



PRELIMINARY YEAR END RESULTS 2007/ Q4 2007 RESULTS

Summary:

- Havila Shipping ASA had a result before tax of NOK 340.0m for 2007 (NOK 347.6m in 2006). Total operating earnings amounted to NOK 675.3m (NOK 720.6m in 2006). The company had 10 vessels modern in operation in 2007, compared with 18 in 2006. 12 vessels are under construction for delivery by 2010.
- The operating result before depreciation (EBITDA) was NOK 477.6m in 2007, against NOK 456.8m in 2006. The operating margin, excluding financial gains, corresponds to 63% in 2007 compared with 61% for 2006.
- Operating income in Q4 2007 amounted to NOK 137.6m, compared with NOK 245.5m in Q4 2006. The operating result, excluding financial gains, was NOK 79.4m (NOK 126.6m). This corresponds to an EBITDA margin of 59% (65% in Q4 2006).
- The company has agreed to pay a dividend to the shareholders with capital reduction corresponding to NOK 12.50 per share. This will be paid during week 10
- As a result of 2007 The Board will recommend the ordinary General Meeting to pay a dividend of NOK 4,- per share to the shareholders

The market for all types of offshore vessels was generally strong in the fourth quarter of 2007, despite less activity towards the end of the period. 2007 was a record year measured in contract rates in the North Sea. Stricter requirements to tonnage, in the form of more cost-effective vessels, reduced climate gas emissions, and greater demands on operator competence will affect business in the time ahead.

Havila Shipping AS owns 10 offshore service vessels, and has a further 12 vessels under construction for delivery by 2010. The total value of the fleet, including new buildings, is about NOK 7bn.

The company's financial statements for 2007 and comparable figures are prepared in accordance with International Financial Reporting Standards (IFRS).

Preliminary year end results for 2007

Total income and profit amounted to NOK 675.3m in 2007 (NOK 720.6m in 2006). Profit from the sale of vessels is recognised at NOK 147.4m (NOK 52.2m in 2006). Operational expenses were NOK 197.6m, compared with NOK 263.8m the year before. Earnings before interest and taxes (EBIT) amounted to NOK 397.1m, after a deduction of NOK 80.5m in depreciation (EBIT in 2006 was NOK 363.3m).

Net financial expenditure in 2007 amounted to NOK 57.1m (NOK 15.7m in 2006). Unrealised profit linked to a USD loan and forward cover is recognised in the accounts at NOK 45.4m (NOK 18.2m). Other financial expenses of NOK 20.5m include inter alia other currency and interest rate transactions.

The result before tax amounted to NOK 340.0m in 2007, compared with NOK 347.6m in 2006. A book tax expenditure in 2007 of NOK 20.7m includes a payment of NOK 6.0m, which represents 1/10 of a retrospective tax imposition in connection with a new taxation system for Norwegian shipping companies. Other tax expenses relate to the sale of vessels and tax payable on operations abroad.

Q4 2007 results

Havila Shipping ASA had a profit before tax in Q4 2007 of NOK 27.7m (NOK 163.6m). Total income and profit for the period amounted to NOK 137.6m (NOK 245.5m in Q4 2006, incl. a profit of NOK 52.2m). The EBITDA margin, minus financial gains for the period, was 59% (65% in 2006). Operational expenses for the period amounted to NOK 55.9m (NOK 66.7m). Earnings before interest and taxes (EBIT) after depreciation ended at NOK 63.7m (NOK 158.8m in 2006, incl. NOK 52.2m profit).

Net financial expenditure amounted to NOK 36.0m in Q4. An increase in unrealised profit on a currency loan and future currency transactions of NOK 4.8m are accrued in the period. Other financial expenses of NOK 11.0m includes a NOK 5.0m loss, related to the termination of a fixed interest agreement. Net financial items for Q4 2006 were NOK 4.7m.

The profit before tax in Q4 2007 was NOK 27.7m, compared with NOK 163.6m in the fourth quarter of 2006.

Assets, liabilities and liquidity

The book value of ships at 31.12.2007 is NOK 2 026.5m. Based on the estimates of three independent brokers dated 31.12.2007, the fleet is valued at NOK 3 024.0m. This is equivalent to a value per share of NOK 130. Havila Mars and Havila Mercury are classified as vessels for sale, as the company in December has signed a Letter of Intent for Sale and Leaseback. Total payments of NOK 712.2m for new building projects are activated in the balance sheet. The increase in the final quarter is related to payments on new and existing contracts.

Total interest bearing debt at 31.12.2007 amounted to NOK 1 972.5m, and includes bond loans of NOK 450.0m. The bond loans fall due in 2010 and 2011. Next year's loan instalment is classified in accordance with IFRS as short term, and amounts to NOK 91.7m. The total mortgage debt is 7% USD and 93% NOK.

The company's total holding of liquid assets was NOK 524.6m at 31.12.2007 (NOK 668.4m at 31.12.2006). The net cash flow from operational activities throughout the year amounted to NOK 439.7m. A net invested amount of NOK 886.1m is primarily related to the purchase and sale of vessels and advance payments on new building. The net addition from financial activities is NOK 303.2m and relates to net loans, a payment to shareholders of NOK 56.0m, and the purchase of own shares amounting to NOK 107.0m.

Market

The market for all types of offshore vessels was generally strong in the fourth quarter of 2007, despite lower activity towards the end of the period. 2007 was a record year, measured in contract rates in the North Sea. Operational activity in all segments remained high, as a result of a growing oil service industry.

The company expects the high demand for shipping services to continue. Stricter requirements to tonnage, in the form of more cost-effective vessels, reduced climate gas emissions, and greater demands on operator competence will affect business. High growth in the number of vessels will affect future rates from time to time. However, a growth in demand for modern vessels world wide will counter this. Continued high oil prices in the long-term will help maintain a high demand for offshore service ships, and are regarded as positive for the industry.

The fleet

Havila Shipping AS owns 10 offshore service vessels, and has a further 12 vessels under construction for delivery by 2010. The total fleet comprises 9 anchor handling vessels, 8 platform supply vessels, 2 multi-field rescue vessels and 3 subsea/construction vessels. Three of the vessels are under construction in China, and will be operated by the newly established joint venture company Havila PACC Pte in Singapore.

In Q4 2007, the company has signed a contract with the Fjellstrand yard, for the building of a Havyard 832-type PSV. In addition, the company has acquired 100% of the AHTS vessel Havila Neptune, which is due for delivery in March 2008. A contract has been signed with Havila Aries ASA, for the sale and leaseback of Havila Mercury and Havila Mars.

In 2007, Havila Shipping ASA has ordered new buildings for a total value of NOK 1.6bn, and sold 9 vessels. The company has 5 long-term contracts with StatoilHydro for a total value of NOK 1.14bn. The value-adjusted average age of the fleet is 4.3 years.

The fleet is currently deployed in the Norwegian, British and Danish sectors of the North Sea. The company also has a subsea vessel operating in Pacific Ocean.

Company and shareholder details

Havila Shipping ASA currently has around 300 maritime employees and 20 administrative staff at offices in Fosnavåg.

The company has been listed on the Oslo Stock Exchange since May 2005. At 31.12.2007, the company's market value was NOK 1 899.0m, based on a final share price of NOK 119 per share. The share capital at 31.12.2007 amounts to NOK 399.0m, comprising 15 960 000 shares at NOK 25 a share. Havila Shipping ASA has one class of shares, where each share gives one vote at the company's

general meeting. As at 31.12.2007, the company had 458 shareholders. Havila AS owns 50.32% of the company. Havila Shipping ASA owns 6,3% of own shares.

The Board of Havila Shipping ASA
25 February 2008

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