

Fred. Olsen Energy ASA

3Q 2009 result presentation

30 October 2009



AGENDA

- **FINANCIAL RESULT 3Q 2009**
- MARKETS
- OPERATIONS
- SUMMARY AND OUTLOOK

Income Statement – Key Figures

(NOK mill)	3Q 2009	2Q 2009
Operating revenues	1 451	1 806
Recharged income	39	67
Total revenues	1 490	1 873
Operating costs	(602)	(657)
Recharged expenses	(37)	(66)
Total operating expenses	(639)	(723)
Oper. result before depr. (EBITDA)	851	1 150
Depreciation	(241)	(243)
Operating result (EBIT)	610	907
Net financial items	(85)	(7)
Result before tax	525	900
Estimated tax	(5)	(30)
Net result	520	870

Comparison of 3Q09 versus 2Q09 EBITDA

EBITDA 3Q09 vs. 2Q09			
EBITDA 2Q09			1150
Positive	Harland & Wolff	8	
Negative	Borgsten Dolphin	(142)	
	Blackford Dolphin	(129)	
	Other	(36)	
Total variance			(299)
EBITDA 3Q09			851

Financial Items Breakdown

(NOK mill)	3Q 2009	2Q 2009
Interest income	3	12
Gains on financial instruments	7	175
Financial income	10	187
Interest expenses	(31)	(43)
Losses on financial instruments	(61)	(31)
Other financial expenses	(6)	(5)
Financial expenses	(98)	(79)
Net foreign currency gain/(loss)	3	(115)
Net financial items	(85)	(7)

Offshore Drilling Segment

(NOK mill)	3Q 2009	2Q 2009
Operating revenues	1 383	1 744
Recharged income	39	67
Total revenues	1 422	1 811
Operating costs	(556)	(608)
Recharged expenses	(37)	(66)
Total operating expenses	(593)	(674)
Oper. result before depr. (EBITDA)	829	1 137
Depreciation	(239)	(241)
Operating result (EBIT)	590	896

Engineering & Fabrication Segment

(NOK mill)	3Q 2009	2Q 2009
Operating revenues	68	63
Operating costs	(47)	(50)
Oper. result before depr. (EBITDA)	21	13
Depreciation	(2)	(2)
Operating result (EBIT)	19	11

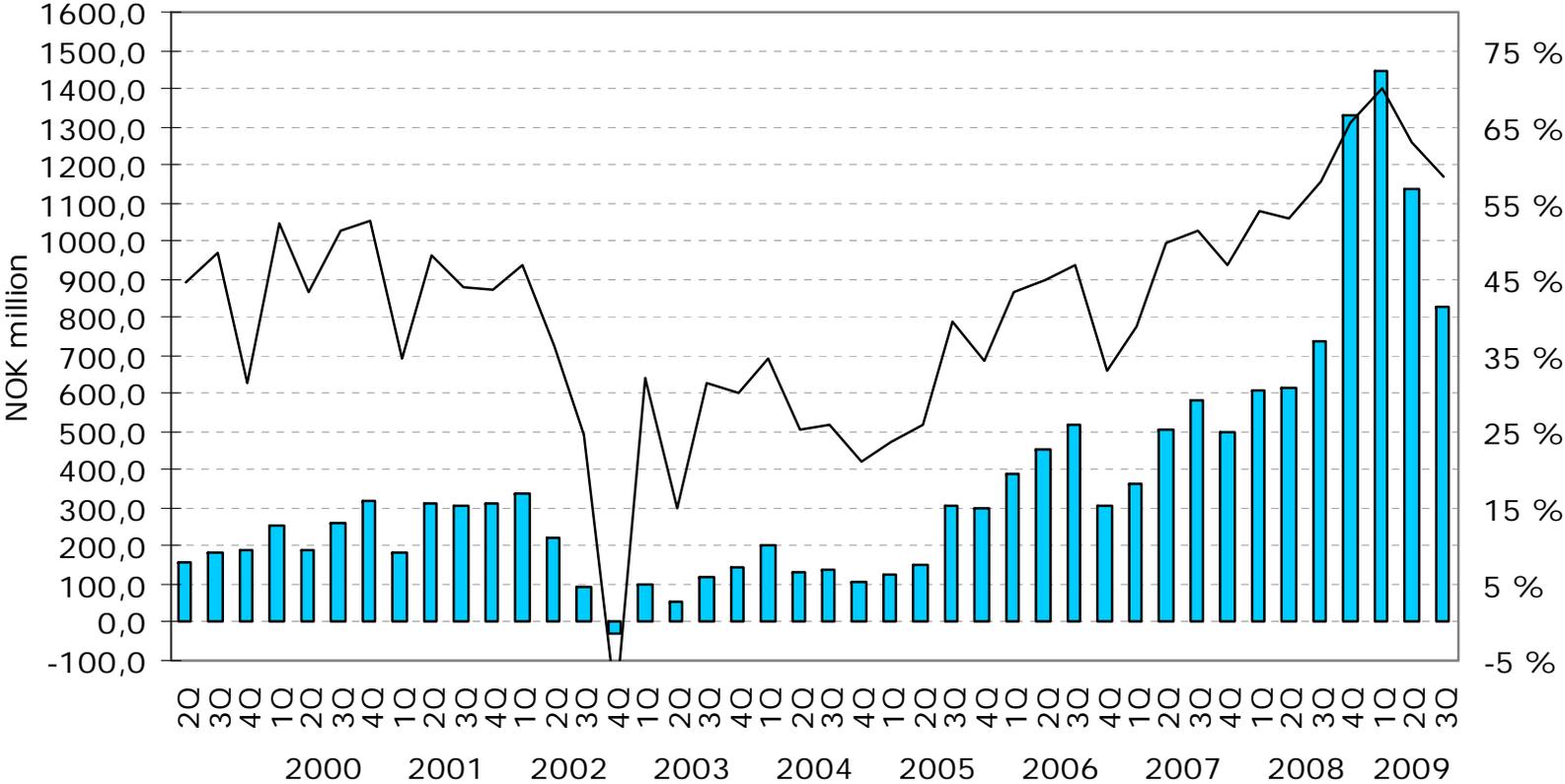
Consolidated Balance Sheet

(NOK mill)	3Q 2009	2Q 2009
Intangible assets	99	99
Property, plant & equipment	9 087	9 553
Other non-current assets	37	56
Total non-current assets	9 223	9 708
Other current assets	1 829	2 394
Cash and cash equivalents	2 186	2 490
Total current assets	4 015	4 884
Total assets	13 238	14 592
Equity	5 423	5 432
Non-current interest bearing debt	5 446	6 714
Other non-current liabilities	299	303
Total non-current liabilities	5 745	7 017
Current liabilities	799	739
Current interest bearing debt	1 271	1 404
Total current liabilities	2 070	2 143
Total equity and liabilities	13 238	14 592

Consolidated Cash Flow

(NOK mill)	3Q 2009	2Q 2009
Profit before income taxes	525	900
Depreciation and impairment	241	243
Interest expense	31	43
Loss/(gain) sale of assets	-	(2)
Changes in working capital	450	22
Unrealized currency loss/(gain)	42	(128)
Cash generated from operations	1 289	1 078
Interest paid	(28)	(63)
Taxes paid	4	(42)
Net cash flow from operating activities	1 265	973
Net investment in fixed assets	(655)	(396)
Cash flow from investment activities	(655)	(396)
Net borrowing/repayment of loans	(663)	-
Dividend paid	-	(1 657)
Cash flow from financing activities	(663)	(1 657)
Foreign currency	(251)	(53)
Net change in cash and cash equivalents	(53)	(1 079)
Cash at beginning of period	2 490	3 622
Cash at end of period	2 186	2 490

Offshore drilling EBITDA and margin



Fleet status as per 29 October 2009

Rig	Type / design	W depth ft	Location	Client	Contract status	Day rate (in USD)	Next CRS
Deepwater units							
Belford Dolphin	Drillship	10 000	USGoM	Anadarko	Until April '10	439 000	4Q 2009
				Anadarko	April '10- April '13	525 000	
Blackford Dolphin	SS / Aker H-3	7 000	Ghana	Vitol	June- July '09	398 000	3Q 2013
				mob	July '09 - September '09	203 000	
				mob	October '09 (26 days)	Zero rate	
				Reliance	October '09- Desember'11	398 000	
Midwater floaters Norway							
Bideford Dolphin	SS / Aker H-3	1 500	Norway	StatoilHydro	Until January '11	NOK 2,71mill.	2Q 2009
Borgland Dolphin	SS / Aker H-3	1 500	Norway	StatoilHydro	Until January '10	344 000	4Q 2009
				Consortium*	January '10 - January '14	NOK 850' + USD 379'	
Bredford Dolphin	SS / Aker H-3	1 500	Norway	AGR**	Until June '10	392 000	2Q 2012
				RWE Dea	Until September '10	429 800	
Midwater floaters UK - Brazil							
Borgsten Dolphin	SS / Aker H-3	1 500	UK	Maersk	July '09 - August '09	255 000	4Q 2009
					August '09	CRS/Lay-up	
Borgny Dolphin	SS / Aker H-3	2 300	Brazil	Petrobras	Until September '13	233 000	2Q 2009
Byford Dolphin	SS / Aker H-3	1 500	UK	Senergy	August '09- September '09	256 000	4Q 2009
					Sep '09 - Dec '09	CRS	
				BP	1Q 2010 - 1Q 2013	410 000	
Accomodation floater							
Borgholm Dolphin	Acc. / Aker H-3		UK	BG	February '09-October '09	225 000	4Q 2012
					October'09 - December '09	185 000	
Participants in the consortiums:							
* BP, Bridge, Discover, EON, Nexen, OMV, Rocksource, Wintershall							
** BG, Detnor, Endavour, Lundin, Marathon, Revus							

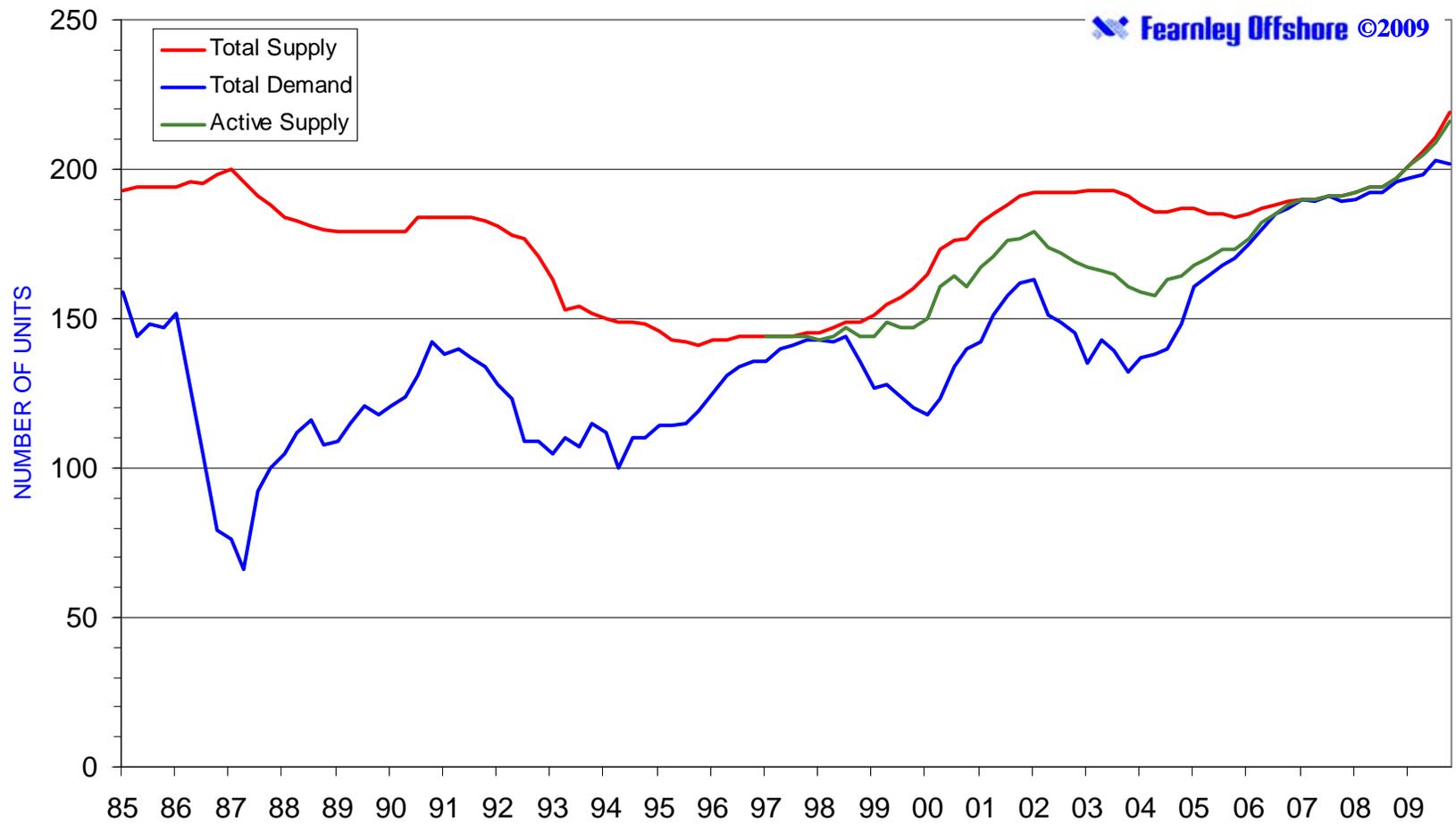
Class Renewal Survey and Capex

USD million	RS and upgrade cost	Cash outlay Per 30.9.2009	Remaining Cash outlay
Borgny Dolphin	145	80	65
Byford Dolphin	90	30	60
Borgland Dolphin	60	10	50
Borgsten Dolphin	34	0	34
Belford Dolphin	15	2	13

AGENDA

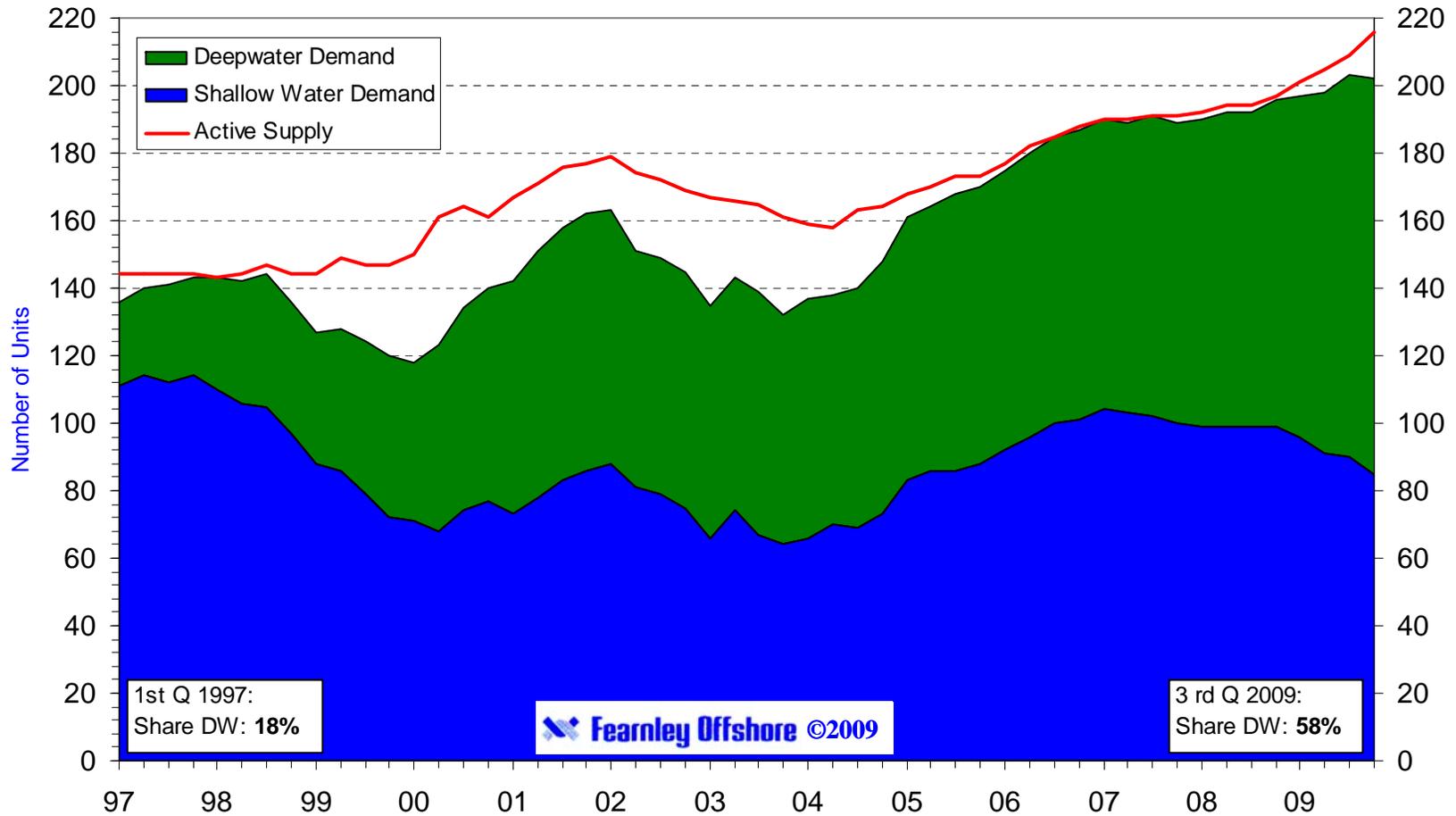
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SUPPLY AND DEMAND WORLDWIDE FLOATERS



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ACTIVE SUPPLY AND DEMAND WORLDWIDE FLOATERS



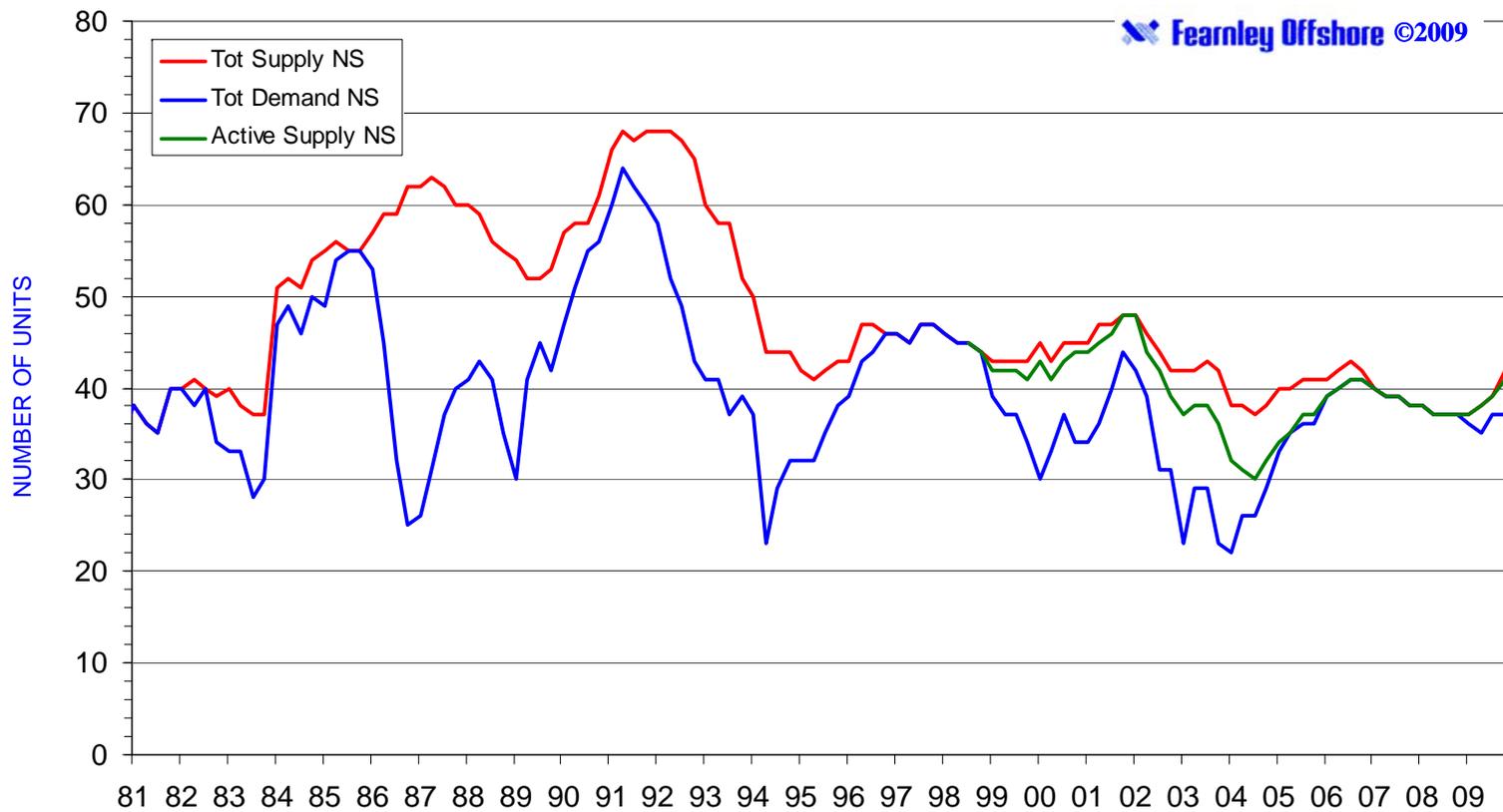
1st Q 1997:
Share DW: 18%

 **Fearnley Offshore** ©2009

3rd Q 2009:
Share DW: 58%

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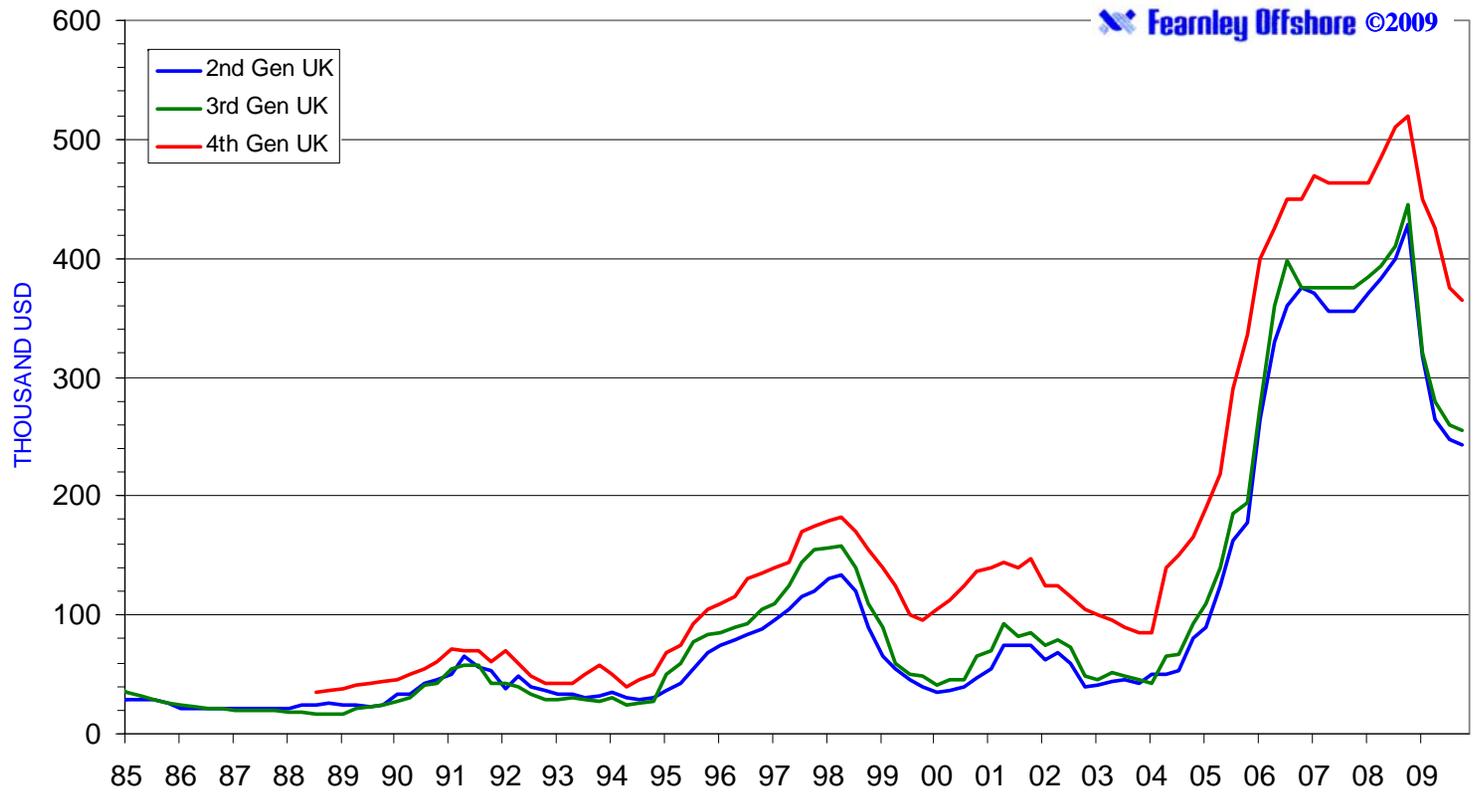
SUPPLY AND DEMAND NORTH SEA AREA SEMISUBMERSIBLE DRILLING UNITS



Fearnley Offshore ©2009

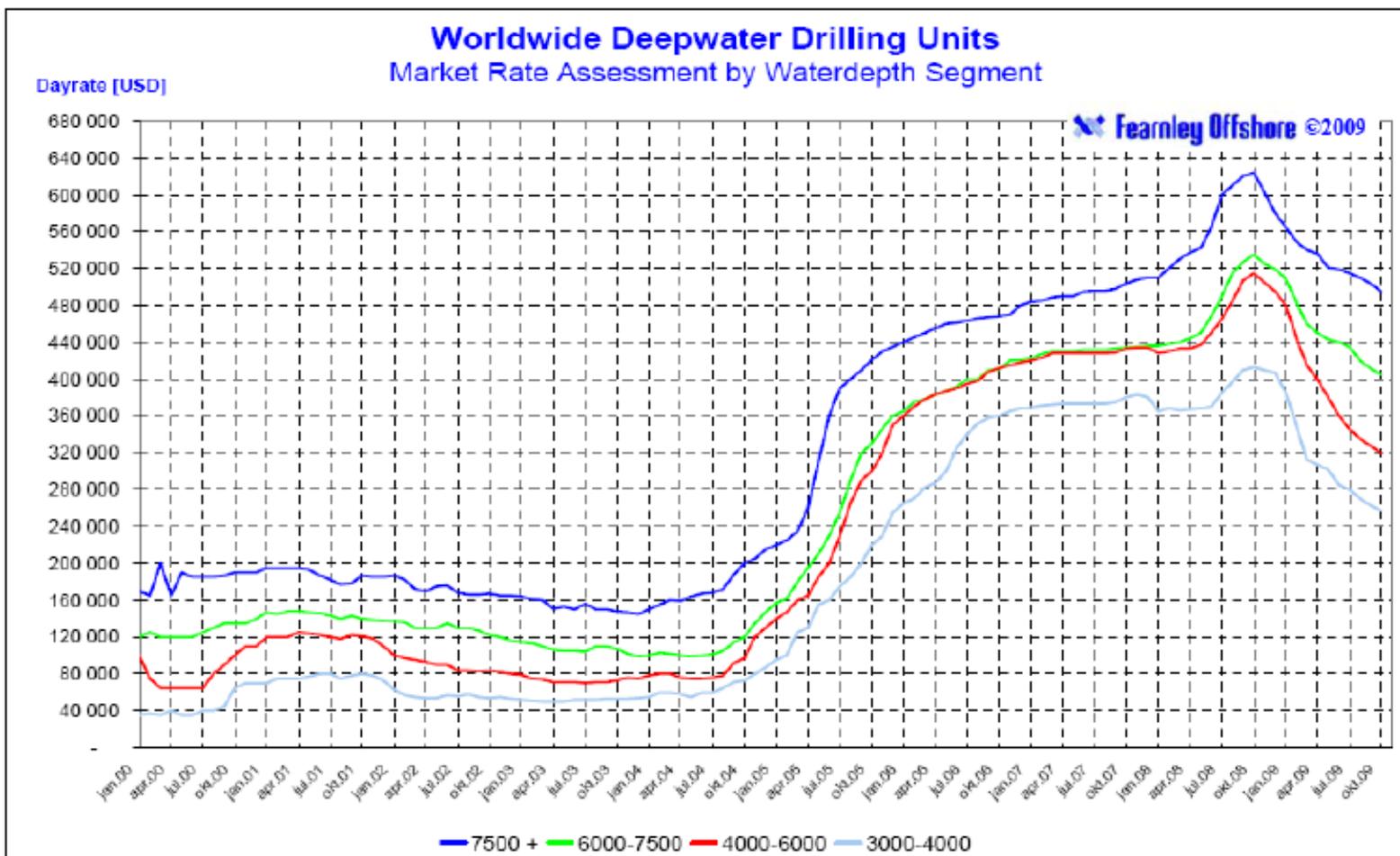
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AVERAGE DAYRATES UK SECTOR SEMI SUBMERSIBLE DRILLING UNITS



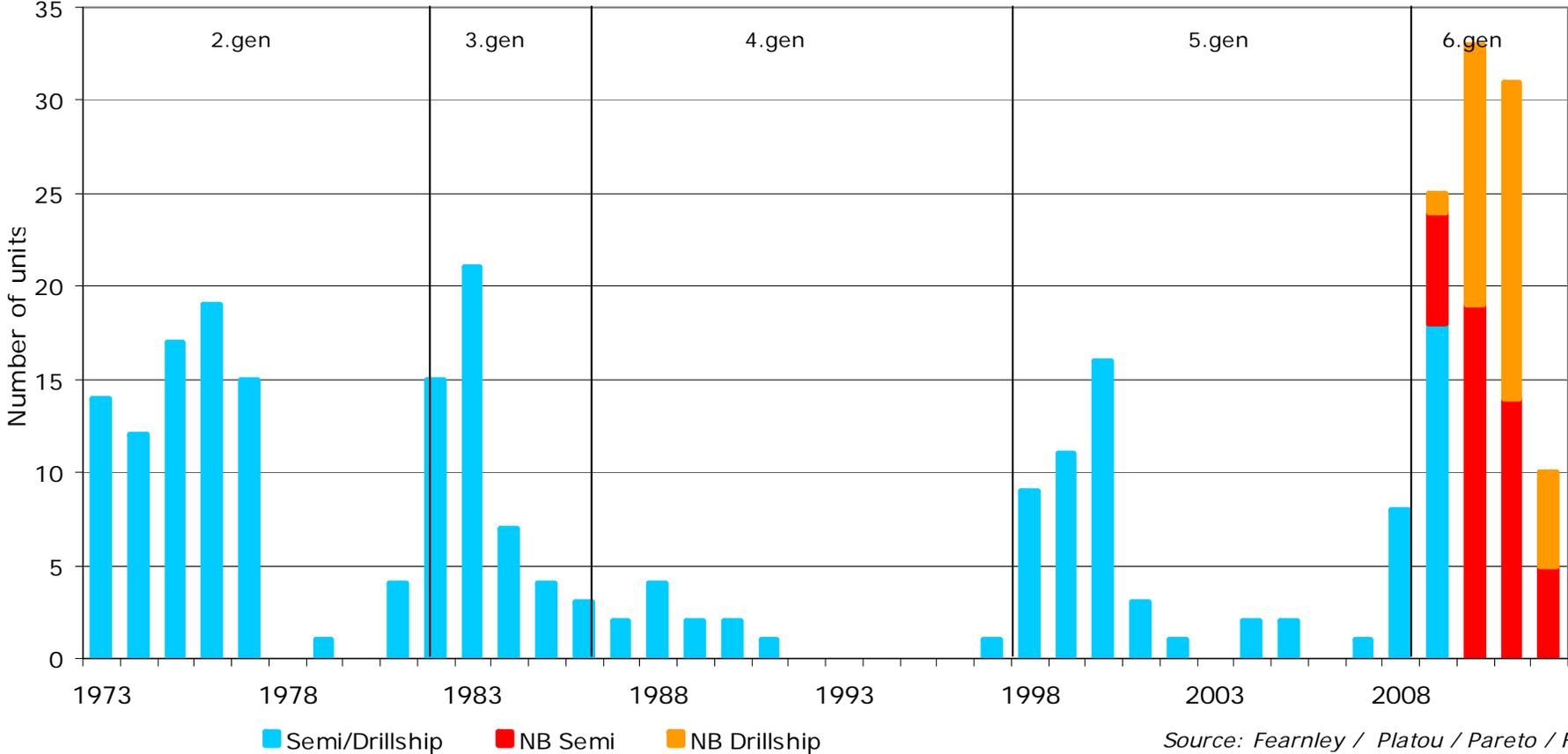
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Worldwide Deepwater Drilling Units Market Rate Assessment by Waterdepth Segment



Global floater fleet and newbuilds

Age profile floaters
(Average 22 years)

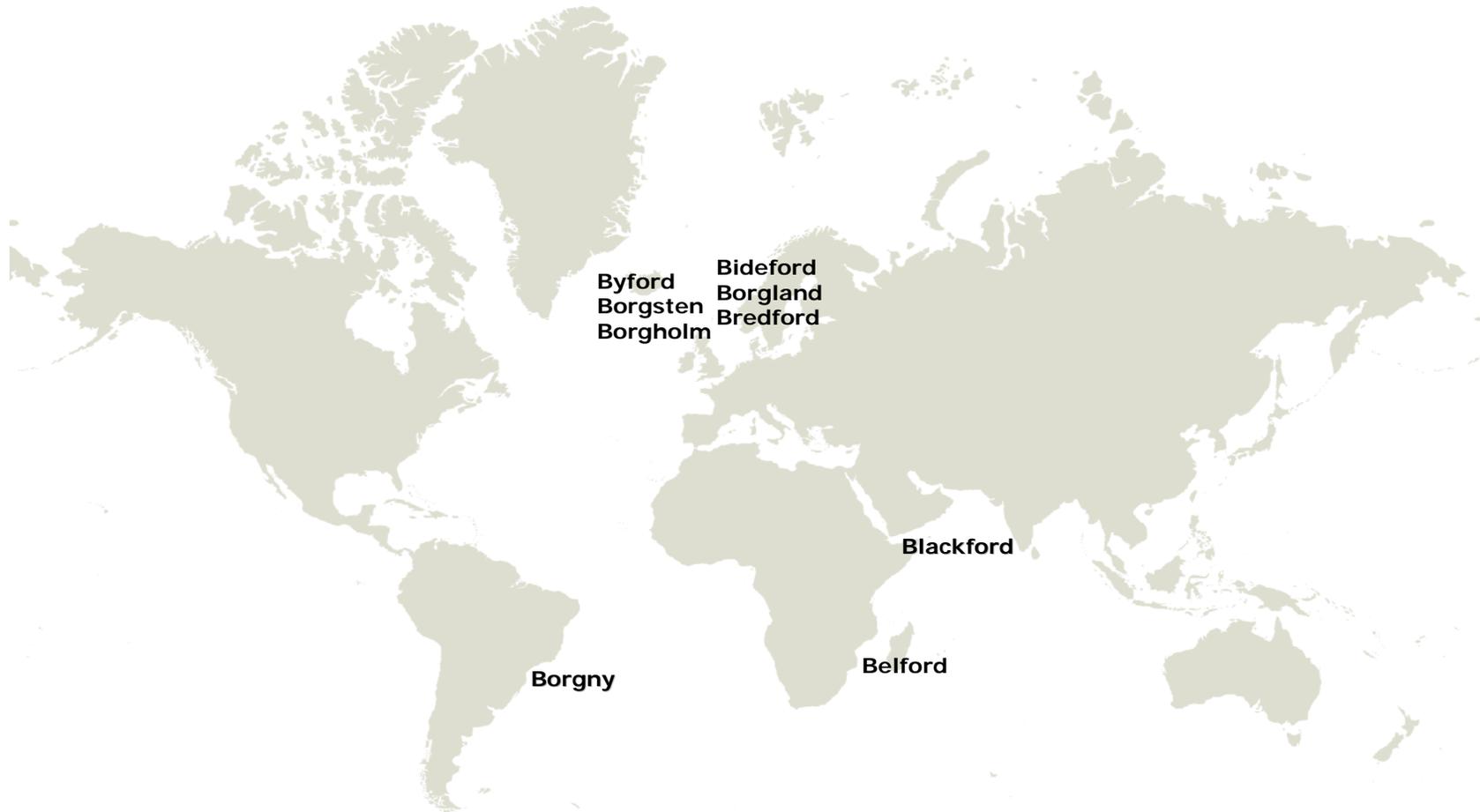


Source: Fearnley / Platou / Pareto / FOE

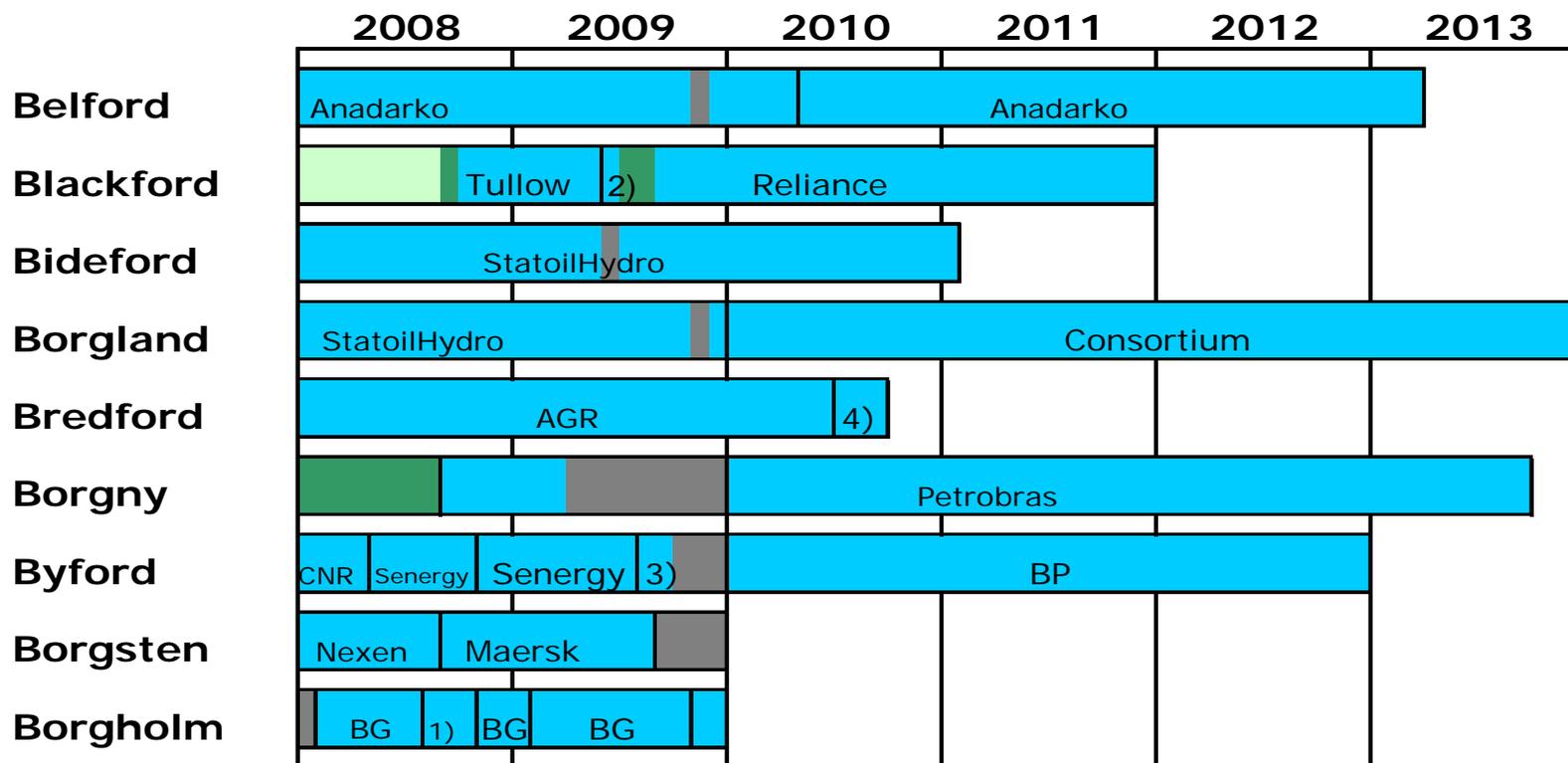
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Fred. Olsen Energy operating worldwide



Contract schedule as per 29 October 2009



1) Shell

4) RWE Dea Norge AS

2) Vitol Upstream Ghana Ltd.

3) Senergy Ltd.

Upgrade
 Class renewal survey
 Mobilisation

Average contract length: 25 months end 3Q

Deepwater – Sierra Leone/India

Belford Dolphin

- Three-year drilling contract with Anadarko from April 2007
- New three-year drilling contract from April 2010 with Anadarko
- Currently in Sierra Leone
- Five-year class renewal survey planned for 4Q 2009



Blackford Dolphin

- Completed drilling operations in Ghana
- Currently working for Reliance in Oman
- Three-year contract with Reliance Industries Ltd. in India including the contract with Tullow Oil and Vitol Upstream Ghana Ltd.



Norway

Bideford Dolphin

- Operating for StatoilHydro under a three-year contract offshore Norway expiring January 2011
- Five-year class renewal survey completed July 2009



Borgland Dolphin

- Operating for StatoilHydro offshore Norway under a three-year contract commenced January 2007
- Secured four year contract with consortium, estimated commencement early 2010
- Five-year class renewal survey planned for Q4 2009



Norway / United Kingdom

Bredford Dolphin

- Three-year contract through AGR for 7 operators in Norway, commenced in June 2007
- A new 90 days contract with RWE Dea Norway is estimated to commence mid 2010.
- Five-year class renewal survey and upgrade to comply with regulations on the Norwegian Continental Shelf completed in June 2007



Borgholm Dolphin

- Aker H-3 accommodation rig with 600 bed capacity. Class renewal survey completed in January 2008
- Commenced a new 8,5 months contract with BG Group end of January, estimated to end mid October 2009
- Secured two months contract extension in September and the unit is now available for new assignments from mid December 2009.



United Kingdom (cont.)

Byford Dolphin

- Commenced a new 48-days contract with Senergy Ltd. in August 2009
- A new three-year contract with BP Exploration is estimated to commence in 1Q 2010
- Five-year class renewal survey planned for 4Q 2009



Borgsten Dolphin

- Completed a nine month contract with Maersk in August 2009 and are currently idle and available for new contracts.
- Five-year class renewal survey planned for 4Q 2009
- The unit is available for new contracts in 1Q 2010



Brazil

Borgny Dolphin

- Commenced operation under a five-year drilling contract with Petrobras in Brazil, expiring September 2013
- Currently undergoing the five-year class renewal survey and upgrade. The unit estimated to be completed in December 2009.



Harland & Wolff

- Focus on ship repair, ship building, steel fabrication and engineering services
- Holds a Waste Management License for ship demolition
- The yard area is serving as a logistics and assembly base for offshore windfarms
- This will be a focus area for the future, in addition to ship building and ship repair



Summary and outlook

- Recovery in oil price
- Number of enquiries and pre-tendering activity has increased
- The balance between supply and demand seems healthy in a longer perspective
- The company will continue to consider possible investment opportunities to expand its drilling services
- Seven out of nine units have long term contracts
- Average contract duration end of 3Q 2009: approximately 25 months