

SINVEST AS

HALF YEARLY REPORT

01.04.2009 – 30.09.2009

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Sinvest 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). In addition, the Company has 50% interest in a joint venture in a company that has a bareboat charter for a drillship. 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. SINVEST AS 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 TUSD25,305 for the half year ended 30 September 2009 as compared to TUSD97,583 in the half year ended 30 September 2008. Contract drilling revenue had fallen by 33% 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 meet the repayment of the bonds falling due in December 2009 by way of operational cash flows, refinancing and support from the parent.

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 Group has hedged some of its NOK denominated bond loans into USD. The Company considers the currency risk to be very low.

Liquidity Risk

The Group has ensured that adequate funds to meet all its debts and liabilities have been secured and are in the process of negotiation for securing the repayment of bonds falling due in December 2009.

Interest rate risk

Two of the bond loans are based on floating rates. Almost all of the Group's bank loans are also 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.

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 USD130,000-160,000. Due to the stability of oil prices around USD 80 per barrel, there has been

Sinvest AS

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 financial statements 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.

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 with a description of the key risks and uncertainty factors that is faced by the Group.

At the date of this statement, there are reasonable grounds to believe that with the financial support of the Ultimate holding corporation, the Group will be able to pay its debts as and when they fall due.

Kristiansand, 26 November 2009

Geir Worum
Chairman

Reji Abraham
Board member

Martin Jaehn
Board member

Tom Mikkelsen
CEO

P. Venkateswaran
Board member

Condensed consolidated interim financial information
Sinvest 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	203,427	382,946
Reimbursables	-	10,350	15,561
Other gain	903	406	1,613
Total income	137,566	214,184	400,119
Rig operating expenses	44,264	81,782	136,862
Reimbursables	-	-	12,134
Depreciation and amortization	23,717	31,500	98,408
Sales, General and Administration	2,611	6,645	11,172
Total operating expenses	70,591	119,927	258,576
Income from operations	66,975	94,257	141,544
Share of result (loss) in Joint Ventures	14,605	11,337	24,225
Net financial income (loss)	(50,562)	2,514	12,584
Income (loss) before tax	31,017	108,108	178,353
Tax	(5,712)	(10,524)	(20,099)
Net income (loss) for the period	25,305	97,583	158,254
Earnings per share	0.42	1.61	2.61
Weighted average shares outstanding (000)	60,705	60,705	60,705

Condensed consolidated interim financial information
Sinvest 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	1,160,313	1,165,886	1,181,866
Machinery & Equipment	73	76	66
Investment in Joint Ventures	61,988	68,436	71,978
Other non current assets	179,340	122,073	198,911
Total non - current assets	1,401,714	1,356,471	1,452,821
Current assets			
Trade receivables	86,812	109,180	42,761
Inventory	24,019	22,510	22,544
Prepayments and other receivables	34,770	14,874	21,901
Derivative financial instruments	32,809	-	-
Available-for-sale investments	2,618	23,204	3,893
Cash and cash equivalents	41,167	63,412	35,547
Total current assets	222,196	233,180	126,646
Total assets	1,623,910	1,589,651	1,579,467
Equity and Liabilities			
Shareholders' equity			
Share capital	53,972	53,972	53,972
Share premium	82,598	82,598	82,598
Other Equity	286,165	219,738	262,134
Total shareholders equity	422,735	356,308	398,704
Non - current liabilities			
Bond loans	476,345	716,570	480,160
Bank borrowings	313,105	355,668	323,566
Other non-current liabilities	13,694	8,541	11,609
Total non-current liabilities	803,145	1,080,779	815,335
Current liabilities			
Trade creditors	43,039	13,553	5,634
Bond loan (current portion)	250,544	45,000	221,943
Short term bank loan	53,131	3,655	64,098
Tax liabilities	16,079	11,289	13,278
Other current liabilities	35,236	79,067	60,475
Total current liabilities	398,030	152,564	365,428
Total equity and liabilities	1,623,910	1,589,651	1,579,467

Condensed consolidated interim financial information
Sinvest 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	398,704	273,845	273,845
Revaluation - financial assets available for sale	(1,274)	(15,120)	(33,395)
Profit/(loss) for the period	25,305	97,583	158,254
Equity - closing balance	422,735	356,308	398,704

Condensed consolidated interim financial information
Sinvest 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	4,425	94,191	255,897
Cashflow from investment activities	(2,163)	(100,496)	(325,998)
Cashflow from financing activities	3,359	(10,806)	25,125
Net cashflow in the period	5,620	(17,111)	(44,976)
Cash and cash equiv. beginning of period	35,547	80,523	80,523
Cash and cash equivalents end of period	41,167	63,412	35,547
Restricted cash and cash equivalents end of period	39,387	55,419	18,273

Condensed consolidated financial information
Sinvest 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

Sinvest 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. Sinvest AS is registered and domiciled in Norway with its headquarter based in Kristiansand. The company was listed on Oslo Stock Exchange until 29 March 2007.

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.