

SUBSEA 7 INC.

REPORT FOR THE FOURTH QUARTER AND PRELIMINARY YEAR END RESULTS FOR 2009 - UNAUDITED

2 February 2010

Subsea 7 Inc. (Oslo Stock Exchange: SUB) today reports the fourth quarter and preliminary year end results for 2009.

PERFORMANCE SUMMARY

Quarter Highlights

- Strong project execution in all regions delivering EBITDA of USD 130.9 million, equivalent to an EBITDA margin of 24.3%.
- Awarded contract by Petrobras in Brazil valued in excess of USD 200 million in support of the P-55 development in the Roncador field.
- Issued and received proceeds for private placement of USD 275 million convertible notes.

Financial Results

The Group's accounts are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

<i>In USD millions</i>	Three months ended		Year ended	
	31/12/2009 Unaudited	31/12/2008 Unaudited	31/12/2009 Unaudited	31/12/2008 Audited
Revenue	538.2	583.6	2,439.3	2,373.3
Adjusted EBITDA	130.9	101.6	526.8	520.7
Net operating profit	96.4	73.4	404.0	425.3
Profit before tax	92.0	91.0	412.2	394.5
Net profit attributable to equity shareholders	64.5	56.9	288.4	264.0
<i><u>Earnings per share, in USD per share</u></i>				
Earnings per share, basic	0.44	0.39	1.96	1.80
Earnings per share, diluted	0.42	0.38	1.94	1.74

OPERATIONS

North Sea

Highlights for the quarter include the successful completion of Statoil's Vega, Visund and Snorre B riser projects, as well as the subsea construction work for Statoil's Troll O2 and BP's Skarv and Valhall Re-Development projects. Onshore fabrication of the Skarv clad flowlines was undertaken at the Vigra spoolbase.

Diving work was performed for Maersk, Lundin and CNR.

Life-of-Field operations continued on the Shell, ConocoPhillips, Total and BP frame agreements. The new ROVSV, *Normand Subsea*, commenced operations on the Shell framework agreement during the quarter.

The *Seven Navica* completed a scheduled drydock before departing for Australia to support operations in Asia Pacific.

Africa

Operations continued on BP's Block 18 Life-of-Field project, offshore Angola. Project management and engineering continued in respect of BP's Block 31 and Block 18 Gas Export Line contracts.

The Company successfully completed Total's Girassol pipeline repair project, offshore Angola.

Brazil

Activity levels in Brazil remained high during the quarter.

Petrobras' Sul Capixaba project was substantially completed whilst pipeline fabrication operations were completed on Petrobras' Tambau Urugua project at the Ubu spoolbase.

The scope of work planned for 2009 in respect of Statoil's Peregrino development was completed and the *Seven Oceans* will return to execute the final campaign early 2010.

Project management and engineering progressed in respect of the newly-awarded P-55 project for Petrobras in the Roncador field.

The *Normand Seven* commenced operations for Petrobras following the award of a four-year contract which was announced during the third quarter of 2009. The *Lochnagar* and *K3000* continued to support Petrobras on day-rate operations.

North America

Offshore operations were completed on Petrobras' Cascade project supported by the *Skandi Neptune* and the *Seven Seas*. Marathon's Droskhy pipelay scope was completed by the *Seven Oceans*.

The *Skandi Neptune* also undertook some work for BP on the Thunder Horse and Atlantis developments during the quarter.

The *Toisa Perseus* was returned to its owners at the end of its charter.

Asia Pacific

The *Rockwater 2* continued supporting Woodside's Enfield project in Australia before commencing in-field activities on Santos' Casino-Henry project.

Santos' Casino-Henry project progressed well with the *Seven Navica* completing pipelaying activities in December 2009 before transiting back to Europe.

The *Seven Seas* commenced mobilisation activities for Murphy's Kikeh flexibles project in Malaysia.

INVESTMENTS

During the quarter, the Company continued to hold investments in listed equity shares and debt securities.

At 31 December 2009, these investments were treated as 'Available-for-sale financial assets' and were marked-to-market in the balance sheet, giving rise to an increase in their carrying value during the quarter of USD 17.1 million (full year: USD 91.0 million). USD 12.6 million of this increase in the quarter (full year: USD 56.7 million) has been reflected directly in Shareholders' equity. The remaining USD 4.5 million (USD 34.3 million full year), which reflects the remeasurement at fair value of the embedded option contained within the debt securities, is included in the consolidated income statement.

FINANCING

Fourth Quarter 2009

On 13 October 2009, the Company issued and received net proceeds of USD 272.9 million for its private placement of USD 275 million convertible notes. The notes have an annual coupon of 3.5% and are convertible into common shares of the Company at a conversion price of USD 17.98 per share, representing a conversion premium of 37.5%. The reference price of the Company's common shares has been set at USD 13.08 and the total number of new common shares to be issued, if all the notes were converted, would be 15,294,772. The notes are redeemable at 100% of their principal amount and will, unless converted or purchased and cancelled, mature in October 2014.

During October 2009, the total amount drawn under existing revolving credit facilities of USD 100 million was repaid and the Siem Industries Inc. revolving credit facility was cancelled. The remaining undrawn loan facilities available to the Company at the date of this report total USD 250 million.

On 12 November 2009, the Company announced that it had repurchased USD 40.5 million (par value) of the USD 175 million zero coupon Subsea 7 Inc. convertible notes due 2017 for USD 40.4 million, or 99.8% of the par value. USD 0.1 million of the repurchase price has been treated as payment for the equity component of the note and has been recognised in shareholders' equity. In addition, a loss on repurchase of the liability component of USD 0.6 million has been included within finance expense in the consolidated income statement. The repurchased convertible notes remain outstanding and have not been cancelled.

Full Year 2009

In addition to the transactions above, other significant financing activities to note for the full year include the following:

In January 2009, the Company signed an amendment to its existing revolving credit facility with DnB NOR Bank ASA, increasing the facility from USD 100 million to USD 150 million. The revolving credit facility expires on 16 February 2012.

In April 2009, the Company concluded a three-year revolving credit facility with HSBC Bank plc for USD 50 million.

In June 2009, the Company concluded a three-year revolving credit facility with Bank of Scotland plc for USD 50 million.

At 30 June 2009, the Company reassessed the expected maturity of the USD 175 million Subsea 7 Inc. zero coupon convertible notes 2007/2017. The notes were previously accounted for as if they would be redeemed either at the option of the holders on 29 June 2012 or at the option of the Company on 13 July 2012. It is now considered more likely that the convertible notes will be redeemed at their accreted principal amount at the option of the holders on 29 June 2010. The carrying value of the notes was therefore adjusted to reflect the revised estimated maturity. As a result, an additional USD 20.3 million accretion was booked within finance expense in the consolidated income statement in June 2009. The revised carrying value of the notes has been presented within current liabilities.

In the nine months to 30 September 2009, the Company repurchased USD 40 million (par value) of the USD 300 million 2.8% Subsea 7 Inc. convertible notes due 2011 for USD 35.1 million, an average of 87.7% of the par value. The repurchased convertible notes remain outstanding and have not been cancelled.

FINANCIALS

Fourth Quarter 2009

Revenue for the fourth quarter 2009 was USD 538.2 million compared to USD 583.6 million for the same period in 2008.

Net operating profit for the fourth quarter 2009 was USD 96.4 million compared to USD 73.4 million for the same period in 2008. Net operating margins as a percentage of revenue were 17.9% in the fourth quarter 2009 compared to 12.6% in the fourth quarter 2008. The main reasons for this improvement were the higher levels of offshore activity in North America and Asia Pacific and improved project execution generally, but particularly in Brazil, during the fourth quarter of 2009, compared to the same period in 2008. The fourth quarter 2009 has also benefited from the cost-cutting initiatives that were undertaken during the year.

Net financial expense for the fourth quarter 2009 was USD 5.6 million compared to net financial income of USD 12.2 million for the fourth quarter 2008. The main reasons for this difference are net currency gains of USD 8.6 million recognised during the fourth quarter 2009 compared to gains of USD 37.3 million in the fourth quarter 2008. There was also a higher finance expense of USD 13.4 million during the fourth quarter 2009 compared to USD 9.1 million during the same period for 2008, which relates to accretion in respect of the convertible notes that were issued during 2009. This was offset to some extent by losses in the marking-to-market of derivative financial instruments during the fourth quarter 2009 of USD 2.3 million (net of a USD 4.5 million gain relating to the remeasurement at fair value of the embedded option contained within the available-for-sale financial assets), which were significantly less than losses recognised of USD 17.3 million in the fourth quarter 2008.

Taxation expense for the fourth quarter 2009 was USD 27.5 million which equates to an effective rate of 29.9%.

Net profit attributable to equity shareholders for the fourth quarter 2009 was USD 64.5 million, or USD 0.44 per share, compared to a net profit of USD 56.9 million, or USD 0.39 per share, for the fourth quarter 2008.

Full Year 2009

Revenue for the year ended 31 December 2009 was USD 2.44 billion compared to USD 2.37 billion for the same period in 2008.

Net operating profit for the year ended 31 December 2009 was USD 404.0 million compared to USD 425.3 million in 2008. Net operating margins as a percentage of revenue were 16.6% in 2009 compared to 17.9% in 2008. The reduction in margins is attributable to lower levels of activity in the Africa and Asia Pacific regions and tougher trading conditions in the North Sea, offset by improved project execution, particularly in Brazil.

Net financial income for the year ended 31 December 2009 was USD 1.5 million compared to net financial expense of USD 42.5 million for the year ended 31 December 2008. The significant year-on-year movement is primarily due to gains made in the marking-to-market of derivative financial instruments during the year of USD 47.8 million (of which USD 34.3 million relates to the remeasurement at fair value of the embedded option contained within the available-for-sale financial assets) compared with losses of USD 34.2 million in 2008. This movement was offset by USD 20.3 million of additional accretion expense recognised on reassessment of the term of the 2007 convertible notes and net currency gains of USD 4.8 million recognised during the year compared to gains of USD 18.8 million in 2008.

Taxation expense for the year ended 31 December 2009 was USD 123.8 million which equates to an effective rate of 30.0%. This compares to a taxation expense of USD 130.5 million for the year ended 31 December 2008, which equates to an effective rate of 33.1%.

Net profit attributable to equity shareholders for the year ended 31 December 2009 was USD 288.4 million, or USD 1.96 per share, compared to a net profit of USD 264.0 million, or USD 1.80 per share, for the year ended 31 December 2008.

CAPITAL EXPENDITURE

The construction of the new-build diving support vessel the *Seven Atlantic* continued to progress during the quarter. Work continues on commissioning the vessel and final installation and commissioning of the dive system. The vessel will be delivered during the first quarter of 2010 after which work will continue with manned diving trials.

Construction of the new-build pipelay and construction vessel the *Seven Pacific* also progressed during the quarter with steel fabrication and piping systems now well underway. A major milestone was achieved in January 2010 when the underdeck carousels were installed on schedule. The vessel is scheduled for delivery in the fourth quarter of 2010.

SHARE CAPITAL

During the quarter, 37,000 share options were exercised under the Company's share option plan at a strike price of NOK 29.49 per share.

During the full year, a total of 87,000 share options were exercised under the Company's share option plan at a strike price of NOK 29.49 per share.

The Company had 146,998,880 shares issued and outstanding at 31 December 2009.

MAJOR NEW CONTRACTS SINCE 1 OCTOBER 2009

In October 2009, the Company announced that it had been awarded an engineering, procurement, installation and commissioning contract by Petrobras for the P-55 development in the Roncador field, offshore Brazil. The contract is valued in excess of USD 200 million.

BACKLOG

The Group was awarded new contracts, including commitments under frame agreements, of an aggregate amount of approximately USD 340 million during the quarter. The worldwide order book of the Group at 31 December 2009 was approximately USD 2.8 billion, comprised of approximately USD 1.8 billion of day-rate contracts and USD 1.0 billion of lump-sum contracts.

OUTLOOK

The market outlook remains challenging in the short-term but positive for the medium to longer-term.

Signs of a recovery are starting to appear in the North Sea with a significant number of projects being engineered for the potential of first production in 2011 and 2012.

Elsewhere in the world there are a number of major projects moving towards sanction but, given their larger scale, offshore installation is more likely to fall into the 2012 – 2013 period.

Meanwhile we see the cost-cutting efficiencies implemented in 2009 allowing us to remain competitive in the current aggressive pricing market. We also continue to see our new fleet being well matched to the project needs of our clients which will aid us in maintaining good utilisation of our assets.

**On behalf of the Board of Directors of Subsea 7 Inc.
2 February 2010**

Kristian Siem, Chairman

www.subsea7.com

CONSOLIDATED INCOME STATEMENT

Income Statement <i>(Amounts in USD 1,000)</i>	4Q 2009 Unaudited	4Q 2008 Unaudited	Year ended 31/12/2009 Unaudited	Year ended 31/12/2008 Audited
Revenue	538,178	583,594	2,439,278	2,373,252
Operating expenses	(408,409)	(487,389)	(1,919,213)	(1,864,331)
Depreciation and amortisation	(33,927)	(23,448)	(117,214)	(95,300)
Profit on disposal of property, plant and equipment	547	613	1,160	11,671
Net operating profit	96,389	73,370	404,011	425,292
Changes in fair value of derivative financial instruments	(2,299)	(17,287)	47,755	(34,177)
Net currency gain	8,554	37,344	4,767	18,761
Finance income	1,575	1,244	8,896	5,881
Finance expense	(13,388)	(9,095)	(59,955)	(33,014)
Net financial items	(5,558)	12,206	1,463	(42,549)
Share of post-tax profit from joint ventures	692	5,672	5,652	11,768
Share of post-tax profit/(loss) from associates	444	(235)	1,074	(8)
Profit before tax	91,967	91,013	412,200	394,503
Taxation expense	(27,499)	(34,099)	(123,849)	(130,506)
Net profit attributable to equity shareholders	64,468	56,914	288,351	263,997
Average number of issued shares (1,000)	146,983	146,912	146,941	146,938
Earnings per share, in USD per share	0.44	0.39	1.96	1.80
Average number of issued shares, diluted (1,000)	161,529	164,667	150,586	164,975
Earnings per share, diluted, in USD per share	0.42	0.38	1.94	1.74

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(Amounts in USD 1,000)</i>	4Q 2009	4Q 2008	Year ended	Year ended
	Unaudited	Unaudited	31/12/2009	31/12/2008
			Unaudited	Audited
Net profit attributable to equity shareholders	64,468	56,914	288,351	263,997
Currency translation differences	17,239	(219,616)	97,012	(302,219)
Available-for-sale financial assets – fair value adjustment	12,592	(14,697)	56,743	(71,801)
Other comprehensive income/(expense)	29,831	(234,313)	153,755	(374,020)
Total comprehensive income/(expense)	94,299	(177,399)	442,106	(110,023)

CONSOLIDATED BALANCE SHEET

<i>(Amounts in USD 1,000)</i>	At 31/12/2009 Unaudited	At 31/12/2008 Audited
ASSETS		
Non-current assets		
Goodwill	98,533	98,533
Other intangible assets	621	1,130
Property, plant and equipment	1,189,389	991,408
Derivative financial instruments	194	-
Deferred tax assets	11,849	15,113
Investment in joint ventures	2,958	12,582
Investment in associates	2,675	1,601
	1,306,219	1,120,367
Current assets		
Inventories	32,981	22,567
Trade and other receivables	505,978	659,097
Available-for-sale financial assets	176,443	85,414
Derivative financial instruments	5,337	1,483
Cash and cash equivalents	487,251	114,066
	1,207,990	882,627
TOTAL ASSETS	2,514,209	2,002,994
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	1,470	1,469
Share premium reserve	271,664	271,238
Shares held by Employee Share Trust	(9,430)	(9,430)
Other reserves	(43,603)	(225,650)
Retained earnings	967,187	652,039
	1,187,288	689,666
Non-current liabilities		
Borrowings	468,540	559,737
Deferred tax liabilities	106,577	99,610
Retirement benefit obligations	279	1,002
Other non-current liabilities	3,246	4,237
	578,642	664,586
Current liabilities		
Trade and other payables	573,198	605,358
Current tax liabilities	40,368	32,728
Borrowings	133,465	-
Derivative financial instruments	1,248	10,656
	748,279	648,742
Total liabilities	1,326,921	1,313,328
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,514,209	2,002,994

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

<i>(Amounts in USD 1,000)</i>	Share capital	Share premium	Shares held by Employee Share Trust	Other reserves	Retained earnings	Total
At 1 January 2009 (Audited)	1,469	271,238	(9,430)	(225,650)	652,039	689,666
Foreign currency translation	-	-	-	97,012	-	97,012
Available-for-sale financial assets – fair value adjustment	-	-	-	56,743	-	56,743
Other comprehensive income	-	-	-	153,755	-	153,755
Net profit for the period	-	-	-	-	288,351	288,351
Total comprehensive income	-	-	-	153,755	288,351	442,106
Share based payments	-	-	-	-	4,595	4,595
Shares issued – exercise of options	1	426	-	-	-	427
Repurchase of convertible notes	-	-	-	(19,548)	18,283	(1,265)
Convertible note 2009-2014 – equity component	-	-	-	51,759	-	51,759
Depreciation on re-valued assets	-	-	-	(3,919)	3,919	-
At 31 December 2009 (Unaudited)	1,470	271,664	(9,430)	(43,603)	967,187	1,187,288
At 1 January 2008 (Audited)	1,477	286,508	-	152,362	379,410	819,757
Foreign currency translation	-	-	-	(302,219)	-	(302,219)
Available-for-sale financial assets – fair value adjustment	-	-	-	(71,801)	-	(71,801)
Other comprehensive expense	-	-	-	(374,020)	-	(374,020)
Net profit for the period	-	-	-	-	263,997	263,997
Total comprehensive (expense)/income	-	-	-	(374,020)	263,997	(110,023)
Purchase of own shares	(9)	(15,707)	-	-	-	(15,716)
Share based payments	-	-	-	-	4,640	4,640
Shares issued – exercise of options	1	437	-	-	-	438
Shares purchased by Employee Share Trust	-	-	(9,430)	-	-	(9,430)
Depreciation on re-valued assets	-	-	-	(3,992)	3,992	-
At 31 December 2008 (Audited)	1,469	271,238	(9,430)	(225,650)	652,039	689,666

CONSOLIDATED CASH FLOW STATEMENT

<i>(Amounts in USD 1,000)</i>	Year ended 31/12/2009 Unaudited	Year ended 31/12/2008 Audited
Cash flows from operating activities		
Cash generated from operations	639,977	590,414
Finance income received	4,551	6,237
Finance expense paid	(11,941)	(10,578)
Taxation paid	(90,998)	(115,016)
Net cash from operating activities	541,589	471,057
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	1,413	26,073
Purchase of property, plant and equipment	(246,331)	(449,282)
Purchase of available-for-sale financial assets	-	(179,381)
Dividends received	16,336	-
Net cash used in investing activities	(228,582)	(602,590)
Cash flows from financing activities		
Net proceeds from issue of ordinary share capital	427	438
Purchase of own shares	-	(15,716)
Shares purchased by Employee Share Trust	-	(9,430)
(Repayment)/drawdown of loans	(150,000)	150,000
Government grants received	-	15
Proceeds from issue of convertible notes	272,902	-
Repurchase of convertible notes	(75,486)	-
Finance lease principal payments	-	(394)
Net cash from financing activities	47,843	124,913
Effects of exchange rate changes	12,335	(46,971)
Net increase/(decrease) in cash and cash equivalents	373,185	(53,591)
Cash and cash equivalents at start of period	114,066	167,657
Cash and cash equivalents at end of period	487,251	114,066

NOTES TO THE FINANCIAL INFORMATION

1. Basis of preparation

The condensed consolidated financial information for the period 1 January to 31 December 2009 has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union, but has not been audited or reviewed. The condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2008 which have been prepared in accordance with IFRSs as adopted by the European Union.

2. Accounting policies

The accounting policies adopted in the preparation of the condensed consolidated financial information are consistent with the annual financial statements for the year ended 31 December 2008, as described in those annual financial statements. In addition the following new standards, amendments to standards and interpretations have been adopted from 1 January 2009:

Improvements to IFRSs	
IAS 39 and IFRS 7	'Reclassification of Financial Assets'
IFRS 2 (Amendment)	'Share Based Payment – vesting conditions and cancellations'
IFRS 8	'Operating Segments'
IAS 1 (Revised)	'Presentation of Financial Statements'
IAS 23	'Borrowing Costs' (Revised)
IAS 27	'Consolidated and Separate Financial Statements – Cost of an investment in a subsidiary, jointly controlled entity or associate (Amendments)'

As a result of the adoption of IAS 1 (Revised) and IFRS 8, the Group has made some presentational changes to the interim statements. As a result of the adoption of IFRS 8, the Group has reviewed its reportable segments. The segments presented under IFRS 8 have not changed from those presented as primary segments under IAS 14.

The Group has updated its accounting policy in respect of borrowing costs to include requirement of IAS 23 to capitalise attributable interest on assets which necessarily take a substantial period of time to prepare for their intended use or sale. Under the transitional rules for IAS 23, this only applies to assets which commenced construction after 1 January 2009. This had no material impact in the quarter or the full year.

The adoption of the remaining standards, amendments to standards and interpretations above had no impact on the reported income or net assets of the Group in the quarter or the full year.

3. Segment reporting

<i>(Amounts in USD 1,000)</i>	North Sea	Africa	Brazil	North America	Asia Pacific	Global	Total
4Q 2009 (Unaudited)							
Revenue	220,007	41,906	140,915	66,858	68,492	-	538,178
Profit/(loss) before tax	33,325	12,057	27,141	18,545	16,343	(15,444)	91,967
4Q 2008 (Unaudited)							
Revenue	222,196	98,062	208,127	43,729	11,490	(10)	583,594
Profit before tax	31,585	36,184	2,145	10,144	5,031	5,924	91,013
Full Year 2009 (Unaudited)							
Revenue	1,078,612	244,574	848,218	145,591	122,270	13	2,439,278
Profit/(loss) before tax	208,620	88,577	73,593	47,114	15,010	(20,714)	412,200
Full Year 2008 (Audited)							
Revenue	1,051,462	461,564	620,577	166,192	73,409	48	2,373,252
Profit/(loss) before tax	234,757	114,719	27,908	42,068	39,868	(64,817)	394,503

The "Global" segment comprises the global support functions, including the vessel and equipment management group which is responsible for the management and maintenance of the vessels and equipment. Finance income and expense, derivative instrument fair value changes, net currency items, profits or losses on disposals of property, plant and equipment and share of profits from associates are also allocated to this segment.

4. Cash flow from operating activities

<i>(Amounts in USD 1,000)</i>	Year ended 31/12/2009 Unaudited	Year ended 31/12/2008 Audited
Net profit attributable to equity shareholders	288,351	263,997
Adjustments for:		
Taxation expense	123,849	130,506
Depreciation and amortisation	117,214	95,300
Share based payment charge	4,595	4,640
Profit on disposal of property, plant and equipment	(1,160)	(11,671)
Deferred government grant income	(20)	(39)
Finance income	(8,896)	(5,881)
Finance expense	59,955	33,014
(Gain)/loss on embedded derivative within convertible notes	(34,284)	22,166
Share of post tax profit from joint ventures	(5,652)	(11,768)
Share of post tax (profit)/loss from associates	(1,074)	8
<i>Changes in working capital (excluding effects of acquisitions and disposal of subsidiaries):</i>		
(Increase)/decrease in inventories	(10,414)	2,642
Decrease in trade and other receivables	149,804	3,325
(Decrease)/increase in trade and other payables	(42,291)	64,175
Cash generated from operations	639,977	590,414

5. Adjusted EBITDA

	Three months ended		Year ended	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
<i>(Amounts in USD 1,000 except percentages)</i>	Unaudited	Unaudited	Unaudited	Audited
Net profit attributable to equity shareholders	64,468	56,914	288,351	263,997
Adjustments:				
Taxation expense	27,499	34,099	123,849	130,506
Net financial items	5,558	(12,206)	(1,463)	42,549
Depreciation and amortisation	33,927	23,448	117,214	95,300
Profit on disposal of property, plant and equipment	(547)	(613)	(1,160)	(11,671)
Adjusted EBITDA	130,905	101,642	526,791	520,681
Revenue	538,178	583,594	2,439,278	2,373,252
Adjusted EBITDA %	24.3%	17.4%	21.6%	21.9%

The Company calculates "Adjusted EBITDA" (adjusted earnings before interest, taxation, depreciation and amortisation) as net profit attributable to equity shareholders adjusted for taxation, net financial items, depreciation, amortisation, impairments and profits or losses on disposals of property, plant and equipment.

6. Contingent liabilities

The Group is party to indemnities, legal actions and claims that arise in the ordinary course of business. Whilst the outcome of such legal proceedings cannot be readily foreseen, management believes that they will be resolved without material effect on the Group's results, financial position or liquidity.

7. Related party transactions

The total amount drawn of USD 50 million under the USD 100 million revolving credit facility from Siem Industries Inc. was repaid in September 2009. This facility was subsequently cancelled in October 2009.

8. Provision on construction contracts

The *Lochnagar* and *K3000* continued to support Petrobras on day-rate operations throughout 2009. During the third quarter of 2009, the Company recognised losses which are expected to arise during the remaining periods of these construction contracts. At 31 December 2009, the anticipated losses of USD 25.5 million were included within trade and other payables.

9. Events occurring after the balance sheet date

There were no other subsequent events between the balance sheet date and the date the condensed consolidated financial information was authorised for issue that require disclosure.