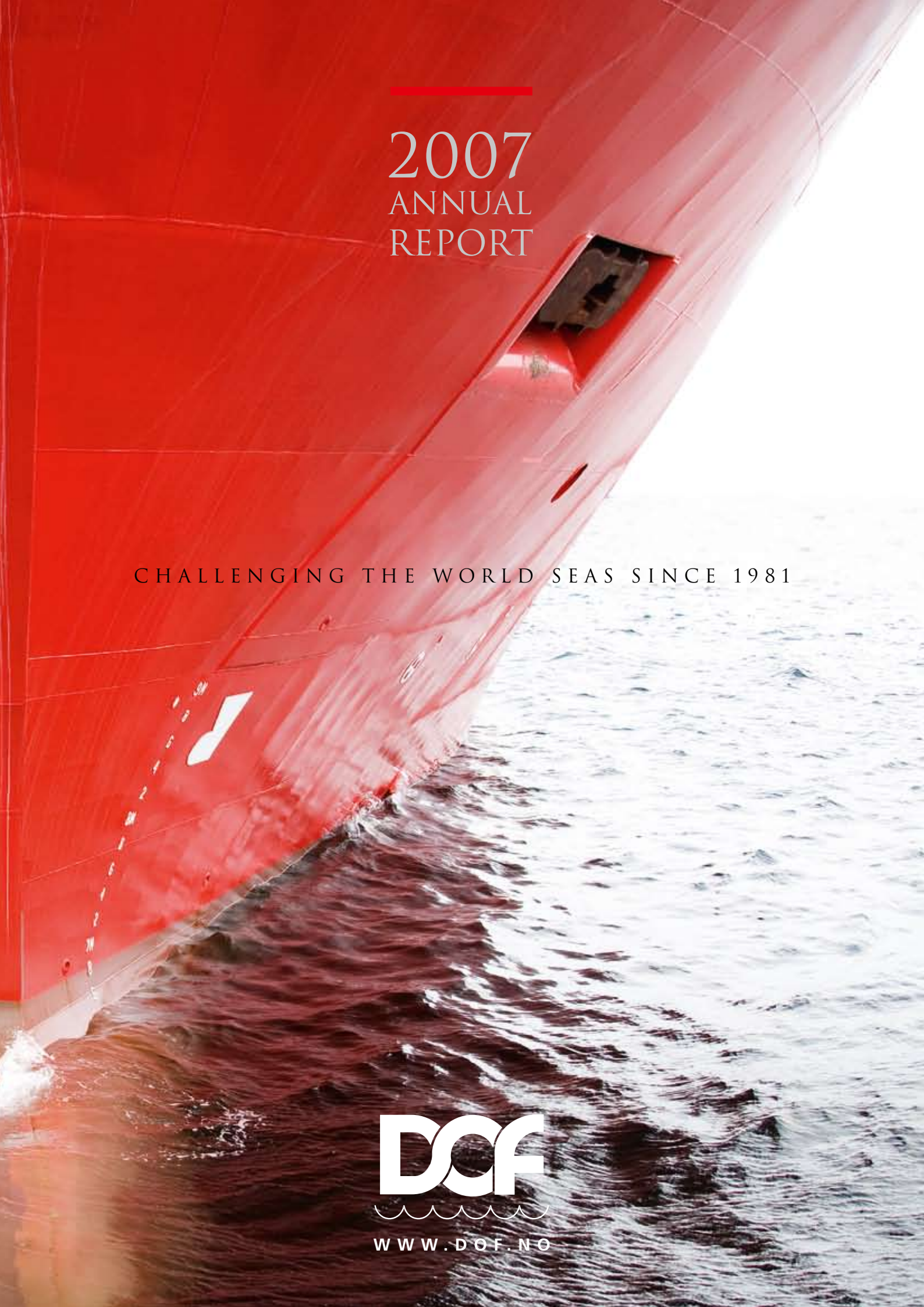


2007 ANNUAL REPORT

CHALLENGING THE WORLD SEAS SINCE 1981

DOF

WWW.DOF.NO



The world seas are some of the most unpredictable and least explored areas on our planet. The face of the sea might be calm and beautiful and in the next second rough and overwhelming. And when exploring the deep sea we are entering the unknown and perhaps some of the most hostile environments on earth. Our seamen experience this every day as a part of their work.

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 fleet which currently comprises 67 vessels, including newbuildings and ships operated by subsidiaries. We are also one of the world's leading and most experienced suppliers of services to the subsea market.

We have offices all over the world and close to all major oil and gas regions.


St Petersburg
Kairo
Manila
Singapore
Brunei
Jakarta
Perth

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Business concept:
DOF's business concept is to engage in long-term, industry-related offshore activities.

Vision:
DOF aims to be the preferred supplier of offshore 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.



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Skandi Fjord

Built	1983/85
Design	TMV 4000
LOA	88,10 m
Breadth	18,45 m
Draught	4,97 m
DWT	1951 t
Accommodation	31 persons
History	Skandi Fjord was the largest vessel in its segment when delivered in 1983. Anders A. Waage, current CEO in DOF Management, was the first captain on Skandi Fjord.
Contract	With Halliburton since 1985



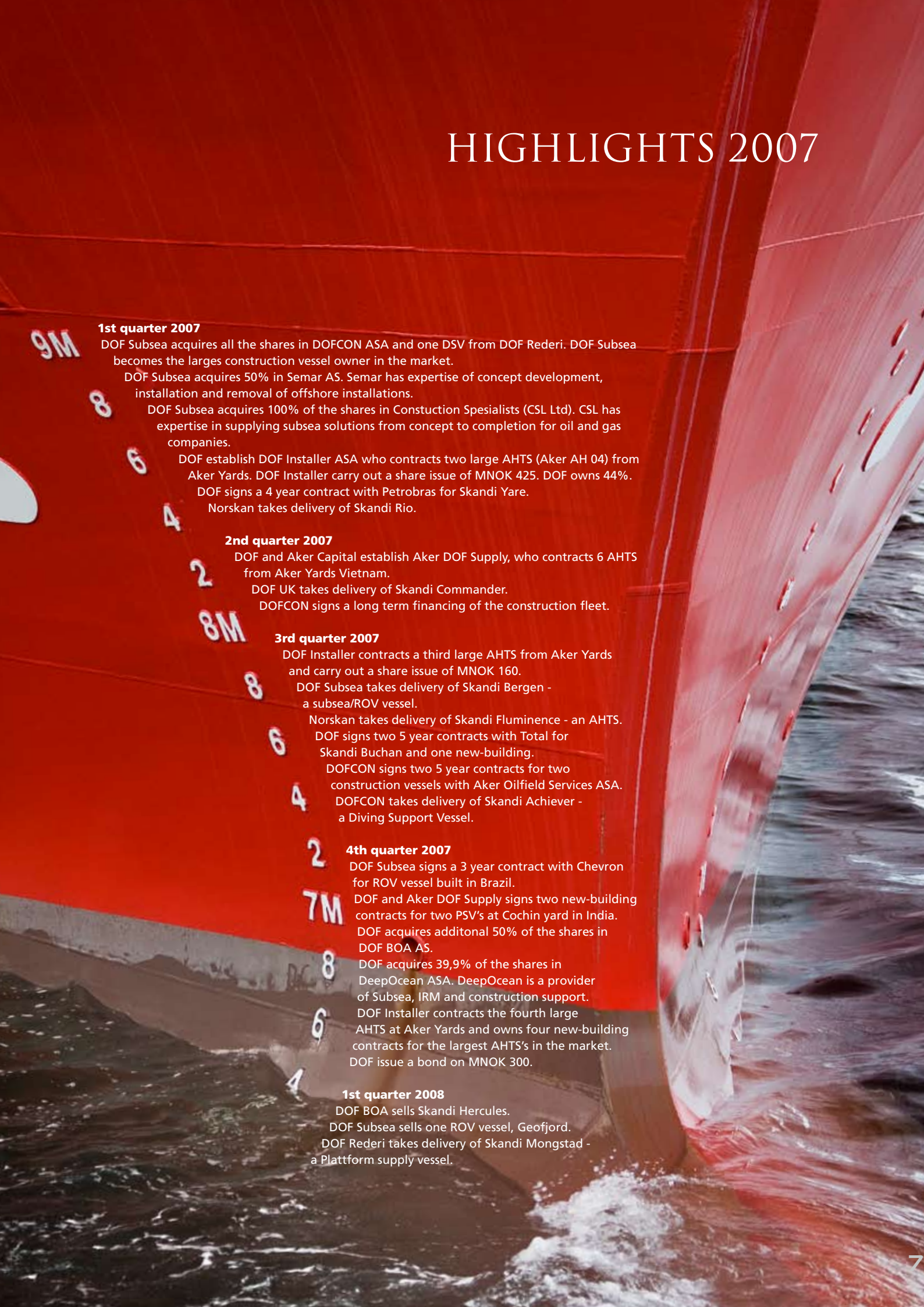
KEY FIGURES 2007

Amounts in NOK 1 000		2007	2006	2005
From the income statement				
Operating revenues		3 454 381	3 010 878	1 583 567
Operating expenses		-2 225 155	-1 718 747	-821 627
Operating profit before depreciation		1 229 226	1 292 131	761 940
Odinary depreciation		-529 791	-417 010	-356 421
Operating profit		699 435	875 121	405 519
Financial expenses		-36 755	-148 688	-148 110
Pre-tax profit		662 680	726 433	257 409
Result of the year	**	221 894	657 181	240 879
Minority Interest		47 953	207 712	20 936
From the balance sheet				
Vessel and other capital assets		13 829 212	8 147 789	6 000 770
Current assets		2 912 520	2 492 974	2 024 279
Total assets		**16 741 732**	**10 640 763**	**8 025 048**
Equity		4 554 786	3 290 860	2 059 899
Long-term liabilities		10 563 296	5 877 554	5 087 005
Short-term liabilities		1 623 650	1 472 349	878 144
Total liabilities and equity		**16 741 732**	**10 640 763**	**8 025 048**
Key ratios				
Net cash flow	1	877 868	1 166 303	613 830
Current ratio	2	1,95	1,79	2,31
Equity ratio	3	27%	31%	26%
Operation margin	4	36%	43%	48%
Return on equity	5	5%	20%	12%
Average no. of shares		**82 767 975**	**75 579 663**	**75 377 175**
Earnings per share	6	2,68	5,95	2,92
Net cash flow per share	7	10,61	15,43	8,14

** tonnage tax MNOK 325

1) Profit + depreciation +/- unlealised foreign exchange loss/gain
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) Pre-tax profit+ result minority interest/average number of shares
7) Cash flow item 1/average number of shares

HIGHLIGHTS 2007



1st quarter 2007

DOF Subsea acquires all the shares in DOFCON ASA and one DSV from DOF Rederi. DOF Subsea becomes the larges construction vessel owner in the market.

DOF Subsea acquires 50% in Semar AS. Semar has expertise of concept development, installation and removal of offshore installations.

DOF Subsea acquires 100% of the shares in Constuction Spesialists (CSL Ltd). CSL has expertise in supplying subsea solutions from concept to completion for oil and gas companies.

DOF establish DOF Installer ASA who contracts two large AHTS (Aker AH 04) from Aker Yards. DOF Installer carry out a share issue of MNOK 425. DOF owns 44%.

DOF signs a 4 year contract with Petrobras for Skandi Yare.

Norskan takes delivery of Skandi Rio.

2nd quarter 2007

DOF and Aker Capital establish Aker DOF Supply, who contracts 6 AHTS from Aker Yards Vietnam.

DOF UK takes delivery of Skandi Commander.

DOFCON signs a long term financing of the construction fleet.

3rd quarter 2007

DOF Installer contracts a third large AHTS from Aker Yards and carry out a share issue of MNOK 160.

DOF Subsea takes delivery of Skandi Bergen - a subsea/ROV vessel.

Norskan takes delivery of Skandi Fluminence - an AHTS.

DOF signs two 5 year contracts with Total for Skandi Buchan and one new-building.

DOFCON signs two 5 year contracts for two construction vessels with Aker Oilfield Services ASA.

DOFCON takes delivery of Skandi Achiever - a Diving Support Vessel.

4th quarter 2007

DOF Subsea signs a 3 year contract with Chevron for ROV vessel built in Brazil.

DOF and Aker DOF Supply signs two new-building contracts for two PSV's at Cochin yard in India.

DOF acquires additonal 50% of the shares in DOF BOA AS.

DOF acquires 39,9% of the shares in DeepOcean ASA. DeepOcean is a provider of Subsea, IRM and construction support.

DOF Installer contracts the fourth large AHTS at Aker Yards and owns four new-building contracts for the largest AHTS's in the market.

DOF issue a bond on MNOK 300.

1st quarter 2008

DOF BOA sells Skandi Hercules.

DOF Subsea sells one ROV vessel, Geofjord.

DOF Rederi takes delivery of Skandi Mongstad - a Plattform supply vessel.

THE WAY AHEAD



Throughout 2007 the DOF group took further steps to achieve its goal of being a leading global player in the area of offshore supply, surveys, IRM and construction support.

We have ordered a number of vessels and secured several new long-term contracts. DOF Subsea's contract with Chevron in Brazil and DOF Subsea's contract with Aker Oilfield Services' for the first SESV on contract with Petrobras in Brazil are both milestones in the development of DOF Subsea.

Similarly, the supply segment's new long-term contracts with companies such as Total UK, StatoilHydro, Petrobras and Shell are extremely gratifying.

Among the most important orders placed for newbuildings in 2007 were those for four large construction and anchor handling vessels for DOF Installer ASA. We have also decided to focus on the offshore supply market in Asia. Together with DOF Management in Singapore we have ordered a total of 8 vessels in Vietnam and India. These vessels will enable us to establish a position in the growing deep water market in Asia.

Expertise is perhaps the most sought-after commodity in our market, and with DOF Subsea's acquisition of CSL and Semar we have strengthened our engineering competence. We have also purchased a 39.9% shareholding in DeepOcean based on the view that coordination of the activities of DOF Subsea and DeepOcean is correct from an industrial perspective. It remains to be seen whether this can be achieved.

The DOF group has more than 2000 employees, and they are our most valuable resource. We are the preferred supplier for a number of oil companies, and it is especially gratifying that Petrobras has declared Norskan in Brazil to be the best supplier within our industry. It is the skill of all of our employees that enables us to attain such a unique position.

The life and health of our employees and customers are a main concern, but injuries still occur within the industry. In response to this, we at DOF will be placing an even stronger focus on long-term initiatives in the area of QHSE.

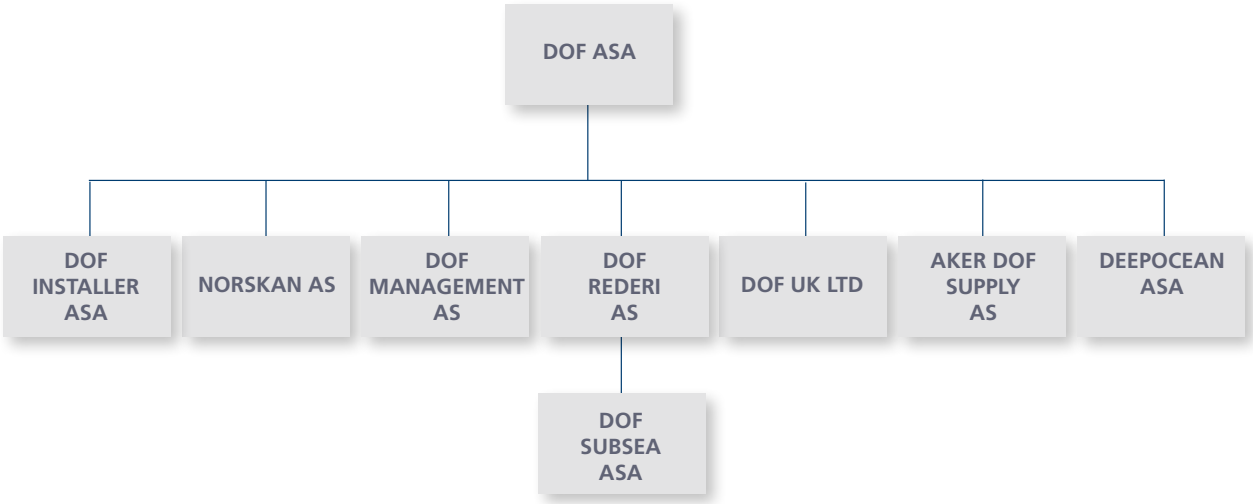


Mons Aase
CEO

THIS IS DOF ASA



DOF ASA focuses on long-term relations with all business partners. Shell is the largest contractor in the DOF system in relation to number of vessels in operation. The first DOF vessel to be chartered by Shell was the Skandi Falcon in 1994 and now DOF ASA has seven vessels on long term charters with the oil and gas major. Six of those operate in the UK sector of the North Sea, representing 75% of Shell's UK fleet. The other works for Norske Shell in the Norwegian sector.



DOF was founded in 1981 and is today an international group of companies which owns and operates a modern fleet of offshore-/subsea vessels and owns engineering capacity to service the subsea market.

The main objectives for DOF are to:

- **engage in long-term, industry-related offshore activities**
- **further develop our position as a leading supplier of offshore services with a focus on high quality and cost-effective operations**
- **achieve our objectives by means of a balanced chartering strategy with emphasis on long-term contract coverage, in order to ensure a conservative risk profile and satisfactory cash flow**
- **continue to focus on the environment and initiatives towards technical systems for environmentally-friendly vessel concepts**

The DOF group operates within three different segments in relation to strategic types of activities and vessel types. The groups technical diversified fleet consists of innovative vessels specialized for their operational purpose. **Platform Supply Vessel** (PSV), **Anchor Handling Tug Supply Vessel** (AHTS) and **Construction Support Vessel/Subsea ROV Vessel** (CSV).

Platform Supply Vessels transport oilfield products and supplies to offshore drilling and production facilities. These vessels have highly professional personnel, they are well equipped, environmentally friendly, and have a strong safety focus among its personnel. Our Platform Supply Vessels are mostly operating on long term contracts – supporting platforms world wide.

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 Anchor Handling Tug Supply Vessels are crewed by highly professional personnel and operate on long term contracts in different waters world wide.

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



Skandi Sotra (PSV)



Skandi Admiral (AHTS)



Skandi Achiever (OCSV)

The DOF fleet per April 2008

The diversified DOF fleet is owned by the following companies:

	PSV	AHTS	ROV/OCSV/DVS	Total fleet
DOF ASA	21	4	2	27
NORSKAN OFFSHORE	2	4	0	6
DOF SUBSEA ASA	0	0	23	23
DOF INSTALLER ASA	0	4	0	4
AKER DOF SUPPLY	1	6	0	7
Total Fleet	**24**	**18**	**25**	**67**

The main fleet of PSV's and AHTS are owned directly or via 100% owned subsidiaries of DOF ASA. Historically the major part of this fleet have worked in the North Sea.

Norskan Offshore Ltda represents the DOF group's activity in Brazil and owns and operates 6 vessels all built in Brazil. In addition Norskan is the management company for all the group's vessel operations in this region and that includes 7 vessels and 3 new-buildings under construction. The vessels under construction are owned by DOF Subsea and represents advanced construction support vessels. 2007 was a busy year for the Brazilian operation. Norskan took delivery of two new-buildings and were awarded new contracts and in addition two of the new-buildings were awarded long term contracts. The Brazilian activity is expected to grow the next few years.



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



Skandi Bergen (OCSV)

DOF SUBSEA ASA was founded in the spring of 2005 and listed on the Oslo Stock Exchange in November the same year. Since its inception, the group has developed into a world-wide supplier of subsea services with presence in all the major offshore hubs in the world.

Core business is the execution of complex subsea operations down to depths of 4000 meters using our own vessels. In total, the DOF Subsea group employs more than 800 skilled subsea engineers worldwide, 23 offshore vessels (9 under construction), 1 near shore vessel, 40 ROV systems, 1 AUV/UUV system, and 11 diving spreads.

DOF Subsea is a supplier of subsea services, including but not limited to seabed mapping, survey, repair and maintenance of subsea structures, construction support and engineering. Our vision is for DOF Subsea to be the preferred supplier of these services in Norway, Great Britain, West Africa, The Gulf of Mexico, Brazil and Australasia. The group wants to focus on high-tech areas in order to provide the optimal return on invested capital. The group believes that the highest returns will be achieved through continuously focusing on and developing DOF Subsea's core competence.

DOF Subsea Norway, a subsidiary of DOF Subsea ASA, is a leading subsea services and survey company in the North Sea. DOF Subsea Norway has the "know how" needed to perform the most complex tasks as well as sufficient capacity and flexibility to meet the demands of large projects and the constantly changing levels of activity that characterizes the industry.

DOF Subsea Asia Pacific was established by DOF Subsea in Singapore and Australia in 2005. In support of our increasing level of operations, DOF Subsea Asia Pacific has expanded tremendously; growing from 5 in 2005 to approx 100 employees in 2007, with a strong focus on survey and construction -/diving operations.

DOF Subsea UK (Geo Century UK) was acquired in 2005 and had approx. 100 engineers in operation at year end 2007. DOF Subsea UK are spesialists in providing positioning control in support of field installation projects from shallow fields to ultra-deep developments.

The group has further strengthened its engineering and surveying capabilities through the acquisition of SEMAR and CSL. SEMAR is a company that since its inception has acquired comprehensive experience within concept development, design, installation and removal of marine structures. CSL is delivering subsea developments from concept to completion for oil and gas operators worldwide.

DOFCON AS is a wholly owned subsidiary of DOF Subsea ASA. DOFCON has seven large "state of the art" construction support vessels under construction, whereof six with long-term contracts. DOFCON was acquired in 2007 and after this aqcuisition DOF Subsea own the largest fleet of construction support vessels in the Market.

DOF Installer ASA owns a fleet consisting of 4 "state of the art" 108 x 24 m AHTS, with extreme capacities, presently under construction with planned deliveries from 2009 - 2011. All these vessels with 350 t Bollard Pull are of the "Aker 04 CD" design, especially made to perform towing of large floating rigs, anchor handling and setting suction anchors on large depths. In addition all vessels have ROV-hangars and are equipped with 250 t offshore cranes.



Aker DOF Supply AS is a joint venture owned 50/50 by DOF and Aker Capital. The company has 6 AHTS in order to be built at Aker Yards in Vietnam and one PSV at Cochin in India. Expected delivery is from 2010 - 2012.

DOF ASA acquired 39.9% in **DeepOcean ASA** in December 2007. DeepOcean offers services to the subsea market, including IRM, survey & construction support and trenching. DeepOcean has strong presence in the North Sea Market and in the Mexico Gulf and controls a fleet of 19 vessels (including 6 to be delivered in 2008 - 2009), a ROV fleet of 15 and 2 module handling systems.



The DOF team is comprised of a family of top professionals in their individual area of expertise. Without them we cannot maintain nor create success which we have enjoyed so far. DOF is a company which understands that people with the right attitude and vision make the success stories of tomorrow.

Employees per 31.12.07 (offshore and offshore) in the DOF group of companies: App. 2.200 people, including freelancers.

DOF Management AS provides ship management for the total fleet. DOF Management employs the skilled people who perform the ship-management of the DOF owned vessels and has the experience and knowledge how to operate the vessels according the owners and our client's demands. By systematic development of the company's expertise and services we expect the company to remain the preferred supplier to the major operators within our market segments.

The company has a strong focus on Quality, Health, Safety and Environment, and is an ISO 9001:2000 and ISO 14001:2004 certified company. DOF Management is based at Storebø and Bergen and has part of its management operated from Aberdeen via DOF UK. Ltd.

Qualified employees are essential to ensure further success

Highly qualified personnel are essential to how DOF shall succeed as a group. 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. DOF recognizes the need of new recruitment, and is always interested in getting in contact with the best marine employees in the market. DOF will be the preferred company for all marine employees, and offers the best career opportunities for people who want to work in an international and challenging field of expertise.

It is our policy to offer trainee positions for qualified Apprentices, Cadets and Junior officers, and ensure them employment to the highest marine level. We will give all individuals a professional development during training and job experience according to all standards – both national and international – and internal requirements, and ensure equal carrier opportunities based on qualifications, performance and safety attitude.

In 2007 DOF Management Pte in Singapore was established to handle the expected growth in South East Asia.

DOF Management AS will be a leader in the field of Quality, Health, Safety and Environmental (QHSE) issues by systematically promoting these areas in the execution of all activities and operations.

Governing objectives:

- No personnel will be subjected to illness or injury through working for the company.
- The risk of property damage to vessel and equipment shall be minimized to achieve the overall objective of zero off hire.
- The risk of environmental incidents and spills shall be minimized and environmental impact from the operation of the vessels shall be kept as low as practicable possible.

The QHSE Policy describes how DOF will achieve the governing objectives.

Since 1995 DOF Management AS (vessel owner) has been certified according to International Safety Management (ISM) Code. From summer 2002, DOF have been certified to the NS-EN ISO 9001 and NS-EN ISO 14001 standards (latest editions), in addition to the ISM code. DOF's Quality Management System, is an integrated system which covers all elements in the ISM code, ISO 9001- and ISO 14001 standard. In addition, the International Ship- and Port Facility Security (ISPS) Code, was implemented in 2004.



DOF Management AS is certified according to the ISO 14001 (environmental standard).

This means that DOF will work hard to reduce the impact on the environment in our operation of the ships, not only by avoiding uncontrolled spills but also by focusing on long term effects - that we have a continous process of mapping our "environmental sins"and prioritize where we will put our effort to reduce the impact on the enviroment

Oil rigs are among the largest structures made by man. Every day thousands of people worldwide have their work at these mega-structures at sea. To operate an oil rig enormous amounts of supplies have to be delivered from land.

DOF provides the capacity to support them!


Skandi Barra


Skandi Buchan


Skandi Caledonia


Skandi Captain


Skandi Chieftain


Skandi Commander


Skandi Falcon


Skandi Foula


Skandi Hav


Skandi Leblon


Skandi Marstein


Skandi Mongstad


Skandi Rona


Skandi Sotra


Skandi Stolmen

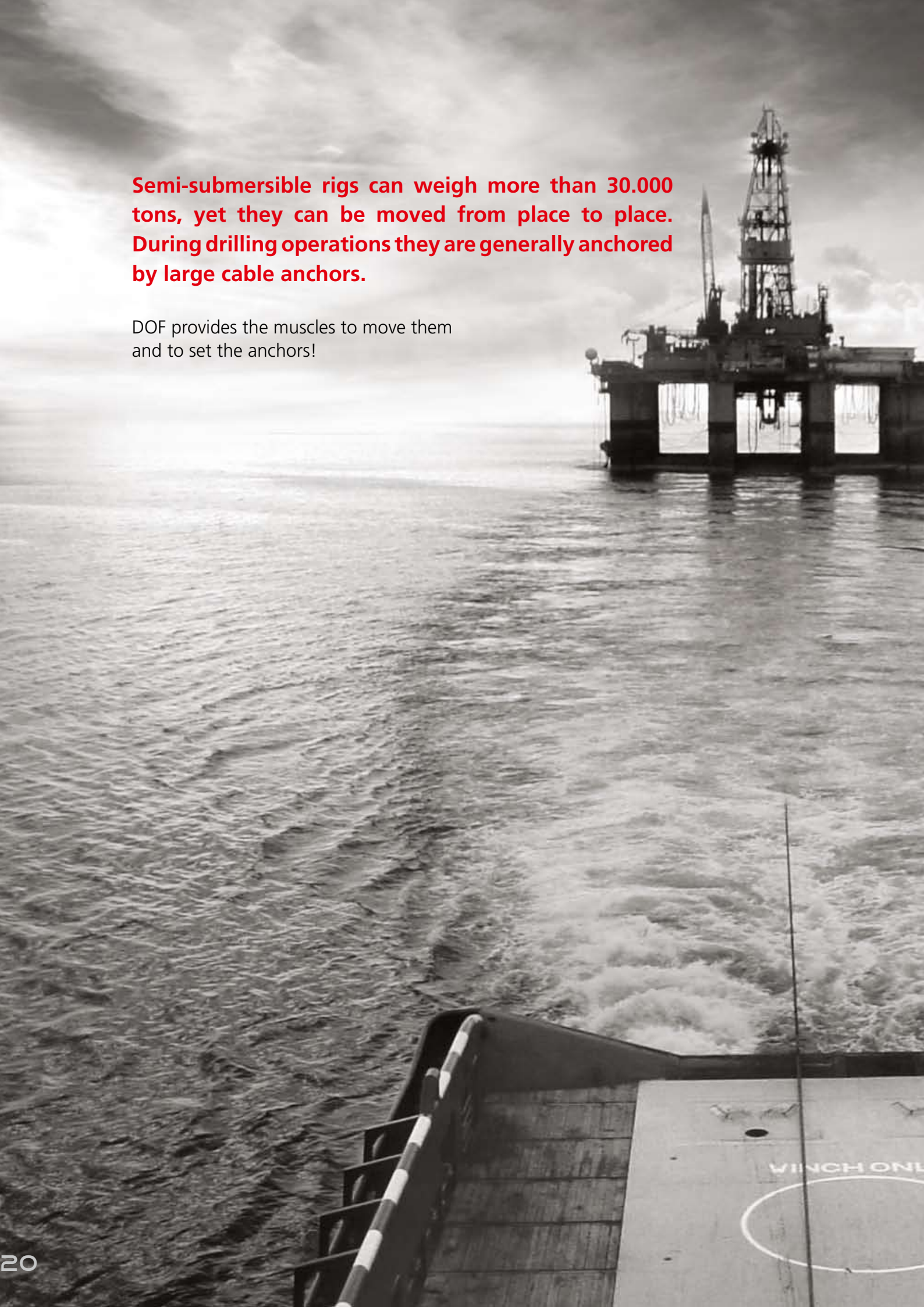

Skandi Texel


Skandi Waveney (B/B IN)


Skandi Yare


Norskan Flamengo





Semi-submersible rigs can weigh more than 30.000 tons, yet they can be moved from place to place. During drilling operations they are generally anchored by large cable anchors.

DOF provides the muscles to move them and to set the anchors!


Skandi Admiral


Skandi Giant


Skandi Fluminence


Skandi Møgster


Skandi Rio

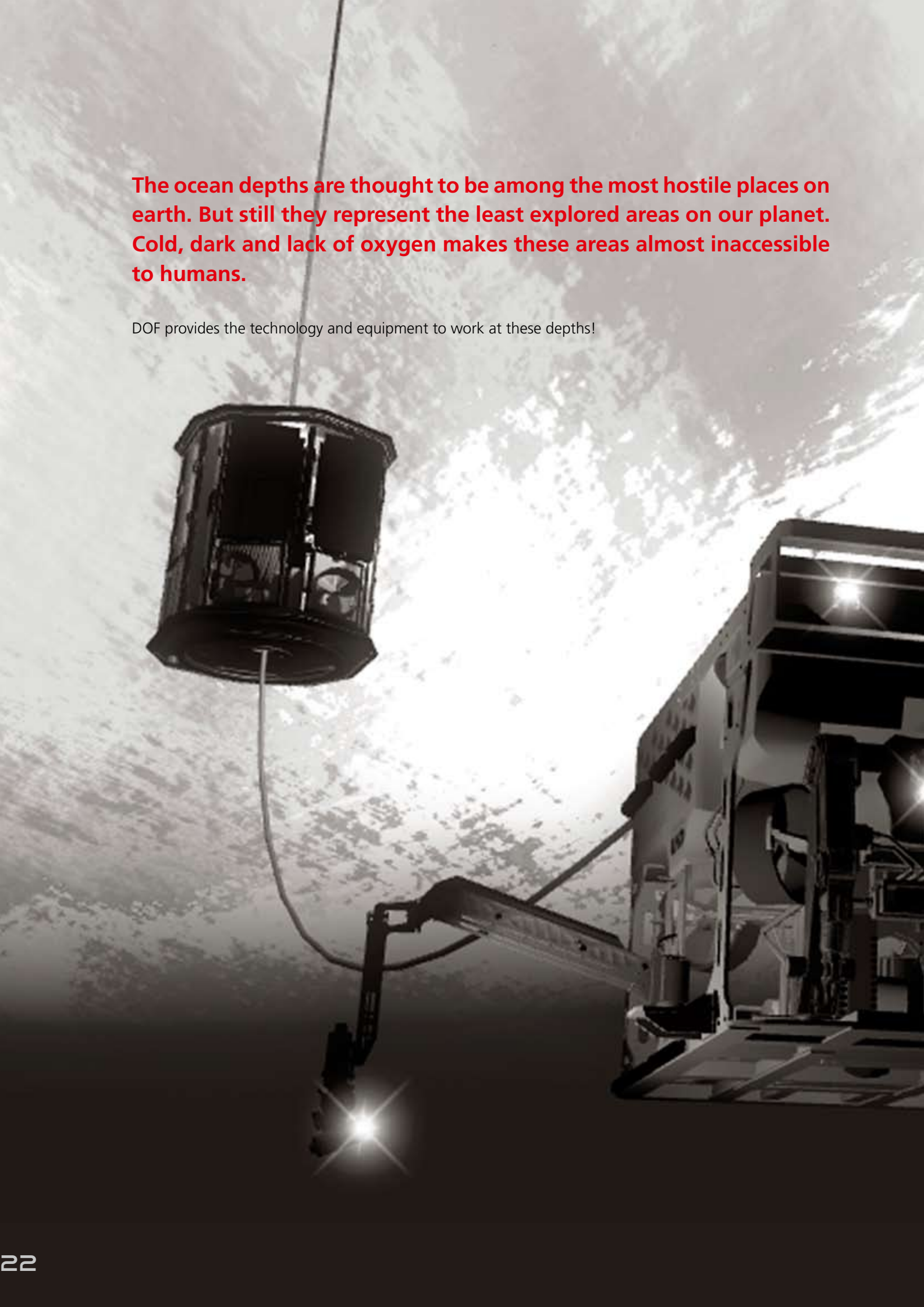

Skandi Stord


Norskan Botafogo


Norskan Copacabana

The ocean depths are thought to be among the most hostile places on earth. But still they represent the least explored areas on our planet. Cold, dark and lack of oxygen makes these areas almost inaccessible to humans.

DOF provides the technology and equipment to work at these depths!




Geobay


Geofjord


Geograph


Geoholm


Geosea


Geosounder


Geosund


Geo Challenger


Geowave Commander


Geowave Master


Skandi Achiever


Skandi Bergen


Skandi Carla


Skandi Fjord


Skandi Inspector


Skandi Navica


Skandi Neptune

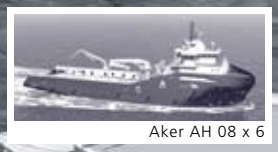

Skandi Patagonia

Being in front in ship engineering and operation requires the most skilled employees, the best partners and utilisation of the most up-to-date and most environmental friendly technology available.

DOF provides the market with the most modern vessels!


Aker PSV 06 LNG x 1


Aker AH 04 x 4


Aker AH 08 x 6


Aker OSCV 03 x 2


Aker OSCV 06 x 2


Aker OSCV 06L x 3


Aker PSV 06 CD x 1


Aker PSV 09 CD x 2


Aker ROV 06 x 1


Vik-Sandvik PSV 470 MKII x 2

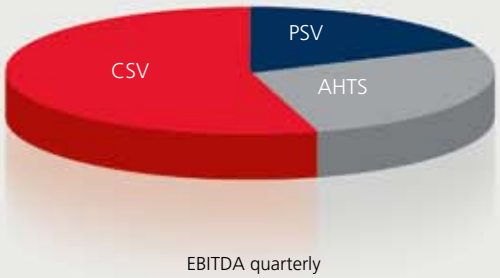

Aker DSV 06 x 1

Newbuilding #705

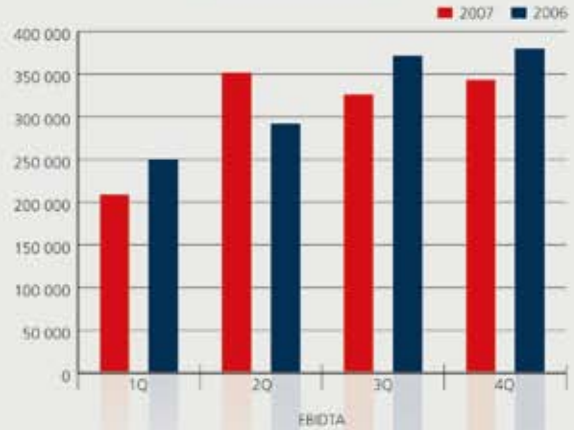
Design	AKER OSCV 06L
LOA	56.9 m
LPP	137.7 m
Breadth	27.0 m
Max draft	8.5 m
DWT	11000 t
Deck cranes	1 x 400 t 1 x 50 t Workin moonpool
ROV facilities	Advanced ROV system, ROV moonpol
Prepared for	Oilwell intervention
Accommodation	140 persons
Delivery	May 2009


AKER
OILFIELD
SERVICES

EBITDA per segment 31.12.2007



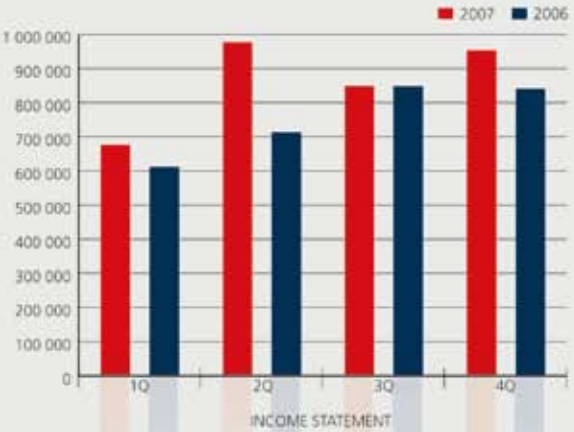
EBITDA quarterly



Revenue per segment 31.12.2007



Revenue quarterly



ANALYTICAL INFORMATION

The DOF group operates within three different business segment related to types of vessels and activities. The major part of all revenues are based on day rates and the group is less exposed on epic contracts. The results and cash flow of DOF can be influenced by a number of variable factors and variance in types of business segments and in particular related to the subsea activity. The company policy is to manage all risks and to reduce the major risks are related to changes in currency rates, interest rates and break down on 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 that will reduce the negative effects of such changes.

Segments

The group earnings structure are divided in three segments; PSV, AHTS and CSV. In addition the groups earnings structure can be divided into two categories: 1) Vessels operating on TC (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 PSV and AHTS and part of the CSV. All vessels under category two are under CSV segment and are owned and operated by DOF Subsea. Earnings from these vessels can vary from project to project. These vessels are used as operating vehicles which serve as plattforms for a range of equipment and personnel needed for various services offered by DOF Subsea. In addition part of DOF Subsea's business are revenues which do not include own vessels and the margins on these projects vary from vessels operations. Based on the complexity in its business DOF Subsea will report the engineering services in two separate segment as from 1st quarter 2008.

Comments to operating result

Operating revenue

DOF group's revenue in 2007 amounted to MNOK 3 454,4 compared to MNOK 3 010,9 in 2006. The growth in revenue is more vessels in operation in 2007. The group took delivery of 6 vessels and sold one vessel in 2007. Based on average number of vessels in operation in 2007 the group operated 3 more vessels compared to 2006. Total revenues from vessel operations in 2007 was MNOK 2 730 and total revenue from engineering acitivity was MNOK 724. DOF Subsea acquired two engineering companies in 2007 and they contributed with MNOK 215 in revenue for the year. DOF acquired additional 50% in DOF BOA and the revenue reflects full consolidation from October 2007. In connection with the DOF BOA acquisition a badwill of MNOK 56 was included in the revenue for 2007. The groups gain from sale of vessels in 2007 was MNOK 87 and MNOK 163 in 2006.

Operating costs

Total operating costs in 2007 were MNOK 2 754,9 compared to MNOK 2 135,8 in 2006 which is an cost increase of approx 29%. The increase in costs is driven by operation of more vessels and acquisition of new activities. Depreciation costs increased from MNOK 417,0 in 2006 to MNOK 529,8 in 2007. The salary costs have increased with approx 17% and also reflects the growth in acitivty and that the two engineering companies basically included acquisition of new personnel.

Operating profit before depreciation (EBITDA) amounting to MNOK 1 229,2 (1 292,1) and operating profit amounted to MNOK 669,4 (NOK 875,1). The reduction in Ebitda can be explained by several factors. One reason is high pressure in the employee- and contractor market and in the supplier market. The subsidiary DOF Subsea has repositioned part of the fleet during 2007 and have lost income on these vessels due to steaming to new regions. Margins have also been effected by currency fluctuations. Approx. 70% of the group's revenues are in foreign currency.

Result of the year

Net financial result totalled -MNOK 36.8 (-MNOK 148,7). Net financial result has been effected by unrealized gain on foreign currency mainly due to a strong NOK and changes in functional currency from USD to Reais for the Brazilian operation.
Tax costs totalled MNOK 440,8 (MNOK 69,2). MNOK 326 of the tax costs is related to tax due to the transition from the previous shipping tax regulations in Norway. Companies taxed under the shipping tax regulations in Norway, have in 2007 been taxed on withheld profits for the last ten years which were earned under the previous shipping tax regime. A third of the deferred tax can be withheld on condition that the group invests a similar amount in qualified environmental measures over the next 10 years. It will fall due for payment at the end of the 10 year period if sufficient qualifying environmental investments have not been made. The remaining two thirds shall be paid, in equal yearly installments during the same 10 year period. The total tax (3/3) is currently valued as a tax liability in the accounts in anticipation of final regulations governing the environmental share.

Comments to balance sheet

Assets

The group assets increased from MNOK 8 147,8 to MNOK 13 829,2 which is an increase of MNOK 5 681,2. The asset growth can be mainly be explained by investments in vessels and equipment and consolidation/acquisition of new activity. The group took delivery of six vessels in 2007 and sold one vessel. In addition the group has an extensive new-building program and has per 31 December 2007 paid MNOK 2 207 as instalments on new-buildings. The subsidiary DOF Subsea acquired all the shares in DOFCON in February 2007, which at purchase date owned 6 new-building contracts. In October DOF acquired additional 50% of the shares in DOF BOA and full consolidation was included from October 2007. Changes in assets from consolidation of new activity is MNOK 1 061,7. DOF acquired approx 40% in DeepOcean in December. Cash flow from investments in 2007 was MNOK 4 900,7 and from sale of assets MNOK 410.

Equity

The group equity increased by MNOK 3 290,9 to MNOK 4 554 8. MNOK 221,9 of the equity growth is derived from profit in 2007 of which MNOK 48,0 is booked as minority interest. The aqcuisition of DOFCON shares was paid as capital increase in DOF Subsea and the total effect on equity was MNOK 981,3. The group paid in 2007 a dividend of MNOK 82,0. Part of the acquisition of CSL was shares in DOF Subsea. The equity to assets ratio was 27% at year end 2007 compared to 31% in 2006. The equity ratio based on fair market value of the fleet was approx 50%.

Liabilities

The group's net-interest bearing debt amounted to MNOK 8 606,8 as of 31.12.2007 compared to MNOK 4 907,6 at year end 2006. The group's liabilities have increased as result of consolidation of new activity, acquisition of new companies and delivery of vessels. The group has an extensive new-building program. Capital unemployed as of 31.12.2007 was approx MNOK 3 200 and represents investments in new business which did not generate any revenues in 2007. The debt/equity ratio was 2,68 calculated on 31.12.07 and 2,23 in 2006.

Comments to the cash flow

The net cash flow from operations in 2007 was MNOK 877,8 (MNOK 788,2). This cash flow increase is explained by more vessels in operations compared to 2006.

Investments in activities show a negative cash flow effect of MNOK 4 642,3 whereof MNOK 3 554,8 are investments in fixed assets and MNOK 410 is sale of one vessel.

Financing activities show a positive cash flow effect of MNOK 4 071 whereof MNOK 4 872,5 is new long term debt and MNOK 675 are payments on long term debt. Working capital increased by MNOK 269 from MNOK 1 020 in 2006 to MNOK 1 289 in 2007. The change in working capital is driven by current assets (MNOK 420), mainly due to increase in cash of MNOK 307 and increase in trade receivables of MNOK 178. The increase in current assets of MNOK 151,3 is mainly due to other short term debts.

THE MARKET

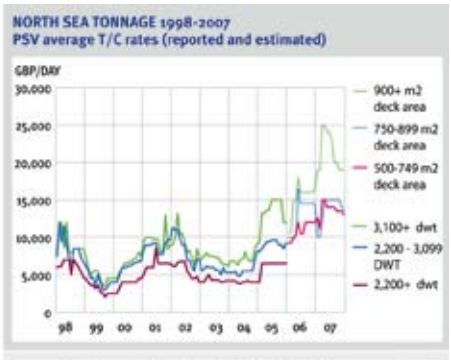
Despite more volatility in day rates and a great deal of speculation concerning impending oversupply, activity in the offshore support vessel market has remained high in 2007. North Sea spot rates, widely regarded as the best barometer of the supply vessel market, have remained on the same record level as the previous year. On the back of high day rates, shipowners have continued to vigorously procure offshore support tonnage at about the same rate as the previous year in order to meet an expected increase in demand as well as to meet a general need for fleet renewal. By the end of 2007, the market experienced a 20-25 percent increase in both newbuilding and second-hand sales prices compared with 2006, reflecting the continued robust demand for offshore support tonnage in general. Towards the end of 2007, oil broke the $100 per barrel barrier fuelled by soaring global oil demand, low reserve replacement and supply disruptions. With alternative sources of energy getting more political emphasis this past year but still not able to compete commercially, the exploration and production (E & P) spending of oil companies is expected to continue increasing and consequently reinforce demand for all types of offshore support tonnage. On the down-side, the US credit crisis and looming recession threaten to dampen world economic growth in general, including energy markets. Still, we are optimistic about the offshore support vessel market going forward and expect 2008 to be a year filled with continued high offshore activity. We expect the market to exhibit higher volatility as shipowners begin to place their newbuildings in the market by expanding geographically and taking advantage of offshore activities in growing regions such as West Africa and Southeast Asia. In addition, the market for offshore construction services is expected to grow rapidly with the many new offshore installations to be installed as well as inspection, maintenance and repair of older installations.

NORTH SEA CHARTERING. Overall, North Sea supply vessel fleet was a bit less tight than the previous record year. On average, utilization of the whole North Sea supply vessel fleet dipped from 95 percent in 2006 to 91 percent in 2007. PSVs enjoyed an average utilization of 97 percent during 2007 whereas utilization of AHTS was only about 86 percent on average. Last year, the average utilization of PSVs was also 97 percent. However, the average utilization for AHTS in 2006 was higher at 97 percent.

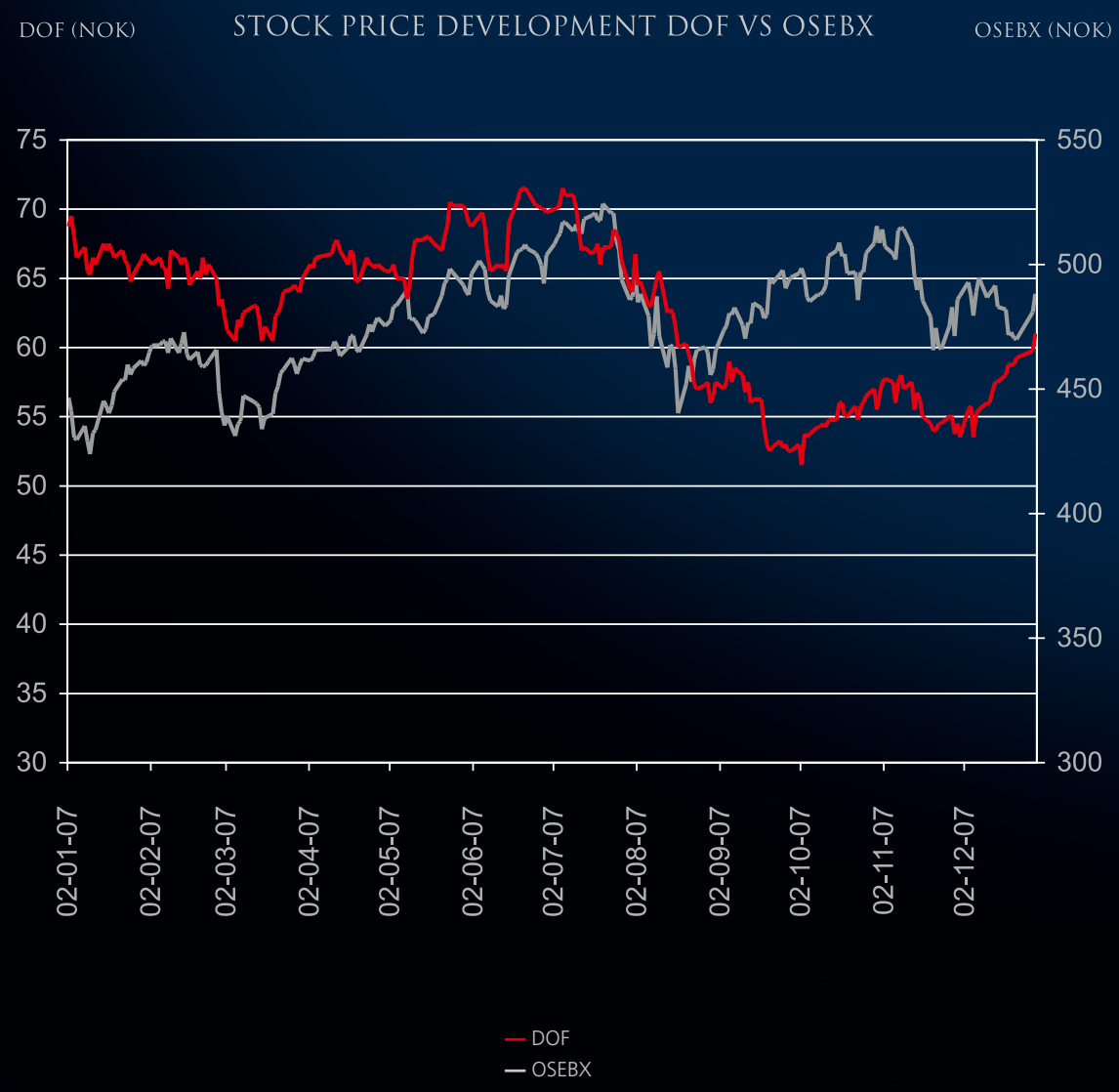
SALE & PURCHASE. Yet another year of record-high day rates, vessel newbuilding prices and second-hand values has passed. Never before has the offshore support vessel market seen more eager market contenders in hot pursuit to acquire offshore tonnage and reap their share of the enormous cash flow in the market.
Since second-hand values for some segments during 2007 escalated beyond newbuilding prices of similar tonnage, we expect the general appreciation of second-hand tonnage to stabilize or even slightly decrease during 2008. An unstable US dollar combined with further deliveries from Far Eastern and Norwegian shipyards will most likely not provide for the same level of growth as seen in 2006 and 2007.

CONSTRUCTION VESSELS. Overall, both the heavy and light construction markets are expected to continue rapidly expanding and planned construction activity indicates more than 50 percent growth in the period 2007 - 2010. We have not noted any slowdown in the day rates for 2008; on the contrary, owners and contractors are even more bullish in the rate indications for construction tonnage in the coming seasons. The market has reacted to this and new orders for purpose-built vessels are continuously being placed. As in 2007, we will see a significant growth in the construction fleet and activity in 2008.





SHAREHOLDER INFORMATION



Development of share price since listing

The Figure illustrates the development of the share price, and OSBEX from date 2 January to 31 December.

Shareholder structure

As of 31.12.07 the 20 largest shareholders owned approx 80% of the company's shares. The table below shows the 20 largest shareholders 31.12.07:

Name	No. shares	Voting shares
DOF HOLDING AS	42 012 250	50,76%
VERDIPAPIRFOND ODIN NORGE	5 477 800	6,62%
PARETO AKSJE NORGE	4 190 400	5,06%
SKAGEN VEKST	3 899 200	4,71%
PARETO AKTIV	1 793 600	2,17%
MP PENSJON	1 671 800	2,02%
ODIN OFFSHORE	1 500 000	1,81%
VESTERFJORD AS	873 650	1,06%
SKANDINAVISKA ENSKILDA BANKEN	815 112	0,98%
ADAX AS	740 200	0,89%
MUSTAD INDUSTRIER AS	529 500	0,64%
AKSJEFONDET ODIN NORGE II	83 600	0,58%
VERDIPAPIRFOND ODIN MARITIM	400 000	0,48%
VERDIPAPIRFONDET KLP AKSJENORGE	389 200	0,47%
NORDEA BANK PLC FINLAND	306 000	0,37%
PACTUM AS	300 000	0,36%
SPAREBANK 1 SR-BANK	294 562	0,36%
CITIBANK N.A.	291 427	0,35%
POSH AS	282 600	0,34%
NORDEA BANK SWEDEN AB (PUBL)	279 400	0,34%
Total	**66 530 301**	**80,38%**
Other shareholders	16 237 674	19,62%
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").

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. The Board has proposed to pay a dividend of NOK 1.50 per share for 2007. DOF ASA expects 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 2006, 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 2008, no later, however, than 15 May 2008.

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.

In the Board Meeting 11 Dec 2006 it was decided to increase the share Capital by 6.000.000 new shares, each with a nominal value of NOK 2.00.

Acquisition of own shares

In the General meeting 3 May 2007, 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 2008, no later however than 30 June 2008.

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 2008

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

15 May 2008	- Ordinary General Meeting
16 May 2008	- 1st quarter 2008
27 August 2008	- 2nd quarter 2008
06 November 2008	- 3rd quarter 2008
Ultimo February 2009	- 4th quarter 2008/2009

CORPORATE GOVERNANCE

1.1 Background

DOF ASA ("DOF" or the "company"), is the parent company in DOF's group of companies ("The group"), 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 29 August 2006 a 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 contain 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 continous 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 Norwegian 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 Corporate Governance 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.

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.

3. Equity and dividends

The company shall 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.

4. Equal treatment of shearholders 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.

5. Freely negotiable shares

Shares in listed companies must, in principle, be freely negotiable. Therefore, no form of restriction on negotiability of the company's shares shall be included in the company's Articles of Association.

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 the 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.

7. Nomination committee

The company shall 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 shall be included in the company's Articles of Association.

The members of the nomination committee should be selected to take into account the interest of shareholders in general. The majority of the committee should be independent of The Board of Directors and the Executive Management. 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 him/herself for re-election. The nomination committee should not include the company's CEO or any other member of the company's executive management.

The nomination committee's duties are to propose candidates for election to The Board of Directors and to propose remuneration to be paid to members of these bodies. The nominations committee shall give arguments for its recommendations.

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

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.

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.

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.

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.

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.

13. Information and communication

The Board of Directors shall 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.

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.

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 Board of Directors must report the remuneration paid to the auditor at the annual general meeting, including details of the fee paid for audit work and any fees paid for other specific assignments, provided such information is available at the time of the general meeting.

THE BOARD


Helge Møgster

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.
Holding board positions in several companies. He is the Chairman of DOF ASA and DOF Subsea ASA, both listed on Oslo Stock Exchange.


Ole Rasmus Møgster

Ole Rasmus Møgster
Board member

Born 1958. Ole Rasmus Møgster is a main owner in LACO AS, which is the main shareholder of DOF ASA and Austevoll Seafood ASA.
Mr Møgster was previously CEO of Austevoll Havfiske AS and has long experience from fish harvesting, fish processing and salmon farming.
Holding board positions in several companies. He is the Chairman of Austevoll Seafood ASA. Mr. Møgster ia a Master Mariner by education.


Britt Mjellem

Britt Mjellem
Board member

Born 1961. Britt Mjellem is Senior Sales Manager & Advisor in Bergen Banking ASA. Her background is from investment company and the shipbuilding industry. She has more than 20 years experience from investment management in the foreign exchange market.


Oddvar Stangeland

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

Wenche Kjølås
Board member

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


Mons Aase

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 from 2005. Mr. Aase's has various experience 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.

DIRECTORS' REPORT 2007

DOF ASA ("the company") owns and operates offshore vessels as well as engineering and service activities related to subsea operations. The activities of the DOF group ("the group") are divided into three main segments: PSV (platform supply vessels), AHTS (anchor handling tug supply vessels) and CSV/ROV (subsea/construction/seismic vessels and remotely operated underwater vehicles). The majority of the PSV and AHTS are owned through subsidiaries, while most of the CSV fleet and all of the engineering activities are owned through DOF Subsea ASA in which the company has a shareholding of approximately 54%.

The group experienced considerable growth in 2007 and at year-end it controlled a fleet of 67 vessels comprised as follows:

- 23 platform supply vessels (PSV)
- 19 anchor handling tug supply vessels (AHTS)
- 25 subsea/construction/seismic vessels and remotely operated underwater vehicles (CSV/ROV)

The group has offices in all five continents and is the main owner/co-owner of six service/engineering companies with frontline expertise in subsea/underwater operations. The head office is at Storebø in the municipality of Austevoll.

The group's business concept is to engage in long-term, industrial offshore activities and to be an international supplier of offshore services committed to maintaining a team of highly qualified personnel. The group has a balanced chartering strategy with the emphasis on long-term contract coverage for most of its activities.

Group activities in 2007

Supply PSV - AHTS

In June, the company's subsidiary DOF UK took delivery of a PSV which started on a long-term contract for Shell UK. The subsidiary in Brazil, Norskan Offshore Ltda., took delivery of two AHTS, one in February and the other in July. After delivery, both vessels started on long-term contracts for Petrobras. At year-end, the Norskan Offshore Ltda. fleet consisted of six vessels, - two PSV and four AHTS. Norskan has also taken over operational responsibility for an additional vessel owned by DOF Rederi following the contract won by this vessel in Brazil. Norskan also carries out building inspections of the newbuildings being built for DOF Subsea in Brazil.

In October the company took over the remaining 50% shareholding in DOF BOA AS. DOF BOA owns two AHTS which have been on long-term contracts in the Mediterranean since 2003 until January 2008.

In February the company established DOF Installer ASA for the purpose of owning large construction and anchor handling vessels. Following the establishment of the company, DOF Installer placed contracts for two large AHTS from Aker Yards ASA. The vessels are of the Aker AH 04 CD design type and will be outfitted with offshore cranes. They will be well suited for work in deeper water. In connection with these contracts, DOF Installer carried out a share issue for NOK 425 million and in the course of the year placed orders for a further two vessels of the same design as the first two, as well as carrying out a further share issue for NOK 160 million. The company owns approximately 46% of DOF Installer.

In June, the company established Aker DOF Supply AS as a 50/50 joint venture with Aker Capital. Aker DOF Supply has ordered six ATHS from Aker Yards in Vietnam and one PSV from Cochin in India. The vessels are due to be delivered in the period 2009-2012.

In October, the company ordered one PSV from Cochin in India with delivery in 2009. The number of newbuildings for the supply fleet totals 16, consisting of 10 AHTS and 6 PSV.

CSV - Subsea

As well as owning the largest and most modern fleet of construction vessels in the market, DOF Subsea owns 23 vessels in the CSV/ROV segment, and around 40 ROVs. Ten of the vessels and fifteen of the ROVs are under construction. DOF Subsea also owns several subsea/engineering companies which mainly provide services related to surveys, construction, IRM (inspection and maintenance), and diving. DOF Subsea has a 25% shareholding in Aker Oilfield Services ASA which is establishing a business in the area of well intervention.

In February 2007 DOF Subsea ASA purchased a 100% shareholding in DOFCON ASA as well as a diving vessel from DOF Rederi. DOF Subsea is thus the owner of a fleet of 8 newbuildings, 5 of which have employment on long-term contracts. In July DOF Subsea secured a further two long-term contracts for two of the DOFCON vessels.

In 2007 DOF Subsea took delivery of the diving ship Skandi Achiever and the ROV vessel Skandi Bergen, both of which started on long-term contracts on delivery.

DOF Subsea has three large vessels under construction in Brazil, two of which are owned through DOFCON. At the start of 2007 employment had been secured for one of these vessels, while a long-term contract was secured by DOF Subsea for one more vessel in October.

A seismic vessel, Geomaster, was sold by DOF Subsea in May.

During the year, DOF Subsea acquired two engineering companies, CSL in Aberdeen and Semar in Norway.

In December the company acquired a 39.9% shareholding in DeepOcean ASA. DeepOcean provides underwater services, including IRM services, survey and construction services, and seabed trenching. DeepOcean is strongly represented in both the North Sea and the Gulf of Mexico and controls a fleet of 13 vessels, most of which have been leased on TC.

Health, environment and safety

The main goals of activities in the area of Quality, Health, Environment and Safety are to prevent occupational injuries and illnesses, ensure that there is a good working environment, increase awareness and control of environmental factors and achieve a high degree of operational regularity. DOF Management AS has had ISM code certification since 1995, and both ISO 9001 and ISO 14001 certification since June 2002. Since the summer of 2007 there has been an ongoing process aimed at harmonising/revising the governing documentation in the area QHES in connection with the amalgamation with Geoshipping AS. Significant work has been done in this connection to ensure that there is uniform practice throughout the entire fleet.

The number of recorded cases of absence due to injuries fell (injuries entailing absence per 1,000,000 exposed working hours) from 4.16 in 2006 to 3.16 in 2007, while the number of injuries on a total recordable case frequency (TRCF) basis has risen from 4.86 to 6.13.

The number of reported incidents was up in 2007, providing us with additional experience and a basis for the implementation of further preventive steps. As always, the challenge is to learn from experience and ensure that the same events do not happen again. There is also a growing awareness among the workforce in general, as reflected in the increasing number of Safety

Observations. By ensuring that minor events and actions are also reported it is possible to take steps to prevent accidents from happening. The goal of zero injuries remains, and the company continues to work on developing and improving the long-term initiatives to this end that have been established in recent years, and where management involvement and a focus on the individual employee's influence on HES results are key elements. Instruction and training will continue to play an important role, and various steps are being taken to develop the programme, including the use of a Safety Coacher and strengthening of the Safety Delegate function.

External environment

Eight occurrences concerning the external environment were reported in 2007. The events in question involved discharges of oil/oily fluids or chemicals into the sea, the largest of which was a discharge of 50 litres in connection with bunkering operations at CCB. The port authorities were notified and remedial action was taken immediately.

In December, DOF carried out a survey of customer satisfaction and 8 out of 16 customers replied to the questionnaire. The results were slightly below the 2006 level and steps are being taken to improve communications as the main way of improving increasing the level of satisfaction.

The goal of 0 offhire has been difficult to achieve, mainly because of delays related to docking and shipyard work.
The activities planned for 2007 are described in a separate QHES Plan and a programme of measures has been established covering all aspects of QHES work. Continued commitment at all levels will make the greatest contribution to progress in this area.

Working environment

The incidence of sick leave stood at 4.8%, reflecting a slight improvement on the figure of 5.2% recorded in 2006. At year-en 2007 the group had around 2 200 employees. The level of activity in the offshore market was even higher in 2007, mainly as a result of an expansive newbuilding programme. Both in Norway and internationally there is very fierce competition for the same manpower, including seamen and subsea/ROV personnel. As a result, the main challenge is the recruitment of competent personnel in the coming years and the establishment of stability among our own employees.

Equality

One of the group's goals is to ensure that it offers equal opportunities to both men and women. The proportion of female employees onboard vessels has been traditionally low. However, the company has set itself the goal of gradually increasing the number of female crew members. Female employees make up approximately 40% of the shore-based administration, and the board has three male and two female members.

Consolidated accounts

The consolidated accounts are prepared in accordance with International Financial Reporting Standards (IFRS), incorporating the present IFRS standards and interpretation of the accounts. Amendments of standards and interpretations may result in other figures. The same accounting principles and methods of calculation applied in previous annual reports have been applied in the accounts for 2007.

Group revenues in 2007 totalled NOK 3 454.4 million (3 010.9 million) while the operating profit was NOK 699.4 million (875.1 million). The operating profit includes a sales gain of approximately NOK 165 million in 2006 and NOK 80 million in 2007. Badwill of NOK 56 million was posted in the profit and loss account in the fourth quarter. Net financial items in 2007 totalled NOK -36,8 million (-148.7 million) which includes profits of NOK 42,7 mill (64.9 million) from associated companies. There were major fluctuations in exchange rates throughout the year, with strengthening of NOK, especially in relation to USD and GBP. This resulted in a lower operating profit and an improved financial result. The net unrealised result of foreign currency transactions was a gain of NOK 314.6 million (- 22.9 million). The profit for the year after tax was NOK 221.9 million (NOK 2.10 per share), against NOK 657.2 million (NOK 5.43 per share) in the previous year. The cash flow (pre-tax profit, unrealised loss on foreign exchange and depreciation) amounted to NOK 877.9 million (1 166.3 million).

The lower profit was mainly due additional shipping tax which was charged in the accounts. In connection with the transition to a new shipping tax regime, the Norwegian Parliament has decided that shipowning companies subject to the old tonnage tax must pay tax on income that was previously not taxable. This tax obligation consists of an environmental part (one third) and a payable part (two thirds). The tax payable must be paid over a 10-year period. Payment of the environmental part lapses if the company invests in approved environmental initiatives within a period of ten years. The DOF group has calculated the total tax obligation (tax payable plus environmental part) based on the discounted value and has charged shipping tax of around NOK 326 million in the accounts.

At year-end 2007 the group had total assets of NOK 16 741.7 million (10 640.8 million). The increase relates to the consolidation of DOFCON, investments in new activities and the addition of new vessels. The group took delivery of six newbuildings in 2007.

The group's net interest-bearing debt at year-end 2007 totalled NOK 8 606.8 million (4 907.6 million), while liabilities have increased due to the consolidation of DOFCON, the acquisition of new activities and the expansion of the fleet. Unemployed capital at year-end 2007 amounted to approximately NOK 3 207 million and consisted mainly of instalment payments on newbuildings and investments in new activities which did not general income in 2007.

The overall cash flow from group activities was NOK 877.8 million (788.2 million), while the net cash flow from investment activities totalled NOK 1 859 million and related mainly to the addition of new vessels and business acquisitions.

The group's liquid assets at year-end 2007 amounted to NOK 1 858.7 million and its ability to self-finance its investments is at a satisfactory level. The group has a major programme of investment in the next two years, and long-term funding has already been secured for most of these investments.

Risk

As its revenues are mainly denominated in USD, GBP and NOK the group is exposed to changes in exchange rates, especially in relation to the USD and the GBP. The group seeks to reduce this risk through forward foreign exchange contracts and by having long-term debt in the same currency as revenues.

The company is exposed to changes in interest rates as most of its debt is at floating rates. Parts of the long-term debt are less exposed to changes in interest rates as an agreed rate has been set for parts of the loan portfolio for the entire period of the loan.

The group's credit risk is considered to be low as the company's customers have traditionally had a good economic ability to meet their obligations. Historically, the company has had a low level of bad debts.

The group is exposed to increases in the price of newbuildings and delayed deliveries of newbuildings. It seeks to reduce this exposure by using fixed price contracts and by entering into contracts with suppliers who have the necessary financial strength and competence.

The group is exposed to market changes which can reduce the level of utilisation of the group's vessels. It seeks to reduce this risk by securing long-term employment for most of the fleet.

The group is required to compete for competent personnel in a market where there is fierce competition for the same resources. This represents a risk for the group which can limit the planned growth for the group. The group seeks to reduce this risk by taking steps which ensure that there is a stable workforce and appropriate recruitment of new personnel.

The group has a satisfactory economic and financial position which satisfies the going concern assumption and provides a basis for further development of the company, in accordance with section §3-3 a) of the Accountancy Act .

Allocation of profits

The annual accounts of the parent company show a profit of NOK 165.3 million which the board proposes to allocate to other equity. Following this allocation, the company's distributable equity totals NOK 2 021.5 million.

The consolidated accounts for the year show a profit of NOK 221.9 million, of which NOK 47.9 million has been transferred to minority interests and NOK 173.9 million to equity.

Outlook

The board expects to see a good market for the entire fleet in 2008. A larger proportion of the group's supply fleet will be exposed to the spot market, compared with 2007.

The group has secured good contract coverage for newbuildings in the area of construction, and the level of employment for construction vessels is expected to be high in the coming years.

The investment in DeepOcean should contribute positively to earnings in 2008, while at the same making a major contribution to the group's long-term focus on subsea activities.

Since the closing of accounts, DOF BOA AS has sold one AHTS and DOF Subsea has sold one ROV vessel.

Storebø, 31 March 2008
The Board of Directors of DOF ASA

Helge Møgster (Chairman)	Ole R. Møgster	Oddvar Stangeland
Wenche Kjølås	Britt Mjellem	Mons Aase (CEO)



Skandi Rona

Built	2002
Design	MT 6000
LOA	83,85 m
Breadth	19,70 m
Draught	6,10 m
GRT	3252 t
DWT	4263 t
Accommodation	24 persons

PROFIT AND LOSS ACCOUNT

DOF ASA			Amounts in NOK 1 000		GROUP		
IFRS	IFRS	IFRS			IFRS	IFRS	IFRS
2007	**2006**	**2005**		**Note**	**2007**	**2006**	**2005**
72 430	136 344	122 718	Sales income	5	3 285 576	2 796 410	1 553 188
-6 539	7 478	5 248	Other operating income	5	168 805	214 468	30 379
65 891	**143 822**	**127 966**	**Operating income**	**4,29**	**3 454 381**	**3 010 878**	**1 583 567**
12 609	4 119	101	Wage costs etc.	28	1 282 683	739 470	497 883
8 153	8 122	15 855	Depreciation	7	529 791	417 010	356 421
59 116	124 127	97 951	Other operating expenses		942 472	979 277	323 744
79 878	**136 368**	**113 907**	**Operating expenses**		**2 754 946**	**2 135 757**	**1 178 048**
-13 987	**7 454**	**14 059**	**Operating profit/loss**	**4**	**699 435**	**875 121**	**405 519**
	-	-	Investments in subsidiaries/affiliated companies	10	42 681	64 890	2 479
422 661	1 759 517	30 447	Financial revenues	27	694 309	340 807	149 451
-250 913	-47 919	-65 684	Financial costs	27	-773 745	-554 384	-300 040
171 748	**1 711 598**	**-35 237**	**Net financial items**	**27**	**-36 755**	**-148 687**	**-148 110**
157 761	**1 719 052**	**-21 178**	**Pre-tax profit/loss**		**662 680**	**726 434**	**257 409**
-7 588	9 129	-3 833	Tax	18	440 786	69 252	16 530
165 349	**1 709 923**	**-17 345**	**Profit/loss for the year**		**221 894**	**657 182**	**240 879**
			Minority interests		47 953	207 712	20 936
165 349	**1 709 923**	**-17 345**	**Profit/loss for the year for the parent company's shareholders**		**173 941**	**449 470**	**219 943**
2,00	22,62	-0,23	Earnings per share (NOK)	25	2,10	5,95	2,92
			Information on allocation:				
165 349	1 709 923	-17 345	Other equity		173 941	449 470	219 943

BALANCE SHEET

DOF ASA			Amounts in NOK 1000		GROUP		
IFRS	IFRS	IFRS			IFRS	IFRS	IFRS
31/12/2007	**31/12/2006**	**31/12/2005**		**Note**	**31/12/2007**	**31/12/2006**	**31/12/2005**
			Assets				
424	-	-	Deferred tax advantage	18	12 242	-	18 805
			Customar relationship	6	9 504		
-	-	-	Goodwill	3,6	516 559	375 422	346 785
424	**-**	**-**	**Intagible assets**		**538 305**	**375 422**	**365 590**
165 916	174 069	182 676	Vessels	7	8 945 935	6 274 451	5 204 326
72 430	60 950	42 514	Newbuilds	7	2 202 224	583 070	259 977
-	-	-	Machines and other operating equipment	7	732 450	588 346	167 063
238 346	**235 019**	**225 190**	**Fixed assets**	**7**	**11 880 609**	**7 445 867**	**5 631 366**
2 928 734	1 922 130	378 923	Investments in subsidiaries	9	-	-	-
1 225 323	285 533	100 242	Investments in affiliated companies and joint-controlled companies	9,10	1 404 501	322 537	2 602
-	333	333	Investments in shares and units	11	792	333	456
343 328	396 659	159 742	Other long-term receivables	14	5 005	3 630	755
4 497 385	**2 604 655**	**639 241**	**Financial assets**		**1 410 298**	**326 500**	**3 813**
4 736 155	**2 839 674**	**864 430**	**Capital assets**		**13 829 212**	**8 147 789**	**6 000 769**
-	**-**	**-**	**Goods**	**12**	**3 784**	**4 057**	**7 390**
27 902	26 321	33 021	Accounts receivable	13,29	719 886	541 080	408 317
10 149	1 234	22 591	Other receivables	14	328 875	208 784	252 050
38 051	**27 555**	**55 612**	**Receivables**		**1 048 761**	**749 864**	**660 367**
			Vessels held for sale			186 158	-
1 277		**10 043**	**Short-term investments**		**1 277**	**715**	**11 088**
356 624	**410 490**	**212 619**	**Liquid assets**	**15**	**1 858 697**	**1 552 180**	**1 345 433**
395 952	**438 045**	**278 274**	**Current assets**		**2 912 519**	**2 492 974**	**2 024 279**
5 132 108	**3 277 719**	**1 142 703**	**Assets**		**16 741 731**	**10 640 763**	**8 025 048**

BALANCE SHEET

DOF ASA			Amounts in NOK 1000		GROUP		
IFRS	IFRS	IFRS			IFRS	IFRS	IFRS
31/12/2007	**31/12/2006**	**31/12/2005**		**Note**	**31/12/2007**	**31/12/2006**	**31/12/2005**
			Equity and liabilities				
165 536	165 536	150 754	Share capital	16	165 536	165 536	150 754
454 453	454 453	76 516	Share premium fund	16	454 453	454 453	76 516
619 989	**619 989**	**227 271**	**Subscribed equity**	**16**	**619 989**	**619 989**	**227 270**
2 021 523	**1 944 039**	**226 804**	**Other equity**	**16**	**2 448 410**	**1 848 702**	**1 360 379**
-	**-**	**-**	**Minority interests**	**16**	**1 486 387**	**822 169**	**472 249**
2 641 512	**2 564 028**	**454 075**	**Equity**	**16**	**4 554 786**	**3 290 860**	**2 059 899**
-	8 072	39	Deferred tax	18	408 738	118 229	20 934
			Other Provisions	17	14 809	8 086	7 713
-	-	-	Other provisions for commitments	15,20	212 291	105 000	55 000
-	**8 072**	**39**	**Provisions for commitments**		**635 838**	**231 315**	**83 647**
743 370	397 000	300 000	Bond loan	19,29	1 473 870	695 303	600 000
1 592 097		167 446	Debt to credit institutions	19,29	6 994 293	3 526 640	2 918 804
			Long-term liabilities	18,19	288 240	-	-
106 315	128 338	-	Other long-term liabilities	19,21,29	1 171 055	1 424 296	1 484 554
2 441 782	**525 338**	**467 446**	**Other long-term liabilities**		**9 927 458**	**5 646 239**	**5 003 358**
-	143 000	150 000	Debt to credit institutions	19	826 292	813 564	472 814
423	31 603	64 407	Accounts payable	29	273 500	274 397	81 824
-	-	-	Tax payable	18	61 224	28 877	46 556
425		-	Public duties payable		70 267	53 578	40 001
47 967	5 678	6 737	Other short-term liabilities	23	392 367	301 933	236 949
48 815	**180 281**	**221 144**	**Short-term liabilities**		**1 623 650**	**1 472 349**	**878 144**
2 490 597	**713 691**	**688 629**	**Liabilities**		**12 186 946**	**7 349 903**	**5 965 150**
5 132 108	**3 277 719**	**1 142 703**	**Equity and liabilities**		**16 741 731**	**10 640 763**	**8 025 048**

Storebø, 31 March 2008

The Board of Directors of DOF ASA

Helge Møgster
(Chairman of the Board)

Ole R. Møgster

Oddvar Stangeland

Wenche Kjølås

Britt Mjellem

Mons Aase
(CEO)

STATEMENT OF CASHFLOW

DOF ASA			Amounts in NOK 1 000	GROUP		
IFRS	IFRS	IFRS		IFRS	IFRS	IFRS
2007	**2006**	**2005**		**2007**	**2006**	**2005**
157 762	1 719 052	-21 178	Pre-tax profit/loss	662 680	726 434	257 409
-352 703	-61 050		Gain on sale of shares		-61 050	
			Gain on sale of assets	-87 553		
-	-	-	Tax paid for the period	-31 853	-23 679	-5 581
8 153	8 122	15 855	Depreciation of fixed assets	529 791	417 010	356 421
163 430			Depreciation/reverse of fixed assets			
-1 581	6 700	-7 948	Change in accounts receivable	-178 806	-121 372	-245 228
-28 250	-7 196	29 175	Change in accounts payable	-897	-187 934	48 508
-	-	-	Difference between pension charged against income and payments made/received	6 723	-	-1 733
-16 998		-	Impact of changes in rate of exchange	48 332	33 255	56 935
-18 231	23 138	-71 662	Change in other accrual items (working capital)*	28 635	133 379	-43 871
-	-1 663 425	-	Items without impact on cash flow	-56 533	-62 921	
			Income when applying the straight line/equity method	-42 681	-64 890	-2 479
-88 418	**25 341**	**-55 758**	**Net cash flow from operational activities**	**877 838**	**788 232**	**420 381**
			Disbursements for purchase of intangible assets	-150 641	-22 637	
-	-		Payments received for sale of fixed assets	410 000	445 071	125 450
-11 480	-9 830	-	Disbursements for purchase of fixed assets *	-3 554 750	-1 906 758	-2 450 838
343	66 429	-14 635	Payments received for sale of shares and units	333	66 429	-4 538
-1 654 483	-410 910		Disbursements for purchase of shares and units*	-1 345 925	-438 120	
-18 388	61 849	-14 857	Net change in long-term intragroup balances	-1 375	-2 876	16 534
-1 684 008	**-292 462**	**-29 492**	**Net cash flow from investment activities**	**-4 642 358**	**-1 858 891**	**-2 313 392**
	91 779		Payments received on sale of own shares		91 779	
1 932 209	226 000	100 000	Payments received on opening new long-term liabilities *	4 872 480	1 224 285	1 944 487
-143 000	-166 874	-17 540	Disbursements on downpayment of long-term liabilities	-675 010	-598 516	-254 487
11 378			Payments received from subsidiaries	-	-	-
			Effect from currency changes on long-term debt	-84 472		
-	389 936		Equity payments received	40 807	635 708	686 094
-82 027	-75 849		Dividends	-82 768	-75 849	-65 253
1 718 560	**464 992**	**82 460**	**Net cash flow from financing activities**	**4 071 037**	**1 277 407**	**2 310 841**
-53 866	**197 871**	**-2 790**	**Net change in liquid assets**	**306 517**	**206 748**	**417 830**
410 490	**212 619**	**215 409**	**Liquid assets at the start of the period**	**1 552 180**	**1 345 433**	**927 605**
356 624	**410 490**	**212 619**	**Liquid assets at the end of the period**	**1 858 697**	**1 552 181**	**1 345 435**

EQUITY MOVEMENT

Changes in equity - Group								Amounts in NOK 1 000
	Share capital	**Share premium fund**	**Own shares**	**Total subscribed capital**	**Other equity**	**Retained earnings**	**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 fram affiliated companies to consolidation					312 518			312 518
Impact of closing foex 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				-				-
Change 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 31.12.05 IFRS	**153 536**	**76 516**	**-2 782**	**227 270**	**1 386 184**	**-25 805**	**472 249**	**2 059 898**
Conversion differences						-45 219		-45 219
Sale own shares			2 782	2 782	88 998			91 780
Share issue	12 000	390 000		402 000	95 544		142 208	639 752
Profit/loss for the year					449 506		207 712	657 218
Costs charged directly to equity					10 220			10 220
Impact of closing forex hedging					-33 214			-33 214
Dividend payment					-75 848			-75 848
Tax effect of share issue payments		-12 064		-12 064	-1 662			-13 726
Change in equity for the year	**12 000**	**377 936**	**2 782**	**392 718**	**533 544**	**-45 219**	**349 920**	**1 230 963**
Equity 31.12.06 IFRS	**165 536**	**454 452**	**-**	**619 988**	**1 919 728**	**-71 024**	**822 169**	**3 290 860**

EQUITY MOVEMENT

Changes in equity - DOF ASA						Amounts in NOK 1 000
	Share capital	Share premium fund	Own shares	Total subscribed capital	Other equity	Retained earnings
Equity 31.12.06 IFRS	**165 536**	**454 452**	**-**	**619 988**	**1 944 039**	**2 654 028**
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 31.12.05 IFRS	**153 536**	**76 516**	**-2 782**	**227 270**	**226 804**	**454 074**
Sale of own shares			2 782	2 782	88 998	91 780
Dividend payment				-	-75 848	-75 848
Share issue	12 000	377 936		389 936		389 936
Impact of closing forex hedging					-5 837	-5 837
Profit/loss for the year					1 709 921	1 709 921
Equity 31.12.06 IFRS	**165 536**	**454 452**	**-**	**619 988**	**1 944 038**	**2 564 028**

1. General

DOF ASA is a public limited company registered in Norway. The head office is located at 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 31 March 2008.

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).

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 31.

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. Investments in affiliated companies where significant influence is exercised by DOF ASA, are reported using the equity method. The value of investments is assessed when there are indications of a fall in value or when the requirement for previous depreciation no longer exists. When the group's share of the loss exceeds the investment, then the investment is reported as zero. If the group's share of the loss exceeds the investment, this will be reported on the accounts to the extent that the group is obliged to cover the loss.
Jointly controlled companies are consolidated proportional.

Intragroup transactions and intragroup balances, including internal profit and unrealised gain and loss are eliminated. Unrealised gain generated from transactions with affiliated companies are eliminated with the group's holding in the affiliated company. Unrealised loss is eliminated in the same manner, but on the condition that there is no indication of a fall in value of the asset sold within the group.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Subsidiaries/affiliated companies
For the parent company, subsidiaries and affiliated companies are valuated according to the cost method. The investment is valuated 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/affiliated 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. The group's interests in jointly controlled entities are accounted for by proportionate consolidation. The group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the group's financial statements.

Associates
Associates 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 associates are accounted for using the equity method of accounting and are initially recognised at cost. The group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

Foreign currency translation
(a) Functional and presentation currency
Items included in the financial statements 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 statements are 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 translation 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 (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
(b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
(c) all resulting exchange differences are recognised as a separate component of equity.

When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

The group's business in Brazil has changed it's functional currency in 2007 from USD to Brazilian REAIS.

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 unit 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 includes 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 shown within borrowings in current liabilities on the balance sheet.

Accounts receivable
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. The interest factor is ignored if insignificant. A provision for impairment of trade receivables is established 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 trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within other operating expenses.

When a trade receivable is uncollectible, it is written off against the allowance account 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 statement as normal. When it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably, for example as a result of repair/maintenance, 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 on assets is calculated using the straight-line method based on their estimated useful lives and residual value. Parts of a fixed asset with significant value of total cost price are depreciated separately over their estimated useful lives. Components with similar useful lives are depreciated as one component.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Estimated useful lives:
Vessels: 30 years
Equipment: 15 years
Periodic maintenance: 2,5 years
Operating equipment: 5-10 years

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.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. This write-down can be reversed with up to the same amount as the actual write-down.

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 leasing contracts
The group presents financial leasing 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 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 leasing contract is depreciated. The depreciation period is consistent with that for similar assets owned by the group. If it is certain that the company will take over the asset on expiry of the leasing 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 accrued over the contract period.

Operational leasing contracts
Leasing contracts where the significant share of the risk is carried by the lessor are classified as operational leasing 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 leasing 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
Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill on acquisitions of associates is included in 'investments in associates' and is tested for impairment as part of the overall balance.

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

Should new information emerge after a purchase, which involves assets and liabilities at the time of transaction, the valuation of fair value of assets and liabilities may be changed until the first set of accounts has been presented for an entire accounting 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 are 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 the 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 initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method.

Borrowing costs directly attributable to the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

Contingent liabilities and provisions
Contingent liabilities and provisions are recognised when, and only when, a company faces a legal obligation (legal or constructive) as a result of a past event and it is probable (more than 50%) that an outflow of economic benefits will be required to settle the obligation, and that a reliable estimate can be made of the amount of the obligation. Contingent liabilities 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 liability, the liability is recognised at fair value. Every increase in the amount of the liability 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.

Currency translation differences that occur as a result of changes in exchange rates on consolidation of foreign entities are recognised directly aginst 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 translation differences and consequently recognised directly against equity. On the sale of foreign activities, the accumulated translation differences relating to the sold entity are reversed, and the translation differences subsequently reported together with the gain or loss from the sale.

Revenue recognition
The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the group.

a) Sales of services
The group's operational vessels are leased out on charter parties. Customers lease vessels, crew inclusive. There is not time charter revenue when the vessels are off hire, for example during periodic maintenance.

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) Interes 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, and continues unwinding the discount as interest income.

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 associates 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 financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. 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 to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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

Tonnage tax
Parts of the group's activities are structured in accordance with the regulations regarding the tonnage tax system for shipping companies. Net financial income has been subject for taxation. I addition the companies had recognised a tonnage tax.

Until 31 December 2006, no deferred tax has been recognised for companies within the tonnage tax system.

The tonnage tax system has been changed as from 1 January 2007. The transfer from the existing to the new tonnage tax system means that a transitional gain has been calculated. After entering the new system, net income will not be subject to taxation. The companies will still recognise tonnage tax.

All companies that were part of the old tonnage tax system, has chosen to enter the new tonnage tax system as from 1 January 2007. Tax on the transitional gain is payable over 10 years. Taxes payable in more than one year has been discounted.

The tax of up to one third is not required to paid immediately. The tax may be allocated to an environmental fund and used for specified environmental purposes. The Ministry of Finance will provide regulations regarding which environmental purposes will qualify. The environmental part is discounted as well.

Employee benefits
(a) 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 compensation.

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 or 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 of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating 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 vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting 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 employee benefit expense 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 termination benefits
The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation relating to bonuses and termination benefits.

Write-down of assets subject to amortisation
Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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 unit 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.

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. However, the group does not make use of hedge accounting in accordance with IAS 39, and subsequently recognises all financial derivatives on the profit and loss account at fair value, where the change in value is recognised.

Segments
A business segment is a group of assets and operations 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 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 groups primary reporting format is business segment, and the group is operating within three business segments:
1) Platform Supply vessel (PSV)
2) Anchor Handling Tug Supply Vessel (AHTS)
3) Construction Supply Vessel (CSV)

Secondary reporting format is geographical segment, and is divided into Europe/West Africa, Australasia and Americas/World Wide.

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 desclosed 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 selling in the short-term. 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 non-current assets. The group's loans and receivables comprise 'trade and other receivables' and cash and cash equivalents in the balance sheet (note 2.11 and 2.12).

(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 non-current 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 income statement. 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 using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement 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 in the income statement 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.

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 financial accounts are prepared in accordance with IFRS, which involves managements best estmates. Use of estimates, premises and evaluations may have an impact on the reported amounts for fixed assets, liabilities and contingent fixed assets and contingent liabilities on the balance sheet day, and moreover reported income and expenses for the period in question. Estimates are based on the management's best assessment and on information available on the report date. In certain cases, the final result of estimates and evaluations may only come to light several years after the financial report has been closed. Some figures may vary in relation to the original estimates due to a change in financial premises, changes in legislation and regulations, changes in future operational plans and other conditions related to the estimates.

Statement of cash flow
The statement of cash flow presents the total cash flow divided into operational 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.

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 net wages arrangement in Norway is 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. 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.

Group acquisitions in 2007	Date of acquisition/ consolidation	Share of voting capital	Added value goodwill	Added value identifiable assets	Book equity on acquisition	Payment/ acquisition cost incl. expenses
DOF Boa AS	1/11/2007	100%		543 419	197 257	335 000
DOFCON AS	29/1/2007	100% *	9 007	666 699	595 476	1 262 172
CSL Ltd.	12/4/2007	100% *	131 210		5 431	133 234
Semar AS	23/4/2007	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		

DOF BOA AS	33 235
Semar AS	2 156
CSL Ltd.	7 924
DOFCON AS	37 062
TOTAL	80 377

ACQUISITION DOF ASA **Balance Sheet - DOF Boa AS**

	Balance Sheet - DOF Boa 31.10.07	Added value	Total	Addition 50% acquisition	Added value	Group addition at fair value
Vessels	376 581	543 419	920 000	188 291	543 419	731 710
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	0	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 AS
4 702	Cash held by DOF Boa AS 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 TNOK 56 533 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 DeepOcean ASA. The acquisition cost was TNOK 1 023 607. The added value on acquisition is estimated at TNOK 551 888. 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 Spesialists 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 TNOK 303 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, og 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 finced 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)	Pro forma 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

	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	0	9 504
Vessels	394 995	1 061 694	0		0		394 995	1 061 694
Other fixed assets	0		4 232	4 232	3 340	3 340	7 572	7 572
Financial assets	0		896	896	0		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	0		533	533	16 335	16 335	16 868	16 868
Deferred tax	0	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 information

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.

The subsidiary, DOF Subsea, has its customer base offshore, and this often also applies to business assets and employees utilised to serve the different geographical regions. Subsequently, the assets for this segment are reported as World Wide for this group.

Segmentinformation YTD 2007

Business segment	PSV			AHTS			CSV			GROUP		
NOK 1 000	2007	2006	2005	2007	2006	2005	2007	2006	2005	2007	2006	2005
Operating income	599 299	612 372	504 022	584 930	317 390	241 314	2 270 152	2 081 116	838 228	3 454 381	3 010 878	1 583 566
EBITDA	234 537	306 206	206 136	329 860	205 130	134 802	664 829	780 795	421 001	1 229 226	1 292 131	761 939
Depreciation	137 586	101 507	96 498	121 889	69 957	73 427	270 316	245 546	186 496	529 791	417 010	356 421
EBIT	96 951	204 699	109 638	207 971	135 173	61 375	394 513	535 249	234 505	699 435	875 121	405 518
Net financial items										-36 755	-148 688	-148 109
Profit for the year										221 894	657 181	240 879
Assets	3 541 827	2 886 761	2 529 529	2 473 848	1 706 691	1 574 429	10 666 693	6 047 311	3 921 089	16 682 368	10 640 763	8 025 050
Jointly controlled companies	15 711			43 652						59 363		
Total assets	3 557 538	2 886 761	2 529 529	2 517 500	1 706 691	1 574 429	10 666 693	6 047 311	3 921 089	16 741 731	10 640 763	8 025 050
Equity	681 291	746 842	798 456	493 275	180 639	249 203	3 320 857	2 363 380	1 012 240	4 554 785	3 290 861	2 059 899
Liabilities	2 860 536	2 139 919	1 706 096	1 980 573	1 526 052	1 332 109	7 345 836	3 683 931	2 926 944	12 186 945	7 349 902	5 965 149
Cash flow from operations	166 789	189 176	113 503	237 016	126 117	75 668	474 033	472 939	231 209	877 838	788 232	420 380
Cash flow from investment	-974 895	-501 901	-717 152	-696 354	-297 423	-462 678	-2 971 109	-1 059 568	-1 133 562	-4 642 358	-1 858 891	-2 313 392
Cash flow from financing	895 628	344 900	716 360	569 945	204 385	462 168	2 605 464	728 122	1 132 312	4 071 037	1 277 407	2 310 840
Investments	1 060 776	639 229	761 167	757 697	378 802	441 968	3 232 842	1 349 484	1 252 242	5 051 316	2 367 515	2 455 376

Geographical segments

	Europe/West Africa			Australasia			Americas/World wide			GROUP		
NOK 1 000	2007	2006	2005	2007	2006	2005	2007	2006	2005	2007	2006	2005
Operating income	2 042 180	1 942 329	943 508	549 760	389 549	245 069	862 441	679 000	394 990	3 454 381	3 010 878	1 583 567

5. Operating income

Amounts in NOK 1 000

DOF ASA 2007	DOF ASA 2006	DOF ASA 2005		Group 2007	Group 2006	Group 2005
			Operating income comprises:			
72 430	136 344	122 718	Freight income	3 285 576	2 796 409	1 553 188
72 430	136 344	122 718	Total sales income	3 285 576	2 796 409	1 553 188
-	-	-	Gain on sale of fixed assets	87 553	163 202	29 431
-6 539	7 478	5 248	Other operating income *	81 252	51 266	948
-6 539	7 478	5 248	Total other operating income	168 805	214 468	30 379
65 891	143 822	127 966	Total operating income	3 454 381	3 010 878	1 583 567

* of which negative goodwill amounting to NOK 56m in connection with purchase of 50% holding in DOF BOA AS.

6. Intangible assets

Amounts in NOK 1 000

	2007				2006			
Group	PSV	AHTS	CSV	Total	PSV	AHTS	CSV	Total
Goodwill								
Acquisition cost at 01.01	2 867	2 867	369 688	375 422			346 652	346 652
Additions			170 753	170 753	2 867	2 867	15 351	21 085
Disposals				0				0
Conversion differences			-29 616	-29 616			7 685	7 685
Acquisition cost at 31.12	2 867	2 867	510 825	516 559	2 867	2 867	369 688	375 422
Write-down at 01.01				-				-
Write down for the year				-				-
Write-down at 31.12				0				0
Book value at 31.12	2 867	2 867	510 825	516 559	2 867	2 867	369 688	375 422

	2007			
Group	PSV	AHTS	CSV	Total
Customer relations				
Acquisition cost at 01.01	-	0	0	0
Additions			9 504	9 504
Disposals				0
Conversion differences				0
Acquisition cost at 31.12	0	0	9 504	9 504
Write-down at 01.01				-
Write down for the year				-
Write-down at 31.12				0
Book value at 31.12	0	0	0	9 504

Goodwill concerns the acquisition of subsidiaries. Goodwill is not amortised, but the group performs an annual write-down test to evaluate the requirement for a write-down. Write-down tests are also performed when there is an indication of a fall in value. Note 3 specifies goodwill per acquisition for the group. Additions to goodwill are divided as follows: TNOK 9 107 for DOFCON AS, TNOK 144 066 for CSL Ltd. and TNOK 26 580 for Semar AS.
The addition of TNOK 9 504 under customer relations concerns the acquisition of CSL Ltd.

7. Fixed assets

Amounts in NOK 1 000

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
Acquisitions (ref. 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	0	54 516		1 848	56 364
Depreciation at 31.12.07	1 898 476	97 165	0	115 442	2 111 083
Write-down at 01.01.07	-	-		-	0
Write-down/reversal during the year	-	-		-	0
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 2007	DOF ASA 2006	Advance payments for newbuildings	Group 2007	Group 2006
72 430	60 950	Advance payments newbuildings/business assets	2 202 224	583 070

Group 2006	Vessels	Periodic maintenance	Newbuildings	Operating equipment	TOTAL 2006
Acquisition cost at 01.01.06	6 670 137	103 949		194 585	6 968 671
Additions	1 462 103	62 000	583 070	460 203	2 567 376
Disposals	494 257	27 906		5 024	527 187
Conversion differences	-	-	-	-	-
Acquisition cost at 31.12.06 *	7 637 983	138 043	583 070	649 764	9 008 860
Depreciation at 01.01.06	1 115 375	58 666		27 530	1 201 571
Depreciation for the year	343 544	34 575		38 912	417 031
Depreciation on disposals in the year	-38 184	-12 401		-5 024	-55 609
Depreciation at 31.12.06 *	1 420 735	80 840	-	61 418	1 562 993
Write-down at 01.01.06	-	-		-	
Write-down/reversal during the year	-	-		-	
Write-down at 31.12.06	-	-	-	-	-
Book value at 31.12.06	6 217 248	57 203	583 070	588 346	7 445 867
Depreciation rates	3,33 - 6,67%	40%		10 - 20%	
Depreciation method	Straight line	Straight line		Straight line	

* The change from 31.12.06 to 01.01.07 is due to transition from using the USD to BREAIS as the functional currency in Brazilian subsidiaries.

DOF ASA 2007	Vessels	Periodic maintenance	Newbuildings	TOTAL 2007
Acquisition cost at 01.01.07	204 561	1 681	60 950	267 192
Additions			11 480	11 480
Disposals				0
Conversion differences	-	-		0
Acquisition cost at 31.12.07	204 561	1 681	72 430	278 672
Depreciation at 01.01.07	30 914	1 258		32 173
Depreciation for the year	8 153			8 153
Depreciation on disposals in the year				0
Depreciation at 31.12.07	39 067	1 258		40 326
Write-down at 01.01.07	-	-		
Write-down/reversal during the year	-	-		
Write-down at 31.12.07	0	0		0
Book value at 31.12.07	165 494	423	72 430	238 346
Depreciation rates	3,33 - 6,67%	40%		
Depreciation method	Straight line	Straight line		

DOF ASA 2006	Vessels	Periodic maintenance	Newbuildings	TOTAL 2006
Acquisition cost at 01.01.06	205 505	1 258		206 763
Additions		423	60 950	61 373
Disposals	944			944
Conversion differences	-	-		0
Acquisition cost at 31.12.06	204 561	1 681	60 950	267 192
Depreciation at 01.01.06	22 792	1 258		24 051
Depreciation for the year	8 122			8 122
Depreciation on disposals in the year				0
Depreciation at 31.12.06	30 914	1 258		32 173
Write-down at 01.01.06	-	-		
Write-down/reversal during the year	-	-		
Write-down at 31.12.06	0	0		0
Book value at 31.12.06	173 647	423	60 950	235 019
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 forecast increase in the consumer price index of 3% per year.

Due within 1 year represents the income received by the company in 2007.

	2007	2006	2005
Due within 1 year	1 429 820	1 331 047	946 219
Due within 1-5 years	3 196 887	3 564 934	2 072 210
Due in more than 5 years	454 224	234 867	73 566
TOTAL	5 080 931	5 130 848	3 091 996

9. Investments in subsidiaries

Amounts in NOK 1 000

GROUP

Directly owned subsidiaries	Owner	Registered office	Share capital	Ownership and voting share	Profit/loss for the year (company register)	Equity at 31.12
DOF Subsea ASA	DOF ASA/ DOF Rederi AS	Åstveit, Bergen	563 669	53,4%		
DOF Rederi AS	DOF ASA	Austevoll	123 900	100%	-143 621	2 342 531
DOF Management AS	DOF ASA/ DOF Subsea ASA	Austevoll	25 544	100%	-7 145	85 163
DOF Boa AS	DOF ASA	Austevoll	100 100	100%	77 599	232 993
DOF UK	DOF ASA	Aberdeen	13	100%	-2 356	120 736
DOF Egypt	DOF ASA	Kairo	2 711	100%	67 285	69 342
District Supply VII	DOF ASA	Austevoll	100	100%	-6	145
DOF Installer AS	DOF ASA	Austevoll	1 100	92%	1	1 101
Norskan AS	DOF ASA	Austevoll	134 500	100%	4 068	129 131
Jointly controlled companies	**Owner**	**Registered office**	**Share capital**	**Ownership and voting share**	**Profit/loss for the year (company register)**	**Equity at 31.12**
Aker DOF Supply AS	DOF ASA	Austevoll	60 100	50%	-18	60 082
DOFTECH DA *	DOFCON AS	Austevoll	250 000	50%	124	189 135

* General partnership, uncalled capital of TNOK 60 865.

Associated companies	Owner	Registered office	Share capital	Ownership and voting share	Profit/loss for the year (company register)	Equity at 31.12
DOF Installer ASA	DOF ASA	Austevoll	5 631	45,08%	7 083	582 194
DeepOcean ASA *	DOF ASA	Haugesund	44 100	39,96%	109 200	1 188 100
Aker Oilfield Services ASA	DOF Subsea ASA	Oslo	307 540	25,5 %	-5 011	307 540
Master & Commander	DOF Susea ASA	Oslo	-	20%	0	0

Tier subsidiaries	Owner	Registered office	Share capital	Ownership and voting share
DOF Geo UK Ltd	DOF Subsea ASA	Aberdeen	-	100%
DOF Subsea Pte	DOF Subsea ASA	Singapore	137 007	100%
DOF Subsea UK Ltd	DOF Subsea ASA	Aberdeen	26 946	100%
DOFCON AS	DOF Subsea ASA	Åstveit, Bergen	6 680	100%
Geo Rederi AS	DOF Subsea ASA	Åstveit, Bergen	17 400	100%
Geo Rederi II AS	DOF Subsea ASA	Åstveit, Bergen	26 400	100%
Geoconsult AS	DOF Subsea ASA	Åstveit, Bergen	600	100%
DOF Oilfield Services AS	DOF Subsea ASA	Åstveit, Bergen	25 000	96%
Semar AS	DOF Subsea ASA	Oslo	117	50%
Geo do Brazil Ltda	DOF Subsea ASA	Macae	187 472	100%
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 Brazil AS	DOFCON AS	Åstveit, Bergen	100	100%
DOFCON Navegecao Ltda	DOFCON/DOFCON Brasil	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	Rio, Brasil	276 811	100%
DOF Argentina	DOF Management	Buenos Aires	65	100%
DOF Sjø AS	DOF Management	Austevoll	100	100%
Anoma AS	Norskan /DOF Subsea	Austevoll	100	100%

DOF ASA

Directly owned subsidiaries	Owner	Acquisition cost
DOF Subsea ASA	DOF ASA	517 634
DOF Rederi AS	DOF ASA	1 735 616
DOF Boa AS	DOF ASA	385 040
DOF UK	DOF ASA	11
DOF Egypt	DOF ASA	3 498
District Supply VII	DOF ASA	100
DOF Installer AS	DOF ASA	1 012
Norskan AS	DOF ASA	180 845
DOF Navegacao	DOF ASA	56 368
Total acquisition cost of subsidiaries		2 928 734

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

10. Investments in associated companies and jointly controlled companies

Amounts in NOK 1 000

Associated companies - Group	DOFCON AS[1]	DOF Installer ASA[2]	DeepOcean ASA[3]	Master and Commander AS[4]	Aker Oilfield Services AS[5]	TOTAL
Book value at 01.01.2007	309 876	0	0	12 661	0	322 537
Additions/disposals 2007	-309 876	259 695	1 023 607	17 122	89 441	1 079 988
Share of profit/loss 2007	0	3 193	0	0	-1 217	1 976
Dividends/conversion differences 2007	0	0	0	0	0	0
Book value at 31.12	0	262 888	1 023 607	29 783	88 224	1 404 501

1) DOFCON AS was sold to DOF Subsea ASA and was consolidated as a subsidiary in 2007
2) Share issues by DOF Installer ASA have resulted in dilution of DOF ASA's shareholding and it is now an associated company and not a subsidiary
3) DOF ASA invested in DeepOcean ASA in mid-December 2007.
The investment in DeepOcean ASA includes added value totalling TNOK 551 888.
4) Master and Commander AS founded in December 2006.
5) DOF Subsea and Aker founded Aker Oilfield Services Ltd. in March 2007.

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

Name	Registered office	Assets	Liabilities	Profit/loss	Share of profit/loss	Ownership (%)
2007						
Deep Ocean ASA	Haugesund	1 804 474	777 821	109 200	0	39,96
DOF Installer ASA	Austevoll	262 555	101	7 082	3 193	45,08
Master and Commander AS	Oslo	0	0	0	0	20,00
Aker Oilfield Services AS	Oslo	334 990	27 450	-5 011	-1 217	25,50
		2 402 019	805 373	111 271	1 976	
On leaving the group (transition to associated company)					40 705	
Income from investments in associated companies					42 681	

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 the 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.
At 31.12.2007 the group had a major investment in a jointly controlled company, Aker DOF Supply AS. DOF ASA purchased the remaining 50% shareholding in DOF Boa AS in 2006, and DOF Boa AS was consolidated as a subsidiary at 31.12.2007.

	Aker DOF Supply AS	DOF Boa AS
	2007	2007
Current assets	474	46 279
Fixed assets	59 363	191 257
Current liabilities	115	31 040
Long-term liabilities	29 680	131 441
Income	9	68 720
Costs	0	46 328

DOF ASA

Associated companies (AC) and Jointly controlled companies (JCC)	2007			2006		
	Cost price	Write-down	Book value	Cost price	Write-down	Book value
DOFCON AS (AC)	-	-	-	235 474	-	235 474
DOF Boa AS (JCC)	-	-	-	50 053	-	50 053
Norskan Ltda (AC)	6	-	6	6	-	6
DeepOcean ASA (AC)	1 023 607	23 359	1 000 248	-		
DOF Installer ASA (AC)	195 004	-	195 004	-		
Aker DOF Supply AS (FKV)	30 065	-	30 065			
Total associated companies	1 248 682	23 359	1 225 323	285 533	0	285 533

For accounting purposes, DOF ASA records its investment on the basis of the cost method.
For group accounting purposes, associated companies are recorded on the basis of the equity method, while the gross method is used for jointly controlled companies.

DOF ASA increased its holding in DOFCON AS and DOF Boa AS in 2007. Both companies were consolidated with the DOF ASA group at 31.12.2007

11. Other investments

Amounts in NOK 1 000

Group	2007	2006
Hardsjø AS	-	333
Primary capital of sertificate	484	
Other investments	308	
Other investments at 31.12.	792	333

12. Stocks

Amounts in NOK 1 000

Group	2007	2006
Bunkers	3 784	4 057
Stocks at 31.12.	3 784	4 057
Write-down of stocks at 31.12	-	-

13. Accounts receivable

Amounts in NOK 1 000

DOF ASA 2007	DOF ASA 2006		Group 2007	Group 2006
27 902	26 503	Accounts receivable at nominal value	739 030	551 792
	-182	Provision for bad debts	-19 144	-10 712
27 902	26 321	Accounts receivable at 31.12	719 886	541 080

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.

14. Other receivables

Amounts in NOK 1 000

DOF ASA 2007	DOF ASA 2006	Other short-term receivables	Group 2007	Group 2006
-	1 216	Public fees receivable	28 422	1 715
1 225	-	Pre-paid expenses	28 475	11 823
4 204	-	Accrual of income	81 838	
		Insurance receivable	23 476	
		Refund of net salary receivable	16 926	
469		Cost outlays receivable	13 255	
-	-	Share of current assets from jointly controlled companies		46 279
4 249	18	Other short-term receivables	136 483	148 967
10 149	1 234	Other short-term receivables at 31.12.	328 875	208 784

DOF ASA 2007	DOF ASA 2006	Other long-term receivables
343 328	396 660	Intre-group long-term receivables
343 328	396 660	Other long-term receivables at 31.12.

15. Liquid assets

Amounts in NOK 1 000

DOF ASA 2007	DOF ASA 2006		Group 2007	Group 2006
-	-	Cash	2 121	2 949
356 624	410 490	Bank deposits	1 856 576	1 549 231
356 624	410 490	Liquid assets at 31.12	1 858 697	1 552 180
283	-	Of which tied-up funds at 31.12.	421 210	16 335
		Lease deposit	553 542	543 832
3,08%	1,33%	Effective interest rate on bank deposits	2,63%	1,55%

16. Share capital and shareholder information

Amounts in NOK 1 000

Share capital: The share capital in DOF ASA 31.12.2007 was NOK 165 535 950 divided into 82 767 975 shares, each with a nominal value of NOK 2.00.

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 15 May 2008.

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 2007 were as follows:

Shareholders at 31.12.07	No. of shares		Shareholding
DOF HOLDING AS	42 012 250		50,76%
VERDIPAPIRFOND ODIN NORGE	5 477 800		6,62%
PARETO AKSJE NORGE	4 190 400		5,06%
SKAGEN VEKST	3 899 200		4,71%
PARETO AKTIV	1 793 600		2,17%
MP PENSJON	1 671 800		2,02%
ODIN OFFSHORE	1 500 000		1,81%
VESTERFJORD AS	873 650		1,06%
SKANDINAVISKA ENSKILDA BANKEN	815 112		0,98%
ADAX AS	740 200		0,89%
MUSTAD INDUSTRIER AS	529 500		0,64%
AKSJEFONDET ODIN NORGE II	483 600		0,58%
VERDIPAPIRFOND ODIN MARITIM	400 000		0,48%
VERDIPAPIRFONDET KLP AKSJENORGE	389 200		0,47%
NORDEA BANK PLC FINLAND	306 000		0,37%
PACTUM AS	300 000		0,36%
SPAREBANK 1 SR-BANK	294 562		0,36%
CITIBANK N.A.	291 427		0,35%
POSH AS	282 600		0,34%
NORDEA BANK SWEDEN AB (PUBL)	279 400		0,34%
Total	66 530 301		80,38%
Other shareholders	16 237 674		19,62%
Total	82 767 975		100,00%
Board of Directors:			
Helge Møgster chairman	236 930		0,29%
Ole Rasmus Møgster member	169 230		0,20%
Oddvar Stangeland member	20 000		0,02%
Wenche Kjølås member	3 000	*	0,004 %
* The shares are owned through Jawendel AS			
Britt Mjellem member	1 000	*	0,001 %
* The shares are owned through Mjellem Invest AS			
Through Laco AS, Helge Møgster and Ole Rasmus Møgster indirectly control			
92.77% of the share of DOF Holding, the main shareholder of DOF ASA.			
Oddvar Stangeland owns 3.32% of DOF Holding through Kanabus AS.			
DOF ASA			
Management group:			
Mons S. Aase Managing Director	164 000	*	0,20%
* The shares are owned through Moco AS			
Anders A. Waage Director of Operations	1 675		0,002 %
Hilde Drønen Financial Director	10 675		0,01%
Arnstein Kløvrud Technical Director	-		-
Total shares owned by board members and management	606 510		0,73%

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 2007, this scheme comprised 716 active members and 32 pensioners. The scheme covers life-long retirement pension from the age of 67. It also includes disability pension and child pension.

In addition, the company has an uninsured pension scheme for three former offshore employees which is financed from the company's operations.

There is also a defined contribution based pension scheme for 178 members for whom pension costs totalling TNOK 6 818. have been charged in the accounts.

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 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 to the extent that this does not exceed 10% of the higher of pension commitments or pension funds (corridor).

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:	2007	2006	2005
Present value of accumulated pension entitlements	17 643	9 860	7 779
Capital cost of previous pension entitlements	4 026	2 464	2 429
Expected return on pension fund assets	(3 095)	(2 855)	(2 378)
Administrative expenses	850	612	353
Changes in estimates reported in the profit and loss account	928	340	10
Employer's national insurance contribution for the year	2 021	1 420	415
Extraordinary changes in pension commitments	(6 494)	-	-
Extraordinary changes in pension fund 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	20 839	11 839	8 608

Estimated pension commitments:	Insured	Uninsured	Total 2007	Total 2006
Estimated pension commitments	102 597	82	102 679	95 185
Estimated pension fund assets	(66 292)	0	(66 292)	55 973
Estimate deviations not reported in the profit and loss account	(26 920)	79	(26 841)	(33 636)
Accrued employer's national insurance contribution	5 251	12	5 263	5 582
Net pension commitment at 31.12	14 636	173	14 809	8 086

Economic assumptions:	31/12/2007	1/1/2007	31/12/2006
Discount rate	4,70%	4,35%	4,35%
Anticipated return on pension fund assets	5,75%	5,40%	5,40%
Anticipated rise in salaries	4,25%	4,50%	4,50%
Anticipated rise in pensions	2,00%	4,25%	4,25%
Anticipated rise in basic amount under the national insurance	4,25%	4,25%	4,25%
Turnover	0,00%	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	8 086
Deviation compared with equity	0
Net pension cost for the year inc. nat. ins. cont.	20 838
Pension payments CPA/insured incl. nat. ins. cont.	0
Investment in pension fund assets etc., incl. nat. ins. cont.	(14 114)
Net pension commitment at 31.12 incl. nat. ins. cont. reported in balance sheet	14 809

Reconciliation of pension commitment, opening and closing balance:	
Present value of accrued pension commitment at 01.01 (PBO)	93 787
Gross pension cost for the year	26 422
Pension payments for the year	(875)
Deviation (change in assumptions/experience)	(16 791)
Estimated present value of accrued pension commitments at 31.12	102 542

Reconciliation of pension fund assets, opening and closing balance:	
Pension fund assets at 01.01.	52 218
Anticipated return on pension fund assets	3 095
Administrative expenses	(850)
Pension payments for the year	(400)
Investment in pension fund assets etc.	12 032
Deviation (changes in assumptions/experience)	4 743
Estimated present value of pension commitment at 31.12.	70 837

The contribution to benefis based plans in the period 01.01.2008 - 31.12.2008 is estimated at TNOK 12 447.

At 31 December	2007	2006	2005
Present value of benefits based pension commitment	102 542	93 787	59 335
Fair value of pension fund assets	70 837	52 218	44 421
Deficit/surplus	31 705	41 569	14 914

18. Tax

Amounts in NOK 1 000

DOF ASA 2006	2007	Tax consists of:	Group 2007	2006
-		Tax payable in Norway*)	333 642	8 539
1 096		Tax payable foreign activity	27 113	60 410
8 033	-8 496	Change in deferred tax Norway	34 437	-10 344
-		Change in deferred tax foreign activity	47 191	10 647
	908	Estimate deviations from previous years	-1 597	
9 129	-7 588	Tax	440 786	69 252
		Reconciliation of nominal and effective tax rate		
1 719 051	157 760	Profit before tax	662 680	726 434
481 334	44 173	Estimated tax cost (28%)	185 550	203 402
-472 205	-51 761	Deviation between actual and estimated tax cost	255 235	-134 150
		Reason for difference between actual tax cost and estimated tax cost		
-474 122	-98 429	Tax effect of non-taxable income and non tax-deductible costs	-6 793	-1 121
821	45 760	Change in value of market-based current assets	113	821
	908	Estimate deviations from previous years	1 597	8 909
		Effect of transition to new shipping tax regime	329 749	
		Effect of shipping tax	-44 872	-118 639
1 096		Foreign tax rate deviation from Norwegian tax rate	-24 559	-24 120
-472 205	-51 761	Deviation from estimated tax cost	255 235	-134 150

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.

2006	2007	Basis of deferred tax	2007	2006
107 146	117 120	Fixed assets	-1 463 926	-470 701
-182	-182	Current assets	182	7 410
	-4 000	Other differences		
-		Liabilities	-238 300	-19 362
106 964	112 938	Total temporary differences	-1 702 044	-482 653
29 950	31 623	Deferred tax (-) / deferred tax assets (28%)	498 121	-135 143
78 136	114 453	Tax deficit	358 310	244 028
-28 828	1 514	Basis for calculation of deferred tax (-) / deferred tax assets	-1 343 734	-238 625
-8 072	424	Total deferred tax (-) / deferred tax assets	-396 496	-118 229
-	-	Gross deferred tax	-408 738	-118 229
-	-	Gross deferred tax assets	12 242	

*In the period 01.01.1997 - 31.12.2006 several of the group companies were taxed under the old Norwegian shipping tax regime - cf. Taxation Act section 51-A. Effective from 01.01.2007 the companies have chosen to comply with the new shipping tax regime - cf. Taxation Act section 8-10. As a result, a tax settlement was carried out as at 01.01.07, the main element of which were as follows:

		28%	
Tax basis on transition to the new regime	1 617 798	452 983	
Present value (discount rate: 7%)			
Provision for short-term tax payable (1/10 of basis)		44 822	20 176
Provision for long-term tax payable**		281 513	131 445
Provision for tax payable in connection with transition to new regime		326 335	

* The tax demand will lapse in so far as the company invests in environmental initiatives approved under relevant regulations by 2016.
** Calculated on a present value basis and discounted over 10 years. Both the tax under the tax settlemet and the tax linked to environmental initiatives are regarded as tax payable.

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

Bond loans
DOF ASA has 3 bond loans with maturity in 2007, 2009 and 2011 respectively. The subsidiary DOF Subsea ASA has one bond loan with maturity in 2008. The trustee acting on behalf of the bond loan owners is Norsk Tillitsmann ASA, while the account manager is Nordea Bank Norge ASA. All bond loans are listed on the Stock Exchange. The terms of the bond loans are floating interest of 3 month NIBOR + (105bp - 200 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, 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, a positive working capital of minimum NOK 100 million.

For DOF Subsea's fleet, the most significant financial covenants are as follows:
- at all times, the group shall have positive working capital of not less than MNOK 150.
- the ratio of group's net interest-bearing liabilities (including financial leasing contracts) and EBITDA on a rolling four-quarterly basis shall never exceed 6.0:1

DOF Subsea is in the process of changing financial covenants for all of its loans and the covenants are expected to be in place in the first half of 2008. Furthermore, the group must document its capacity to service its debts for the next 12 months, and the fair value of the group's vessels shall be minimum 125% of outstanding liabilities.

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 GEO ASA, and DOF Holding 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 and DOF Subsea 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 mortgage are NIBOR + (0.60%-0.80%)

Long-term loans in connection with acquisitions
An acquisition loan has been taken up in connection with the acquisition of activities in 2007. Common financial covenants have been established for these loans, as follows:
- value-adjusted equity shall be more than 30%.
- At all times the group shall have liquid reserves of MNOK 500.

The interest rate for acquisition loans is NIBOR + 1.25% - 1.5%.

DOF ASA 2007	DOF ASA 2006	Overview of long-term liabilities	Group 2007	Group 2006
743 370	395 303	Bond loans	1 473 870	695 303
1 592 097	-	Liabilities to credit institutions	6 994 293	3 526 640
-	-	Long-term tax liabilities	288 240	-
106 315	128 338	Other long-term liabilities	1 171 055	1 424 296
2 441 782	523 641	Total liabilities (excl. instalments 2008)	9 927 458	5 646 239

Group: Instalment profile - long-term liabilities	2008*	2009	2010	2011	2012	Subsequent	Total *
Bond loans	0	50 500	297 000	897 000	0	229 370	1 473 870
Mortgage loans/maritime loans	819 735	1 019 735	1 951 832	689 735	689 735	2 643 256	6 994 293
Long-term leasing liabilities	6 357	6 357	6 357	6 357	6 357	208 446	233 873**
Total	826 092	1 076 592	2 255 189	1 593 092	696 092	3 081 072	8 702 036

* Instalments on long-term liabilities maturing in 2008 are classified as current liabilities in the balance sheet and therefore not included above.
** The company does not pay instalments on "UK leases" mentioned, cf. note 21. It is expected that the main part of the leasing debt (UK- tax lease) will be refinanced in the first half of 2008, and is therefore not included in the list above.

DOF ASA: Instalment profile - long-term liabilities	2008	2009	2010	2011	2012	Subsequent	Total *
Bond loans		50 123	296 623	396 623		0	743 370
Total	0	50 123	296 623	396 623	0	0	743 370

DOF ASA 2007	DOF ASA 2006	Liabilities secured by mortgage	Group 2007	Group 2006
1 697 282	128 338	Liabilities to credit institutions incl. leasing liabilities	8 165 348	4 950 936
1 697 282	128 338	Total liabilities	8 165 348	4 950 936
		Assets provided as security		
238 346	235 019	Fixed assets	11 880 609	7 445 867
238 346	235 019	Total assets provided as security	11 880 609	7 445 867
7,2%	5,0%	Average rate of interest	6,49%	4,85%

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 accured at any given time.

Fair value of long-term loans

The price of the company's three bond loans at 31.12.2007 was as follows:

Loan	Price at 31.12.07	Outstanding	Fair value of outstanding bond loan
DOF 03	102,57	300 000	307 710
DOF 04 pro	96,48	400 000	385 920
DOF 05	100,00	300 000	300 000
DOFSUB 01	98,15	500 000	490 750
GEO 01	100,45	230 000	231 035

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

Interest exposure	
Interest hedging	Long-term debt
Not hedged	5 049 019
1- 6 months	4 878 438
6-12 months	0
12 months	0
Total	9 927 458

The table shows the proportion of long-term debt that is interest hedged.

20. Other provisions for commitments

Amounts in NOK 1 000

GROUP		
	UK-lease	Total
Commitment at 01.01.	162 291	162 291
Provision for the year	50 000	50 000
Commitment at 31.12.	212 291	212 291

For details of the UK-lease, please refer to note 21.

21. Other long-term liabilities - lease

Amounts in NOK 1 000

Traditional lease
Two of the group's vessels are financed through traditional leasing contracts. These leasing contracts are presented on the accounts as financial leasing contracts, so that the vessels and commitments connected with the vessels are recognised in the companies' balance sheets. The contracts mature in 5 to 6 years and carry the right to renewal. Total financing through traditional leases amounted to TNOK 233 873 at 31.12.07.

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 UK Ltd has an obligation to cover the financing of these vessels for a minimum period of 6 years. 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. These are therefore recognised in the balance sheet.

In accordance with IFRS, the balance sheet value of the vessels and the leasing obligation on signing the lease contract has been set at the fair value of the vessels and present value of future minimum payments for the lessee. The present value of the obligation is calculated by implicit interest rate in the lease contract. The calculation of implicit interest is based on minimum payment for the lease contract, where the price for the take-over of the vessel is set at 75% of the original cost of the vessels.

The final redemption amount depends on any changes in British taxation legislation. In December 2005, a proposal was presented regarding changes to the prevailing tax regulations for this type of lease contract and these regulations were further tightened in 2006. This will affect the redemption amount and the treatment of the leases for accounting purposes. Plans have been made to redeem 5 vessels from the UK tax lease in 2008. The accounts include a provision of NOK 212 million to cover the tax effect of redeeming the vessels.

The remaining leasing commitment related to the UK lease at 31.12.07 was TNOK 1 001 359.

22. Guarantee obligations

The parent company has given a counter-guarantee to DnBNOR in connection with the bank guarantee issued by DnBNOR for vessels financed by BNDES i Brazil in connection with the financing of 4 vessels owned by Norskan in Brazil. This guarantee obligation totals USD 87.5 mill. The parent company has issued parent company guarantees to BNDES in connection with the financing of 2 vessels owned by Norskan in Brazil. The total guarantee obligation to BNDES is USD 74.2 mill.

The subsidiary DOF Rederi has issued a bank guarantee of MNOK 43 to Norsk Hydro, which will expire on delivery of a newbuilding on a long-term contract. The newbuilding was delivered in January 2008 and the guarantee was returned in February 2008.

The parent company has issued an on-demand guarantee to DVB Bank in connection with the financing of 2 vessels belonging to DOF BOA AS. At 31.12.07, the loan totalled USD 21 million.

Bank guarantees have been issued for the right held by the British holding companies. For DOF, this right to redemption is presented as a future obligation, and the bank guarantor is secured through a maritime mortgage (cf. note 19).

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. As at 31.12.07, this guarantee was dormant.

23. Other current liabilities

Amounts in NOK 1 000

DOF ASA 2007	DOF ASA 2006	Specification of other current liabilities	Group 2007	Group 2006
		Public dues payable	10 777	
4 946		Income invoiced but unaccrued	41 558	27 390
9 370	2 136	Accrued interest	52 711	12 966
9 099		Costs payable	112 736	
24 550	3 542	Other current liabilities	131 335	261 578
		Unrealised loss on forward contracts	43 249	
47 967	5 678	Other current liabilities	392 366	301 934

24. Intra-group loans and balances

DOF ASA 2007	DOF ASA 2006	Specification of intra-group balances
308 212	370 667	Loans to companies of the same group*
60 218	36 725	Receivables from companies of the same group and jointly controlled companies
368 430	407 392	Receivables from group companies
		Loans from group companies*
918	30 517	Liabilities to companies of the same group
918	30 517	Liabilities to group companies
367 512	376 875	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 on market rates and terms.

25. Earnings per share

Amounts in NOK 1 000

Group: Basis of calculation of earnings per share	2007	2006	2005
Profit for the year after minority interests	173 941	449 470	219 943
Average outstanding number of shares	82 767 975	75 579 663	75 377 175
Earnings per share for parent company shareholders (NOK)	2,10	5,95	2,92

26. Lease contracts

Amounts in NOK 1 000

Operational leasing contracts
In addition to the lease of office premises and one vessel (Skandi Waveney has been leased until 30.04.09), the group has no significant leasing contracts for fixed assets which are not recognised in the balance sheet. The main office is leased from Austevoll Eiendom AS for TNOK 1 082 per year. Austevoll Eiendom AS is a subsidiary of Austevoll Seafood ASA. Austevoll Seafood ASA is a subsidiary of Laco AS. See note 30.

Overview of future minimum lease:				
Group	0-12 months	1-5 years	After 5 years	Total
Minimum lease - vessels	13 810	18 350		32 160
Lease of head office	1 082	4 328	0	5 410
Total	14 892	22 678	0	37 570
Present value of future minimum lease (discount rate 9.7%)				31 637

Financial leasing contracts:
The group's assets under financial leasing contracts include 7 vessels, several ROVs, machines and operating equipment. In addition to lease payments, the group has asset maintenance and insurance obligations.

Assets under financial leasing contracts are as follows

DOF ASA	2007	2006	Group	2007	2006
Vessels	278 672	206 242	Vessels	2 302 347	2 049 632
ROV's	-	-	ROV's	13 613	7 442
Machinery and operating equipment	-	-	Machines and operating equipment	18 058	31 974
Total acquisition cost	278 672	206 242	Total acquisition cost	2 334 018	2 089 048
Accumulated depreciation at 01.01	32 173	24 051	Accumulated depreciation at 01.01	688 077	524 398
Depreciation	8 153	8 122	Depreciation	84 938	86 896
Net balance sheet value	238 346	174 069	Net balance sheet value	1 561 003	1 477 754

Overview of future minimum lease:				
Group	0-12 months	1-5 years	After 5 years	Total
Minimum lease, financial leasing contracts maturing:	64 049	47 882	0	111 931

It is planned to redeem 6 vessels from the UK-lease in the first half of 2008. See note 21.

27. Financial income and costs

Amounts in NOK 1 000

DOF 2007	DOF 2006	DOF 2005		Group 2007	Group 2006	Group 2005
			Income from other investments	42 681	64 890	2 479
22 004	14 783	12 004	Interest income from companies of the same group	-	-	
11 811	2 369	4 081	Other interest income	44 838	92 487	38 891
351 703	-		Gain on realisation of shares		61 050	-
16 998			Unrealised foreign exchange gain	434 947	106 160	18 346
20 145	1 742 363	6 555	Other financial income	214 524	81 110	84 382
-		7 832	Value appreciation of market-based current assets	-	-	7 832
-163 430			Value reduction of market-based current assets	-1 354	-1 279	
	-734		Interest paid to companies of the same group	-	-	
-49 676	-29 748	-32 252	Other interest costs	-359 402	-141 907	-116 590
			Mortgage interest costs	-88 729	-155 474	-85 051
-23 420			Urealised foreign exchange loss	-120 345	-139 415	-75 280
-14 387	-17 437	-33 457	Other financial costs	-203 915	-116 309	-23 118
171 748	1 711 596	-35 237		-36 755	-148 687	-148 109

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

Amounts in NOK 1 000

DOF ASA 2007	DOF ASA 2006	DOF ASA 2005		Group 2007	Group 2006	Group 2005
10 840	3 559		Salaries and holiday pay	988 519	545 254	201 108
433			Hired personnel	94 233	34 123	151 053
		101	Other remuneration			
1 269	89		Employer's national insurance contributions	56 173	38 789	34 311
			Pension costs	20 101	14 210	9 114
67	471		Other personnel costs	123 657	107 094	102 297
12 609	4 119	101	Total	1 282 683	739 470	497 883
3	1	-	Average number of employees	1 027	984	750

Public cash contributions in connection with the net salary scheme for vessels have been posted as a reduction of payroll costs in the sum of TNOK 68 620 for 2007 and TNOK 62 822 for 2006.

Pension costs are described in more detail in note 17.
Total costs related to salary, pension premium and other remuneration to the CEO and other members of the group management in 2007 were as follows:

2007 DOF ASA		CEO	COO	Group 2007 CFO	CTO	TOTAL
6 860	Salary	6 791	1 133	1 131	893	8 886
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	9 533

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

DOF ASA 2006		CEO	COO	Group 2006 CFO	CTO	SUM
3 213	Salary	3 946	1 123	1 027	984	7 080
-	Pension premium	75	116	101	216	508
28	Other remuneration	28	66	90	56	240
3 241		4 049	1 305	1 218	1 256	7 828

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

No loans have been given to or security provided for the CEO, board members, members of the group management or to parties close related to them. Loans to the employees amount to TNOK 3 838.

The CEO is entitled to a bonus corresponding to 0.5% of the group's profit for the year. The bonus is included in the above table.
The CEO has a period of notice of six months. On leaving his position, the CEO is entitled to additional compensation corresponding to 12 months' salary. The pension age is 67 years of age, and the pension is up to 70% of the salary on retirement.

Directors fees for 2007 totalled TNOK 780. Of this, TNOK 180 was paid to the chairman and TNOK 150 to the other board members.

DOF 2007	DOF 2006	DOF 2005	Specification of auditor's fee	Group 2007	Group 2006	Group 2005
265	679	398	Audit of the annual accounts	2 948	1 592	1 210
-	42		Fee for other confirmatory services	400	57	116
405	181	587	Fee for other services	238	1 343	1 876
670	902	398	Total	3 585	2 992	3 202

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 2007
The guiding principle of DOF ASAs 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 of Directors. The bonus to other senior employees shall be set by the CEO in consultation with the chairman of The Board of Directors. DOF ASA has nor schemes for the allocation of options or 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 basic amount under the National Insurance 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. Financial market risk

Amounts in NOK 1 000

The group has a significant part of its turnover in USD, GBP and NOK, while a major part of the operational costs is payable in NOK. The group is exposed to fluctuations in exchange rates, in particular for USD and GBP. The group seeks to reduce this risk by entering into forward contracts and by matching long-term liabilities against earnings in the same currency. The group is also exposed to a interest rate risk as most of the group's debt is at floating interest rates. The group has no direct exposure to changes in raw material prices.

The interest rate risk in the short and medium-to-long term arises because the companies debt is at floating rates of interest.

The group makes use of financial instruments connected to ordinary activities such as accounts receivable, accounts payable etc. by hedging for future earnings and commitments in foreign currencies. The group makes limited use of interest hedging on long-term liabilities.

The group seeks to reduce the financial risk by denominating the group's liabilities in the same currency as the long-term contracts.

The group has a significant building program and is exposed in relation to commitments related to newbuildings. The group is considered to have satisfactory own-financing of its investments, and long-term financing for the majority of newbuildings was established in 2007.

The group's credit risk is considered to be low based as its customers have traditionally had a sound financial ability to meet their commitments. Historically, the company has had a very low proportion of bad debts.

The table below shows the group's turnover, accounts receivable, accounts payable and long-term liabilities to credit institutions converted into Norwegian kroner at year-end:

		2007			2006	
Group	Currency (000)	NOK (thousand)	Share (%)	Currency (000)	NOK (thousand)	Share (%)
Turnover:						
USD	175 521	1 028 553	30%	209 961	1 204 691	40%
NOK	1 033 580	1 033 580	30%	1 044 193	903 035	30%
GBP	85 885	1 006 911	29%	57 708	681 762	23%
Other currencies	48 075	385 337	11%		221 389	7%
Total		3 454 381	100%		3 010 878	100%
Accounts receivable:						
USD	38 423	207 907	29%	34 755	217 396	40%
NOK	351 168	351 168	49%	130 976	130 976	24%
GBP	13 854	149 764	21%	13 380	164 146	30%
Other currencies	1 388	11 047	2%		28 562	5%
Sum		719 886	100%		541 080	100%
Accounts payable:						
USD	18 755	105 071	38%	13 192	82 517	30%
NOK	51 818	84 259	31%	135 358	135 358	49%
GBP	735	53 672	20%	2 543	31 198	11%
Other currencies		30 498	11%		25 324	9%
Total		273 500	100%		274 397	100%
Bond loans, debt to credit institutions and fincial lease						
USD	333 891	1 823 151	18%	219 522	1 280 836	23%
NOK	6 138 439	6 138 439	62%	2 378 586	2 378 586	42%
GBP	177 282	1 916 414	19%	157 719	1 935 642	34%
Other currencies		49 454	0,5%		51 174	1%
Total		9 927 458	100%		5 646 239	100%

30. Closely related parties

Amounts in NOK 1 000

Group	Operating costs 2007	2006	2005
Møgster Management AS	13 330	8 309	5 861
Kanabus AS	996	563	591
Total	14 326	8 872	6 452

Below is a detailed description of closely related parties in relation to the group:

DOF Holding owns 50.76% of DOF ASA. Laco AS is the main shareholder of DOF Holding AS.

Møgster Management AS supplies administrative corporate services to DOF ASA. Møgster Management AS is owned by Laco AS, which is the main shareholder in DOF Holding AS. Austevoll Eiendom AS is a subsidiary of Austevoll Seafood ASA, which in turn is a subsidiary of Laco AS. DOF ASA leases premises from Austevoll Eiendom AS.

Moco AS is owned by the CEO of DOF ASA. Moco AS has participated in joint investments with DOF ASA.

Kanabus AS is owned by board member Oddvar Stangeland.
Agreements with closely related parties are on market terms.

DOF Installer AS has a 17.76% shareholding in DOF Installer ASA. The following senior personnel and board members have shareholdings in DOF Installer AS:

Moco AS (Mons Aase):	4%
Djupedalen AS (Hilde Drønen):	1%
Kanabus AS (Oddvar Stangeland):	1.5%
Anders Arve Waage:	1.5%

DOF Subsea ASA rents office premises from Åstveit Mølle AS. The latter company is owned by Hans Gravdal who is a board member and shareholder of DOF Subsea ASA.

DOF Subsea ASA has taken delivery of a newbuilding built at Fjellstrand Shipyard which is owned by Hans Gravdal.

31. Accounting estimates and assessments

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. In today's market, the fair value of the fleet is considerably higher than the amount recorded in the balance sheet. Regardless of the fair value, the vessels are depreciated on the basis of a stipulated depreciation method.

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 second-hand value, while the price of steel and scrapping costs are decisive for the scrap 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
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 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.

32. Contingencies

The group is not involved in any ongoing court cases. No provision has therefore been made for potential claims in this connection. Reference is also made to the account of UK lease in note 18.

The group has been involved in a dispute since 2005 and by year-end the matter had not been finally decided. A final decision is expected in 2008.

33. Commitments

A total of 24 vessels are currently being build for the group. Commitments related to future investments in vessels total TNOK 4 957 467. The group also leases buildings and vessels. See note 26.

34. Quality, Health, Environment and Safety

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 best practice to prevent the re-occurrence of incidents. The management carry 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, the Environment and Safety.

35. Post-balance sheet events

New contracts
DOF Rederi, which is wholly owned by DOF ASA, has signed a 5-year B/B contract with DOF Subsea Pte. for a PSV (VS 470 MKII) which is being built at Tebma Shipyard i India, with delivery planned for in the second quarter of 2009. The contract is worth a total of approximately USD 27.5 million.

DOF Rederi has signed a 5-year contract for Petrobras for Skandi Hav with start-up in the third quarter of 2009. The vessel will be upgraded to OTSV (Offshore Terminal Support Vessel) before start-up. The contract is worth a total of approximately NOK 375 million.

DOF ASA has also signed an agreement for a 5-year contract med Statoil/Hydro for a newbuilding of the type Aker PSV 06 LNG with start-up in February 2010.

New vessels
DOF ASA has signed a contract with Aker Yards for a newbuilding of the Aker PSV 06 LNG design for delivery in December 2010.

Sale of vessel
DOF Boa AS has signed an agreement to sell MV Skandi Hercules (formerly Skandi PMS II). Skandi Hercules was built in 2002 in China. The agreed sales price is approximately USD 100 million. The vessel will be delivered to the buyer at the end of March. This vessel is employed in the AHTS segment.

DOF Subsea ASA has decided to sell MV Gefjord for the agreed sum of approximately USD 50 million. The buyer will take over the vessel in August 2008.

Financing
DOF Rederi has signed an agreement to refinance DOF Rederi's fleet for a total of MNOK 1 290. The agreement has been made with Nordea Bank, Swedbank and Danish Ship Finance.

Depreciation
With effect from 01.01.2008 the board has decided to change the depreciation principle for the group's vessels. The vessels have an estimated useful economic life of 20 years and are to be written down to 50% of the cost price over the same period.

36. Financial risk management

Financial risk factors
The group's activities entail various kinds of financial risk: market risk (including foreign exchange risk, actual interest rate risk, floating rate risk and price risk), credit risk and liquidity risk. The group's governing risk management strategy focuses on the predictability of the capital markets and seeks to minimise the potential negative effects of the group's financial results. The group uses financial derivatives to hedge against certain types of risk.

The group's risk management is exercised in line with guidelines approved by The Board of Directors. Accordingly, financial risk is identified, evaluated and hedged. The board issues written principles for the governing risk management strategy and sets out written guidelines for specific areas such as the foreign exchange risk, interest risk, credit risk, use of financial derivatives and other financial instruments, as well as investment of surplus liquidity.

(a) Market risk
(i) Foreign exchange risk
The group operates internationally and is exposed to foreign exchange risk in several currencies. This risk is especially relevant in relation to USD and GBP. The foreign exchange risk arises from future trading transactions, assets and commitments recorded in the balance sheet and net investments in foreign activities.

The management works along guidelines that have been prepared for the management of foreign exchange risk related to the companies' functional currencies. In order to manage the foreign exchange risk from future trading transactions and assets and commitments recorded in the balance sheet, forward foreign exchange contracts are used, or long-term debt is hedged in the same currencies as the vessels' contracts. The foreign exchange risk arises when future trading transactions or assets and commitments recorded in the balance sheet are denominated in a currency that is not the functional currency.

The company has some investments through foreign subsidiaries where the net assets are exposed to foreign exchange risk on conversion. Foreign exchange exposure from the group's net investments in foreign activities is managed mainly by taking up loans in the relevant foreign currency.

If NOK had been 5% stronger in relation to USD at year-end 2007 and all other variables had been constant, this would have increased pre-tax profits to TNOK 44 768. (2006: TNOK 4 694). The change is largely due lower income converted from USD to NOK, foreign exchange gains in connection with the conversion of loans in USD and lower interest rate costs for USD loans.

If NOK had been 5% stronger in relation to GBP at year-end 2007 and all other variables had been constant, this would have increased pre-tax profits to TNOK 24 020. (2006: TNOK 67 349). The change is largely due lower income converted from GBP to NOK, foreign exchange gains in connection with the conversion of loans in GBP and lower interest rate costs for GBP USD loans.

(ii) Floating rate and fixed rate interest risk
Since the group has no interest earning assets of significance, the group's results and cash flow from operations are largely unaffected by changes in the market rates.

The group's interest rate risk is related to long-term loans. Loans at a floating rate of interest entail an interest rate risk for the group's cash flow. The group makes limited use of interest rate hedging of long-term debt. The group seeks to reduce the financial risk by denominating its loans in the same currency as long-term contracts. With regard to the long-term debt for activities in Brazil, the same rate of interest has been agreed for the entire term of the loan.

An interest rate change of 1% on interest-bearing debt would have reduced the result by TNOK 92 944 (2006: TNOK 50 355).

The group manages part of the floating interest rate risk by using floating-to-fixed interest rate swaps. Swaps of this kind mean converting floating rate loans into fixed rate loans. The normally takes up long-term loans at a floating rate.

(b) Credit risk
The credit risk arises with transactions involving derivatives, deposits with 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 creditworthiness.

At year-end 2007 the group had bank deposits of GBP 51.2 million. At year-end 2006 the figure was GBP 44.3 million.

(c) Liquidity risk
Prudent management of the liquidity risk means maintaining sufficient holdings of liquid assets and marketable securities, having scope for funding in the form of a sufficient number of secure lines of credit, and the ability to close market positions. The group maintains funding flexibility by ensuring that it has established committed lines of credit at its disposal.

Risk related to capital management
The objective of the group's capital management is to ensure that operations are maintained in order to secure the return for the owners and other interested parties and to maintain an optimal capital structure in order to reduce capital costs. In order to improve the capital structure the group may adjust the level of dividends to the shareholders, repay capital to the shareholders, issue new shares or sell assets in order to repay loans.

In common with other groups within the industry, asset management is subject to close scrutiny, mainly in order to manage the group's gearing. Gearing is calculated as the ratio of net debt to total capital. Net debt is interest-bearing debt less liquid assets..

Gearing at 31 December 2007 and 31 December 2006 is shown below:

	2007	2006
Total loans	10 465 510	6 459 803
Less cash holdings	1 858 697	1 552 180
Net loans	8 606 813	4 907 623
Total equity	4 554 786	3 290 860
Total capital	13 161 599	8 198 483
Gearing	65%	60%

37. Changes in IFRS standards and interpretation

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

(a) Changes in published standards which came into effect in 2007

IFRS 7 'Financial instruments: Disclosures' and related amendments in IAS 1 (Amendments), 'Presentation of financial statements – Capital disclosures' introduces new supplementary information related to financial instruments.

IFRIC 8, 'Scope of IFRS 2'. Under IFRIC 8, transactions related to the issue of equity instruments, where the consideration is lower than the fair value of the issued equity instrument, are consider to determine whether they are covered.

IFRIC 10, 'Interim Financial Reporting and Impairment'. The standard does not not permit the reversal of a decline in the value of goodwill, equity instruments and financial instruments bookd at acquisition cost and included in interim reports.

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

(c) Standards, interpretations and amendments which took effect in 2007 but which are not relevant for the group.

The following standards, amendments and interpretations are obligatory for annual accounts starting on 1 January or later, but have been considered not to be of relevance for the group.

- IFRS 4, 'Insurance contracts'
- IFRIC 7, 'Applying the restatement approach under IAS 29, Financial reporting in hyper-inflationary economies'; and
- IFRIC 9, 'Re-assessment of embedded derivatives'.

(d) Interpretations of existing standard that have not taken effect and where the group has not chosen early implementation

The following interpretations of existing standards have been published and will be obligatory for annual accounts starting on 1 January 2008 or later, although the group has not chosen early implementation.

- IAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009). The supplement to this standard has been been submitted for approved by the EU. IAS 23 (Amendment) requires that all loan costs are recorded in the balance sheet in so far as they can be directly allocated.
- IFRS 8 'Operating segments' (effective from 1 January 2009). IFRS 8 replaces IAS 14 and coordinates segment reporting with the requirements of US standarden SFAS 131, 'Disclosures about segments of an entreprise and related information'.
- IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction' (effective from 1 January 2008). IFRIC 14 gives guidance on assessment of the value that can be attached to an asset when net pension commitments

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

The following interpretations of existing standards are obligatory for the group in respect of accounting years which start after 1 January 2008, but which the management considers are not relevant for the group.

- IFRIC 12, 'Service concession arrangements' (effective from 1 January 2008). IFRIC 12 applies to contractual agreements where a party in the private sector participates in the development, financing, operation and maintenance of infrastructure for the public sector.
- IFRIC 13, 'Customer loyalty programmes' (effective from 1 July 2008). IFRIC 13 clarifies the accounting treatment of schemes whereby goods and services are sold along with a loyalty incentive for customers (such as loyalty points or free products).

AUDITOR'S REPORT

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To the Annual Shareholders' Meeting of DOF ASA

Auditor's report for 2007

We have audited the annual financial statements of DOF ASA as of December 31, 2007, showing a profit of NOK 165 349 TNOK for the parent company and a profit of NOK 221 894 TNOK 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 balance sheet, the statements of income and cash flows, the statement of changes in equity, the accompanying notes and the group accounts. 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, 2007 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 03 2008
PricewaterhouseCoopers AS

Sturle Døsen
State Authorised Public Accountant (Norway)
Note: This translation from Norwegian has been prepared for information purposes only.

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2007 ANNUAL REPORT

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