	85 281	688 077
Depreciation	28 592	84 938
Net balance sheet value	**403 810**	**1 561 003**

Overview of future minimum lease:

Group	0-12 months	1-5 years	After 5 years	Total
Minimum lease, financial lease contracts maturing:	122 179	31 184	83 157	236 520

Overview of future minimum lease:

DOF ASA	0-12 months	1-5 years	After 5 years	Total
Minimum lease, financial lease contracts maturing:	6 500	26 000	-	32 500

27A. Financial income and costs: Information on the profit & loss account — **Amounts in NOK 1 000**

DOF 2008	DOF 2007		Group 2008	Group 2007
441 827		Income from other investments	43	42 681
41 928	22 004	Interest income from companies in the same group	-	-
19 926	11 811	Other interest income	96 248	44 838
331 197	351 703	Gain on realisation of shares	124 791	
56 595	16 998	Unrealised foreign exchange gain	166 738	434 947
-9 451	19 459	Realised foreign exchange gain	265 254	253 491
-	686	Other financial income	123 842	-35 006
-	-	Value appreciation of market-based current assets	-	-
-	-163 430	Value reduction of market-based current assets	-	-1 354
-15 977	-	Interest paid to companies in the same group	-	-
-138 422	-49 676	Interest cost on mortgage	-633 010	-448 131
-21 902	-	Loss on sale of shares	-	-
-244 306	-23 420	Unrealised loss on foreign exchange	-822 121	-120 345
-4 011	-12 287	Realised loss on foreign exchange	-76 885	-27 392
-	-	Net loss on currency forward contracts	-5 624	-3 961
-32 553	-2 100	Other financial costs	-274 852	-176 523
424 852	**171 748**	**Result of financial items**	**-1 035 575**	**-36 755**

27B. Financial assets and commitments: Information on the balance sheet — **Amounts in NOK 1 000**

31.12.08	Financial assets at fair value					Financial commitments at fair value				
	Held for sale re. IAS 39	Ear-marked at initial recog-nition	Held to maturity	Loans and receiva-bles	Available for sale	Held for sale re. IAS 39	Ear-marked at initial recog-nition	Financial commit-ments measured at amor-tised cost	Other financial commit-ments	Total
Assets										
Financial investments	5 999									5 999
Accounts receivable				1 151 004						1 151 004
Other short-term receivables				272 025						272 025
Cash and cash equivalents				2 831 502						2 831 502
Total financial assets	**5 999**	**-**	**-**	**4 254 531**	**-**	**-**	**-**	**-**	**-**	**4 260 530**
Commitments										
Interest-bearing long-term liabilities								10 337 501		10 337 501
Financial lease								216 229		216 229
Derivatives						226 426				226 426
Interest-bearing short-term loans								1 795 407		1 795 407
Accounts payable and other short-term liabilities								419 924		419 924
Total financial commitments	**-**	**-**	**-**	**-**	**-**	**226 426**	**-**	**12 769 061**	**-**	**12 995 487**

31.12.07	Financial assets at fair value					Financial commitments at fair value				
	Held for sale re. IAS 39	Ear-marked at initial recog-nition	Held to maturity	Loans and receiva-bles	Available for sale	Held for sale re. IAS 39	Ear-marked at initial recog-nition	Financial commit-ments measured at amor-tised cost	Other financial commit-ments	Total
Assets										
Financial investments	2 069									2 069
Accounts receivable				719 886						719 886
Other short-term receivables				328 875						328 875
Cash and cash equivalents				1 858 697						1 858 697
Total financial assets	**2 069**	**-**	**-**	**2 907 458**	**-**	**-**	**-**	**-**	**-**	**2 909 527**
Commitments										
Interest-bearing long-term liabilities								9 639 217		9 639 217
Provisions										
Interest-bearing short-term loans								826 292		826 292
Accounts payable and other short-term liabilities								273 500		273 500
Total financial commitments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10 739 009**	**-**	**10 739 009**

27C. Financial assets and commitments: Information on fair value **Amounts in NOK 1 000**

The fair value of financial assets classified as "available for sale" and "held for trading" is established with reference to the stock exchange rate on balance sheet date. For non-listed financial assets, the fair value has been estimated by utilising valuation techniques, based on premises which are not substantiated by observable market prices. Fair value of currency forward contracts is established by making use of the forward exchange rate on balance sheet date. Fair value of currency swap contracts is estimated by identifying the current value of future cash flow. For all above-mentioned derivatives, fair value is confirmed by the financial institution with which the company has entered into the contract.

The following of the company's financial instruments are not valued at fair value: Cash and cash equivalents, accounts receivable, other short-term receivables, overdraft facility, long-term liabilities and "held to maturity" investments.

The balance sheet value of cash and cash equivalents and overdraft facility is almost identical to the fair value as these instruments have a short maturity. Correspondingly, the balance sheet value of accounts receivable and accounts payable are practically identical to fair value as they are entered at "normal" terms.

Fair value of non interest-bearing long-term liabilities is estimated by applying listed market prices or by utilising interest rate terms for liabilities with similar maturity and credit risk.

Fair value of "held to maturity" investments (with the exception of deposits as mentioned above) is established by using available market prices.
Below is a comparison of the balance sheet values and fair value for the group's financial instruments. Fair value of the debt component for preference shares is estimated by applying the market interest for similar convertible bonds.

Fair value of interest-bearing liabilities is presented as if it had been wholly settled, represented by the nominal value for bank loan and last observable transaction rate for bonds. Due to general market conditions generated by the financial crisis, the margins are now in general higher than when the loans were taken out. We have not calculated the fair value on the basis of the recent changes in market terms due to the lack of a reliable discount rate. If the group was to re-finance its entire debt portfolio as of the time of writing, there would be an increase in margin of 1-1.5%.

	2008		2007	
	Value/amortised cost on balance sheet	Fair value	Value/amortised cost on balance sheet	Fair value
Financial assets				
Cash	2 831 502	2 831 502	1 858 697	1 858 697
Accounts receivable	1 151 004	1 151 004	719 886	719 886
Loans				
Investments available for sale				
Other long-term receivables	272 025	272 025	328 875	328 875
Financial liabilities				
Overdraft facility	13 980	13 980		
Accounts payable	419 924	419 924	273 500	273 500
Interest-bearing liabilities:				
Bank loans	12 083 153	11 965 961	10 465 509	10 452 832
Commitments re. financial lease contracts	216 229	216 229	233 873	233 873
Forward currency contracts	221 028	221 028		
Interest swap contracts				

27D. Hedging activities **Amounts in NOK 1 000**

As of 31.12.08, the Group had 16 forward contracts hedging future sales to customers in GBP and USD, and the purchase of USD. Forward contracts are utilised to hedge currency risk related to estimated future sales. The company does not utilise cash flow hedging re. IAS 39. Furthermore, the group had one forward contract used to hedge fair value. The table below shows the contractual maturities for the contracts and the fair value of the commitments and rights as of 31.12.

	Amounts in NOK 1 000	Due date	Currency purchased	Added value
Forward contracts at fair value over result				
FX Forward	169 339	2009	NOK	13 947
FX Forward	734 471	2009	NOK	-72 684
FX Forward	31 031	Jan-09	USD	8 776
FX Forward	31 150	Jun-09	USD	8 764
FX Forward	31 303	Oct-09	USD	8 515
FX Forward	125 713	Jun-10	USD	33 513
FX Forward	73 185	Jun-10	NOK	864
FX Forward	340	Jan-09	NOK	81
FX Forward	340	Feb-09	NOK	79
FX Forward	340	Mar-09	NOK	76
FX Forward	340	Apr-09	NOK	74
FX Forward	340	May-09	NOK	74
FX Forward	340	Jun-09	NOK	75
FX Forward	340	Jul-09	NOK	77
FX Forward	340	Aug-09	NOK	80
FX Forward	340	Sep-09	NOK	83
Forward contracts utilised to hedge fair value				
FX Forward	752 500	Dec-11	NOK	-228 820
Total	**1 951 752**			**-226 426**

The group has a shipbuilding contract in Brazil to be settled in USD and NOK. The group has chosen to enter into a forward contract for the NOK element to eliminate NOK exposure for activities in Brazil. Unrealised loss on the forward contract is included as a part of the construction cost and at year-end totalled NOK 228 million.

27E. Qualitative and quantitative risk information **Amounts in NOK 1000**

Financial risk factors
The group's activities carry different types of financial risk: market risk (including currency risk, fair value interest risk, floating interest risk and price risk), credit risk and liquidity risk. The group's principal risk management plan centres on the unpredictability of the capital markets and attempts are made to minimise any potentially negative impact on the group's financial results. The group makes use of financial derivatives to hedge against certain risk.

Risk management for the group is carried out in accordance with guidelines approved by the Board of Directors. The group identifies, evaluates and hedges against financial risk. The Board of Directors compiles a set of written principles for the overall risk management and specifies written guidelines for specific areas such as market risk, interest rate risk, credit risk, use of financial derivatives and other financial instruments in addition to investment of surplus liquidity.

Market risk

(i) Currency risk
The group has international activities and is exposed to currency risk in a number of currencies. This risk is particularly relevant in relation to GBP and USD. Currency risk occurs from future trade transactions, assets and liabilities on the balance sheet and net investments in international activities.

The management follows guidelines when combating currency risk related to the company's functional currencies. In order to control the currency risk from future trade transactions and assets and liabilities on the balance sheet, forward contracts are entered into or long-term liabilities are secured in the same currency as that for the vessels' contracts. Currency risk occurs when future trade transactions or assets and liabilities on the balance sheet are nominated in a currency which is not a functional currency.

The company has certain investments in foreign subsidiaries where the net assets are exposed to currency risk on conversion. Currency exposure from the group's net investments in foreign activities is mainly managed by taking out loans in the relevant foreign currency (GBP loans).

The table below shows potential figures for the group's operating income and operating result as if there had been a change in the exchange rate between the Norwegian Kroner (NOK), and USD and GBP.

	Change in NOK exchange rate	Operating income		Operating result	
		USD	GBP	USD	GBP
2008	+5 %	4 410 000	4 392 000	941 000	949 000
	-5 %	4 273 000	4 291 000	888 000	881 000
2007	+5 %	3 506 000	3 505 000	717 000	736 000
	-5 %	3 405 000	3 406 000	683 000	664 000

(ii) Floating and fixed interest risk
As the group does not have any significant interest-bearing assets, the group's result and cash flow from operating activities are mainly independent of changes in the market rate.

The group's interest risk is related to long-term loans. Loans with a floating interest rate generate an interest risk for the group's cash flow. The group makes limited use of interest rate hedging for its long-term liabilities. Attempts are made to reduce the financial risk by nominating the group's loans in the same currency as the group's long-term contracts. A fixed rate of interest has been established for the main part of the long-term liabilities for the activities in Brazil, and for the entire period of the loan.

The group manages parts of its floating interest rate risk by making use of floating-to-fixed interest swap contracts. These swaps imply a conversion of the floating interest loan to a fixed interest loan. Historically, the group normally takes out loans with floating interest rates. As of balance sheet date, there were no interest rate swap contracts. The average gross interest cost is approx. NOK 650 million for 2008. Based on the group's interest-bearing liabilities as of 31.12.08, an increase/reduction in the basic interest rate of 1% would represent an increase/reduction in interest cost of NOK 120 million.

(b) Credit risk
Credit risk originates from transactions with derivatives, deposits in banks and financial institutions and transactions with end customers including accounts receivable and fixed agreements. The group's customers are major oil companies with high credit rating.

31.12.08	Remaining period					
	0-12 months	1-2 years	2-3 years	3-4 years	More than 5 years	Total
Financial commitments (not derivatives)						
Mortgage	1 340 768	1 977 296	947 848	1 019 393	5 430 822	10 716 127
Bond loan	304 500	298 154	397 000	471 000		1 470 654
Bank loan						
Share of loan in jointly controlled company						
Financial lease contract	122 179	7 796	7 796	7 796	90 953	236 520
Overdraft facility	13 980					13 980
Derivatives						
Currency forward contracts						
- Outgoing cash flow	-1 894 744	-197 992	-1 002 273			-3 095 009
- Incoming cash flow	1 826 024	234 033	752 500			2 812 557
Total	**1 712 707**	**2 319 287**	**1 102 871**	**1 498 189**	**3 726 368**	**10 359 422**

31.12.07	Remaining period					
	0-12 months	1-2 years	2-3 years	3-4 years	More than 5 years	Total
Financial commitments (not derivatives)						
Mortgage	819 735	1 019 735	1 951 832	689 735	3 332 991	7 814 028
Bond loan		50 500	297 000	897 000	229 370	1 473 870
Bank loan						
Share of loan in jointly controlled company						
UK lease	1 001 359					1 001 359
Financial lease contract	6 357	6 357	6 357	6 357	214 803	240 231
Accounts payable and other liabilities	797 358					797 358
Overdraft facility						
Derivatives						
Currency forward contracts						
- Outgoing cash flow	-395 362	-93 484	-125 713			-614 559
- Incoming cash flow	383 240	94 172	127 118			604 529
Total	**2 612 686**	**1 077 280**	**2 256 594**	**1 593 092**	**3 777 164**	**11 316 816**

Capital structure and equity

The main purpose of the group's management of the capital structure is to ensure that the group maintains a good credit rating and thereby receives favourable terms for loans from lenders, which are appropriate for the activity in question. By ensuring a satisfactory ratio between equity and liabilities, the group supports all activities and maximises the value of its shares.

The group manages its capital structure and carries out necessary changes in the structure based on an ongoing assessment of the financial conditions for group operations and the short-term and long-term outlook.The management of the capital structure takes the format of adjustments to dividend shares, re-purchase of own shares, reduction of share capital or issue of new shares. There were no changes to the guidelines for this area in 2007 and 2008.

The group monitors its capital structure by examining debt ratio, defined as net interest-bearing liabilities divided by equity plus net interest-bearing liabilities. The group's policy is to have a debt ratio of between 75% and 80% which reflects projected funding of new vessels.Net interest-bearing liabilities are defined as interest-bearing liabilities (short and long) minus cash. Equity comprises the majority share equity, paid-in and subscribed.

	2008	2007
Interest-bearing liabilities	12 335 158	10 465 510
Cash	2 831 502	1 858 697
Net liabilities	**9 503 656**	**8 606 813**
Equity	5 498 819	4 554 786
Total equity and net liabilities	**15 002 475**	**13 161 599**
Debt ratio	63,3%	65,4%

27F. Financial market risk

Amounts in NOK 1000

The group's income is mainly in USD, GBP and NOK, while a major share of the operating costs are in NOK. The group is exposed to changes in foreign exchange rates, particularly the USD and GBP. Attempts are made to reduce this risk by entering into forward contracts and by adapting the long-term liabilities in relation to earnings in the same currency. The company is exposed to changes in interest rate levels as the main share of the company's liabilities have a floating rate of interest. The group has no direct exposure to changes in raw material prices.

Interest risk occurs in the short and medium-long term as a result of the floating rate of interest for the company's liabilities.

The group makes use of financial instruments related to ordinary operations such as accounts receivable, accounts payable and the like by taking out forward cover for future earnings and commitments. The group makes limited use of interest rate hedging for long-term liabilities. Attempts are made to reduce the financial risk by nominating the group's loans in the same currency as long-term contracts.

The group has a major program of newbuildings and is exposed to commitments for these. The group's ability to finance its own investments is considered to be satisfactory.

Credit risk for the group is considered to be low based on the fact that the group's customers historically have sufficient financial strength to meet their commitments. Based on history, the group has a very low ratio of bad debts.

The table shows turnover, accounts receivable, accounts payable and long-term liabilities to credit institutions etc., converted to Norwegian Kroner at the exchange rate on balance sheet date:

Group	2008 Currency (000)	2008 NOK 1 000	2008 Ratio %	2007 Currency (000)	2007 NOK 1 000	2007 Ratio %
Turnover:						
USD	201 059	1 407 196	32%	175 521	1 028 553	30%
NOK	1 312 350	1 477 527	34%	1 033 580	1 033 580	30%
GBP	102 221	1 034 588	24%	85 885	1 006 911	29%
Other currencies		420 411	10%		385 337	11%
Total		**4 339 722**	**100%**		**3 454 381**	**100%**
Accounts receivable:						
USD	70 311	492 097	43%	38 423	207 907	29%
NOK	631 160	631 160	55%	351 168	351 168	49%
GBP	2 053	20 778	2%	13 854	149 764	21%
Other currencies		6 971	1%		11 047	2%
Total		**1 151 005**	**100%**		**719 886**	**100%**
Accounts payable:						
USD	46 619	326 279	78%	18 755	105 071	38%
NOK	49 053	49 053	12%	51 818	84 259	31%
GBP	3 489	35 314	8%	735	53 672	20%
Other currencies		9 279	2%		30 498	11%
Total		**419 924**	**100%**		**273 500**	**100%**
Bond loans, liabilities to credit institutions and financial lease						
USD	455 168	3 185 672	26%	333 891	1 823 151	18%
NOK	6 964 381	6 964 381	56%	6 138 439	6 138 439	62%
GBP	197 341	1 997 286	16%	177 282	1 916 414	19%
Other currencies		187 818	2%		49 454	0.5 %
Total		**12 335 157**	**100%**		**9 927 458**	**100%**

28. Payroll costs, fees, number of employees etc.

Amounts in NOK 1 000

DOF ASA 2008	DOF ASA 2007		Group 2008	Group 2007
7 928	10 698	Salary and holiday pay	1 353 953	988 519
117	433	Hired personnel	64 940	94 233
1 260	1 269	Employer's national insurance contributions	62 284	56 173
-8 110		Reinvoiced salary costs 2008 and prev.		
		Pension costs	30 839	20 101
2 031	209	Other personnel costs	124 808	123 657
3 382	**12 609**	**Total**	**1 636 825**	**1 282 683**
2	3	No. man-years employed in financial year	1 200	1 027

As of 31.12.08, the group had approx. 2 350 employees while the number of man-years utilised in 2008 was approx. 1 200.

Public grants in connection with the net wages agreement for vessels are recognised in the salary cost at NOK 65 361 000 in 2008, NOK 68 620 000 for 2007 and NOK 62 822 000 for 2006. Pension costs are described in more detail in note 17.

Total payments for salary, pension premium and other remuneration to CEO and other corporate management employees are as follows:

DOF ASA 2008		Group 2008				
		CEO	COO	CFO	CTO	SUM
6 264	Salary	4 649	1 266	1 616	1 008	8 538
266	Pension premium	103	178	163	63	507
100	Other remuneration	17	122	82	110	332
6 630	**TOTAL**	**4 769**	**1 566**	**1 861**	**1 181**	**9 376**

CEO= Mons Svendal Aase, COO=Anders Arve Waage, CFO=Hilde Drønen, CTO= Arnstein Kløvrud

DOF ASA 2007		Group 2007				
		CEO	COO	CFO	CTO	SUM
6 860	Salary	6 791	1 133	1 131	893	9 948
176	Pension premium	75	116	101	57	349
113	Other remuneration	25	104	88	81	298
7 149		**6 891**	**1 353**	**1 320**	**1 031**	**10 595**

CEO= Mons Svendal Aase, COO=Anders Arve Waage, CFO=Hilde Drønen, CTO= Arnstein Kløvrud

As of 31.12.08, DOF ASA has granted loans to group management of NOK 7 072 000. These loans were granted so that the debtors could purchase shares in DOF Subsea AS with security in the shares. When the shares in DOF Subsea AS were sold/enforceably redeemed in the autumn of 2008, these loans became illegal as the security object no longer existed - and thereby the security for these loans - which is required by the regulations of the Companies Act. All the loans have been settled as of the date for presentation of the financial statements. Any benefits gained from these loans have been reported on the individual income statements for the management employees.

The CFO of the subsidiary DOF Subsea AS has borrowed NOK 2 000 000 from the company. The loan is subject to market terms.
A loan has been provided to the HR Manager of Norskan Offshore Ltda, totalling BRL 80 000, or NOK 240 000 as of 31.12.08. The loan falls due for payment in 2011 and the company is paid 0.5% interest per month.

No other loans have been granted or securities provided for the CEO, board members, members of the corporate management or closely related parties of these.

The CEO has the right to a bonus of 0.5% of the group's annual result. The bonus is included in the table above.
The CEO has a term of notice of 6 months. On leaving the company, the CEO has the right to extra compensation corresponding to 12 months' salary. Retirement age is 67, with pension of up to 70% (12 times the national insurance base amount) of salary on retirement.

A total of NOK 780 000 has been paid in fees to the Board of Directors in 2008. Payments comprise NOK 180 000 to the Chairman of the Board and NOK 150 000 to the other board members.

DOF 2008	DOF 2007	Specification of auditor's fee	Group 2008	Group 2007
545	265	Audit of the annual accounts	3 073	2 948
1 073	-	Fee for other confirmatory services	2 309	400
5		Tax consultation	100	
	405	Fee for other services	403	238
1 623	**670**	**Total**	**5 885**	**3 585**

Fees to the auditor are specified exc. VAT. For group companies which do not have the right to tax-deductible expenses, ingoing VAT has been deducted.
Fees for other services relate mainly to assistance in connection with acquisitions and restructuring of the group.

Guidelines for determination of salary and other remuneration to the CEO and senior employees of DOF ASA in 2008
The guiding principle of DOF ASA's senior management salary policy is to offer senior employees terms of employment that are competitive in relation to salary, benefits in kind, bonus and pension scheme, taken together. The company shall offer a salary level that is comparable with corresponding companies and activities, and taking account of the company's need to have well qualified personnel at all levels.

The determination of salary and other remuneration to senior employees at any given time shall be in accordance with the above guiding principle.

Senior employees shall only receive remuneration in addition to the basic salary in the form of a bonus. The amount of any bonus to the CEO shall be set by the Chairman of the Board. The bonus to other senior employees shall be set by the CEO in consultation with the Chairman of the Board.

DOF ASA has no schemes for the allocation of options for the purchase of shares in the company.

The senior employees are members of the company's group pension schemes which guarantee pension benefits not exceeding 12 times the national insurance base amount per year.

Senior employees have agreements whereby they are entitled to a free car and free business telephone. Apart from this, there are no other benefits in kind.

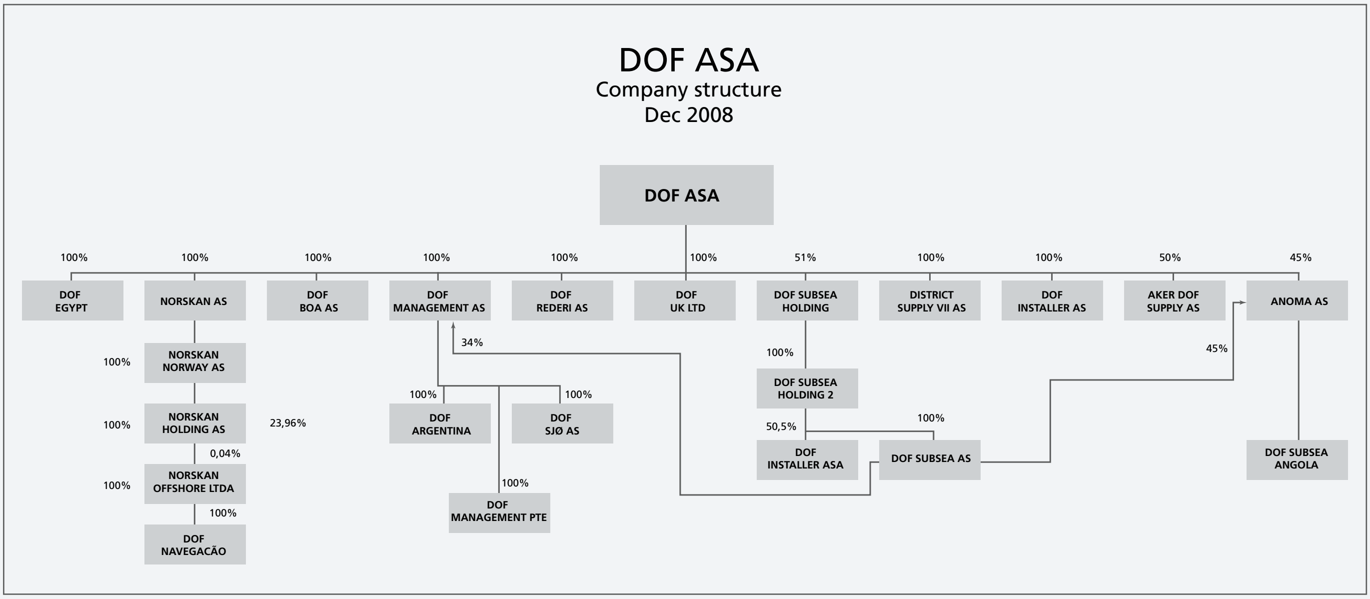
Where the employment of senior employees is terminated by the company, they have no agreements entitling them to severance pay except for salary in the period of notice for the number of months provided for in the Working Environment Act. The contract of employment of 2005 for the CEO contains provisions providing for severance pay.

29. Closely related parties

Amounts in NOK 1 000

Group	Operating costs 2008	2007
Møgster Management AS	28 538	14 580
Kanabus AS (Company owned by board member in DOF ASA)	1 026	996
Total	**29 564**	**15 576**

In addition to board members and senior employees at the parent company DOF ASA, companies in the DOF ASA group, their board and senior employees, will be closely related parties. Market terms are applied to all transactions with closely related parties, according to the “arm’s length principle”.



Detailed description of significant transactions between closely related parties:

Long-term agreements:
Møgster Offshore AS owns 50.76% of DOF ASA. Laco AS is the main shareholder of Møgster Offshore AS.
Møgster Management AS supplies administrative services to DOF ASA. Møgster Management AS is owned by Laco AS.
Austevoll Eiendom AS is a subsidiary of Austevoll Seafood ASA, which in turn is a subsidiary of Laco. DOF ASA lease premises from Austevoll Eiendom AS.
DOF Management AS supplies administrative services to certain group companies, including DOF Subsea AS.
DOF Subsea AS leases two holiday homes from a board member in DOF Subsea AS / CEO in DOF ASA, Mons Aase. The lease cost in 2008 totalled NOK 400 000.

Individual transactions:

DOF ASA
Moco AS is owned by the CEO of DOF ASA. Moco AS has taken part in joint investments with DOF ASA.
In 2008, DOF ASA has signed an agreement with DOF Subsea AS regarding the transfer of the vessel MV Skandi Neptune to DOF Rederi AS. This agreement was executed via DOF Rederi AS and payment was made to DOF ASA of 7 mill shares in DOF Subsea AS.
Also in 2008, DOF ASA sold a crane to DOF Subsea AS. The contractual figure was NOK 23 000 000.
In 2008, DOF ASA purchased shares in DOF Installer AS from Moco AS (owner: Mons Aase), Kanabus AS (owner: Oddvar Stangeland), Djupedalen AS (owner: Hilde Drønen) and Havblikk Austevoll AS (owner: Anders A. Waage) for NOK 5 000 000, NOK 1 875 000, NOK 1 250 000 and NOK 1 875 000 respectively.

DOF Rederi AS
DOF Rederi AS leases the vessel Skandi Waveney as bareboat from Waveney IS. Waveney IS an internal partnership where DOF ASA as a group owns 47%.

Norskan AS
Norskan Offshore Ltda. in Brazil supplies accounting services to DOF Subsea Brasil Ltda. Norskan Offshore Ltda. also leases personnel and equipment from DOF Subsea Brasil Ltda.

DOF Subsea Holding II AS
The transaction by which DOF Subsea Holding II AS gained ownership of 100 % of the shares in DOF Subsea AS involved a number of transactions between the group companies. The transaction was carried out according to the arm’s length principle and is described in detail in note 3.

In addition to the above-mentioned transactions of an operating nature, there are financial transactions and intragroup balances between the group companies. These are all based on market terms.

30. Accounting estimates and assessments

When preparing the annual accounts in accordance with IFRS, the company management has applied estimates based on best judgement and premises considered to be realistic. Situations or changes may occur in the markets which may result in changes to the estimates, thereby impacting the company's assets, liabilities, equity and result.

Assessments, estimates and assumptions which have a significant effect on the accounts are summarised below:

Vessels:
The balance sheet value of the group's fleet makes up 66.5% of total assets. Principles and estimates related to the fleet significantly affect the Group's accounts. Regardless of the fair value, the vessels are depreciated on the basis of a stipulated depreciation method. Depreciation methods for vessels were amended on 1 January 2008 in that the scrap value for vessels is now established as 50% of acquisition cost. The company has decided that the group is not to own vessels which are older than 20 years. They believe that it is possible to gain 50% of the steel value after a period of 20 years, and therefore use this as the residual value. If, however, a vessel is not sold by the time it is 20 years old, the residual value will be depreciated over the next 10 years.

Economic lifetime of vessels
The depreciation amount depends on the estimated economic lifetime of the vessels and this is based on experience from previous periods and a knowledge of the type of vessels which make up the company fleet. In addition, there is always some risk of the total loss of older vessels which can reduce the estimated economic lifetime.

Residual value of vessels
The depreciation amount also depends on the calculated residual value at year-end. The assumptions used to calculate the residual value are based on a knowledge of the second-hand market and the vessels' scrap value. Market developments are decisive for the residual value.

Economic lifetime of investments on docking
Investments in connection with periodic maintenance are depreciated over the period until the next docking. The length of this period is estimated and is used to calculate the depreciation charge. This interval is calculated on the basis of the estimated average based on experience from previous periods.

Pension commitments
Net pension commitments are established on the basis of actuarial calculations built upon premises related to factors such as discount rate, future growth in salary, pension regulations, estimated return on pension funds and demographic factors of disability and death. The premises are established on the basis of observable market prices and historical development in the company and society at large. Changes in these premises will have a significant impact on the calculated pension commitment/cost.

The discount rate is the economic assumption that has the greatest effect on the calculation of pension commitments.
The discount rate is set on the basis of the 10-year government bond rate and taking account of the term of the commitments. See note 17.

Deferred tax assets
Deferred tax assets are recorded in the balance sheet based on the utilisation of tax losses carried by reversing taxable temporary differences and taking account of future earnings. See note 18.

Write-down
Assessments are made to determine whether the need for a write-down is indicated. If there are such indications, the recoverable amount is estimated and the book value is brought into line with the recoverable amount.

Lease contracts
Determining whether the lease of a vessel is to be classified as operational or financial depends on several assumptions, in line with IAS17.

31. Contingencies

The group and its companies is currently not involved in ongoing court cases of any kind and was not involved in such as of 31.12.08. The case mentioned in the notes for 2007 was closed with a positive outcome for the group companies involved.

32. Commitments

As of 31.12.08, the group had 26 vessels under construction. Commitments related to future investments in vessels totals NOK 7 574 966 000. Total commitments for the group are NOK 6 732 000 000 for newbuildings financed as of 31.12.08. See also notes 19, 21 and 22.

Vessels under construction as of 31.12.08 are listed below:

Design vessel	No. vessels	Completion
Aker AH 04 55	4 stk	2010-2011
Aker AH 05 56	1 stk	2011
Aker AH 08 57	6 stk	2010-2012
Aker AH 12 58	2 stk	2010-2011
Aker OSCV 03 59	1 stk	2009
Aker OSCV 06 60	2 stk	2009-2010
Aker OSCV 06L DSV 61	1 stk	2009
Aker OSCV 06L 62	1 stk	2009
Aker PSV 06 CD 63	1 stk	2009
Aker PSV 06 LNG 64	1 stk	2011
Aker PSV 09 CD 65	2 stk	2010
Aker ROV DSV 06 67	1 stk	2010
V/S 485 MPSV 68	1 stk	2010
V/S 470 MPOV MKIII 69	2 stk	2009-2010

33. Quality, Health, Safety and the Environment

DOF Management AS, responsible for management and administration of the group companies, has achieved ISO 9001:2000 and ISO 14001:2004 certification.

DOF has ambitious goals related to Quality, Health, Safety and the Environment. The following main goals have been established:
- **Quality:** No unscheduled operational disruptions. As a minimum, the company shall satisfy the contracts and commitments in relation to customers.
- **Health:** DOF shall have a reputation for having a good working environment, and occupational injuries/illnesses shall be avoided.
- **The environment:** The company shall continuously strive to reduce its impact on the external environment, beyond statutory requirements.
- **Safety:** There shall be no injuries or illnesses as a result of working for DOF.

In order to achieve the main goals, a number of sub-goals are regularly defined and measures implemented to achieve these. The company has a number of systems in place which ensure that incidents are reported and analysed and that there is distribution of experience from incidents and the implementation of best practice to prevent the re-occurrence of incidents. The management carries out regular reviews of these systems in order to monitor them and take corrective action where necessary as part of the continuous process of improvement related to Quality, Health, Safety and the Environment.

34. Post-balance sheet events

New contracts

DOF Rederi AS carried out a reconstruction of Skandi Chieftain in Q1 for approx. NOK 80 000 000 in connection with a long-term contract with Petrobras.

The associated company, **IS Waveney,** signed a 2 + 2 year contract with StatoilHydro Brazil.

Aker DOF Supply AS signed a 2 + 2 year contract with StatoilHydro Brazil in January.

Norskan signed a 2-year contract with OGX for the lease of Skandi Møgster. The contract was signed after balance sheet date. The total contractual figure is USD 35 000 000.

Norskan Offshore Ltda
signed a letter of intent after balance sheet date with StatoilHydro Brasil Ltda regarding the lease of an AHTS vessel with Aker AH08 design. The vessel is under construction at the STX Europe yard in Vietnam and is scheduled for completion in Q2 2010. The vessel has been contracted by Aker DOF Supply AS, a company which is 50/50 owned by Aker ASA and DOF ASA. The contract has a duration of 2 years, with an option for extended lease of 2 * 1 year.

New vessels

DOF Rederi AS received delivery of a new building, Skandi Flora, in February. The vessel started on a long-term contract for StatoilHydro.
DOF Rederi AS took over newbuilding contract no. 082, at Cochin Shipyard from Aker DOF Supply. Estimated cost for this vessel is approx. USD 45 000 000. According to the contract, the vessel is scheduled for completion in September 2010.
DOF Subsea AS completed construction work on Skandi Salvador in March. The vessel started on a long-term contract for Chevron on 31 March 2009.
DOFTECH, a joint venture company between DOF Subsea AS and Technip Norge AS, received delivery of the newbuilding Skandi Arctic on 17 March 2009. Skandi Arctic is a diving vessel and is on contract with Technip UK.

Sale of companies

The subsidiary **DOF Subsea AS** sold its shares in Aker Oilfield Services for a price of NOK 277 mill. The sale generated a gain of approx. NOK 190 mill. and was executed on 1 April 2009. The comprehensive cooperation between Aker Oilfield Services and DOF will continue.

Financing

DOF Subsea AS has signed an agreement regarding refinancing of the loan from DnBNOR totalling NOK 200 mill. DOF Subsea AS has agreed lease financing for new ROVs from SG Finans of NOK 50 mill.

DOF Subsea AS has established security for an unsecured loan of NOK 200 million at DnBNOR, and has extended the duration to 4 quarter 2010.

Other significant events

Lease contract regarding Skandi Carla was terminated and fully repaid on 5 January 2009.

Outlook 2009

The North Sea spot market has been weak to date. DOF ASA has one AHTS (Skandi Møgster) in the spot market. In Q2 2009, the vessel will start on a long-term contract with OGX in Brazil mid 2009. DOF ASA' other supply vessels are engaged on long-term contracts throughout 2009. The supply fleet therefore has very low exposure to the fluctuations of the spot market throughout the year. One vessel will be off-hire in 1st quarter when it will be rebuilt for a long term contract.

The subsea fleet has exposure to short-term market fluctuations, but the contractual coverage for the fleet is satisfactory in 2009. However a weak result from DOFSUB has been projected for 1st. quarter 2009 due to the fact that three vessels have been partly off-hire in the period. For the next three quarters the results are expected to be good based on higher projected utilization of the fleet.

35. Foreign exchange rates

DOF ASA bases its accounting on the reference exchange rates applied by Norges Bank.

As of 31.12, the following exchange rates were applied:

	2008	2007
US Dollar	6.9989	5.4110
Euro	9.8650	7.9610
GBP	10.1210	10.8100
AUS Dollar	4.8503	4.7634
Brazilian Real	3.0024	3.0370
Singapore dollar, SGD	4.8728	3.7650
Danish kroner, DKK	132.3800	106.7500

36. Changes in IFRS standards and interpretation

DOF ASA's consolidated accounts have been compiled in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

(a) Changes in published standards which came into effect in 2008

Amendment to IAS 39 Financial instruments - Recognition and measurement/IFRS 7 Financial instruments - Disclosures

In October, the IASB initiated an irregular and extraordinary process and published amendments to IAS 39 Financial instruments - Recognition and measurement and IFRS 7 Financial instruments - Disclosures, related to the opportunity to reclassify financial assets, so that assets previously classified as "at fair value through profit and loss" (FVTPL) and "available for sale" (AFS) can now be classified in other measurement categories for financial assets.
The amendments imply that a company in certain circumstances will have to reclassify instruments which have been measured at fair value through profit and loss and instruments measured at fair value through equity and place these in different categorise. If the instrument in question is traded on an active market at the time of reclassification and/or is an equity instrument, reclassification would only be possible under rare and very irregular circumstances. IASB has indicated that the current conditions on the credit markets may prove an example of such a rare and irregular circumstance. The amendment only allows for reclassification of instruments held for trading out of the FVTPL category, i.e. that instruments recognised in this category due to the fact that the fair value option has been utilised cannot be reclassified. After the amendment was adopted, the EU has requested that IASB carry out further amendments in the regulations to allow for reclassification of instruments measured at fair value through profit and loss due to the fact that the fair value option has been utilised. Other minor amendments were requested. At the time of writing, the outcome of this request remains unclear.

New update of guideline for establishment of calculation premises for pension commitments pursuant to IAS 19 Employee benefits.
In the autumn of 2008, the Norwegian Accounting Standards Board published two updates to the guidelines for establishment of calculation premises for pension commitments pursuant to Norwegian accounting standard 6 Pension costs and IAS 19 Employee benefits. The most recent version has been updated with market data as of 31 October 2008 in order to take into consideration the developments on the capital market over the past months.

The guidelines recommend as of 31 October 2008 the following premises:
- ► Discount rate (25 year maturity) 4.3%
- ► Possible risk margin for those who utilise Norwegian accounting standard 6 - 1.5%
- ► Rate of return on pension funds in life insurance companies - 6.3%
- ► Growth in salary - 4.5%
- ► Regulation of base amount for National Insurance - 4.25%
- ► Pension regulation with minimum regulation - 2.0%

These proposals must be assessed individually for each company and adjusted if so required by specific circumstances.

(b) The group has not chosen the early implementation of any standards.

(c) Standards, interpretations and amendments which took effect in 2008 but which are not relevant for the group.

Amendment IAS 39 Financial instruments - Recognition and measurement/IFRS 7 Financial instruments - Disclosures. The amendments are described above under a)
(d) Interpretations of existing standards that have not taken effect and where the group has not chosen early implementation.

Adopted IFRS and IFRICs for future implementation

Amendment to IFRS 1 - First-time adoption of IFRS and IAS 27 - Consolidated and separate financial statements
The amendments to IFRS 1 allow a company, on transition to IFRS, to establish historical cost of an investment in a subsidiary, jointly controlled company and associated company, according to the regulations in IAS 27 or by making use of estimated acquisition cost. The amendments to IAS 27 require that all dividends from a subsidiary, jointly controlled company or associated company are recognised on the profit & loss account in the separate financial statements. The amendments to IAS 27 require prospective application. The new requirement will only impact the parent company's separate financial statements and have no impact on the consolidated financial statements. The implementation date for the amendment to IFRS 1/IAS 27 is 1 January 2009. The group plans to implement this amendment with effect from 1 January 2009.

IFRS 3 (revised) - Business combinations
In relation to the prevailing IFRS 3, the revised standard results in minor amendments and more detailed information regarding the application of the acquisition method. Specific factors which are affected include goodwill from successive acquisitions, minority interests, contingent payments and acquisition costs. The implementation date for IFRS 3 (R) is 1 July 2009, but this revised standard has still not been approved by the EU. The group plans to implement IFRS 3 (R) with effect from 1 January 2010.

IFRS 8 – Operating segments
IFRS 8 replaces IAS 14 - Segment reporting. The standard requires the group to make use of a management approach for the identification of the segments. In general, the information reported must be that utilised internally by management to evaluate the results of the segments and to determine how to allocate resources to the segments. IFRS 8 requires information on the grounds upon which segment information is compiled, and the types of products and services from which each segment generates income. The date of implementation for IFRS 8 is 1 January 2009. The group will implement IFRS 8 with effect from 1 January 2009.

IAS 1 (revised) – Presentation of financial statements
The revised standard implies amendments in the presentation plans, particularly for the presentation of equity. The standard introduces a presentation of non-owner transactions "Presentation of Comprehensive Income". The date of implementation for IAS 1 (R) is 1 January 2009. The group will implement IAS 1 (R) with effect from 1 January 2009.

IAS 23 (revised) – Borrowing costs
The most significant amendment to IAS 23 (R) is that it is no longer permitted to recognise borrowing costs which relate to a qualifying asset on an ongoing basis. Recognition on the balance sheet of borrowing costs is therefore the only solution permitted. The date of implementation for IAS 23 (R) is 1 January 2009. The group will implement IAS 23 (R) with effect from 1 January 2009.

IAS 27 (revised) – Consolidated and separate financial statements
In comparison with the current IAS 27, the revised standard provides more guidelines related to accounting of amended ownership shares in subsidiaries and of disposal of subsidiaries. Moreover, the current regulations related to distribution of loss between majority and minorities are amended such that deficits shall be charged to minorities even if these are negative. Date of implementation for IAS 27 (R) is 1 July 2009, but the revision has still not been approved by the EU. The group plans to implement IAS 27 (R) with effect from 1 January 2010.

Amendment to IAS 39 Financial instruments – Recognition and measurement – Eligible Hedged Items
The amendments to IAS 39 imply a clarification of the regulations by which a financial instruments (hedging item) is secured according to selected risks or cash flow components. The adopted amendments principally provide further guidelines for hedging of unilateral risk (hedging with options) and hedging of inflation risk, but the guidelines also clarify that the selected risks and cash flows must be identifiable and allow for reliable measurement. Date of implementation for IAS 39 is 1 July 2009, but the revision has still not been approved by the EU. The group plans to implement IAS 39 with effect from 1 January 2010.

IFRIC 13 – Customer loyalty programmes
The interpretation involves the recognition and measurement of loyalty programs a company has for its customers to provide rewards for previous purchases and incentives for future purchases. The interpretation had an implementation date of 1 July 2008, but at that time had not been approved by the EU.
The interpretation has now been approved by the EU for the financial year which starts after 31 December 2008. The group plans to implement IFRIC 13 with effect from 1 January 2009.

IFRIC 14 – IAS 19 – the limit on a defined benefit asset, minimum funding requirements and their interaction
This interpretation involves limitations on the recognition on the balance sheet of pension funds where statutory or contractual minimum amounts paid in exceed commitment. The interpretation had an implementation date of 1 January 2008, but at that time had not been approved by the EU. The interpretation has now been approved by the EU for the financial year which starts after 31 December 2008. The group plans to implement IFRIC 14 with effect from 1 January 2009.

IFRIC 16 – Hedges of a net investment in a foreign operation
This interpretation involves accounting of hedging of currency exposure related to net investments in foreign entities. The interpretation clarifies which type of hedging items will qualify for hedging valuation and which risk can be hedged. The interpretation was scheduled for implementation on 1 October 2008 but has still not been approved by the EU. The group plans to implement IFRIC 16 with effect from 1 January 2010.

IFRIC 17 – Distributions of non-cash assets to owners
This interpretation involves the accounting of distributions to owners which are settled in assets other than cash. The interpretation was scheduled for implementation on 1 July 2009 but has still not been approved by the EU. The group plans to implement IFRIC 17 with effect from 1 January 2010.

IASB's annual improvement project
Amendments have been adopted to several standards and with implementation in 2009. Below is a list of the most important amendments which may have an impact on recognition, measurement and disclosures in the notes:
• IFRS 5 Non-current assets held for sale and discontinued operations: For a planned sale of a controlling interest in a subsidiary, all assets and obligations in the subsidiary must be classified as held for sale, even if the company intends to maintain a non-controlling interest after the sale.
• IAS 1 Presentation of financial statements: Assets and liabilities classified as held for sale, in accordance with IAS 39, are not automatically classified as short-term on the balance sheet.
• IAS 16 Property, plant and equipment: Operating equipment which is held for lease and which on expiry of the lease period is sold as part of ordinary operations shall be transferred to inventory.

• IAS 19 Employee benefits:
o Amendments to the definition of the terms; costs of previous pension contributions, return on pension funds, short-term and other long-term contributions.
o Amendments to pension plans which reduce the contributions linked to future contribution processed as scaling-down.
o The reference to IAS 37 re. contingent liabilities has been removed.
• IAS 20 Accounting for Government Grants and Disclosure of Government Assistance: Future loans from the government at a lower interest rate than the market interest rate are no longer exempt from the requirement to identify an estimated interest rate. The difference between received loan amount and present value must be recognised as a government grant.
• IAS 28 Investments in associates and IAS 31 Interests in joint ventures: Amendment to certain disclosures in the notes is if such investments are recognised at fair value according to IAS 39.
• IAS 36 Impairment of assets: Certain disclosures in the notes must be presented in connection with write-down tests when discounted future cash flows are utilised to estimate fair value net of sales costs.
• IAS 38 Intangible assets: Costs of advertisements and measures to promote sales shall be charged to income at the time the product is available for companies or when the service is received.
• IAS 39 Financial instruments - Recognition and measurement:
o The amendment in the utilisation of a derivative, when allocating the derivative as a hedging instrument or when hedging expires, is not to be considered as a reclassification. Derivatives can therefore be included in or removed from the "fair value through profit and loss" category after initial recognition.
o When recalculating amortised cost pursuant to IAS 39.AG8 for an instrument which is or has been subject to fair value hedging, the original effective interest rate must not be applied. Instead, an effective interest rate which takes into consideration the impact of hedging is to be applied.
o The reference to "segment" has been removed in relation to allocation and documentation of hedging items.
• IAS 40 Investment property: Property under construction or development for future utilisation as investment property is covered by the range of application for IAS 40.

The group expects that the implementation of IFRS 8 will result in an amendment to the division of segments. In addition, IFRS 8 will result in changes to the measurement regulations for segment results, segment assets and segment liabilities. Apart from this, the group doest not expect implementation of the amendments listed above to have a significant impact on the consolidated accounts at the time for implementation.

e) Interpretations of existing standards that have not taken effect and which are not relevant for the group.

Amendment to IFRS 2 Share-based payment: Vesting conditions and cancellations
This amendment of IFRS 2 provides clear definitions of what are recovery terms and what are not. Furthermore, the amendment implies regulation of accounting of annulled rights in option schemes attributable to the fact that other terms than recovery terms are not fulfilled. Date of implementation for the amendment to IFRS 2 is 1 January 2009. The group plans to implement this amendment with effect from 1 January 2009.

Amendment to IAS 32 Financial instruments - presentation and IAS 1 Presentation of financial statements – Puttable Financial Instruments
The amendment to IAS 32 requires that certain written puts are to be classified as equity. The amendment to IAS 1 involves the requirement to provide relevant disclosure of this in the notes to the accounts. The date of implementation for these amendments to IAS 32 and IAS 1 is 1 January 2009, but they have still not been approved by the EU. The group plans to implement the amendment to IAS 32 and IAS 1 with effect from 1 January 2010.

IFRIC 12 – Service concession arrangements
IFRIC 12 applies to governmental service concession arrangements related to infrastructure awarded to private operators when the governmental authority regulates or controls the services to be performed by the operator, to whom the services are to be provided and at what price. The interpretation regulates how such schemes are to be recognised. The interpretation had a date for implementation of 1 January 2008, but had not been approved by the EU at that time. The interpretation has still not been approved but the EU has proposed an implementation date in the financial year starting after 31 December 2008. The group will implement the interpretation with effect from 1 January 2009.

IFRIC 15 – Agreements for the construction of real estate
The interpretation involves the accounting of property projects. It provides guidelines for which projects are to be regarded as construction contracts pursuant to IAS 11 and which are to be recognised according to IAS 18. The interpretation has implementation date on 1 January 2009 but has still not been approved by the EU. The group will implement IFRIC 15 with effect from 1 January 2010.

IFRIC 18 – Transfers of Assets from Customers
The interpretation involves accounting of assets which are transferred from the customers to providers of electricity, gas, water and telecommunications (utilities industry) and which are used to connect the customer to the suppliers' network and thereby ensure the capacity for future supplies of electricity, gas, water and telecommunications to these customers. The interpretation also involves cases where the supplier of such services receives cash from the customers to be applied to procure such assets. The interpretation is scheduled for implementation on 1 July 2009 but has still not been approved by the EU. The group will implement IFRIC 18 with effect from 1 January 2010.

Confirmation from the Board of Directors and CEO

We confirm that, to the best of our knowledge, that the financial statements for the period from 1 January to 31 December 2008 has been prepared in accordance with approved accounting standards and gives a true and fair view of the Group and the Company's consolidated assets, liabilities, financial position and results of operations, and that the Report of the Board of directors provides a true and fair view of the development and performance of the business and the position of the Group and the Company together with a description of the key risks and uncertainty factors that the company is facing.

Storebø, 22 April 2009

Helge Møgster
(Chairman)

Oddvar Stangeland

Wenche Kjølås

Britt Mjellem

Helge Singelstad

Mons Aase
(CEO)

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To the Annual Shareholders' Meeting of Dof ASA

Auditor's report for 2008

We have audited the annual financial statements of Dof ASA as of December 31, 2008, showing a profit of TNOK 549 097 for the parent company and a profit of TNOK 99 862 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 annual financial statements comprise the financial statements of the parent company and the group. The financial statements of the parent company comprise the balance sheet, the statements of income and cash flows, the statement of changes in equity and the accompanying notes. The financial statements of the group comprise the balance sheet, the statements of income and cash flows, the statement of changes in equity and the accompanying notes. International Financial Reporting Standards as adopted by the EU have been applied in the preparation of the financial statements. These financial statements 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 laws, regulations and auditing standards and practices generally accepted in Norway, including standards on auditing adopted by The Norwegian Institute of Public Accountants. These auditing standards 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 the law and regulations and give a true and fair view of the financial position of the Company and the Group as of December 31, 2008 and the results of its operations and its cash flows and the changes in equity for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU
- the company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of accounting information in accordance with the law and good bookkeeping practice 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 are consistent with the financial statements and comply with the law and regulations

Bergen, April 22 2009
PricewaterhouseCoopers AS

Sturle Døsen
State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only.

AGM	Annual general meeting
AHTS	Anchor Handling Tug Supply vessel
ASA	Public limited company in Norway
B/B (bareboat charter)	Agreement for charter of vessel where vessel's operating expenses are covered by charterer
CB	Closing balance
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Charter party (C/P)	Charter agreement for hire vessel
COO	Chief Operations Officer
CSV	Construction Support Vessel
CTO	Chief Technical Officer
EUR	Euro
FRC	First Reserve Corporation
GBP	British pound
HR	Human resources
HSE	Health, safety and the environment
IFRS	International Financial Reporting Standards
IRM	Inspection, repair and maintenance
ISM	International management code for safe operation of ships
ISO 14001/ISO 9001:2000	International standards related to environment and quality
JV	Joint venture
LOI	Letter of intent
MNOK	Million Norwegian Kroner
MPSV	Multi-purpose offshore support vessel
NOK	Norwegian kroner
NSO	Norskan Offshore Ltda.
OB	Opening balance
OSEBX	Oslo Stock Exchange Benchmark Index
PSV	Platform Supply vessel
Q	Quarter
QHSE	Quality, health, safety and the environment
R$	Brazilian Real (currency of Brazil)
ROV	Remote operated vehicle - diving robot for inspection and maintenance work
RSV	ROV Support Vessel
TC	Time charter
USD/US$/$	American dollar

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