

Fred. Olsen Energy ASA

2Q 2005 presentation

19 July, 2005



Income Statement – Key Figures

(NOK mill)	2nd Q 2005	1st Q 2005
Operating revenues	614.5	570.3
Operating costs	(463.8)	(449.3)
Oper. result before depr. (EBITDA)	150.7	121.0
Depreciation	(148.2)	(148.0)
Operating result (EBIT)	2.5	(27.0)
Net financial items	(75.6)	(76.7)
Result before tax	(73.1)	(103.7)
Estimated tax	17.8	5.7
Net result	(55.3)	(98.0)

2Q05 vs. 1Q05

ANALYSIS OF CHANGES IN EBITDA FROM 1Q05 TO 2Q05				
1Q05 EBITDA				121,0
Plus:	Byford	17,6		
	Bredford	13,1		
	Belford	6,3		
	H&W	1,5	38,4	
Minus:	Borgsten	(6,8)		
	Other	(1,9)	(8,7)	
2Q05 EBITDA				150,7

Financial Items Breakdown

(NOK mill)	2nd Q 2005	1st Q 2005
Interest income	3	2
Other financial income	-	8
Financial income	3	10
Interest expenses	(46)	(42)
Other financial expenses	(46)	(51)
Financial expenses	(92)	(93)
Net foreign currency	14	6
Net financial items	(75)	(77)

Offshore Drilling Segment

(NOK mill)	2nd Q 2005	1st Q 2005
Operating revenues	583	525
Operating costs	(431)	(402)
Oper. result before depr. (EBITDA)	152	123
Depreciation	(147)	(147)
Operating result (EBIT)	5	(24)

Engineering & Fabrication Segment

(NOK mill)	2nd Q 2005	1st Q 2005
Operating revenues	31	45
Operating costs	(32)	(48)
Oper. result before depr. (EBITDA)	(1)	(3)
Depreciation	(1)	(1)
Operating result before exceptional items	(2)	(4)
Exceptional items and write downs	-	-
Oper. result before depr. (EBIT)	(2)	(4)

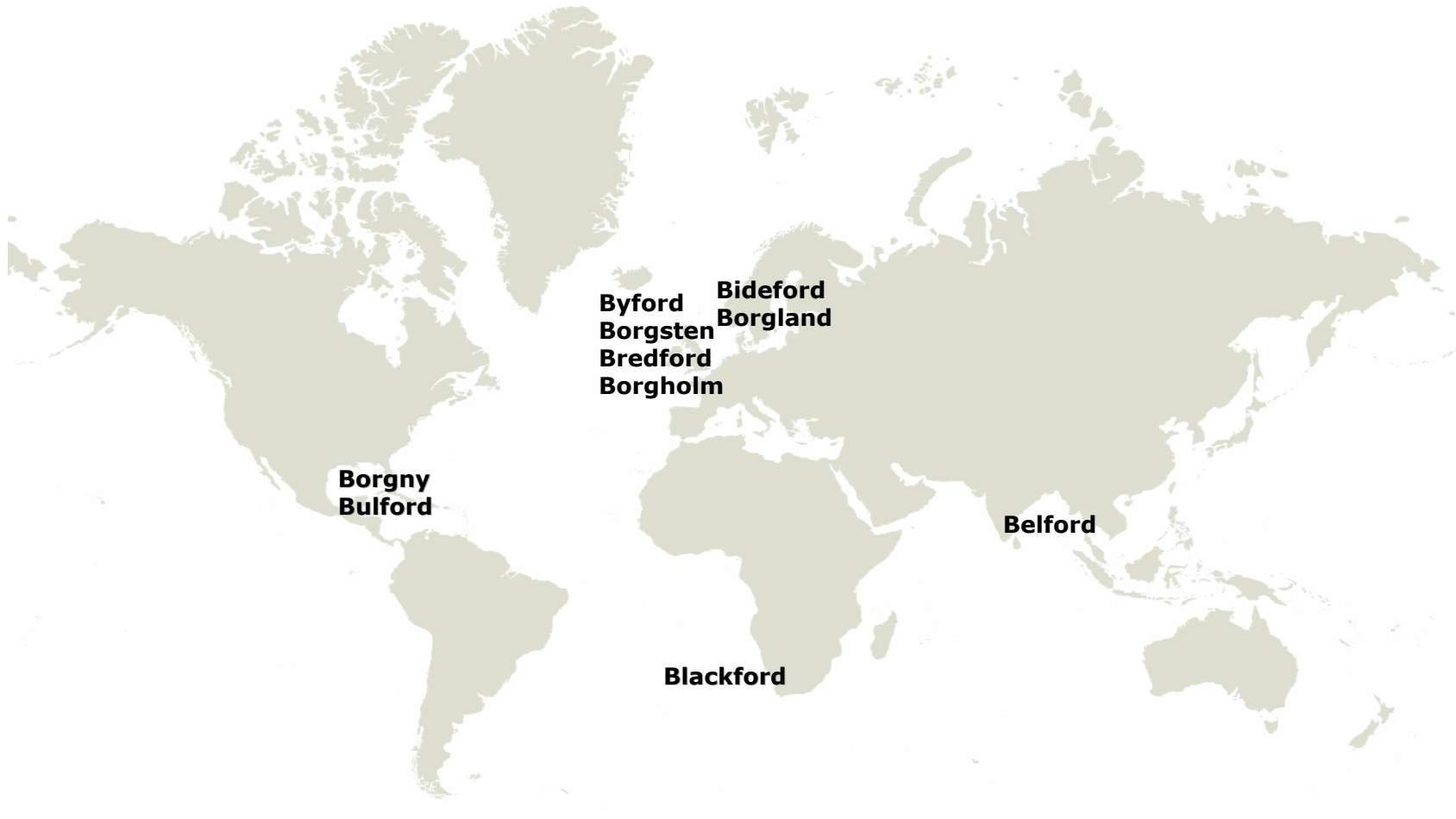
Consolidated Balance Sheet

(NOK mill)	30/06/05	31/03/05
Intangible assets	95	104
Fixed assets	5,345	5,109
Financial long-term assets	78	100
Total long-term assets	5,518	5,313
Other current assets	912	748
Cash and cash equivalents	377	594
Total short term-assets	1,289	1,342
Total assets	6,807	6,655
Equity	2,666	2,543
Long term interest bearing debt	2,876	2,851
Other long term liabilities	343	368
Total long-term liabilities	3,219	3,219
Short-term liabilities	691	639
Short-term interest bearing debt	231	254
Total short-term liabilities	922	893
Total equity and liabilities	6,807	6,655

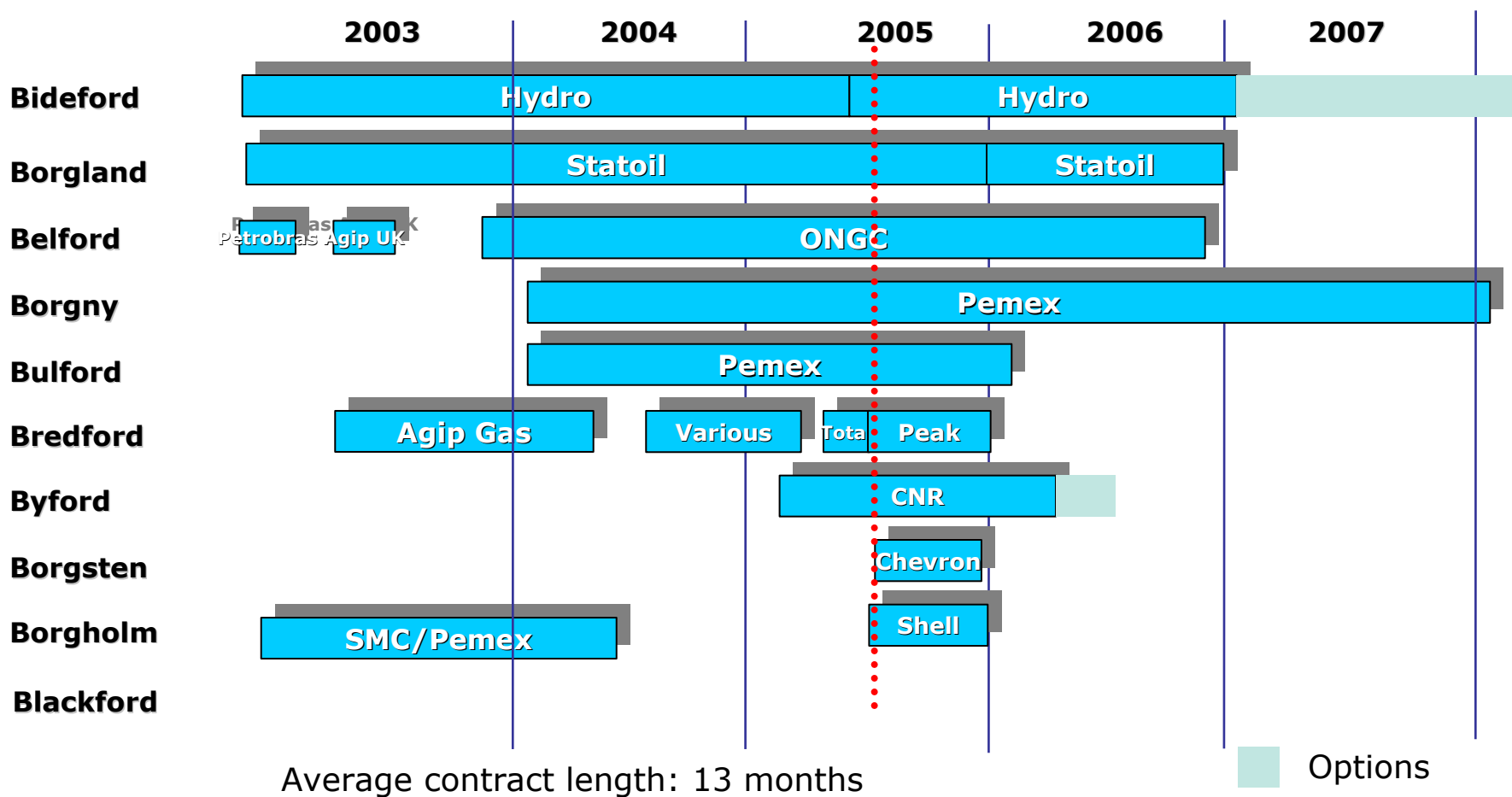
Consolidated Cash Flow

(NOK mill)	2nd Q 2005	1st Q 2005
Net result before tax	(73)	(104)
Depreciation and amortization	148	148
Changes in working capital	(75)	(66)
Cash flow from operating activities	-	(22)
Net investment in fixed assets	(192)	(139)
Cash flow from investment activities	(192)	(139)
Net borrowing/repayment of loans	(30)	(134)
Sale of treasury shares	1	273
Cash flow from financing activities	(29)	139
Foreign currency	4	17
Net change in cash and cash equivalents	(221)	(22)
Cash at beginning of period	594	599
Cash at end of period	377	594

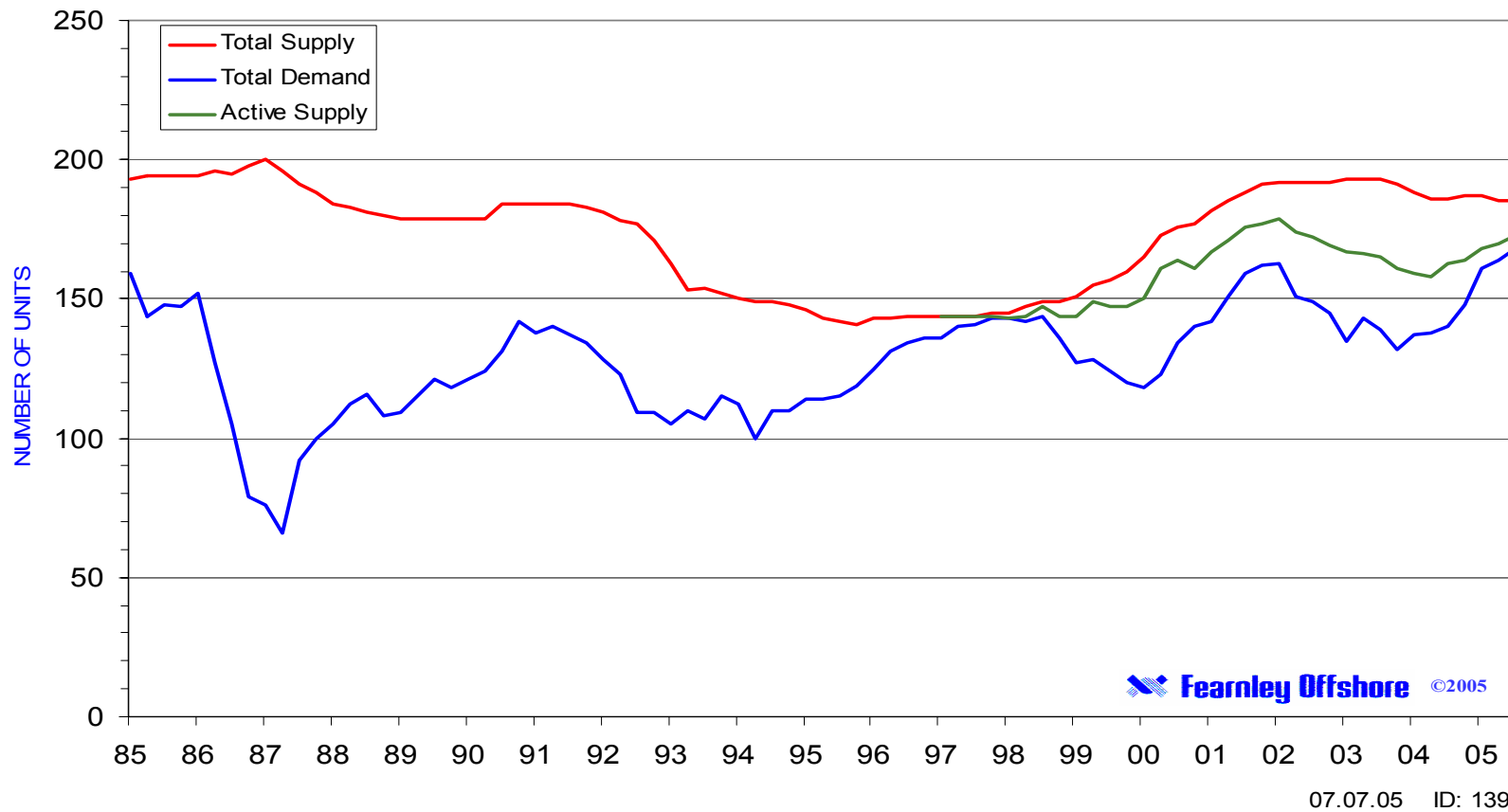
Fred. Olsen Energy operating worldwide



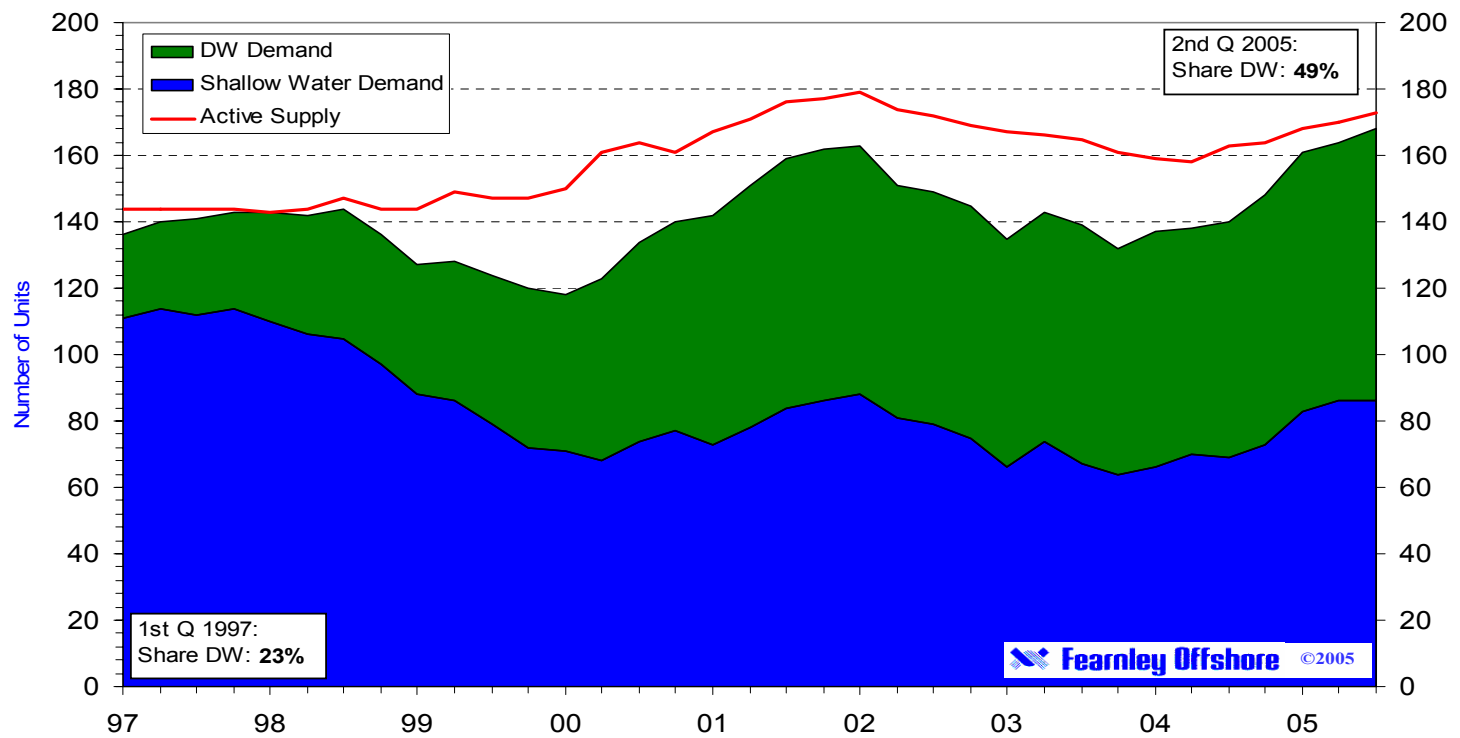
Contract schedule (18 July 2005)



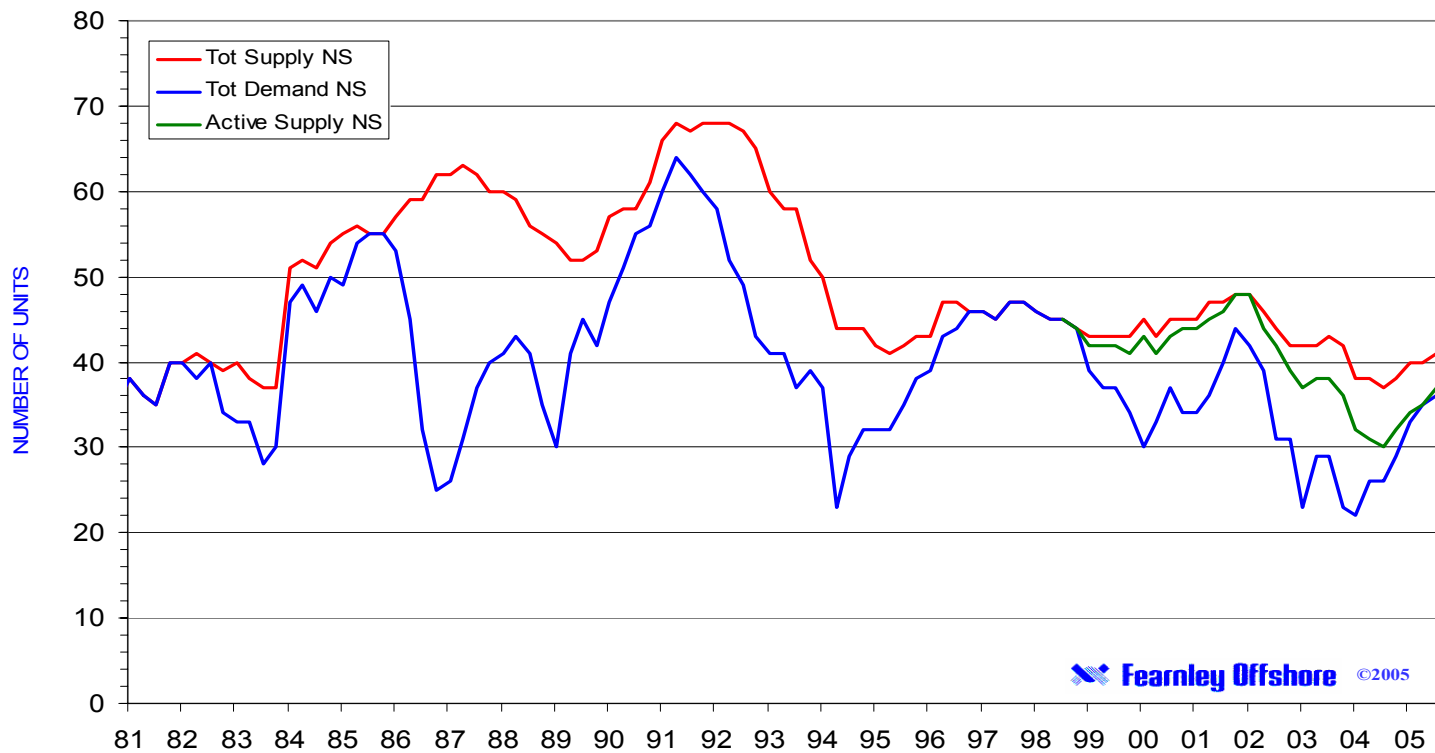
SUPPLY AND DEMAND WORLDWIDE FLOATERS



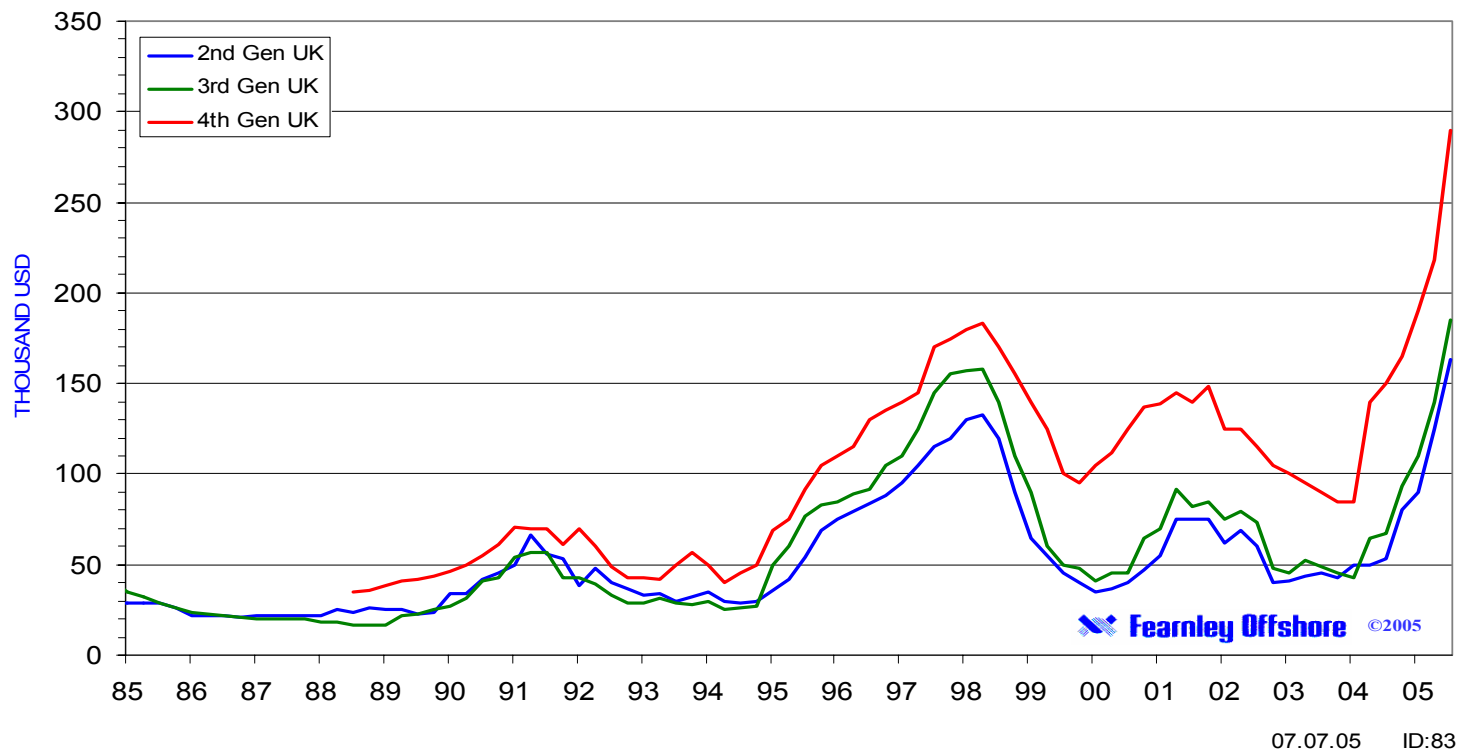
ACTIVE SUPPLY AND DEMAND WORLDWIDE FLOATERS



SUPPLY AND DEMAND NORTH SEA AREA SEMISUBMERSIBLE DRILLING UNITS

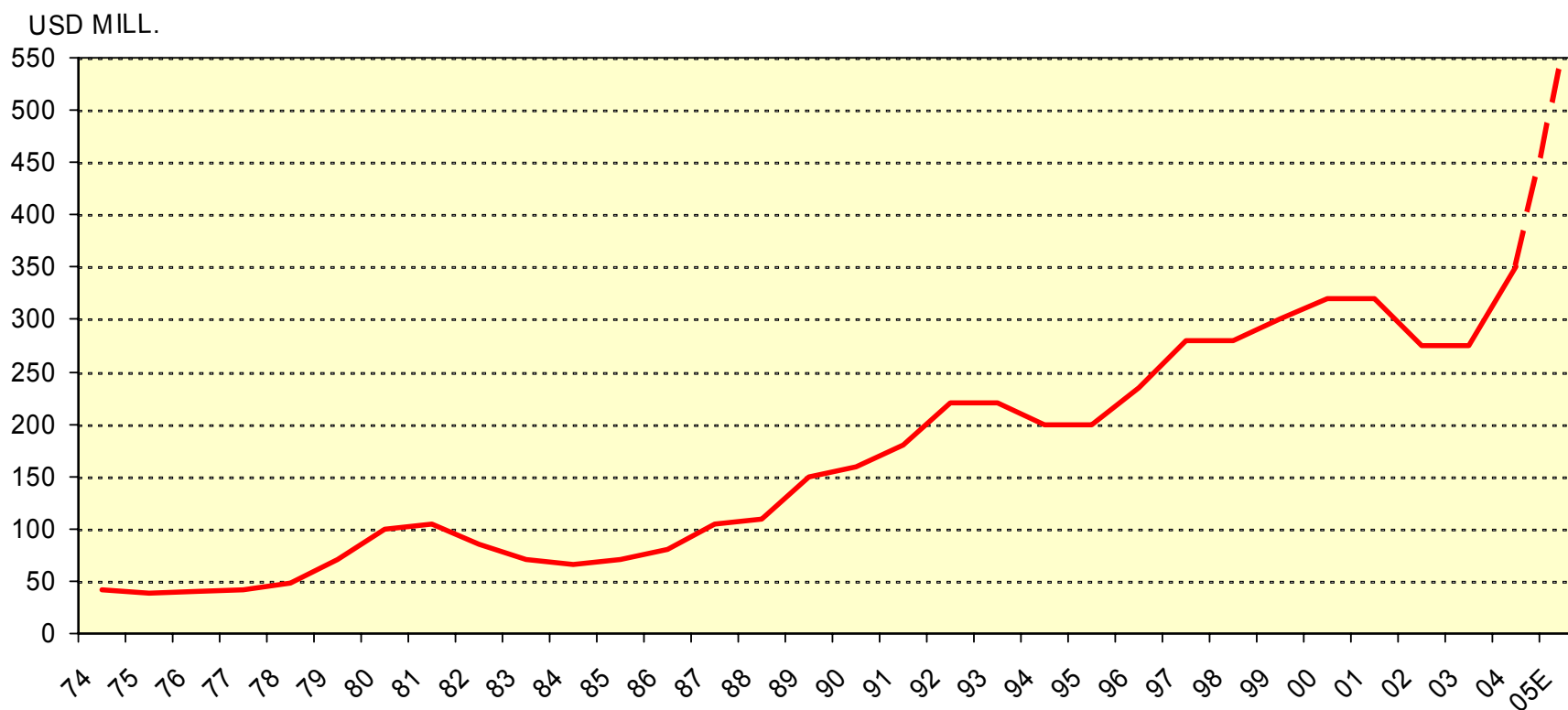


AVERAGE DAYRATES UK SECTOR SEMI SUBMERSIBLE DRILLING UNITS



Newbuilding prices

MODU NEWBUILDING PRICES - 1974-2004
End Year Figures



Source: R.S. Platou Offshore / Fred. Olsen Energy ASA

Summary

- Significant improvement in offshore drilling markets from 3Q 2004
- Expectations of continuing tight supply/demand balance at least for next 2-3 years
- Limited floater new building activity

- The Company:
 - Average contract duration: 13 months
 - High spec units contracted through 2006
 - Preparing re-employment of several units from 2006
 - Well positioned to benefit from strong offshore drilling market

Blackford Dolphin (ex. Ocean Liberator)

- Build in 1974
- Cold stacked in Saldanha Bay north of Cape Town from November 2002
- Currently equipped for 600 feet water depth
- Being evaluated for alternative deepwater upgrades



Norway

Bideford Dolphin

- Operating for Norsk Hydro offshore Norway
- Present contract expires early 2007
- Five-year class renewal survey completed in June 2004



Borgland Dolphin

- Operating for Statoil offshore Norway
- Present contract expires in December 2005
- Five-year class renewal survey completed in December 2004
- 12 months contract extension to 31 December 2006



India

Belford Dolphin

- Continued operations for ONGC in deep waters offshore India
- Contract duration to November 2006
- Operating on the East side of India
- Majority of five-year class renewal survey in May 2005
- Equipped for ultra deepwater (3000m) operations



Mexico

Bulford Dolphin

(Owned by FOTL, operating in FOE pool)

- Operating under a 2-years drilling contract with Pemex
- Contract duration to January 2006



Borgny Dolphin

- Operating under a 4-years drilling contract with Pemex
- Contract duration to January 2008



United Kingdom

Byford Dolphin

- Completed its class RS and upgrading at Harland & Wolff in February 2005
- 14 months drilling contract with CNR, commenced February 2005
- Options for 2 wells at improved rates



Borgsten Dolphin

- Completed its class RS and upgrading at Harland & Wolff in May 2005
- 5 months drilling contract for Chevron, commencing July 2005



United Kingdom (cont.)

Bredford Dolphin

- 45 days contract for Total, commenced early May 2005
- 6 months contract for Peak Well Management, commenced June 2005



Borgholm Dolphin

- Aker H-3 accommodation rig with 600 bed capacity. Class renewed and accommodation refurbished in 2002
- 6 months contract for Shell U.K. Ltd., commenced July 2005



Harland & Wolff

- Company continues to focus on ship repair, steel fabrication and engineering services



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