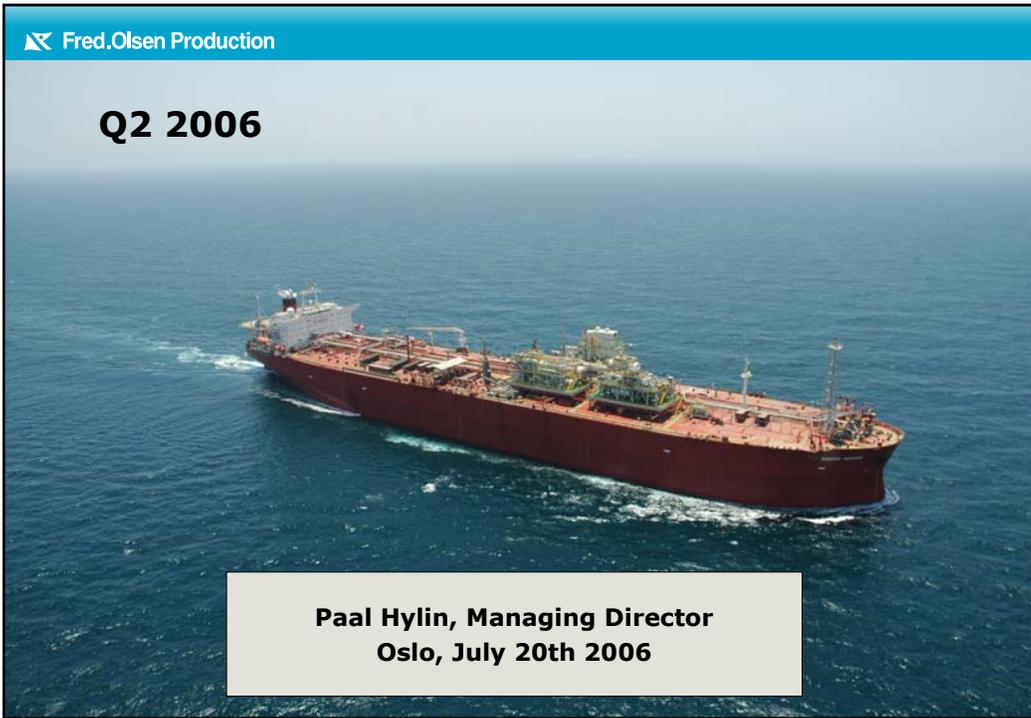


Q2 2006



**Paal Hylin, Managing Director
Oslo, July 20th 2006**

AGENDA

- Background
- Organisation
- Ongoing Projects
- Financial Results
- Market Considerations
- Forward Plan

Bonheur and Ganger Rolf Group of Companies



Floating Production



Renewable Energy



Drilling



Ferries



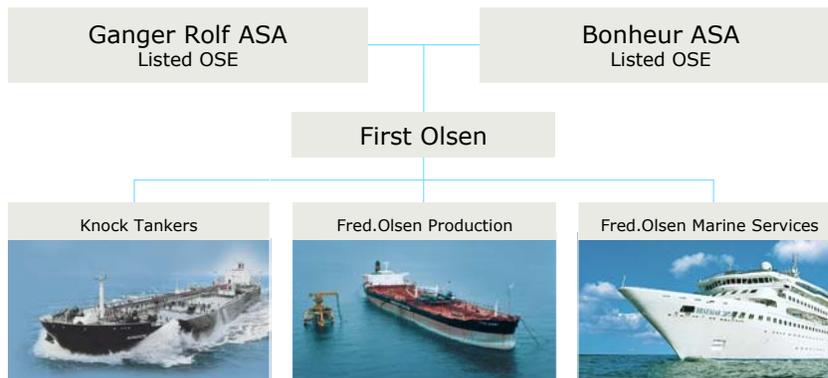
Cruise Line



Crude Oil Tankers

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First Olsen - Group Structure



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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 and execution

Fred.Olsen Marine Services

40 years of operational experience from the shipping industry

- Daily operation of all units
- Vessel repair and conversion

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Fleet development



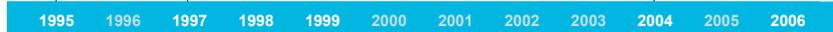
Jack-Up Conversion
Borgen Dolphin MOPU
Mobil Oil - Nigeria



FPSO Conversion
Knock Taggart
Abacam - Nigeria



FPSO Conversion
Knock Nevis
Maersk - Qatar



FPSO & Shuttle Tanker Conversion
Knock Dee, Soekor - SA



FPSO Conversion
Petroleo Nautipa
Ranger Oil - Angola



FPSO Conversion
Knock Taggart
Addax - Nigeria



FPSO Conversion
Knock Adoon
Addax - Nigeria



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Redeployment History



MOPU Borgen Dolphin

- Four consecutive contracts
- Two modification projects delivered
- Limited commercial downtime between contracts



FPSO Knock Taggart

- One re-deployment project from FSO to FPSO in 1998
- Fast track conversion at Blohm & Voss, Hamburg
- No commercial downtime between contracts

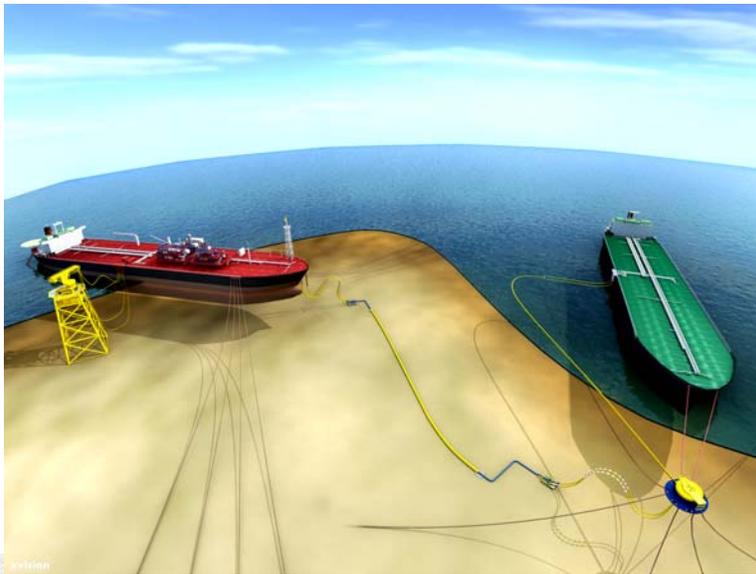


FPSO Petroleo Nautipa

- One re-deployment
- 100 days from shut-down to start-up
- No commercial downtime between contract

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Knock Adoon FPSO Conversion Project (1)



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Knock Adoon FPSO Conversion Project (2)

- Higher capacity FPSO replacement for Knock Taggart
- Extensive sub-sea design and installation scope
- First oil expected September 2006



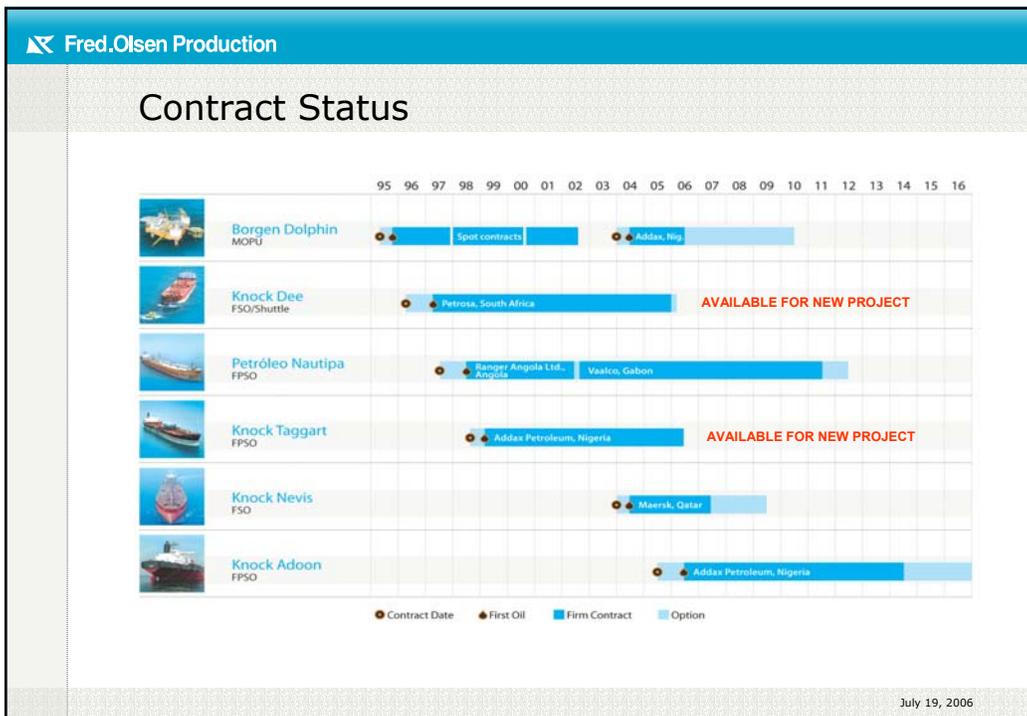
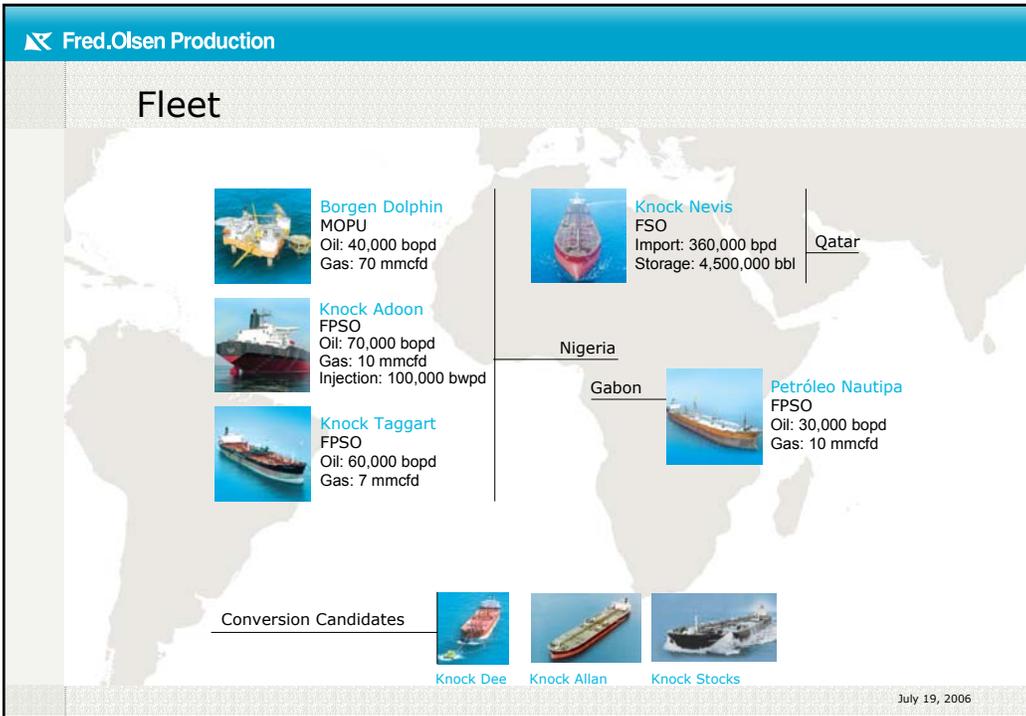
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Knock Adoon FPSO Conversion Project (3)

- Significant local content program both on CAPEX and OPEX
 - Enabled by long FOP history in Nigeria
 - Builds on strong relations to Addax, JAGAL/Niger Docks

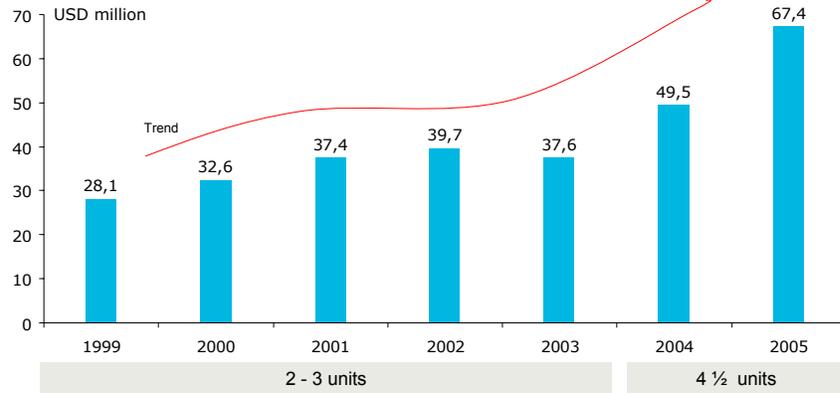


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Financials – Revenues doubled in 5 yr ...

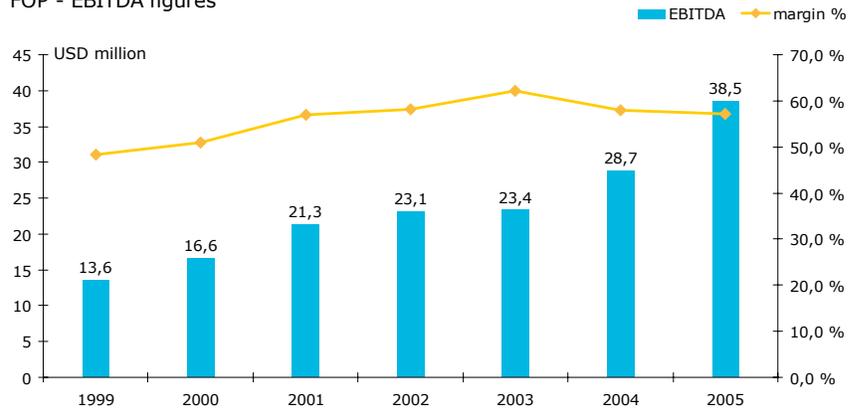
FOP - Revenues



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... with consistently high margins (>50%)

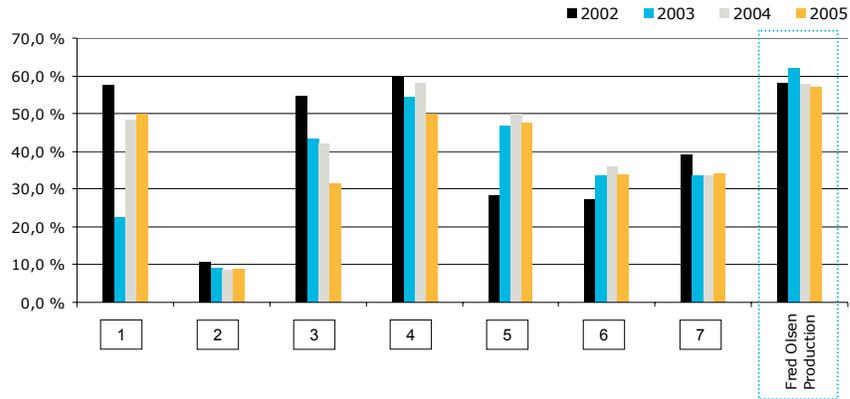
FOP - EBITDA figures



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..with operating philosophy producing higher margins than other operators

EBITDA margins % - 2002 - 2005



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FOP strengths

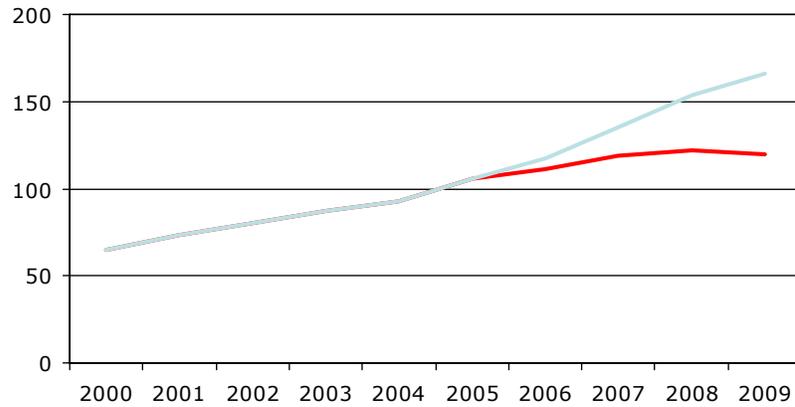
- Proven track record of
 - Fit-for-purpose FPSO designs
 - Tailoring sub-contracting strategy to balance value creation with project risk profile
 - Delivering safe, reliable and cost effective operations in remote areas
- On track for delivering integrated field development services
- Consistently delivering top tier margins
- Successfully combining the best from the Shipping and Offshore industries

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FPSO Forecast

FPSO Fleet - High/Low Forecast

FPSO Fleet — Low Case — High Case

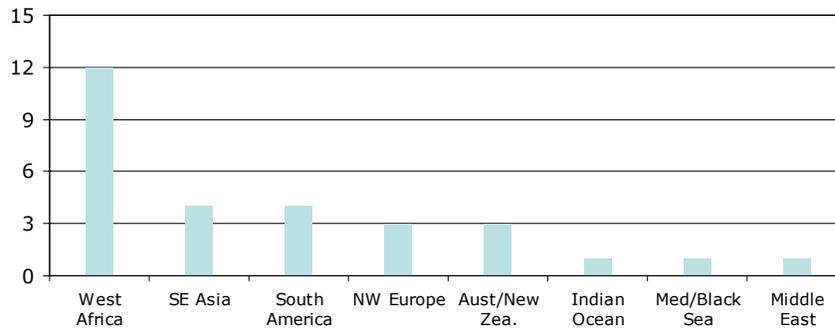


Source: ODS-Petrodata

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FPSO Demand

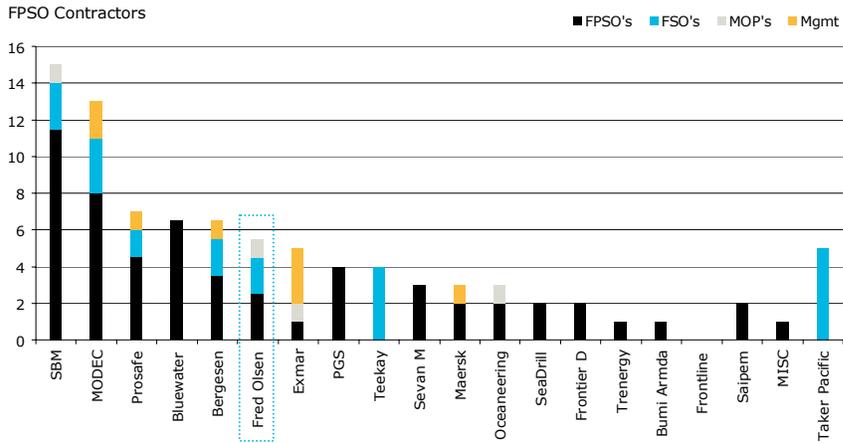
Planned and Tendering With Start Date Prior to Year-end 2009



Source: ODS-Petrodata

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...but still ... competition is likely to be tough



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Successful contractor needs broad skill set

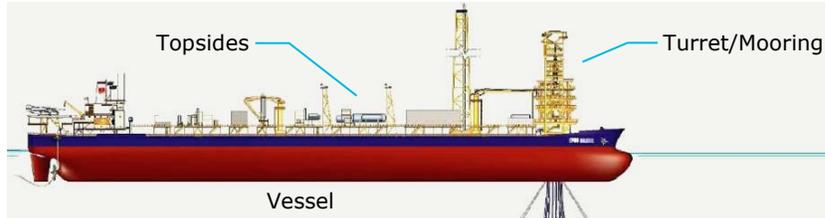


Project size in 100-250 M\$ range

	Share of CAPEX Rate	Share of Total Rate
Eng. & Proj. Mgmt	5% - 10%	~70%
Turret/Mooring	5% - 20%	
Topsides	20% - 40%	
Vessel (purch,rep&modif)	70% - 30%	
OPEX		~30%

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Residual Value.....need for caution



Residual Value

Eng. & Proj. Mgmt	Nil
Turret/Mooring	Nil/Low
Topsides	Low
Vessel	Medium

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Forward Plan



Near Term

- Seamlessly re-deploy Knock Taggart FPSO
- Aggressively pursue FPSO conversion project for Knock Dee FSO
- Maintain the foothold in West Africa
- Continue building market presence in Brazil and SEA



Medium Term

- Selectively bid medium sized projects (150-250 M\$) based on perceived competitive advantage
- Leverage our skill set and flexibility provided by FIRST OLSEN, ship-owning parent, to timely source adequate tonnage

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Summary

- Undisputed track record
- Unique skill set
- Financially strong
- Financially sound