



REPORT FOR THE FOURTH QUARTER 2009

Songa Offshore SE ("Songa") total comprehensive income for the fourth quarter 2009 was USD 54.7 million.

Revenue for the fourth quarter was USD 186.8 million. This includes mobilization and demobilization revenue of USD 2.7 million.

Total expenses for the fourth quarter were USD 101.5 million, the figure includes a non operational gain of USD 0.4 million posted under "other gain and loss". The "other gain and loss" is split between loss on flippable swap with USD 0.8 million, USD 1.4 million in currency gain and USD 0.2 million in loss on disposal of assets.

EBITDA for the fourth quarter was USD 96.9 million. This figure is after taking into effect "other gain and loss".

Net financial expenses for the fourth quarter were USD 11.0 million.

Earnings per share (EPS) for the fourth quarter were USD 0.40. Diluted earnings per share (DEPS) for the fourth quarter were USD 0.40.

Main events during the fourth quarter

In November Songa renegotiated the contract with Statoil Petroleum AS for Songa Trym. The contract maturity date was extended from 1 February 2011 until 1 July 2012 in exchange for a reduction in the dayrate for the remaining original contract period. The contract value for the period from 1 December 2009 until 1 July 2012 is USD 344 million. In addition Statoil has an option for one or two additional years, such option to be exercised by 1 July 2011. The current manager of Songa Trym, Odfjell, will continue to manage the rig under a revised operating agreement between Songa and Odfjell with a management fee of 5 %.

On 21 December 2009 Songa received a Letter Of Intent ("LOI") from Shell Development (Australia) for the use of the Songa Venus in its upcoming 2010 Exploration Drilling Campaign on the North West Shelf of Australia. The final contract was signed on 12 February 2010. The program includes 3 firm wells (two exploration wells and one deepening of existing well), with an estimated duration of 156 days. Shell also has the options for up to three additional wells with an estimated duration of 50 to 60 days each. The contract is expected to commence on or around 1 April 2010, following the rig's 5-year Special Periodic Survey taking place in Singapore.

On 30 December Songa announced that a one firm well, plus one optional well extension agreement to the existing one well contract has been reached with CNOOC Africa Limited EG Branch for continued use of the drillship Songa Saturn for work in Equatorial Guinea. The firm part of the extension secures employment for the vessel until end March 2010 and has an estimated value of approximately USD 10 million.

The rigs

Songa Venus has achieved operational efficiency of 95.1%, 99.9% and 99.7% in October, November and December respectively. During the quarter the rig has been working for the ADA consortium offshore North West Australia.

Songa Mercur has achieved operating efficiency of 88.3%, 96.2% and 97.4% in October, November and December respectively. During the quarter the rig has been working for Woodside and Oilex offshore North West Australia.

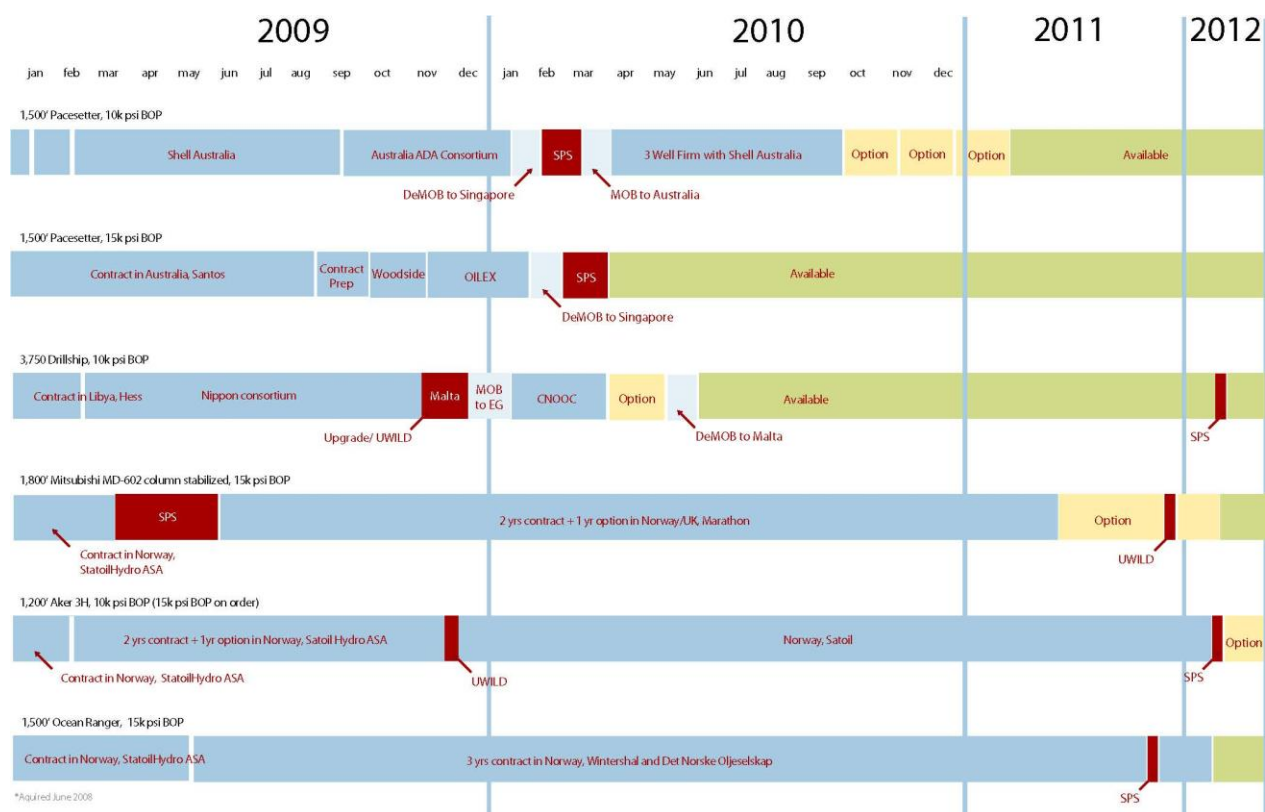
Songa Saturn has achieved operating efficiency of 95.5%, 85.8% and 100.0% in October, November and December respectively. During the quarter the rig has been working for the Nippon led consortium in Libya before mobilizing on 19 November for the long planned yard stay in Malta, where it upgraded its waterdepth capacity to 3800 ft. The rig concluded the yard stay 21 December before mobilizing for the CNOOC contract in Equatorial Guinea.

Songa Delta has achieved operating efficiency of 100.0%, 98.3% and 96.2% in October, November and December respectively. The rig has been on contract for Wintershall / Det norske oljeselskap and during the fourth quarter operating for Petro Canada on a farm out west of the Sognefjord, Norway.

Songa Trym has achieved operating efficiency of 97.4%, 93.0% and 87.0% in October, November and December respectively. During the quarter the rig has been operating for Statoil on the Troll Field. Songa Trym went through an intermediate special periodic survey (SPS) from 11 November to 28 November.

Songa Dee has achieved operating efficiency of 94.8%, 98.3% and 86.8% in October, November and December respectively. During the quarter the rig has been operating for Marathon at the Volund Field and Alvheim Field, Norway.

Contract status



Market conditions and outlook

After a period late 2008 and early 2009 with modest activity in the market, we have seen activity coming back since late last summer. As is usual at this point in the business cycle the demand for rig capacity is typically for smaller periods for one to three wells. We expect this to continue to be the case for the next quarters.

On the marketing side, we are focusing on Songa Mercur and Songa Saturn. The rigs are available for new employment from late Q1 2010 or early Q2 2010. There are a number of good leads, however waiting time may be expected between contracts.

With well performing assets the Company has posted strong cashflows from operations, which has been used to deleverage the balance sheet. On 27 January 2010 the Company announced it had launched an offering of USD 200,000,000 aggregate principal amount of senior notes with seven year maturity. About a week later the international credit markets were hit by turbulence caused by Greece's sovereign debt situation (and some other European countries). On 12 February Songa confirmed that it has delayed its offering of the senior notes. The decision to delay offering was made due to the volatile market conditions that followed Greece's sovereign debt crisis and in light of a deadline of 12 February 2010 after which its 30 September 2009 results would no longer be sufficiently current to access the capital markets. Songa is currently in the process of preparing its financial statements for the 2009 financial year, and following completion of the audit of those financial statements will, based among other things on market conditions and investor feedback on deal structure, determine when to access the markets.

In late January 2010, a supply vessel hired by Marathon collided with one of the Group's rigs, Songa Dee. Songa is in the process of determining the extent of damage to the rig. While it is believed that the damage can be temporarily repaired at the rig's current location (with permanent repairs to be conducted at its next scheduled intermediate survey in late

2011), the Class Authorities (DNV) may require the Group to conduct permanent repairs now rather than in late 2011. It is expected that the costs related to the repair operations will be fully covered under the existing hull and machinery insurance.

The Songa fleet posted an average 90% operational utilisation in January as announced in its January Fleet Update. Songa Venus completed its drilling campaign for ADA on 18 January, demobilised to Singapore and arrived there on 30 January, where it is currently undergoing a special periodic survey. Songa Mercur completed its drilling campaign for Oilex on 29 January, demobilised to Singapore and arrived there on 12 February, where it will also undergo a special periodic survey.

Limassol, 15 February, 2010

Board of Directors
Songa Offshore SE

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Songa Offshore Group

Condensed consolidated statement of comprehensive income

for the period ended 31 December 2009

(IFRS non audited figures)

Amounts in USD '000	Q4 2009	Q3 2009	Q4 2008	Jan-Dec 2009	Jan-Dec 2008
Continuing operations					
Operating revenue	186,806	218,589	127,222	742,901	369,621
Reimbursables	10,686	9,113	7,464	37,594	11,105
Other revenue	855	962	1,300	4,187	806
Revenues	198,347	228,664	135,986	784,682	381,532
Operating expenses	(80,805)	(75,132)	(40,320)	(276,273)	(137,702)
Reimbursables	(10,604)	(9,072)	(7,423)	(37,361)	(11,005)
General and administrative expenses	(10,460)	(14,092)	(10,591)	(47,846)	(34,589)
Other gain and loss	400	(2,736)	(30,364)	947	(63,215)
Total expenses	(101,469)	(101,032)	(88,698)	(360,533)	(246,511)
EBITDA	96,878	127,632	47,288	424,149	135,021
EBITDA %	49%	56%	35%	54%	35%
Depreciation and amortization	(22,754)	(23,197)	(13,468)	(87,000)	(60,838)
EBIT	74,124	104,435	33,820	337,149	74,183
EBIT %	37%	46%	25%	43%	19%
Finance income	76	116	473	403	1,784
Finance costs	(11,039)	(12,884)	(17,395)	(52,214)	(62,046)
Profit (loss) before tax	63,161	91,667	16,898	285,338	13,921
Income tax (charge) credit	(8,481)	13,276	2,449	(24,628)	(3,825)
Profit (loss) for the period from continuing operations	54,680	104,943	19,347	260,710	10,096
Other comprehensive income	-	-	-	-	-
Total comprehensive income	54,680	104,943	19,347	260,710	10,096
Earnings (loss) per share (USD)					
from continuing operations					
Basic	0.40	0.72	0.19	2.08	0.14
Diluted	0.40	0.72	0.18	2.00	0.12

Songa Offshore Group

Condensed consolidated statement of financial position at 31 December 2009

(IFRS - non audited figures)

<i>(USD '000)</i>	31/12/2009	31/12/08
ASSETS		
Non-current assets		
Rigs, machinery and equipment	1,410,312	1,403,197
Deferred tax assets	46,722	14,385
Other long term assets	-	48
Total non-current assets	1,457,034	1,417,630
Current assets		
Trade and other receivables	148,404	44,489
Prepayments	14,745	18,547
Incurred revenue	13,019	11,130
Deferred costs	-	2,515
Other assets	3,861	3,660
Cash and cash equivalents	87,957	58,501
Total current assets	267,986	138,842
TOTAL ASSETS	1,725,020	1,556,472

Condensed consolidated statement of financial position at 31 December 2009

(IFRS - non audited figures)

<i>(USD '000)</i>	31/12/2009	31/12/08
EQUITY AND LIABILITIES		
Capital and reserves		
Issued capital	21,476	16,630
Share premium	230,118	120,496
Reserves	15,585	15,585
Other equity	441,348	182,578
Total equity	708,527	335,289
Non-current liabilities		
Bank loan	537,639	755,708
Bond loans	87,488	139,441
Other long term liabilities	2,933	713
Total non-current liabilities	628,060	895,862
Current liabilities		
Bank loans	264,466	220,000
Other external financing	-	46,992
Trade and other payables	25,688	10,394
Tax payable	42,724	2,167
Derivative financial instruments	10,938	26,584
Deferred revenues	9,546	-
Other liabilities	35,071	19,184
Total current liabilities	388,433	325,321
Total liabilities	1,016,493	1,221,183
TOTAL EQUITY AND LIABILITIES	1,725,020	1,556,472

Songa Offshore Group

Condensed consolidated statement of changes in equity for the period ended 31 December 2009

(IFRS - non audited figures)

Amounts in USD '000

Note	Share capital	Share premium	Paid in, not registered share capital	Equity-settled employee benefits reserve	Recognition of convertible bond loan	Other equity	Total equity
Balance as at 1 January 2008	13,666	62,869	14,754	13,683	20,815	151,451	277,238
Adjustments recognized directly to equity						216	216
Profit for the period						10,096	10,096
Issue of share capital	1,517	35,424		-		-	36,941
Paid in not registered share capital paid in prior year	276	14,478	(14,754)	-		-	-
Recognition of share-based payments				1,902			1,902
Conversion of warrants Jan - Jun	1,171	7,725	-	-		-	8,896
Balance as at 31 December 2008	16,630	120,496	-	15,585	20,815	161,763	335,289
Balance as at 1 January 2009	16,630	120,496	-	15,585	20,815	161,763	335,289
Adjustments recognized directly to equity						(7)	(7)
Total comprehensive income for the period						260,710	260,710
Issue of share capital	4,846	109,622	-	-		-	114,468
Derecognition of convertible bond	-	-	-	-	(20,815)	18,882	(1,933)
Balance as at 31 December 2009	21,476	230,118	-	15,585	-	441,348	708,527

Songa Offshore Group

Condensed consolidated statement of cash flows for the period ended 31 December 2009

(IFRS - non audited figures)

Amounts in USD '000	Note	31/12/2009	31/12/2008
Cash flows from operating activities:			
Profit before tax		285,338	13,921
Adjustment for:			
Depreciation		87,000	60,838
Cost of option plans		2,954	2,250
Finance costs		52,214	62,046
Other gain/loss		5,021	15,459
Change in receivables		(102,002)	(21,581)
Change in payables		15,294	(23,950)
Change in other liabilities		7,961	32,751
Prepaid revenue			(7,815)
Taxes paid		(15,860)	(9,444)
Interest and fees paid		(50,926)	(54,041)
Net cash generated by operating activities		286,994	70,434
Cash used in investing activities:			
Purchase of property, plant and equipment		(95,791)	(482,142)
Proceeds from sale of property, plant and equipment and investment contributions		915	290
Net cash used in investing activities		(94,876)	(481,852)
Cash generated by financing activities:			
Proceeds from issue of share capital ¹	6	64,468	45,837
Proceeds from issue of bonds and new bank loan raised	5	21,800	454,075
Repayment of bonds and bank loans ¹		(248,930)	(94,200)
Net cash generated by financing activities		(162,662)	405,712
Net increase/(decrease) in cash and cash equivalents		29,456	(5,706)
Cash and cash equivalents at 1 January		58,501	64,207
Cash and cash equivalents at 31 December		87,957	58,501

¹ Part of the Group's "USD 125 million 3.25% convertible bond due 2010" was converted into shares worth USD 50 million. This constitutes a non-cash transaction, and the mentioned amount has been excluded from these two lines.

FINANCIAL STATEMENTS

1 General information

In furtherance of a shareholder-approved plan to redomicile to Cyprus, on 12 December 2008, Songa Offshore ASA was converted into a European public company limited by shares ("Societas Europaea" or "SE") in accordance with Article 2 no. 1 of the European Council Regulation no. 2157/2001 (the "SE Regulation") and Section 5 of the Norwegian Act on European Companies of April 1, 2005 (the "SE Act"). The conversion into an SE was effected through a merger between Songa Offshore ASA and Songa Offshore Cyprus Plc. Effective 11 May 2009, the survivor of the merger, Songa Offshore SE, transferred its registered office to Cyprus in accordance with Article 8 of the SE Regulation and Section 7 of the SE Act (the "redomiciliation").

Songa Offshore SE is a public limited liability company, subject to the laws and regulations of the Cyprus Companies Law, Cap. 113. The address of its registered office is: 8, John Kennedy Street, IRIS House, Off. 740B. The Company's shares have been listed on the Oslo Stock Exchange since 26 January 2006 (Ticker: "SONG").

Songa Offshore SE ("the Company") and its subsidiaries (together, "the Group") are engaged in the business of owning and operating offshore drilling rigs and other vessels to be used in the exploration and production of hydrocarbons. The Group owns five semi-submersible rigs and one drill ship. With a highly experienced management team, the Company's vision is to provide a flexible and reliable drilling service to its customers.

The Group is headquartered in Limassol, Cyprus, and the rig operations are run from Singapore, Perth – Australia, Limassol – Cyprus, Stavanger – Norway and Tripoli - Libya.

As of 31 December 2009 the Group had operations in the North Sea, offshore West Africa and offshore North/Western Australia.

2 Basis for preparation

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim financial reporting". These condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2008. The Company does not consider that its drilling operations are affected by seasonality factors.

3 Accounting policies

The condensed financial statements have been prepared under the historical cost convention except from the revaluation of certain financial instruments.

In the current period, the Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 January 2009.

The same accounting policies, presentation and methods of computation have been followed in these condensed consolidated financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2008, except for the impact of the adoption of the Standards and Interpretations effective for accounting periods beginning on 1 January 2009 as mentioned below

IAS 1 (revised 2007) Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009). The revised Standard has introduced a number of terminology changes (including revised titles for the condensed financial statements) and has resulted in a number of changes in presentation and disclosure. However, the revised Standard has had no impact on the reported results or financial position of the Group.

4 Rigs, machinery and equipment

USD '000

	Rigs and drill ship	Fixtures and equipment	Total
Period ended 31 December 2009			
Opening net book amount at 1 January 2009	1,401,615	1,582	1,403,197
Additions	93,989	126	94,115
Book value before depreciations	1,495,604	1,708	1,497,312
Total depreciation charge	(86,727)	(273)	(87,000)
Closing net book amount	1,408,877	1,435	1,410,312
Period ended 31 December 2009			
Cost	1,623,782	2,478	1,626,260
Accumulated depreciation	(214,905)	(1,043)	(215,948)
Net carrying amount	1,408,877	1,435	1,410,312

Estimated lifetime	4-25 years	3-10 year
Depreciation rates	4%-25%	10%-30%
Depreciation method	Straight line	Straight line

5 Borrowings

The outstanding debt as of 31 December 2009 amounted to USD 890.0 million consists of the following:

- USD 802.1 million amount outstanding of the USD 1,050.0 million bank senior secured credit facility that the Company entered into in August 2008;
- USD 25.4 million amount outstanding under the secured fixed rate bond issued in March 2006, which carries a fixed rate of interest of 9.75%; and
- USD 62.5 million amount outstanding under the three-year floating rate bond issued in June 2009 with a coupon of LIBOR + 12%.

As of 31 December there was USD 88.0 million of cash and cash equivalents and USD 2.2 million in unutilized drawing rights under the revolving credit facility.

6 Share capital

As of 31 December 2009 the total number of shares in issue was 136,847,544. The weighted average number of shares and adjusted weighted average number of shares for the period ended 31 December 2009 was 136,847,544 and, 136,847,544 respectively.

7 Taxation

The income tax charge for the period comprises of:

- USD 48.1 million of estimated charges relating to taxes on profits payable in the various jurisdictions that the Group operates and
- USD 23.5 million credit relating to the release of deferred tax assets and liabilities arising primarily from the Company's redomiciliation to Cyprus.

The deferred tax asset of USD 46.7 million relates to tax losses estimated to be utilized in respect of future trading profits in Norway.

8 Contingencies and commitments

Capital commitments

USD '000	1-3 months	3-12 months	1-5 years	Total
Q4 2009				
BOP Songa Trym	-	11,000		11,000
	-	11,000	-	11,000

10 Post balance sheet events

In late January 2010, a supply vessel hired by Marathon collided with one of the Group's rigs, Songa Dee. Songa is in the process of determining the extent of damage to the rig. While it is believed that the damage can be temporarily repaired at the rig's current location (with permanent repairs to be conducted at its next scheduled intermediate survey in late 2011), the Class Authorities (DNV) may require the Group to conduct permanent repairs now rather than in late 2011. It is expected that the costs related to the repair operations will be fully covered under the existing hull and machinery insurance.

On 8 February the Company announced the Letter of Intent with Shell Development (Australia), had been replaced by a Letter Of Award ("LOA") from Shell Development (Australia) confirming the use of the Songa Venus for the upcoming 2010 Exploration Drilling Campaign in the Browse Basin in Australia. The program has an estimated duration of 156 days. Shell Development (Australia) will also have the right to exercise up to three additional Optional wells with an estimated duration of 50 to 60 days each. The firm program is expected to generate aggregate revenue in excess of USD 40 million. The LOA was subsequently replaced with a signed contract on 12 February.

The contract with Shell Development (Australia) is expected to commence on or around 1 April 2010, following Songa Venus' five-year Special Periodic Survey currently taking place in Singapore.

11 Approval of interim financial statements

These interim condensed consolidated financial statements were approved by the Board of Directors on 12 February 2010.