

Fred.Olsen Production ASA

1st Quarter 2007

10th May 2007

FPSO Knock Adoon at the Antan field, Nigeria



Income Statement - Key Figures

(USD 000)	1Q 2007	1Q 2006 *)
Operating revenues	15 597	15 723
Operating cost	(11 268)	(8 058)
Operating result before depr. (EBITDA)	4 330	7 665
Depreciation	(3 521)	(1 785)
Operating result (EBIT)	809	5 880
Net financial items	(4 609)	1 168
Result before tax	(3 800)	7 048
Estimated tax	-	-
Net result	(3 800)	7 048

*) 1Q 2006 proforma consolidated

Financial Items - Breakdown

(USD 000)	1Q 2007	1Q 2006 *)
Interest income	1 163	758
Financial income	1 163	758
Interest expenses	(2 410)	(1 230)
Other financial expenses	(6)	789
Financial expenses	(2 416)	(441)
Net foreign currency gain/(loss)	(3 356)	850
Net financial items	(4 609)	1 168

*) 1Q 2006 proforma consolidated

Consolidated Balance Sheet

(USD 000)	31 March 2007	31 March 2006 *)
ASSETS		
Offshore units, constructions and equipment	202 315	162 027
Other investments	4 104	98
Deferred tax asset	232	0
Total non-current assets	206 651	162 125
Short-term receivables	25 511	8 839
Bunker	632	0
Cash and cash equivalents	249 015	16 423
Total current assets	275 158	25 263
TOTAL ASSETS	481 809	187 388
EQUITY AND LIABILITIES		
Share capital	16 768	11 151
Share premium reserve	297 143	109 220
Retained earnings	(33 290)	-54 640
Total equity	280 621	65 731
Interest bearing loan	142 146	110 766
Pension liabilities	600	134
Total non-current liabilities	142 746	110 900
Interest bearing short-term debt	13 605	5 750
Accruals and other short-term debt	44 837	5 008
Total current liabilities	58 442	10 757
Total liabilities	201 189	121 657
TOTAL EQUITY AND LIABILITIES	481 809	187 388

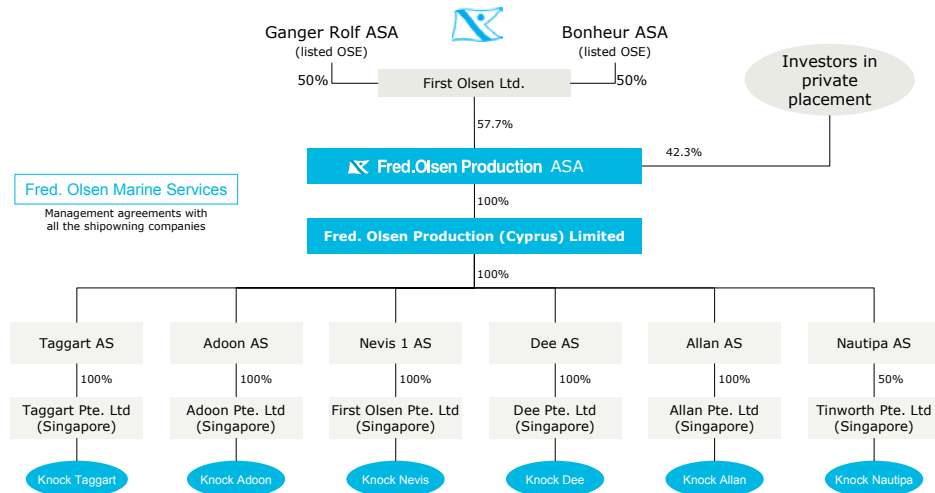
*) 1Q 2006 proforma consolidated

Consolidated Cash Flow

(USD 000)

	1st Q 2007
Net cash flow from operating activities	1 571
Net cash flow from investing activities	(90 825)
Net cash flow from financing activities	305 132
Net change in cash	215 878
Cash balance at period beginning	33 137
Cash balance at period ending	249 015

Company structure and ownership



Organisation - Combining the best of two worlds

Fred. Olsen Production

Key management and technical expertise from offshore E&P- and contractor industry

- Overall stewardship of business activities
- Project design, engineering and execution
- Strong yard relationship
 - 5 projects at Dubai Drydocks since 2004

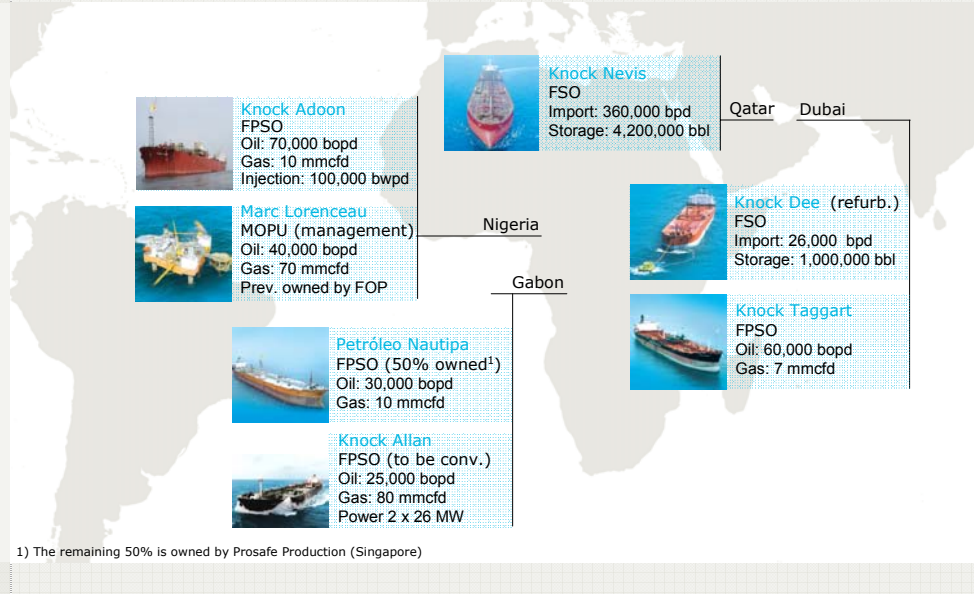
Fred. Olsen Marine Services

Embodying 150 years of operational experience from the shipping industry

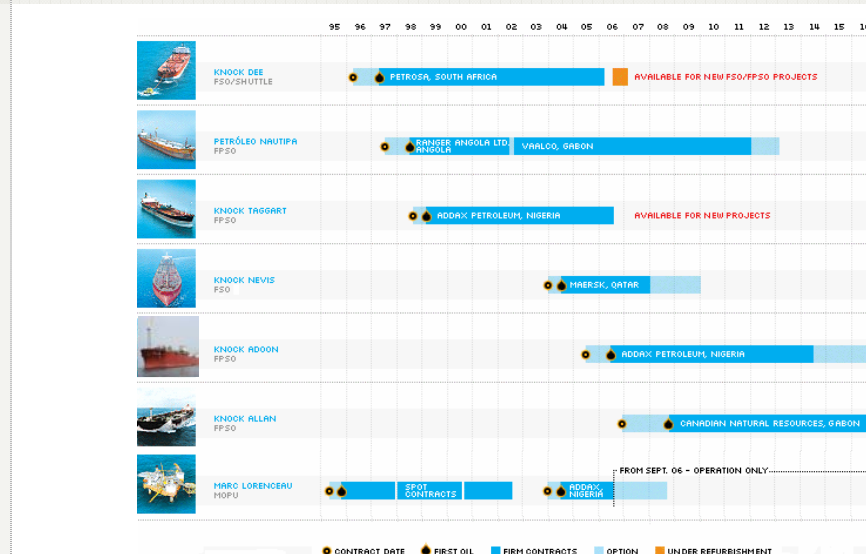
- Daily operation of all units
 - Cost + and no profit split*
- Vessel repair and conversion
- Solution oriented mentality from shipping

* Total management fee 2006 ~ MNOK 9.3

Current fleet



Contract status



Redeployment opportunities



FPSO Knock Taggart

- Ambition to secure low end- high risk/high yield – project
 - Typically 3+ year contracts, small field(s) in West Africa
- 2 – 4 opportunities in West Africa per year
- Previous advanced negotiations failed
- Currently being evaluated for two West Africa projects, but not yet in contract negotiations
- Capex to be kept at minimum
- Summer 2007



FPSO Knock Dee

- Ambition to employ on FSO contract (but suitable also as FPSO candidate) in strategic area, South East Asia
- Current alternatives
 - current negotiations for one short term FSO contract (6 months)
 - pre qualified for a 10 year FSO contract
 - submitted bid for a mid range FPSO project
- Capex – depending on above
- Timing – FSO awards before summer 2007

Fleet development – Conversion expertise



Jack-Up Conversion
Borgen Dolphin MOPU
Mobil Oil - Nigeria



FSO Conversion
Knock Taggart
Abacam - Nigeria



FSO Conversion
Knock Nevis
Maersk - Qatar



FPSO Conversion
Knock Allan
CNR - Gabon



FSO & Shuttle Tanker
Conversion
Knock Dee, Soekor - SA



FPSO Conversion
Petróleo Nautipa
Ranger Oil - Angola



FPSO Conversion
Knock Taggart
Addax - Nigeria

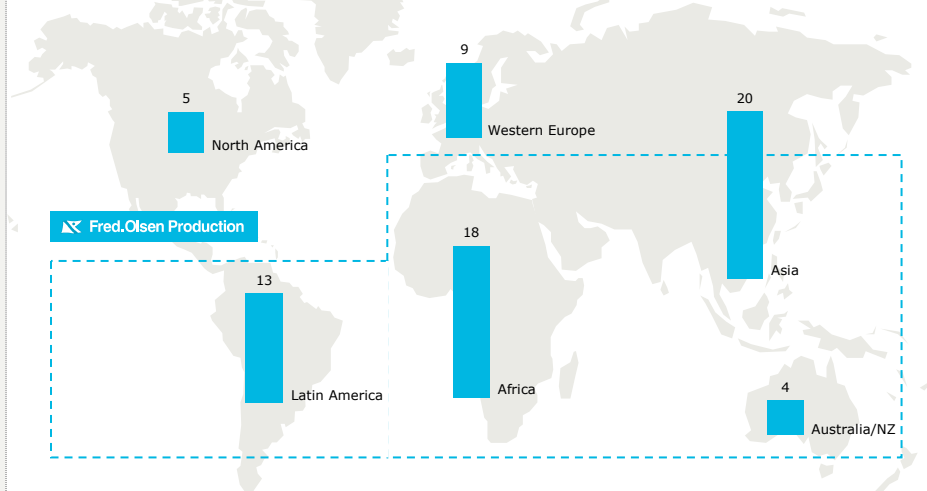


FPSO Conversion
Knock Adoon
Addax - Nigeria



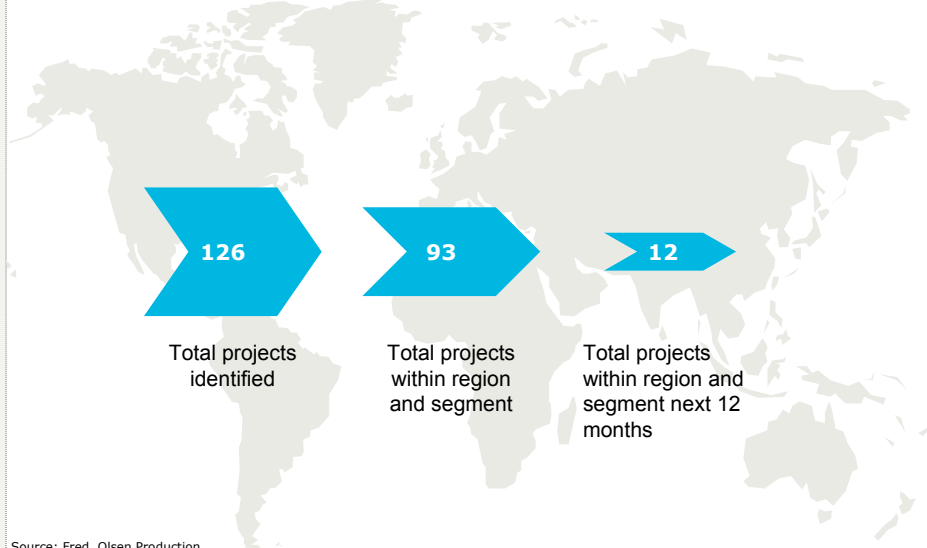
Strategic focus on key growth markets

FSO/FPSO demand: Projects planned and tendering with contract award date 2007 – 2010: (Total 69)



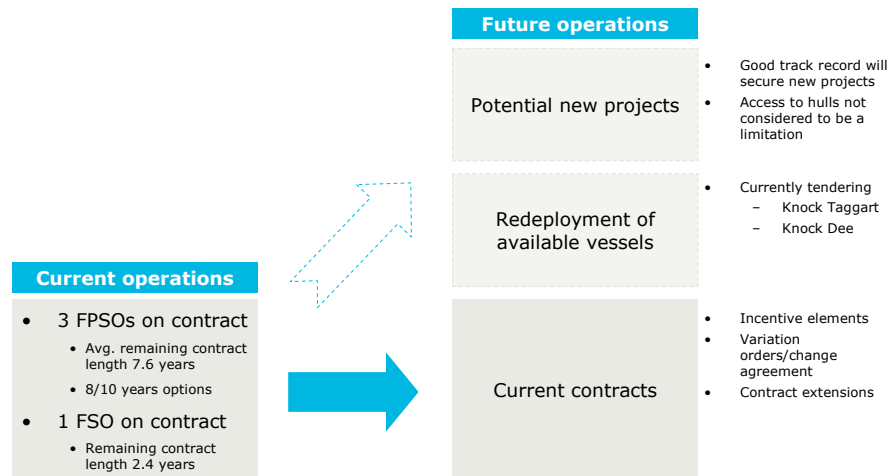
Source: ODS-Petrodata – Planned / Tendering FSO/FPSO (February 2007)

Fred. Olsen Production database:
127 projects identified – 12 tenders/bids next 12 months

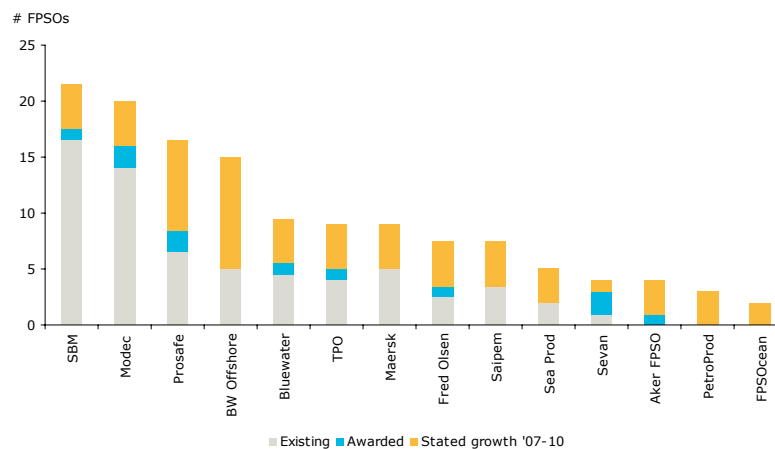


Source: Fred. Olsen Production

Good near term upside potential



Competitive landscape



Source: ABG Sundal Collier equity research

Anticipated capex program

- Knock Allan, Knock Dee and Knock Taggart are anticipated to have an estimated capex program of more than US\$ 250 million in 2007 and 2008 in total
 - Knock Allan - FPSO conversion 2007/2008
 - Knock Dee - Redeployment/refurbishment 2007
 - Knock Taggart - Redeployment/refurbishment 2H 2007

Strategy and positioning

Core focus

- Functional specifications and off the shelf technology
- Key competence in extracting best margins by optimal interface between subcontractors and internal assembling/installation
- Retain position as a leading operator in benign areas with a strong foothold in West Africa
- Continue good track record of redeploying of existing units
- Quality operational services from Fred Olsen Marine Services

Projects

- **"Industrialize" proven project execution capabilities**
- Focus on smaller and mid-range FPSO Projects (US\$ 50-300 million)
- Expand geographical focus to South East Asia and South America
- Expand current highly skilled and hands-on organization

Ambitions

Operational:



- Enhance position as a leading mid-range FPSO owner and operator
- Well underway to scale up volume to handle 2 mid-range complex projects by 4Q 07
- Ambition to grow by winning new projects

Shareholder policy:



- First Olsen intends to remain a strategic long term majority shareholder
- Build shareholder value through growth
- No near term dividend case
- Management incentive plan in place

Board of Directors

- New board composition proposed for the Annual General Meeting on 10 May 2007
 - Per-Oscar Lund (Chairman)
 - Managing Director of First Olsen Ltd.
 - Anette S. Olsen
 - Owner of Fred. Olsen & Co. and Managing Director of Bonheur ASA and Ganger Rolf ASA
 - Siv Jønland Staubo
 - PhD student in Corporate Governance and senior lecturer at the Department of Financial Economy at the Norwegian School of Management
 - Agnar Gravdal
 - President of Rosenberg Verft AS
- Current board consists of members from Fred. Olsen related companies
 - Per Oscar Lund (Chairman)
 - Jørn Trygve Røkaas
 - Ketil Jørgen Arvesen

Offering summary

- Private placement February 12th 2007
 - 44 million shares at NOK 27,-
 - 172 new shareholders
 - Raised NOK 1.188 billion (USD 194 million)
- IPO May 9th 2007
 - 1.930 million shares at NOK 26,-
 - 839 new shareholders
 - Raised NOK 49.1 million (USD 8.2 million)
- First day of listing on the Oslo Stock Exchange 11 May 2007
- First Olsen Ltd.: 56.7%
- Free float: 43.3%