



TECO MARITIME ASA

**Report – 4Q
2009**

26 February 2010

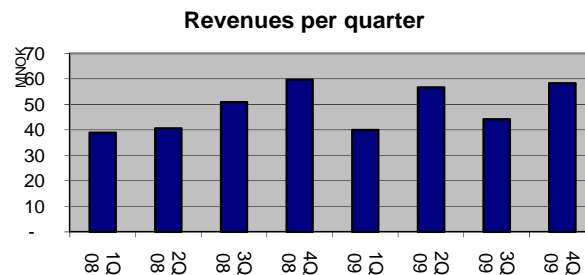
HIGHLIGHTS 4th QUARTER 2009

- The result in 4Q is the best quarterly result in 2009 and the best quarterly EBITDA-result in TECO's history.
- Successful completion of two major onshore coating projects
- Sale of subsidiary in Dubai and discontinuation of all Fire Rescue and Safety-services

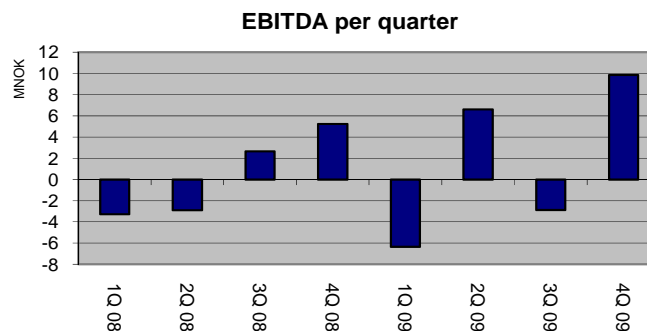
FINANCIALS – Unaudited

Statutory Results for 4Q 2009

- The total operating revenue in the 4Q was MNOK 58.3 (MNOK 59.1).
- **TECO Coating Service activities** contributed with MNOK 43.5 (MNOK 38.5) of which:
 - MNOK 21.7 (MNOK 34.1) was from voyage based projects.
 - MNOK 15.8 (MNOK 0.0) was from onshore projects.
 - MNOK 6.0 (MNOK 4.4) was from sub-invoicing of goods purchased on behalf of customers.
- **TECO Ship Service activities** contributed with MNOK 14.8 (MNOK 21.2) in turnover.



- **Earnings**
 - Pre tax earnings in the 4Q were MNOK -20.1 (MNOK -8.8) after write-down on goodwill of MNOK 25.3 (MNOK 10.3).
- **Assets**
 - The company's total assets as of 31st December were MNOK 152.4 (MNOK 202.0).
 - The total equity as of 31st December was MNOK 88.9 (MNOK 124.4).



4TH QUARTER AND PRELIMINARY 2009 INFORMATION

The Board is very satisfied with the 4Q result. TECO shows an EBITDA result of MNOK 9.8 in Q4 compared to MNOK 5.2 in 4Q 2008. Adjusted for a MNOK 25.3 write-down on goodwill in the 4Q TECO shows a pretax loss of MNOK 20.1 in the 4Q and pretax loss of MNOK 31.5 for 2009. The 2009 financial result is in line with the general market situation.

After analyzing the market and conservative calculation of future earnings, the management proposed to the Board to write-down an additional MNOK 25.3 of the goodwill compared to MNOK 10.3 last year. Goodwill as of 31st December is booked at MNOK 30.2.

The Coating activities have shown a significant improvement in the 4Q. As reported in the 3Q report, TECO Coating Services AS was awarded two major projects on semi submersible offshore-rigs that were nearly finalized in the 4Q. These two projects had total booked revenue in 4Q of approx. MNOK 15.4.

In 2009 the **Coating** activities have experienced a substantial growth in the offshore market in particular, compared to voyage based projects. Voyage based projects has slowly started to show signs of improvement. Overall, the Board is satisfied with the Coating activities for 2009 in the challenging world market.

The **Ship Service** activities had a weak quarter. As reported in previous quarters, the Ship Services Activities continues to experience a lower demand for their services and products. In August the subsidiary in Singapore discontinued its "Fire Rescue and Safety" (FRS) products and services. In the 4Q the subsidiary in Netherland also discontinued its FRS services. The only subsidiary left providing FRS services was the subsidiary in Dubai. It was decided to sell the FRS-subsiary in Dubai due to the fact that it in addition to showing negative results was the only subsidiary left providing the FRS service. The company was sold to employees in late 4Q. The sale resulted in a net loss of MNOK 0.8.

Other currency adjustments accounts for approx. MNOK 0.2 of the result and is booked as an increase of other operating expenses.

SEGMENTS

Coating Activities

The Coating activities represent 75% (65%) of the total group turnover in 4Q.

The **Coating** activities 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. 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.

Ship Service Activities

The **Ship Service** activities represent 25% (35%) of the total group turnover in 4Q this year.

The **Ship Service** activities consist of **Marine Electronics & Calibration** and **Tank Cleaning & Cargo Handling**.

The Ship Service activities operate from our locations in:

- Norway: Bergen and Porsgrunn
- The Netherlands: Rotterdam
- Singapore

Our **Marine Electronics** offices offer a wide range marine electronics services based on specialist know-how and the highest possible flexibility both in planning and execution. Repairs and maintenance is conducted onboard a ship in service, during dry-docking, or at our workshop. TECO is an approved service partner for Krohne Skarpenord, Honeywell (Eltek and Enraf), Jowa and Emerson Process Management (MEP), and repair equipment from most international manufacturers. We also help customers to keep certificates for calibration equipment up to date, by performing compulsory annual certification as well as supplying new test equipment.

Our **Tank Cleaning** offices specialize in tank cleaning chemicals, tank cleaning advices, supercargoes and test equipment for the maritime industry. MarClean® is TECO's own range of internationally approved marine chemicals and consists of highly concentrated, environmentally friendly products. Our newest product, MarClean® RigClean, is a user friendly general purpose cleaning and degreasing agent which meets the strict environmental requirement from the Norwegian Oil Sector in the North Sea. By combining our staff with our worldwide network of specialists we are able to be of service where and whenever it is needed. We offer customised training courses both for officers, crew and land based personnel.

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.



Shares in Offshore Holding AS

As of 31st December TECO Maritime ASA owns 13.75% of the shares in Offshore Holding AS.

The value of TECO's shares in Offshore Holding AS is booked at a value of MNOK 10.8, down from MNOK 11.6 in the 3rd Quarter, giving a revaluation deficit of MNOK 0.3, compared to the historical cost price of the shares. The revaluation deficit is included in the Net finance in the Profit and Loss.

For detailed information on Offshore Holding's shareholdings, please see TECO's 2Q 2009 report.

Events after the end of 4Q

In the 3Q report, TECO reported that it had breached its EBITDA covenant in the loan agreement with SEB Privatbanken. Due to the breach of the covenant TECO's credit facility of MNOK 9.0 was not formally renewed. TECO and SEB Privatbanken have through constructive dialogue reached an agreement on a new covenant structure and the renewal of the credit facility. TECO is subsequently no longer in breach with any covenants relating to its credit facilities. The EBITDA covenant has been reduced from MNOK 18 per revolving 12 month period to MNOK 10 for 2010.

TECO has initiated a process to sell its warehouse in Rotterdam. In connection with the sale TECO will enter into a lease agreement for the same warehouse. The agreement is scheduled to be finalized primo March 2010 and is expected to reduce TECO's USD loan by MUSD 0.4 and strengthen the cash-reserves by approx MEUR 0.6.

The Board has been informed that "Davie Yards (TSX:DAV) announced today that it has filed for creditor protection under the Companies' Creditors Arrangement Act ("CCAA") with the Québec Superior Court". This will most likely have a negative effect on the valuation of TECO's shares in Offshore Holding AS.

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



Prospects ahead

The Board has a positive view on the future of the Coating Activities. Marine Electronics and Tank Cleaning activities have had a slow start in 2010 but are expected to show positive trends for the rest of the year.

Following the two major onshore projects towards the end of 2009 the 4Q turned out to be a very strong quarter. Even though the Coating Activities are showing a positive trend, 1Q 2010 is not expected to be as profitable as 4Q 2009.

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 current market situation, which we have seen has had effect on some of our customers delaying start-up of new projects, may still continue to delay start-ups and even lead to cancellation of ongoing projects.

Lysaker, 25th February, 2010
The Board of TECO Maritime ASA

Profit & Loss statement

(Unaudited)

Figures in NOK 1 000	2009 Q4	2008 Q4	2009 1.1 - 31.12	2008 1.1 - 31.12
Operating Revenues	58 346	59 113	199 208	189 479
Cost of Goods sold	(27 995)	(27 832)	(104 771)	(95 592)
Other operating Expenses	(20 511)	(26 041)	(87 197)	(92 073)
EBITDA	9 840	5 240	7 241	1 814
Depreciation	(2 865)	(2 736)	(10 596)	(9 346)
Goodwill impairment	(25 313)	(10 300)	(25 313)	(10 300)
Loss on sale of subsidiary	(828)	-	(828)	-
Operating result (EBIT)	(19 167)	(7 796)	(29 497)	(17 832)
Net finance + / (-)	(930)	(961)	(1 968)	(3 403)
Earnings before tax	(20 097)	(8 757)	(31 465)	(21 235)
Estimated taxation on ordinary result	(2 493)	(1 263)	(1 115)	1 186
Net Profit (Loss)	(22 590)	(10 020)	(32 580)	(20 049)
Total number of shares issued at the end of the period	32 453 464	32 453 464	32 453 464	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	32 453 464	32 488 218	32 488 218
Earnings per share	(0,70)	(0,31)	(1,00)	(0,62)
Diluted earnings per share	(0,70)	(0,31)	(1,00)	(0,62)

Balance Sheet

(Unaudited)

Figures in NOK 1 000	2009 31.12	2008 31.12
Intangible fixed assets	2 031	2 301
Tangible fixed assets	26 926	35 065
Financial capital assets	10 767	11 313
Goodwill	30 220	55 533
Total fixed assets	69 944	104 212
Inventories	32 915	35 872
Current receivables	37 882	55 837
Cash and bank deposits	11 618	6 031
Total current assets	82 415	97 740
TOTAL ASSETS	152 359	201 952
Paid-in capital	96 454	96 454
Revaluation surplus	-	1 648
Other equity	(7 565)	26 270
Total equity	88 889	124 372
Provisions	320	1 008
Long term liabilities	11 617	17 149
Current liabilities	51 533	59 424
Total liabilities	63 470	77 580
TOTAL EQUITY AND LIABILITIES	152 359	201 952

Cash Flow Statement

(Unaudited)

Figures in NOK 1 000	2009 Q4	2008 Q4	2009 1.1 - 31.12	2008 1.1 - 31.12
Cash flow from operating activities	12 648	6 803	15 495	13 916
Cash flow from investing activities	(214)	(6 577)	(3 002)	(21 662)
Cash flow from financing activities	(2 808)	2 093	(6 906)	4 262
Net change in cash etc	9 626	2 319	5 587	(3 484)
Cash etc at the start of the period	1 993	3 712	6 031	9 516
Cash etc at the end of the period	11 618	6 031	11 618	6 031

Changes in Equity

(Unaudited)

Figures in NOK 1 000	2009 Q4	2008 Q4	2009 1.1 - 31.12	2008 1.1 - 31.12
Equity at the start of the period	112 386	131 236	124 372	199 104
Net Profit (Loss)	(22 590)	(10 020)	(32 580)	(20 049)
Cost of share issue (net tax)	-	29	-	(266)
Net repurchase / sale of own shares	-	-	-	(845)
Revaluation	(755)	613	(1 648)	(56 007)
Foreign currency translation, net	(151)	2 514	(1 255)	2 435
Equity at the end of the period	88 889	124 372	88 889	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.

TECO Maritime ASA

P.O. Box 462
NO-1327 Lysaker
Norway
Tel: +47 67 200 300
Fax: +47 67 200 371
E-mail: finance@tecomaritime.com

Office and visiting address:

Lysaker Torg 8
NO-1366 Lysaker, Norway

Contact persons:

Christian Fr. Thyholdt, CEO
Siri Øien, CFO

NOTES TO THE FINANCIAL STATEMENT - Unaudited

Note 1 - Statement of compliance

These interim financial statements have been prepared in accordance with international Financial Reporting Standards (IFRS) IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at, and for, the year ended December 31, 2008. The Financial statement is unaudited.

Note 2 - Significant accounting principles

The accounting policies applied by the Group in these interim financial statements are the same as those applied by the Group in its consolidated financial statements as at, and for, the years ended December 31, 2008. The 2008 financial statement can be obtained in printed form from TECO Maritime ASA, or downloaded from the Internet at: www.tecomaritime.com.

Note 3 - Estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in preparing these interim financial statements in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at, and for, the year ended December 31, 2008.

Note 4 - Segment information

The Group's activities are divided into two reporting segments; **Coating activities** and **Ship Service activities**.

	Operating Income			
	2009 Q4	2008 Q4	2009	2008
(Amounts in MNOK)				
Coating activities	43.5	38.2	135.2	119.6
Ship Services activities	14.8	21.0	60.5	70.4

Note 5 - Loans

In March TECO converted its long term NOK loan into a MUSD 1.75 loan. The loan is to be repaid over 3 years with quarterly instalments of MUSD 0.15. First instalment was paid in June. The loan has a floating interest rate. As per December 31st, the interest rate was 3.499 % including the banks margin.

Note 6 - Related party transactions

Three of the Company's largest shareholders, Chairman Tore Enger, CEO Christian Fr. Thyholdt and Commercial Director Bjarne Eia, own indirectly 78.4 %, 9.8 % and 9.8 % of TECO Group AS respectively. TECO Group AS is the Company's third largest shareholder. TECO Management AS is a 100 % owned subsidiary of TECO Group AS. All transactions with related parties are made at market rates.

Net purchase and sale of goods and services (Amounts in MNOK)	2009	2008
TECO Group AS	0	0
TECO Management AS	0.2	0.7

Balance at the end of the reporting period (Amounts in MNOK)	2009	2008
Net receivables		
TECO Group AS	0	0
TECO Management AS	0.04	0
Net payables		
TECO Group AS	0	0
TECO Management AS	0.05	0.2

Share capital and shareholders

Largest shareholders as of 31.12.09

Name	No. of shares	Ownership (%)
TORE ENGER & CO AS	11 737 135	36,17 %
BRAS KAPITAL AS	3 904 000	12,03 %
TECO GROUP AS	1 970 000	6,07 %
BJARNE EIA & CO AS	1 454 932	4,48 %
EASTER HOLDING AS	1 311 753	4,04 %
BRUDEVOLD HOLDING AS	1 300 000	4,01 %
BUSKERUD TELEMARK VESTFOLD	1 122 000	3,46 %
NOROCO AS	1 113 000	3,43 %
MONS HOLDING AS	652 000	2,01 %
BTV INVEST AS	385 000	1,19 %
SUNDT AS	306 000	0,94 %
MP PENSJON	250 000	0,77 %
SALEMARK	242 000	0,75 %
JULI HOLDING AS	220 000	0,68 %
HAAVIND	200 000	0,62 %
FØRRE	180 000	0,55 %
CHRISTMAS HOLDING AS	173 180	0,53 %
STERNA CAPITAL MANAGEMENT	150 000	0,46 %
ERIKSEN	120 000	0,37 %
VAN BUYTENEN BEHEER	103 029	0,32 %
Total 20 major shareholders as of 31st of December 2009	26 894 029	82,87 %
Other	5 559 435	17,13 %
Total number of shares	32 453 464	100,00 %