Stolt Offshore S.A.

Combines Stolt Comex Seaway and ETPM

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NEWS RELEASE

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STOLT OFFSHORE S.A. ANNOUNCES FIRST QUARTER RESULTS

London, England – March 27, 2001 - Stolt Offshore S.A. (Oslo Stock Exchange: STO; Nasdaq: SOSA) today reported results for the first quarter ended February 28, 2001. The net loss for the quarter was $(15.5) million, or $(0.18) per share, on net operating revenue of $191.1 million, compared with a net loss of $(15.7) million, or $(0.25) per share, on net operating revenue of $192.4 million for the same period last year. The weighted average number of common share equivalents outstanding for the quarter was 87.2 million compared with 63.0 million for the same period of 2000.

Commenting on the results, Bernard Vossier, Chief Executive Officer, said, "The results for the quarter are in line with our expectations and reflect the low level of activity in our markets at this time of year. We are now expecting to see much higher activity levels in the second half, particularly in West Africa, the UK Sector of the North Sea, and in the Gulf of Mexico.

"During the quarter in **West Africa** we progressed the Shell EA and Total Fina Elf Amenam projects at our fabrication yard in Nigeria. The first of the Shell EA platforms is due to be installed offshore in the next few weeks. The *Seaway Legend* completed the pre-installation survey work for the Total Fina Elf Girassol project during the quarter and the installation phase is now well under way. The *Seaway Polaris* has installed the moorings for the riser towers and is now laying the water injection pipelines with her new J Lay system. The Girassol FPSO is due to leave the Hyundai yard in Korea at the end of this month.

"The recent award of the $200 million Shell Bonga contract confirms the strength of our position in this very important market in which we have a substantial investment in local infrastructure in both Nigeria and in Angola. Our investment in these countries has played an important part in enabling us to maximise the local content in both the Bonga and Girassol projects. The market for our services in Southern Europe, Africa and the Middle East is more than doubling in value this year to some $3 billion and a number of major bids for work in this region now coming up for award. In the next few months we expect to see six major contracts come out to bid for new West African developments for projects starting in 2002 and beyond, which together are worth some $4 billion.

"In the **North Sea UK Sector**, the *Seaway Kestrel* completed the $10 million tie-back of the Beauly subsea well to the Balmoral FPV for Talisman Energy (UK) Ltd. This involved the installation of a 5.2 km six-inch diameter production line, two-inch diameter gas lift line and well control umbilical. During the quarter we were awarded a $16 million contract by Talisman Energy (UK) Ltd for tie-back of the Hannay subsea development to the Talisman Buchan FPSO. This EPIC contract includes the installation by the *Seaway Falcon* of a 13 km eight inch diameter rigid production line with a three-inch diameter gas injection line. The well control system, manifold structure and subsea isolation valve will be installed by the *Discovery* in the fourth quarter of this year.

"We have been awarded the first contract under the new UK Satellite Accelerator Initiative which has been set up by a group of oil companies to give contractors, working on a collaborative basis, an opportunity to apply creative and innovative ideas to make marginal developments economically viable. This contract is to verify that the technical and commercial aspects of the proposals that we and our partners have made for the BP Wood field are viable. This may lead on to a contract for the full development of the field, which is expected to come on stream in 2003.

"The North Sea UK market is growing by over 40% this year and we expect to see further growth in 2002 as some larger new developments come into the market. The tightening supply of diving and construction assets for the second half of the year should improve the pricing environment for future contract awards.

"In **Norway** we progressed the engineering work for the Norsk Hydro Vale and Statoil Glitne developments during the quarter. The Stolt Rockwater JV was awarded a $10 million contract to for the tie-back of the Statoil Vesterled project, which connects the Heimdal platform to the FNA gas export pipeline. The installation work is scheduled for the third quarter of this year.

"In the **Gulf of Mexico,** the *Seaway Falcon* which was recently upgraded with Serimer Dasa automatic welding systems, has been achieving pipe lay rates of over 6 km a day as she has continued her deep water installation programme throughout the quarter. She has installed two six inch diameter 26 km pipelines for Bluewater Industries, on behalf of ATP/Unocal, which were tied to Texaco's Garden Banks 189 platform with steel catenary risers. She has also installed well control umbilicals for Exxon Mobil on the Mica field and for Shell on the Oregano and Serano developments as well as completing the Pecten field installation work for Santa Fe Snyder. The shallow water maintenance market has seen low levels of activity throughout the quarter but we expect this market segment to be much busier as we go into the second half of the year.

The Gulf of Mexico market is also expected to double in value for us this year. We are for the first time active in all of the offshore construction market segments. We anticipate a much stronger shallow water maintenance market than in either of the last two years and we are already participating in an active deepwater construction market. We are present for the first time this year in both the shallow water pipelay market and in the deeper water trunkline market through the award of the Gulfstream project, which has enabled us to move specialist pipelay barges to this region from elsewhere in the world.

" In **Brazil** we have had a good operating performance from the *Seaway Condor* and the *Seaway Harrier* throughout the quarter on their long term contracts for Petrobras. We have received a letter of intent from Petrobras for the award of a $80 million contract which will keep the *Seaway Harrier* working in Brazil for another four years.

"In the **Asia Pacific** region the activity level has been low throughout the quarter and we are not expecting this to improve later in the year. We have however been awarded a $15.8 million two-year contract from Total Indonesie for the Makaham Delta pipeline repair on the Tunu field.

"Our backlog now stands at $1.5 billion of which $786 million is for 2001**.** This compares with a backlog of $1.2 billion of which $697 million was for 2000. The level of bids outstanding now stands at $3.7 billion compared to $2.2 billion at this time last year.

"The outlook remains encouraging as we see our markets continue to grow, particularly in West Africa, the UK Sector of the North Sea and the Gulf of Mexico, with Brazil remaining constant. We anticipate that margins will improve for work awarded in the second half of the year as the demand for premium assets continues to rise. Due to the timing of some projects being delayed, earnings per share in the second quarter will be a loss of between $(0.08) and $0.00. We should then see all of the earnings for the year coming in the second half. We maintain our previous guidance on full year earnings of between $0.30 to $0.50 per share." Mr Vossier concluded.

The previously announced share restructuring plan was completed on March 7th. The shareholder vote was 94.3% in favour of reclassifying the former non-voting Class A Shares to voting Common Shares. This resulted in an increase in the free float of the Common Share shares of 50%.

Stolt Offshore is a leading offshore contractor to the oil and gas industry, specialising in technologically sophisticated offshore and subsea engineering, flowline and pipeline lay, construction, inspection and maintenance services. The Company operates in Europe, the Middle East, West Africa, Asia Pacific, and the Americas.

This news release contains forward looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Actual future results and trends could differ materially from those set forth in such statements due to various factors. Additional information concerning these factors is contained from time to time in the Company's U.S. SEC filings, including but not limited to the Company's report on form 20-F for the year ended November 30, 1999. Copies of these filings may be obtained by contacting the Company or the SEC.

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STOLT OFFSHORE S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Unaudited Three Months Ended	
	February 28, 2001	**February 29, 2000**
Net operating revenue	$ 191,075	$ 192,354
Operating expenses	(183,147)	(192,651)
Gross profit (loss)	7,928	(297)
Equity in net income of non-consolidated joint ventures	2,532	3,472
Administrative and general expenses	(17,317)	(20,115)
Loss from operations	(6,857)	(16,940)
Non-operating (expense) income:		
Interest expense, net	(7,366)	(6,119)
Foreign exchange (loss) gain	(938)	491
Minority interest	(520)	(1,068)
Other (expense) income, net	652	2,476
Loss before taxes	(15,029)	(21,160)
Income tax (provision) benefit	(454)	5,480
Net loss	$ (15,483)	$ (15,680)
PER SHARE DATA		
Net loss per share		
Basic	$ (0.18)	$ (0.25)
Diluted	$ (0.18)	$ (0.25)
Weighted average number of Common Shares and Common Share equivalents outstanding:		
Basic	87,155	62,970
Diluted	87,155	62,970
SELECTED INFORMATION		
Capital expenditures	$ 21,345	$ 333,403
Depreciation and amortization	$ 20,586	$ 22,055

STOLT OFFSHORE S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands)

	Unaudited February 28, 2001	Unaudited February 29, 2000	Audited November 30, 2000
ASSETS			
Cash and cash equivalents	$ 12,454	$ 17,205	$ 6,315
Other current assets	394,363	386,439	388,183
Fixed assets, net of accumulated depreciation	813,393	868,387	803,348
Other non-current assets	211,993	212,644	204,926
Total assets	$ 1,432,203	$ 1,484,675	$ 1,402,772
LIABILITIES AND SHAREHOLDERS' EQUITY			
Bank overdrafts	$ 1,884	$ 4,074	$ 1,767
Current portion of long-term debt and capital lease obligations	59,001	12,672	3,844
Accounts payable and accrued liabilities	347,291	423,606	376,216
Long-term debt and capital lease obligations	290,044	351,215	288,653
Other non-current liabilities	73,940	62,926	62,843
Shareholders' equity			
Common Shares	45,473	45,090	45,446
Class A Shares	94,872	75,932	94,860
Class B Shares	68,000	68,000	68,000
Paid-in-surplus	463,504	381,334	463,379
Retained earnings	51,156	85,402	66,639
Accumulated comprehensive loss	(62,962)	(25,576)	(68,875)
Total shareholders' equity	660,043	630,182	669,449
Total liabilities and shareholders' equity	$ 1,432,203	$ 1,484,675	$ 1,402,772

Total interest-bearing debt and capital lease obligations net of cash and cash equivalents and receivables from related parties	$ 334,230	$ 347,893	$ 283,613

STOLT OFFSHORE S.A. AND SUBSIDIARIES
SEGMENTAL ANALYSIS
(in thousands)

In 1999, the Company adopted SFAS No. 131 “Disclosures about Segments of an Enterprise and Related Information” which changes the way the Company reports information about its operating segments. The tables below show summarized profit and loss information relating to this disclosure. Balance sheet information has not been disclosed as there has not been a material movement in segmental assets since the balance sheet date of November 30, 2000.

The Company has seven reportable segments based on geographical regions: Asia Pacific, North America, Norway, SEAME (a), South America, UK and Other Corporate. Management may from time to time change the segmentation of the business, which will result in a restatement of the figures. Restated segmental analyses for previous quarters are available on the Company’s website www.stoltoffshore.com.

Intersegment trading is not significant.

For the quarter ended February 28, 2001	Asia Pacific	North America	Norway	SEAME(a)	South America	UK	Other Corporate	Total
Net operating revenue	$ 5,102	$ 33,258	$ 14,861	$ 90,378	$ 13,137	$ 32,650	$ 1,689	$ 191,075
(Loss) Income from operations	$ (1,301)	$ (1,936)	$ 4,009	$ 11,175	$ 1,717	$ 700	$ (21,221)	$ (6,857)
Interest expense, net								$ (7,366)
Foreign exchange loss								$ (938)
Minority interest								$ (520)
Other expense, net								$ 652
Loss before tax								$ (15,029)

For the quarter ended February 29, 2000	Asia Pacific	North America	Norway	SEAME(a)	South America	UK	Other Corporate	Total
Net operating revenue	$ 13,831	$ 24,817	$ 27,182	$ 96,167	$ 12,209	$ 18,148	$ -	$ 192,354
(Loss) Income from operations	$ (4,800)	$ (4,851)	$ (12,050)	$ 11,536	$ 744	$ 2,381	$ (9,900)	$ (16,940)
Interest expense, net								$ (6,119)
Foreign exchange gain								$ 491
Minority interest								$ (1,068)
Other expense, net								$ 2,476
Loss before tax								$ (21,160)

(a) SEAME is defined as Southern Europe, Africa and the Middle East

One customer accounted for more than 10% of revenue in the quarter 1, 2001. The revenue from this customer was $71.9 million for the quarter. This revenue is attributable to the Norway, SEAME and UK segments. In quarter 1, 2000 one customer accounted for more than 10% of revenue. The revenue from this customer was $29.9 million for the quarter. The revenue was attributable to the SEAME region reportable segment.