DDI HOLDING AS

HALF YEARLY REPORT

01.04.2010 – 30.09.2010

DDI Holding AS

Board Report for Half-Year Ended 30 September 2010

Nature and place of business

The Company is a long term financial and strategic investor in the oil- and offshore industry. Through its subsidiaries, the Company owns and operates eight new build jack-up rigs (built in 2006 or later). The main office has its registered address at Gyldenloeves gate in Kristiansand.

Going concern

In accordance with the Accounting law's § 3-3, it is hereby confirmed that the going concern assumption is fulfilled, and forms the basis for the preparation of the annual accounts.

Working environment and gender equality

The Group believes that employees' performance can only flourish in a sound work environment. DDI Holding AS ("DDIH") Group is committed to supporting its working environment through systems and policies that foster open communication, maintain employee and partner privacy, and assure employee equality. The group's objective is to be a working place where there is full equality between genders. There shall be no discrimination between genders on issues such as salary, promotions and recruitment.

Environment

Operating drilling rigs is a business that is associated with risks for negatively impacting the environment, especially during accidents. The rigs operated by the company comply with all international regulations aimed at limiting and reducing the risks for polluting the environment. The company is aiming at being a frontrunner in relation to safety and reliable operations.

The Group's activities in the half year ended 30 September 2010 have not caused pollution or released substances harmful to the external environment beyond what is normal for this type of activity.

Financials

Group

The Group had a net income of TUSD60,942 for the half year ended 30 September 2010 as compared to TUSD11,255 in the half year ended 30 September 2009. Contract drilling revenue had increased by 16% as 4 of the Jack-Ups that remained stack from May 2009 till July-August 2009 were in operations for period April to September 2010.

The Group is likely to pay off short-term debt as of 30.09.2010 with its liquid assets. The Group is likely to repay the installments of bonds falling due in the year ending March 2011 from the operational cash flows.

Financial Risk

Currency Risk

The Group's functional currency is USD. All the contracts entered into for deployment of rigs are in USD. Most of the Group's borrowings are also in USD, except for some bond loans, which are denominated in NOK. The Management is monitoring the currency fluctuations closely to minimize exposure to the currency risk.

Liquidity Risk

The Board has ensured adequate funds to meet its operating and debt obligations in the form of continuing credit facilities with financial institutions.

Interest rate risk

One of the bond loan is based on floating rates. Almost all of the Group's bank loans are based on floating rates with USD LIBOR as the benchmark. The Group is actively considering hedging the resultant floating rate risk at an appropriate time.

Market outlook

The Group currently has existing contracts for all the 8 Jack-Up rigs. The average contractual period for the rigs within the group is about 2-3 years from balance sheet date.

Presently, the day rate for special capability jack-up rig is around USD 100,000-130,000.

We confirm that, to the best of our knowledge, that the financials for the period from 1 April 2010 to 30 September 2010 has been prepared in accordance with approved accounting standards and gives a true and fair view of the Group'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.

Kristiansand, 23rd November 2010

Geir Worum	P. Venkateswaran
Chairman	Board member
Martin Jaehn	Tom Mikkelsen
Board member	CEO

Condensed consolidated interim income statement

Amounts in USD 1 000	Six months ended 30 September 2010	Six months ended 30 September 2009	Twelve months ended 31 March 2010
Contract drilling revenues	158,826	136,663	264,469
Reimbursables	8,805	-	6,565
Other gain	-	10	29
Total income	167,631	136,674	271,063
Rig operating expenses	42,543	44,376	88,042
Reimbursables	1,842	-	5,291
Depreciation and amortization	24,197	23,707	47,854
Sales, General and Administration	1,987	2,009	4,728
Total operating expenses	70,570	70,092	145,915
Income from operations	97,061	66,582	125,148
Share of result (loss) in Joint Ventures	(87)	(3,206)	(7,962)
Net financial income (expenses)	(29,589)	(46,409)	(86,428)
Income (loss) before tax	67,385	16,967	30,758
Tax	(6,443)	(5,712)	(9,519)
Net income (loss) for the period	**60,942**	**11,255**	**21,239**
Basic and diluted earnings per share	2.08	0.38	0.73
Weighted average shares outstanding (000)	29,250	29,250	29,250

Condensed consolidated statement of comprehensive income

Amounts in USD 1 000	Six months ended 30 September 2010	Six months ended 30 September 2009	Twelve months ended 31 March 2010
Net income (loss)	60,942	11,255	21,239
Available-for-sale financial assets	-	-	-
Total comprehensive income	60,942	11,255	21,239

SHARES	Six months ended 30 September 2010	Six months ended 30 September 2009	Twelve months ended 31 March 2010
Number of shares	29,251,000	29,251,000	29,251,000
Average number of shares	29,251,000	29,251,000	29,251,000
Number of shares by full conversion	29,251,000	29,251,000	29,251,000

(All amounts in USD thousands unless otherwise stated)

Condensed consolidated interim balance sheet

Amounts in USD 1 000	30 September 2010	30 September 2009	31 March 2010
ASSETS			
Non - current assets			
Rigs and rigs under construction	1,116,620	1,160,329	1,137,997
Other non current assets	141,260	179,385	100,888
Total non - current assets	**1,257,880**	**1,339,713**	**1,238,885**
Current assets			
Trade receivables	96,604	76,014	69,502
Inventory	23,562	24,019	24,774
Prepayments and other receivables	9,687	34,768	12,058
Cash and bank deposits	47,786	6,512	6,953
Total current assets	**177,639**	**141,312**	**113,287**
Total assets	**1,435,519**	**1,481,025**	**1,352,173**

Equity and Liabilities

Shareholders' equity			
Share capital	433,188	433,188	433,188
Share premium	61,889	61,889	61,889
Retained earnings	(26,849)	(97,774)	(87,791)
Total shareholders equity	**468,228**	**397,303**	**407,286**
Non - current liabilities			
Deferred income tax	2,440	2,440	2,440
Bond loans	403,975	476,345	416,601
Bank borrowings	321,583	300,377	262,556
Other non-current liabilities	104,138	106,593	59,281
Total non-current liabilities	**832,136**	**885,756**	**740,878**
Current liabilities			
Trade creditors	19,809	38,093	16,220
Bond loans (current portion)	75,000	75,000	75,000
Short term bank loan	3,655	44,769	72,945
Current tax liability	21,113	16,079	12,793
Other current liabilities	15,576	24,025	27,050
Total current liabilities	**135,154**	**197,966**	**204,008**
Total equity and liabilities	**1,435,519**	**1,481,025**	**1,352,173**

Condensed consolidated interim financial information
DDI Holding Group - 30 September 2010
(All amounts in USD thousands unless otherwise stated)

STATEMENT OF MOVEMENT IN EQUITY	Six months ended 30 September 2010	Six months ended 30 September 2009	Twelve months ended 31 March 2010
Equity - opening balance	407,286	386,047	386,047
Profit and loss	60,942	11,255	21,239
Equity - closing balance	468,228	397,303	407,286

(All amounts in USD thousands unless otherwise stated)

CASH FLOW STATEMENT	Six months ended 30 September 2010	Six months ended 30 September 2009	Twelve months ended 31 March 2010
Cashflow from operating activities	66,052	2,007	42,810
Cashflow from investment activities	(2,330)	(2,170)	51,052
Cashflow from financing activities	(22,889)	(17,068)	(110,651)
Net cashflow in the period	40,833	(17,230)	(16,789)
Cash and cash equiv. beginning of period	6,953	23,742	23,742
Cash and cash equivivalents end of period	47,786	6,512	6,953
Restricted cash and cash equivalents end of period	5,436	5,500	5,473

Selected notes to the condensed consolidated interim financial information

Note 1 - General information

DDI Holding AS (the Company) and its subsidiaries (collectively the Group) is a long-term financial and strategic investor in the oil and offshore industry. The Group's activities involve construction and operations of jack-up drilling rigs and drill ships. DDI Holding AS is registered and domiciled in Norway with its' headquarter based in Kristiansand.

Sinvest AS owns 100% of DDI Holding AS. DDI Holding AS listed 4 bond loans at Oslo Stock Exchange on 26 February 2007.

The condensed consolidated interim financial information was appoved for issue on xxx.

Note 2 - Basis of preparation

The Group prepares its financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. As of 30 September 2010 there are no differences as regard to policies adopted by the Group and International Financial Standards ("IFRS"), as issued by the international Accounting Standards Board.

This condensed interim financial information for the six-month period ended 30 September 2010 has been prepared in accordance with IAS 34, 'Interim financial reporting. The Interim condensed financial report should be read in conjuntion with the annual financial statements for the year ended 31 March 2010.

The figures as of 31 March 2010 are audited. The condensed interim financial information for the six-month period ended 30 September 2010 are unaudited.

Note 3 - Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 March 2010, as described in the annual financial statements for the year ended 31 March 2010.

Note 4 Judgments, estimates and assumptions

In applying the accounting policies, management makes judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revision of accounting estimates are recognised in the period in which the estimate is revised if the revision affects only the period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of uncertainty in the estimates were consistent with those applied in the consolidated financial statements for the period ended 31 March 2010.

Note 5 - Segment

A business segment is a part of the enterprise that supplies services that are subject to risk and return that differs from other business segments. A geographical segment is a part of the enterprise that supplies services that are subject to risks and returns that are different from segments operating in other economic environments.

According to the Group's internal financial reporting systems, business segments are the primary basis for segmentation. Based on IAS 14, the Company considers that the entire Group's operations constitute a single business segment which involves construction and operation of jack-up drillings rigs. The drilling activities are currently based only in Asia, and it's not relevant with geographical segments.