



SEA PRODUCTION LTD (the “Company”) - NOTICE TO OTC

Company Update

On 2 June 2009 Puffin FPSO Ltd, a wholly owned subsidiary of the Company and owner of the Front Puffin FPSO and contracting entity on the FPSO Charter Contract dated 3 March 2006 with AED Services Ltd (the “Contract”), received a Notice of Material Breach from the operator of the Puffin Field purporting to act on behalf of Puffin FPSO Ltd’s contracting client, AED Services Ltd.

The Company and Puffin FPSO Ltd take issue with, and will be vigorously defending, the allegations of breach of material obligations made in the Notice of Material Breach as provided for in the Contract.

In the meantime, and upon the request of the operator of the Puffin Field, production operations have been suspended on the Front Puffin FPSO.

Puffin FPSO Ltd remains committed to meeting its obligations of operating and maintaining the Front Puffin FPSO in compliance with the requirements of the Contract. The Front Puffin FPSO remains onsite at the Puffin Field connected to the mooring and riser system ready to resume production operations as and when the direction to do so is received from the operator of the Puffin Field.

**The Board of Directors
Sea Production Ltd.
8 June 2009**

For further information, please contact

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