

DDI HOLDINGS AS

HALF YEARLY REPORT

01.04.2009 – 30.09.2009

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DDI Holding AS

Board Report for Half-Year Ended 30 September 2009

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 Holdings AS ("DDIH") Group is committed to support its working environment through systems and policies that fosters open communication, maintains employee and partners privacy, and assures 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 Group is aiming to be the frontrunner in relation to safety and reliable operations.

The Group's activities in the half year ended 30 September 2009 had 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 TUSD11,255 for the half year ended 30 September 2009 as compared to TUSD86,893 in the half year ended 30 September 2008. Contract drilling revenue had fallen by 25% as 4 of the contracts ended in April-May 2009 and 4 of the Jack-Ups remained stack till July-August in the first half of 2009.

The Group is likely to pay off short-term debt as of 30.09.2009 with its liquid assets. The Group is likely to repay the installments of bonds falling due in the year ending March 2010 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 Company considers the currency risk to be very low.

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 rate with USD LIBOR as the benchmark. The Group is actively considering hedging the resultant floating rate risk at an appropriate time.

DDI Holding AS

Market outlook

The market had been soft but the Group had still successfully secured contracts for 4 of the Jack-Up rigs during the year.

Presently, the day rate for special capability new build jack-up rig is around USD 130,000-160,000. Due to the stability of oil prices around USD 80 per barrel, there has been some tendering activity / bilateral discussions of late. Regions like Middle East and Latin America are showing improvement in activity.

The Group has 8 Rigs in total out of which 6 are already in operations under existing contracts. The Group is in active discussions to deploy the remaining 2 of its rigs. Since our fleet is young, we are confident of deploying the assets.

We confirm that, to the best of our knowledge, that the financials for the period from 1 April 2009 to 30 September 2009 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, 26 November 2009

Geir Worum

Chairman

P. Venkateswaran

Board member

Martin Jaehn

Board member

Tom Mikkelsen

CEO

Condensed consolidated interim financial information
DDI Holding Group - 30 September 2009
 (All amounts in USD thousands unless otherwise stated)

Condensed consolidated interim income statement

Amounts in USD 1 000	Six months ended 30 September 2009	Six months ended 30 September 2008	Twelve months ended 31 March 2009
Contract drilling revenues	136,663	182,668	364,094
Reimbursables	-	10,240	15,386
Other gain	10	(5)	353
Total income	136,674	192,904	379,832
Rig operating expenses	44,376	62,074	108,219
Reimbursables	-	-	12,134
Depreciation and amortization	23,707	13,959	32,782
Sales, General and Administration	2,009	3,431	7,653
Total operating expenses	70,082	79,464	160,788
Income from operations	66,582	113,440	219,044
Share of result (loss) in Joint Ventures	(3,206)	(856)	(3,924)
Net financial income (expenses)	(46,409)	(15,910)	(34,622)
Income (loss) before tax	16,967	96,673	180,496
Tax	(5,712)	(9,780)	(19,193)
Net income (loss) for the period	11,255	86,893	161,305
Basic and diluted earnings per share	0.38	2.97	5.51
Weighted average shares outstanding (000)	29,250	29,250	29,250

Condensed consolidated interim financial information
DDI Holding Group - 30 September 2009
 (All amounts in USD thousands unless otherwise stated)

Condensed consolidated interim balance sheet

Amounts in USD 1 000	30 September 2009	30 September 2008	31 March 2009
ASSETS			
Non - current assets			
Rigs and rigs under construction	1,160,329	1,117,783	1,181,866
Other non current assets	179,385	122,099	169,611
Total non - current assets	1,339,713	1,239,882	1,351,477
Current assets			
Trade receivables	76,014	103,672	42,028
Inventory	24,019	20,415	22,544
Prepayments and other receivables	34,768	10,881	20,722
Cash and bank deposits	6,512	15,142	23,742
Total current assets	141,312	150,110	109,036
Total assets	1,481,025	1,389,992	1,460,513
Equity and Liabilities			
Shareholders' equity			
Share capital	433,188	433,188	433,188
Share premium	61,889	61,889	61,889
Retained earnings	(97,774)	(183,442)	(109,030)
Total shareholders equity	397,303	311,635	386,047
Non - current liabilities			
Bond loans	476,345	547,299	480,160
Bank borrowings	300,377	322,221	302,662
Other non-current liabilities	106,593	75,548	92,357
Total non-current liabilities	883,316	945,068	875,179
Current liabilities			
Trade creditors	38,093	7,275	5,032
Bond loans (current portion)	75,000	45,000	75,000
Short term bank loan	44,769	3,655	55,737
Current tax liability	16,079	10,497	13,278
Other current liabilities	26,465	66,862	50,240
Total current liabilities	200,406	133,289	199,287
Total equity and liabilities	1,481,025	1,389,992	1,460,513

Condensed consolidated interim financial information
DDI Holding Group - 30 September 2009
(All amounts in USD thousands unless otherwise stated)

STATEMENT OF MOVEMENT IN EQUITY	Six months ended 30 September 2009	Six months ended 30 September 2008	Twelve months ended 31 March 2009
Equity - opening balance	386,047	224,742	224,742
Profit and loss	11,255	86,893	161,305
Equity - closing balance	397,303	311,635	386,047

Condensed consolidated interim financial information
DDI Holding Group - 30 September 2009
 (All amounts in USD thousands unless otherwise stated)

CASH FLOW STATEMENT	Six months ended 30 September 2009	Six months ended 30 September 2008	Twelve months ended 31 March 2009
Cashflow from operating activities	2,007	58,840	286,605
Cashflow from investment activities	(2,170)	(98,612)	(347,572)
Cashflow from financing activities	(17,068)	(8,694)	21,101
Net cashflow in the period	(17,230)	(48,466)	(39,866)
Cash and cash equiv. beginning of period	23,742	63,608	63,608
Cash and cash equivalents end of period	6,512	15,142	23,742
Restricted cash and cash equivalents end of period	5,500	8,501	6,812

Condensed consolidated financial information
DDI Holding Group - 30 September 2009
(All amounts in USD thousands unless otherwise stated)

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 approved for issue on 26 November 2009.

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 2009 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 2009 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The Interim condensed financial report should be read in conjunction with the annual financial statements for the year ended 31 March 2009.

The figures as of 31 March 2009 are audited. The condensed interim financial information for the six-month period ended 30 September 2009 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 2009, as described in the annual financial statements for the year ended 31 March 2009.

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 2009.

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.