



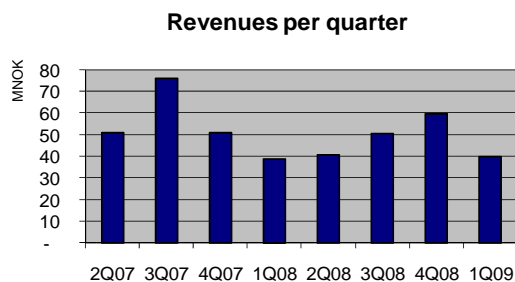
TECO MARITIME ASA

Report – 1Q 2009

27 May 2009

Statutory Results for 1Q 2009

- The total operating revenue in the 1Q was MNOK 40.0 (compared to MNOK 38.9 last year).
- **TECO Coating Service activities** contributed with MNOK 22.8 (compared to MNOK 24.0) of which:
 - MNOK 19.0 (MNOK 21.5) was from voyage based projects.
 - MNOK 0.2 (MNOK 0) was from onshore projects.
 - MNOK 3.6 (MNOK 2.5) was from sub-invoicing of goods purchased on behalf of customers.
- **TECO Ship Service activities** contributed with MNOK 17.2 (compared to MNOK 14.9 last year) in turnover.



Earnings

Pre tax earnings in the 1Q were MNOK -10.3 (compared to MNOK -6.1 last year).

Assets

The company's total assets as of 31st March were MNOK 189.0 (compared to MNOK 254.1 last year).

The total equity as of 31st March was MNOK 116.4 (compared to MNOK 186.2 last year).

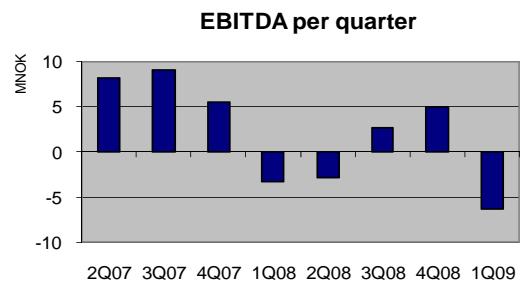
1st Quarter information

The Board is not satisfied with the 1Q result. There are several reasons for the weak result both in the Coating and Ship Service segment.

As explained in the 4Q 2008 report a large yard-project was postponed by approximately one month, thus moving it from 1Q to 2Q 2009. Out of a total project turnover of MEUR 1.2 only MEUR 0.03 was booked in 1Q.

The Coating Activity has continued to experience challenges with respect to gaining new contracts. The financial crises is the reason given by several ship owners for why they choose to postpone planned projects and even terminate ongoing projects sooner than planned.

As a result of this the Coating Services segment has reduced its office staff in Dubai by 3 employees and by 4 employees in Lysaker compared to 4Q 2008. This contributes to a reduction of personnel cost of approx. MNOK 1.0 per quarter, effective from 2Q 2009.



As reported in the 4Q, the Ship Service Activities continues to experience less demand for their services and products. It is obvious that ship owners and the whole shipping industry have become more focused on short term cash flow and delaying projects that are not critical to the ships operation.

In March TECO converted MNOK 12.0 of its long term debt into a MUS\$ 1.75 loan. The loan is to be repaid over 3 years.

Currency adjustments on long term debt is booked as a Finance cost of MNOK 0.6.

Other currency adjustments accounts for approx. MNOK 2.0 of the result and is booked as an increase of other operating expenses. This is mainly due to the drop in the EURO/NOK exchangerate in 1Q.

Due to the weak result in 1Q 2009, TECO is in breach of the EBITDA covenant in the loan agreement with SEB Privatbanken. TECO is currently negotiating a

waiver of this covenant, and is positive on reaching an agreement shortly.

TECO Coating Service Activities

The Coating Contracting department provides upgrading and maintenance of cargo and ballast tanks, as well as general maintenance of painted surfaces, onboard ships and rigs while the ship/rig is in operation. This activity represents 57% of the total group turnover in 1Q. As this work is mainly performed during voyage, the owner avoids the costs associated with long periods of docking and prolonged off-hire periods. Additionally, the owner will be able to make more efficient use of the crew who, in addition to their contracted duties, will be available for other maintenance work onboard.

The Company also hires out qualified technical staff for various maintenance tasks during voyages. Such tasks are labour-intensive and are mainly performed by Polish and Bulgarian workers under the supervision of Norwegian project managers.

With considerable technical know-how in the area of coating, TECO has qualified teams specializing in the upgrading and maintenance of ships and rigs.

TECO Ship Service Activities

The Ship Service activities represent 43% of the total group turnover in 1Q this year. The acquisitions and incorporation of our new marine services for TECO is nearing completion and the infrastructure is now for the most part in place to accommodate the expected growth in these new services we now have established.

All activities in The Netherlands have now moved together in TECO's facility at Spijkenisse. We have established a Mechanical workshop for maintenance of our own equipment in addition to a full service facility for both FRS services, Marine Chemicals and Marine Electronics. Our Coating Contracting Service division is using the facility as its' main hub to mobilize and de-mobilize projects in Europe.

Recruitment of competent staff and training is very important going forward. This applies both to skilled technical staff working within our Ship Service activities as well as within our Coating Contracting activities. Our Ship Service activities include Marine

Electronics, Fire Rescue and Safety and Tank Cleaning.

Our Marine Electronic services conduct repairs and maintenance of electronic control systems onboard ship in service, during dry-docking, or at our workshop.

Our FRS services offers both certified scheduled compulsory testing and calibration of fire and safety systems as well as repair and overhaul and filling of existing systems onboard.

Our Tank Cleaning services offer 24 hours standby and will assist with procedures, supply of cleaning chemicals and trouble-shooting on board any vessel.

Please see our web-site www.tecomaritime.com for more information.

The market

We continue to experience that our customers' challenges are affecting our own activity and that we still will face challenging times due to the unstable financial situation. However, at the same time we have now experienced that we are securing new contracts and we believe that stricter rules and regulations regarding repair and maintenance of ships will counter some of the negative effects.

We still believe that we offer an ideal solution with our voyage based services where clients and TECO will mutually benefit by working together.

We expect that the market in which we are operating will continue to grow long term as a result of both stricter maintenance requirements as well as that of TECO providing the necessary skilled technicians and services in the important ports we now are established.

Customers

General appearance of ships is often looked upon as indicative factor by surveyors in evaluating an owner or operators attitude towards maintenance. As such we have experienced an increased interest from owners for maintenance of also deck areas and superstructures. This combined with increased focus on maintenance of ballast tanks, cargo tanks and

cargo holds, will lead to continued demand for our services.

The same development is expected for our other services. We are attracting a lot of attention for servicing of marine electronics as well as that of our tank cleaning services. We have strengthened our Tank cleaning services by recruitment of Supercargo staff based out of our office in Bergen, in Norway.



We expect growth within the next year in the respective activities as they are now established in our facilities both in Rotterdam, Singapore and in Dubai.

Shares in Offshore Holding AS

As of 31st March TECO Maritime ASA's 13.75% ownership in Offshore Holding AS remains unchanged. On the balance date Offshore Holding AS owned 71.4% of Davie Holding AS (former Davie Yards ASA) which in turn owned 71.9% of Davie Yards Inc. As of 31st March, Offshore Holding AS also owned 11.7% of Ocean Hotels Plc.

The value of TECO's shares in Offshore Holding AS is booked at a value of MNOK 12.0, up from MNOK 11.1 in the 4Q, giving a revaluation surplus of MNOK 2.5, compared to the historical cost price of the shares. The revaluation surplus is shown on a separate line under Equity in the Balance Sheet.

Davie Yards Inc. reported on the 18th December 2008 that the Government of Canada had authorized Export Development Canada (EDC) to make available up to \$380 million in financing and guarantees for Davie Yards Inc.

As of 12th May 2009 Davie Yards Inc. reported that it had secured the needed refinancing through a MUSD

20.0 share offering – increasing the number of shares from 124.6 million to 368.6 million.

Offshore Holding AS has through a conversion of a loan of approx. MUSD 4.0 participated in the share offering and now directly holds 13.5% of the shares in Davie Yards inc. Davie Holding AS' ownership in Davie Yards Inc. have been reduced from 71.9% to 24.3%.

Thus the share offering has reduced TECO's indirect ownership in Davie Yards Inc from 7.1% to 4.3%.

The completion of the share offering does not materially affect the valuation of TECO's shares in Offshore Holding AS.

Events after the end of 1Q

The Board is not aware of any other significant events following the end of the quarter.



Prospects ahead

TECO Maritime ASA's group of companies are established in Oslo, Porsgrunn, Bergen, Rotterdam, Dubai and Singapore, as well as having an education facility for ship's crew and specialists in Varna, Bulgaria and a crewing office in Gdansk, Poland. In addition, a mechanical workshop for servicing and maintaining our own equipment has been established in Fujairah, UAE.

The market and opportunities going forward supports growth in activity long term and TECO's success will be subject to successfully selling and delivering its services worldwide and meet customers expectation

on quality and efficiency. An increased focus on maintenance as well as stricter regulations imposed by the ship classification societies will lead to an expansion of the potential market.

The current financial market situation, which we have seen has had effect on some of our customers

delaying start-up of new projects, may continue to delay start-ups and even lead to cancellation of ongoing projects.

The Board and Management are however confident that the turnover will show a significant upturn in 2Q 2009.

Lysaker, 26th May, 2009

The Board of TECO Maritime ASA

Profit & Loss statement**(Unaudited)**

| Figures in NOK 1 000 | 2009 | 2008 | 2008 |
|--|-----------------|----------------|-----------------|
| | Q1 | Q1 | 1.1 - 31.12 |
| Operating Revenues | 40 001 | 38 864 | 189 479 |
| Cost of Goods sold | (22 405) | (20 970) | (95 592) |
| Other operating Expenses | (23 940) | (21 176) | (92 073) |
| EBITDA | (6 344) | (3 282) | 1 814 |
| Depreciation | (2 563) | (2 219) | (9 346) |
| Goodwill impairment | - | - | (10 300) |
| Operating result (EBIT) | (8 907) | (5 502) | (17 832) |
| Net finance + / (-) | (1 372) | (612) | (3 403) |
| Earnings before tax | (10 280) | (6 113) | (21 235) |
| Estimated taxation on ordinary result | 2 301 | 1 631 | 1 186 |
| Net Profit (Loss) | (7 979) | (4 482) | (20 049) |
| Total number of shares issued at the end of the period | 32 453 464 | 32 558 587 | 32 453 464 |
| Total number of own shares at the end of the period | - | - | - |
| Average number of shares outstanding during the period | 32 453 464 | 32 558 587 | 32 488 218 |
| Earnings per share | (0,25) | (0,14) | (0,62) |
| Diluted earnings per share | (0,25) | (0,14) | (0,62) |

Balance Sheet**(Unaudited)**

| Figures in NOK 1 000 | 2009 | 2008 | 2008 |
|-------------------------------------|----------------|----------------|----------------|
| | 31.3 | 31.3 | 31.12 |
| Intangible fixed assets | 5 044 | 3 601 | 2 301 |
| Tangible fixed assets | 33 396 | 28 850 | 35 065 |
| Financial capital assets | 12 171 | 58 812 | 11 313 |
| Goodwill | 55 533 | 65 833 | 55 533 |
| Total fixed assets | 106 145 | 157 096 | 104 212 |
| Inventories | 37 191 | 34 871 | 35 872 |
| Current receivables | 42 445 | 51 748 | 55 837 |
| Cash and bank deposits | 3 243 | 10 328 | 6 031 |
| Total current assets | 82 879 | 96 947 | 97 740 |
| TOTAL ASSETS | 189 024 | 254 044 | 201 952 |
| Paid-in capital | 96 454 | 95 902 | 96 454 |
| Revaluation surplus | 2 506 | 49 147 | 1 648 |
| Other equity | 17 432 | 41 106 | 26 270 |
| Total equity | 116 392 | 186 155 | 124 372 |
| Provisions | 1 163 | 1 227 | 1 008 |
| Long term liabilities | 19 538 | 23 137 | 17 149 |
| Current liabilities | 51 931 | 43 524 | 59 424 |
| Total liabilities | 72 632 | 67 888 | 77 580 |
| TOTAL EQUITY AND LIABILITIES | 189 024 | 254 044 | 201 952 |

Cash Flow Statement**(Unaudited)**

| Figures in NOK 1 000 | 2009 | 2008 | 2008 |
|--|----------------|---------------|----------------|
| | Q1 | Q1 | 1.1 - 31.12 |
| Cash flow from operating activities | (3 189) | 2 326 | 13 916 |
| Cash flow from investing activities | (895) | (8 405) | (21 662) |
| Cash flow from financing activities | 1 296 | 6 891 | 4 262 |
| Net change in cash etc | (2 788) | 813 | (3 484) |
| Cash etc at the start of the period | 6 031 | 9 516 | 9 516 |
| Cash etc at the end of the period | 3 243 | 10 328 | 6 031 |

Changes in Equity**(Unaudited)**

| Figures in NOK 1 000 | 2009 | 2008 | 2008 |
|--|----------------|----------------|----------------|
| | Q1 | Q1 | 1.1 - 31.12 |
| Equity at the start of the period | 124 372 | 199 104 | 199 104 |
| Net Profit (Loss) | (7 979) | (4 482) | (20 049) |
| Cost of share issue (net tax) | - | - | (266) |
| Net repurchase / sale of own shares | - | - | (845) |
| Revaluation | 858 | (8 508) | (56 007) |
| Foreign currency translation, net | (859) | 41 | 2 435 |
| Equity at the end of the period | 116 392 | 186 155 | 124 372 |

The financial statements are presented in accordance with the IAS34.
Please see latest annual report for details on accounting principles.

The statements for the quarter has not been audited.

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