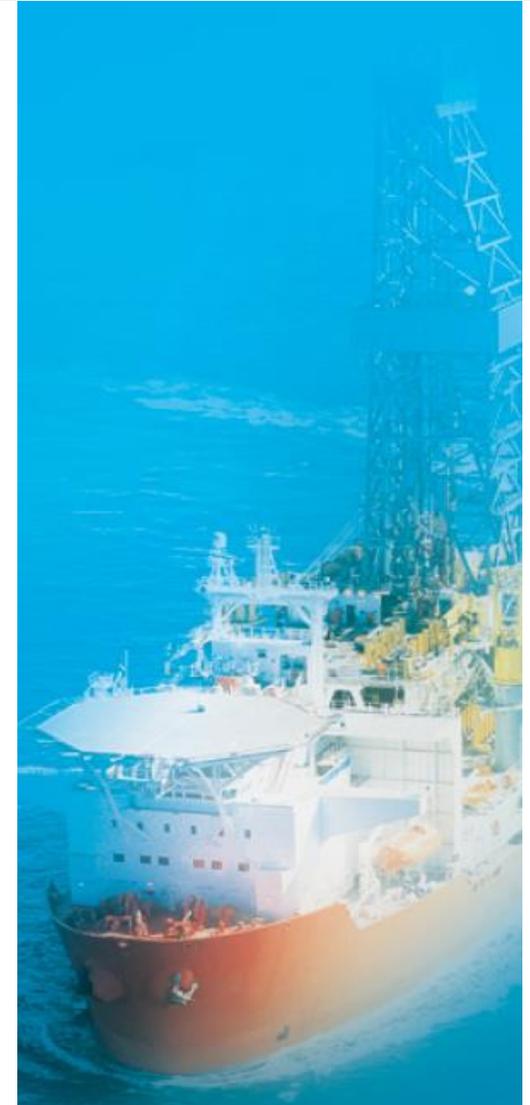


Fred. Olsen Energy ASA

3Q 2013 presentation

Oslo, 29 October 2013



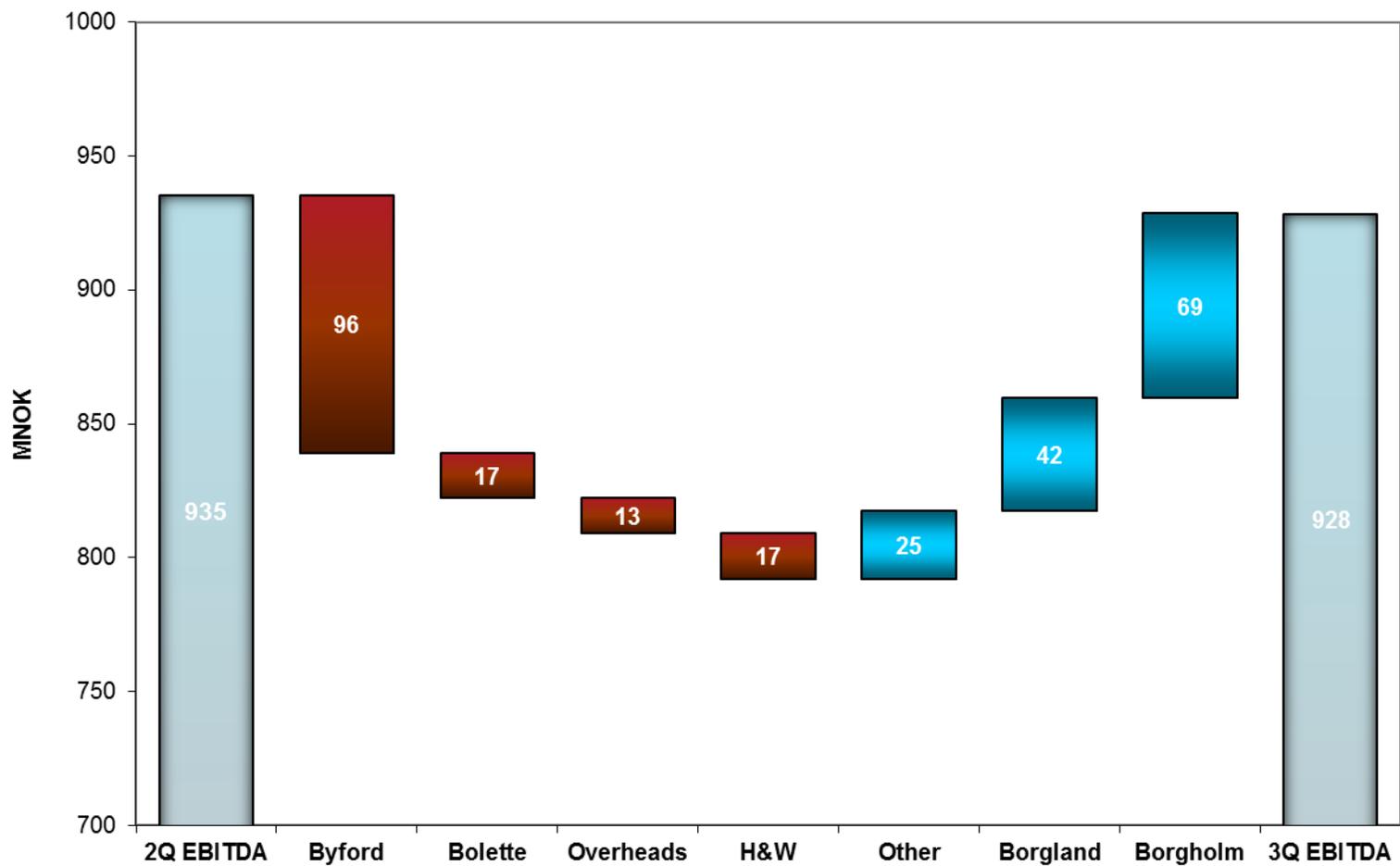
AGENDA

- **FINANCIAL RESULT 3Q 2013**
- MARKETS
- OPERATIONS
- SUMMARY

Income Statement – Key Figures

(NOK mill)	3Q 2013	2Q 2013
Operating revenues	1 759	1 712
Recharged income	80	76
Total revenues	1 839	1 788
Operating costs	(836)	(780)
Recharged expenses	(75)	(73)
Total operating expenses	(911)	(853)
Oper. result before depr. (EBITDA)	928	935
Depreciation	(361)	(354)
Operating result (EBIT)	567	581
Net financial items	(68)	(8)
Result before tax	499	573
Estimated tax	(19)	(23)
Net result	480	550

EBITDA Comparison 3Q 2013 vs. 2Q 2013



Financial Items Breakdown

(NOK mill)	3Q 2013	2Q 2013
Interest income	4	2
Gains on financial instruments	23	47
Financial income	27	49
Interest expenses	(58)	(54)
Capitalized borrowing cost (projects)	27	26
Losses on financial instruments	(12)	(16)
Other financial expenses	(21)	(17)
Financial expenses	(64)	(61)
Net foreign currency gain/(loss)	(31)	4
Net financial items	(68)	(8)

Offshore Drilling Segment

(NOK mill)	3Q 2013	2Q 2013
Operating revenues	1 709	1 660
Recharged income	80	76
Total revenues	1 789	1 736
Operating costs	(773)	(733)
Recharged expenses	(75)	(73)
Total operating expenses	(848)	(806)
Oper. result before depr. (EBITDA)	941	930
Depreciation	(359)	(352)
Operating result (EBIT)	582	578

Engineering & Fabrication Segment

(NOK mill)	3Q 2013	2Q 2013
Operating revenues (external)	51	52
Inter-segment revenues	2	-
Total operating revenues	53	52
Operating costs	(65)	(47)
Oper. result before depr. (EBITDA)	(12)	5
Depreciation	(3)	(3)
Operating result (EBIT)	(15)	2

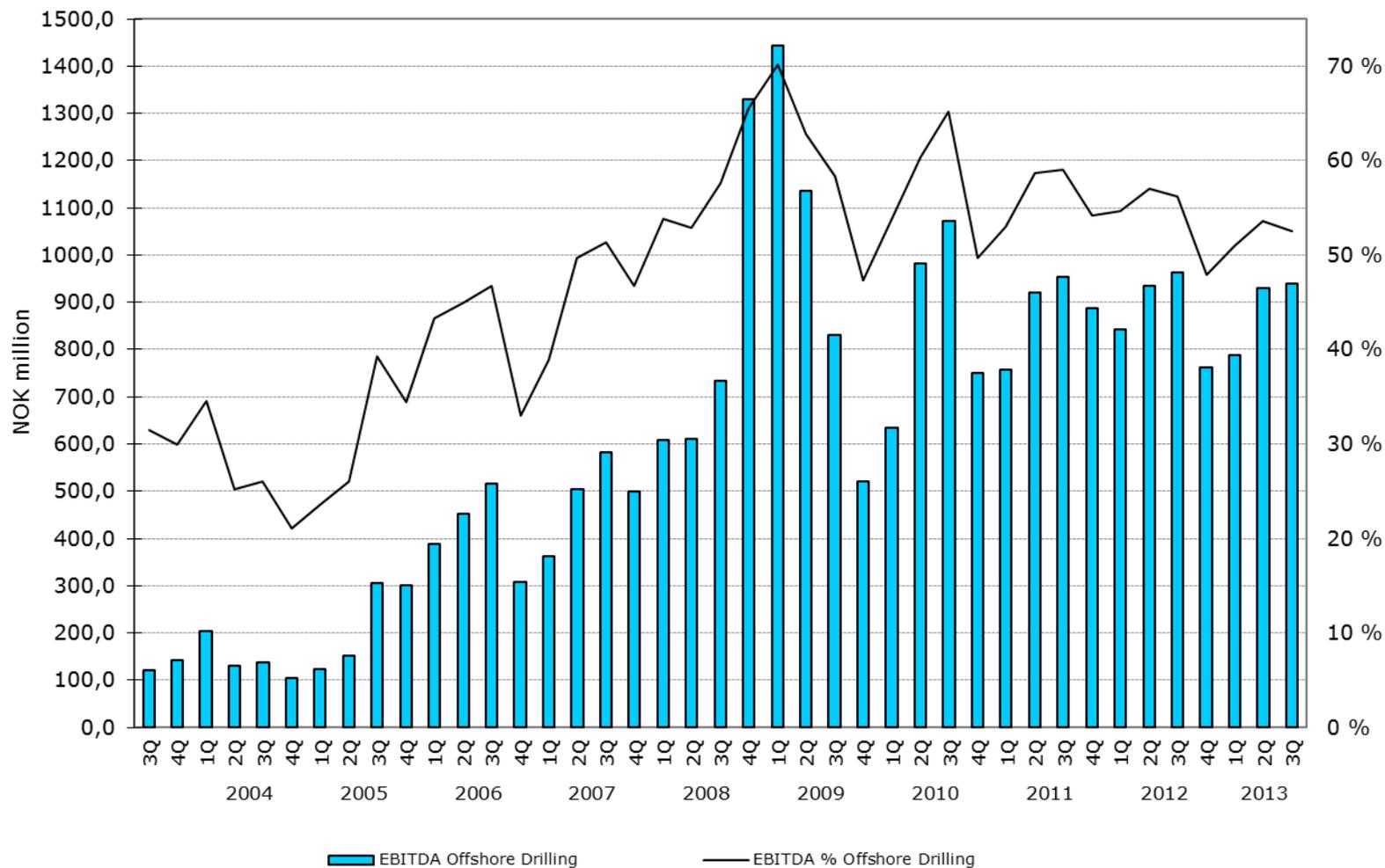
Consolidated Balance Sheet

(NOK mill)	3Q 2013	2Q 2013
Intangible assets	99	99
Property, plant & equipment	14 125	14 095
Other non-current assets	163	160
Total non-current assets	14 387	14 354
Other current assets	1 941	2 108
Cash and cash equivalents	1 231	1 101
Total current assets	3 172	3 209
Total assets	17 559	17 563
Equity	8 369	7 892
Non-current interest bearing debt	4 293	4 720
Other non-current liabilities	697	683
Total non-current liabilities	4 990	5 403
Current interest bearing debt	788	791
Current liabilities newbuilds	2 445	2 258
Other current liabilities	967	1 219
Total current liabilities	4 200	4 268
Total equity and liabilities	17 559	17 563

Consolidated Cash Flow

(NOK mill)	3Q 2013	2Q 2013
Profit before income taxes	499	573
Depreciation and impairment	361	354
Interest expense	31	28
Gain on sale of assets	(1)	-
Changes in working capital	34	(73)
Unrealized loss/(gain) financial instruments	(23)	(34)
Cash generated from operations	901	848
Interest paid	(59)	(54)
Taxes paid	(8)	(31)
Net cash flow from operating activities	834	763
Net investment in fixed assets	(270)	(340)
Cash flow used in investment activities	(270)	(340)
Borrowing of loans	-	678
Repayment of loans	(429)	(118)
Dividend paid	-	(1 325)
Cash flow from financing activities	(429)	(765)
Foreign currency	(5)	47
Net change in cash and cash equivalents	135	(342)
Cash at beginning of period	1 101	1 396
Cash at end of period	1 231	1 101

Offshore drilling EBITDA and margin



Fleet status

Rig	Type / design	W depth ft	Location	Client	Contract status	Day rate (in USD)	Next CR survey
Ultra-deepwater and deepwater units							
Bollsta Dolphin - delivery 1Q'15	SS / Moss	10 000	UK	Chevron	1Q 2015- 2Q 2020	560 000	1Q 2020
Bolette Dolphin - delivery 3Q'13	Drillship	12 000	Mozambique	Anadarko	1Q 2014 - 1Q 2018	488 000	1Q 2019
Belford Dolphin	Drillship	10 000	Mozambique	Anadarko	January '12 - December '15	484 000	1Q 2015
Blackford Dolphin	SS / Aker H-3	7 000	UK	MPX	February '14-March '14	419 000	4Q 2013
			Ireland	Capricorn	April '14-June '14	467 000	
			UK	TBC	June '14-March '15	428 000	
Midwater floaters Norway							
Bideford Dolphin	SS / Aker H-3	1 500	Norway	Statoil	January '11 - January '14	NOK 916' + USD 243'	2Q 2014
				Statoil	February '14 - February '17	NOK 990 + USD 301'	
				Option	February '17 - February '19	NOK 990 + USD 301'	
Borgland Dolphin	SS / Aker H-3	1 500	Norway	Consortium*	January '10 - February '14	NOK 994' + USD 376'	4Q 2014
				Consortium**	February '14 - September '17	NOK 990' + USD 354'	
Bredford Dolphin	SS / Aker H-3	1 500	Norway	Consortium*** Option	October '13 - February '16 February '16 - November '16	NOK 993' + USD 274' NOK 993' + USD 274'	2Q 2017
Midwater floaters UK - Brazil							
Borgny Dolphin	SS / Aker H-3	2 300	Brazil	Petrobras	September '08-September '14	243 000	4Q 2014
Byford Dolphin	SS / Aker H-3	1 500	UK	BP Option	April '13 - April '16 May '16 - April '19	345 500	1Q 2015
Borgsten Dolphin	Tender support / AH-3		UK	Total Option	February '13 -May '16 June '16 - June '17	202 000/ 240 500 incl. capital contribution	1Q 2018
Borgholm Dolphin	Accommodation / AH-3		UK	Shell	May '13- June '14	245 000	4Q 2017
				BG	August '14- April '15	240 000	
				Option	May '15 - June '15	240 000	

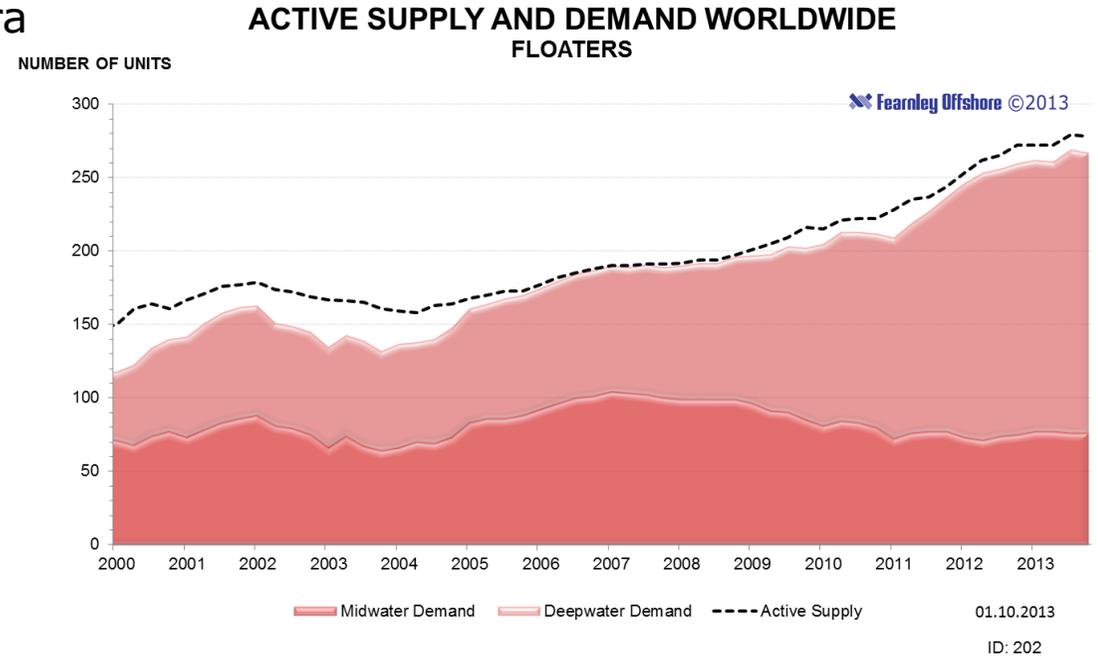
Participants in the consortiums:

* BP, Total, E.ON Ruhrgas, OMV, Rocksource, Wintershall, Statoil ** Wintershall, Tullow Oil, E.ON Ruhrgas, Suncor Energy *** RWE DEA, Lundin, Noreco, Repsol

- FINANCIAL RESULT
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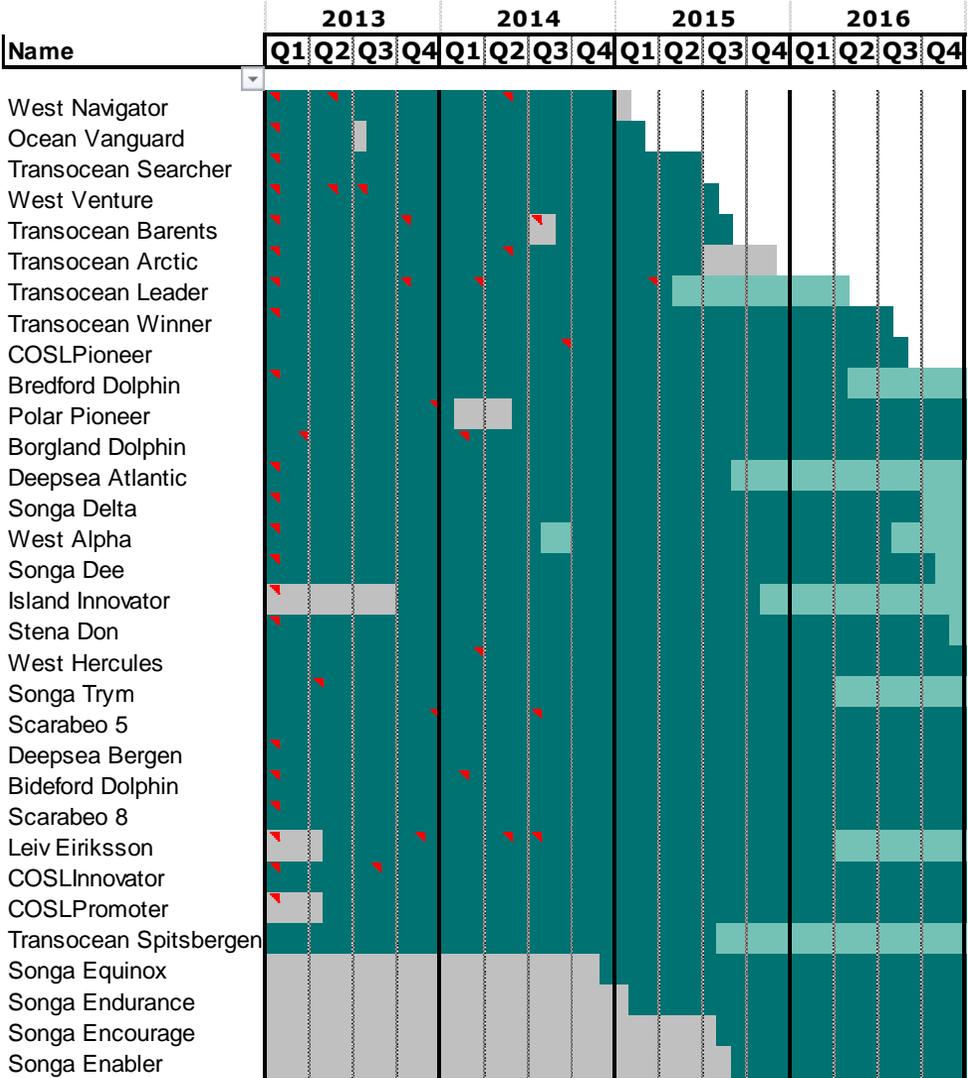
Global market outlook – floating units

- Still healthy activity in the ultra deepwater segment at stable rates
- Stable in deep- and midwater markets, with some further units being idle worldwide
- North Sea market remains strong with limited availability until 2015

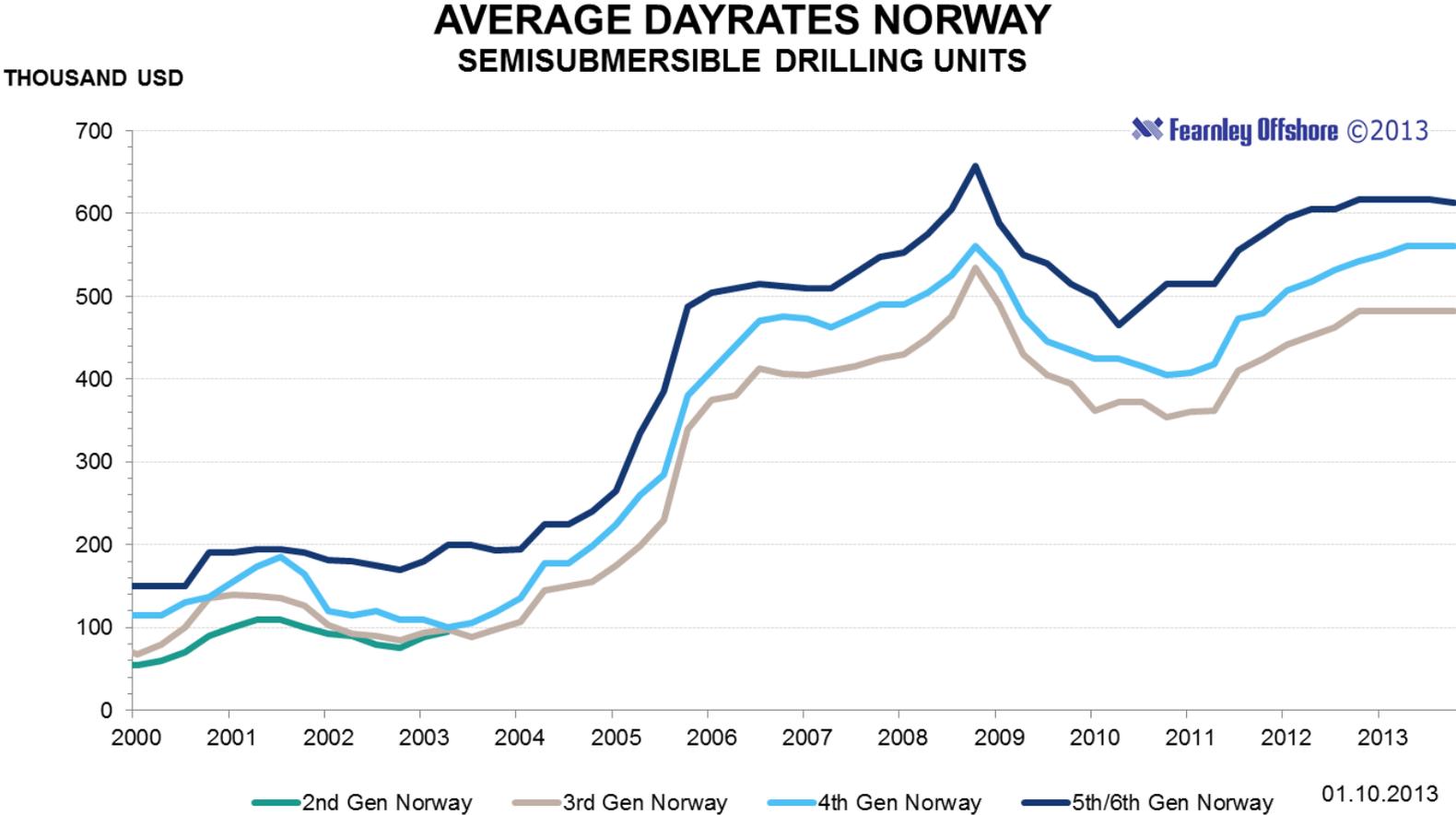


Norwegian floater market

- Increased market activity during the quarter
- A strong market with first availability in 2015
- Continued demand both for exploration and development projects

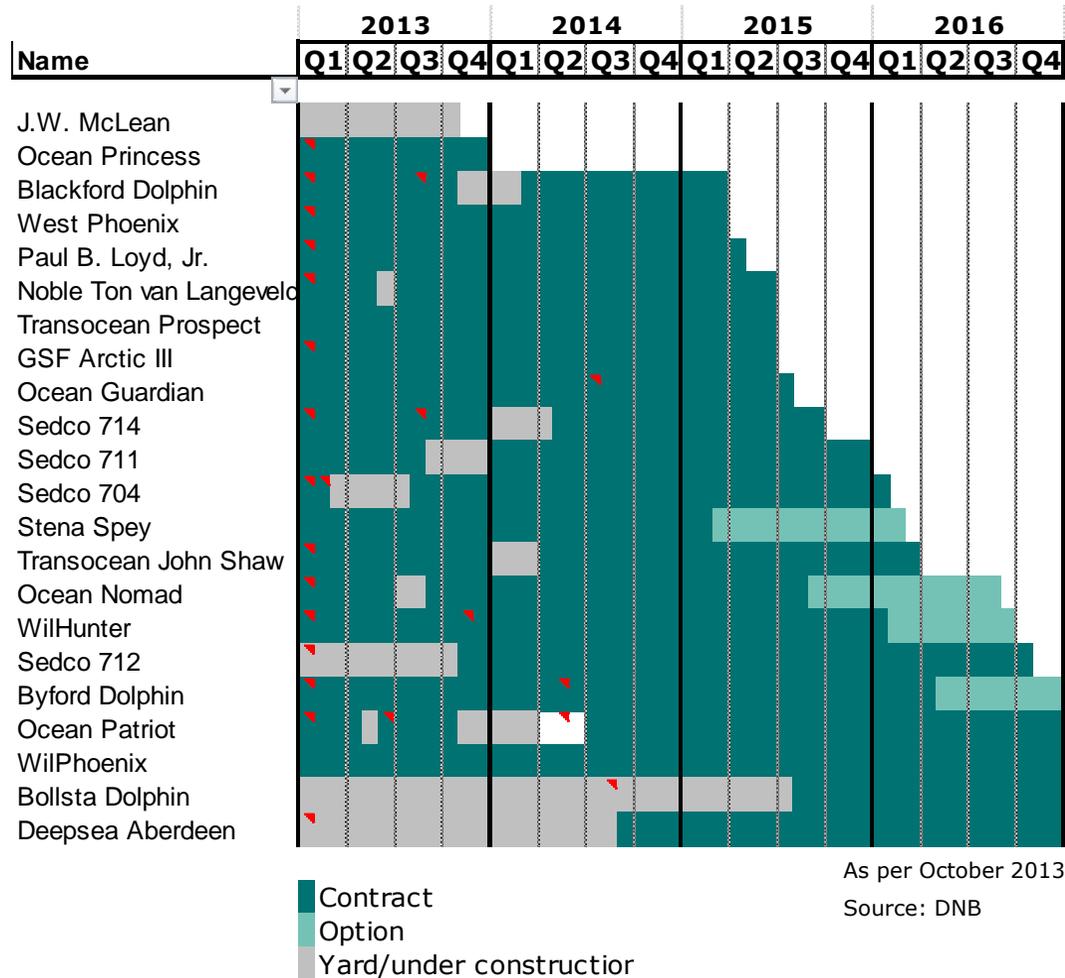


Average dayrates Norway

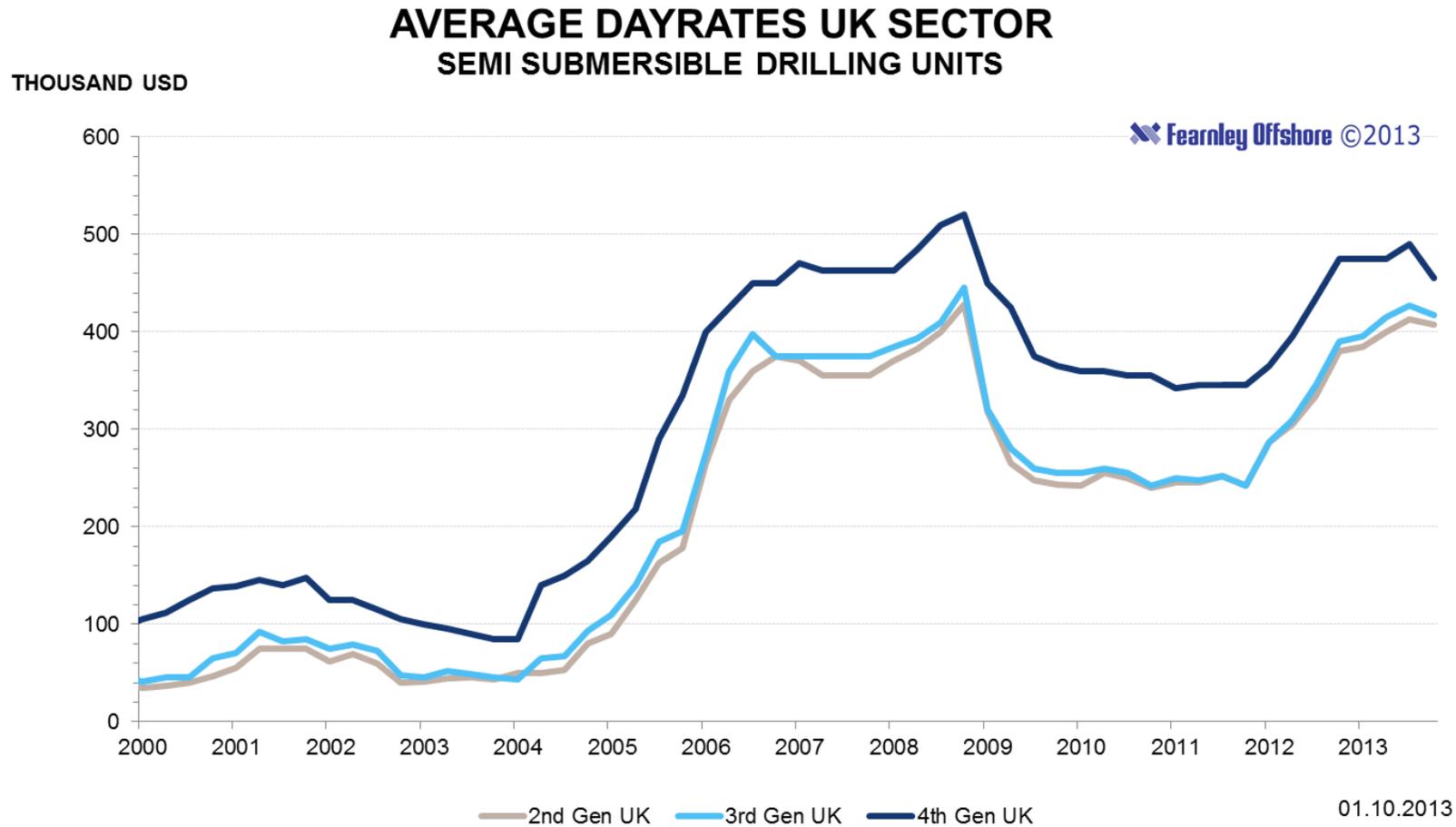


UK floater market

- Following a very high activity the last years, this quarter has been more quiet
- Only one available unit before 2015
- Blackford Dolphin will enter this market in 1Q 2014
- Positive outlook in the accommodation segment



Average dayrates UK

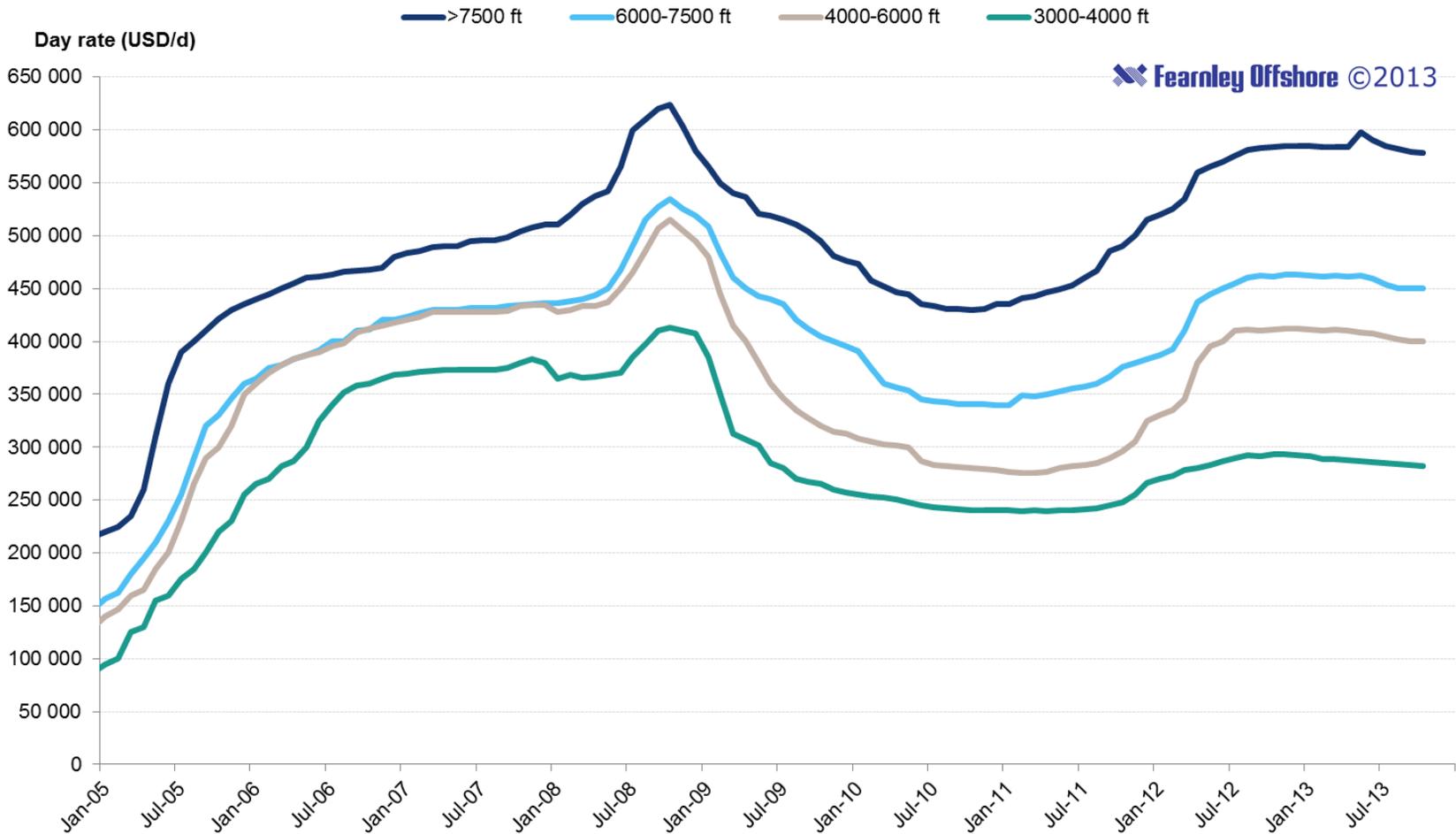


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Dayrates deepwater drilling units worldwide

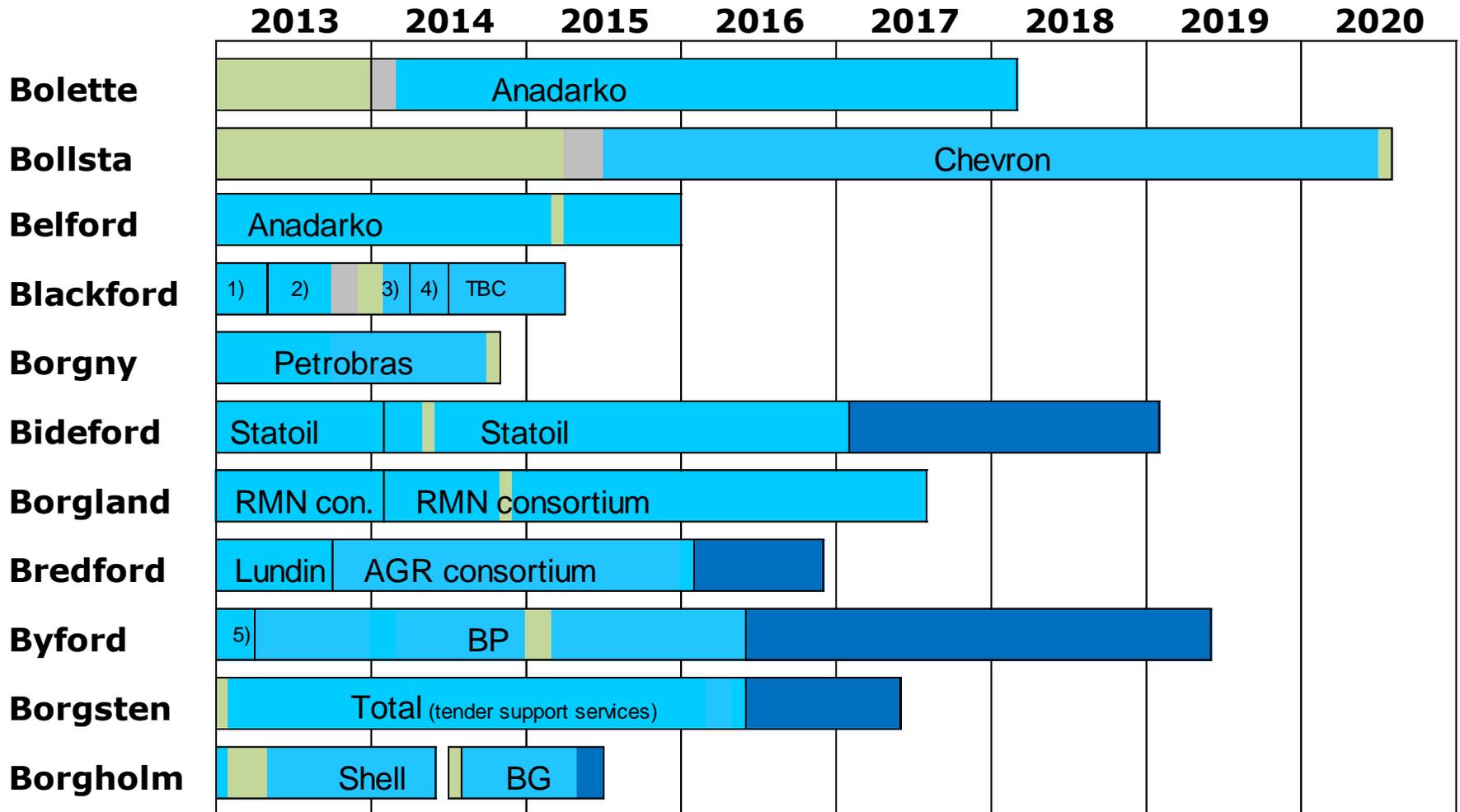
WORLDWIDE DEEPWATER DRILLING UNITS MARKET RATE ASSESSMENT BY WATER DEPTH SEGMENT



Fearnley Offshore ©2013

- FINANCIAL RESULT
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Contract overview



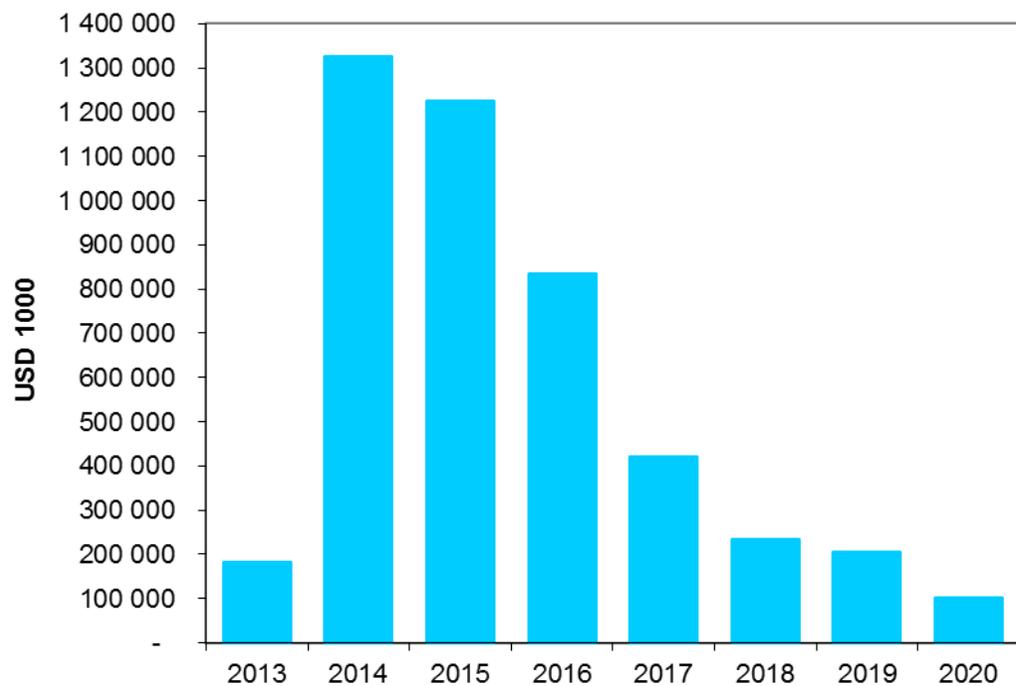
1) Karoon 2) Anadarko 3) MPX 4) Capricorn (Cairn) 5) BP

Yard/Class renewal survey Option Mobilization

Average contract length of ca. 31 months

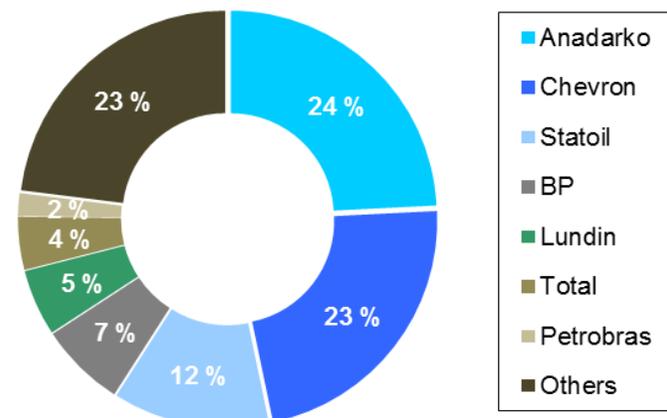
Backlog

Contract backlog



Total backlog approx. USD 4.5 billion

Customer base



Bollsta Dolphin

- Moss Maritime CS 60 E (Enhanced) design from HHI
- Scheduled delivery 1Q 2015, total cost estimated to USD 740 million including two BOPs
- Block constructions started
- Has secured a five-year contract with Chevron for operations West of Shetland in the UK sector
- Commencement estimated to mid 2015, after mobilization from Korea



Ultra deepwater

Bolette Dolphin

- Newbuild ultra deepwater drillship from Hyundai Heavy Industries
- Delivery date is rescheduled to January 2014 due to late delivery from third party suppliers
- Has secured a four-year contract with Anadarko for international operations, including Mozambique. Start of operation after delivery and mobilization
- Sea trials ongoing



Belford Dolphin

- Commenced a new four-year contract with Anadarko from January 2012
- Operating offshore Mozambique
- Next five-year class renewal survey to take place in 1Q 2015



Midwater - Norway

Borgland Dolphin

- Continued operations under a four-year drilling contract with a consortium managed by RMN (Rig Management Norway)
- A new contract with another RMN consortium will follow, with estimated commencement February 2014. Estimated duration is 3.5 years
- Next five-year class renewal survey to take place 4Q 2014, including installation of a new BOP



Bideford Dolphin

- Continued operations under a three-year drilling contract with Statoil
- A new three-year contract with Statoil was entered into in October 2012, with estimated commencement February 2014
- Next five-year class renewal survey to take place 2Q 2014



Midwater - Norway / United Kingdom

Bredford Dolphin

- Completed the drilling contract with Lundin Norway AS end of quarter
- The new 12-well contract with an AGR consortium was commenced. The contract is expected to expire end of January 2016. Further options exist for minimum five wells
- The class renewal survey was completed August 2012



Borgholm Dolphin

- Accommodation unit with 303 bed capacity
- Continued the one year contract with Shell. A new nine month contract was entered into with BG, with estimated commencement beginning of August 2014
- Class renewal survey was completed March 2013



Midwater - United Kingdom (cont.)

Byford Dolphin

- Continued under a three-year drilling contract with BP Exploration, estimated to expire April 2016
- Experienced approximately 7 weeks of downtime during the quarter due to BOP repair and testing
- The class renewal survey and installation of a new five ram BOP is scheduled to 1Q 2015



Borgsten Dolphin

- Continued under the tender support services contract of 40 months duration with Total E&P UK, plus two six month options
- Completed class renewal survey and conversion to tender support vessel mid February 2013



Deepwater/ midwater - Brazil

Blackford Dolphin

- Completed the one-well contract for Anadarko offshore Brazil end of quarter and commenced mobilisation to UK
- After completion of class renewal survey at H&W, estimated to end of January 2014, it will commence two one-well contracts for MPX North Sea Ltd and Capricorn Ireland Ltd.
- A new 9 month contract was entered into with an undisclosed client. Commencement estimated to June 2014



Borgny Dolphin

- Operating under a five-year drilling contract with Petrobras in Brazil. The contract was extended with approximately one year, and estimated to expire in September 2014
- Next class renewal survey to take place in 4Q 2014



Harland & Wolff

- Focus on ship repair, ship building, steel fabrication and engineering services
- During the quarter, the yard continued the contract for Kværner Verdal AS for fabrication of pile sleeve clusters and floatation tanks for the Edvard Grieg and Martin Linge jackets
- The engineering phase for fabrication of the Humber gateway offshore windfarm substation jacket continued during the quarter
- Will commence the class renewal survey of Blackford Dolphin in 4Q 2013



Summary

- Financial
 - Revenues were 1,839 million
 - EBITDA was 928 million
 - Profit before tax was 499 million
 - Contract backlog amounting to approximately USD 4.5 billion

- Operational
 - Blackford Dolphin completed the contract with Anadarko in Brazil and commenced transit to UK
 - Bredford Dolphin commenced the new contract with an AGR consortium from October 2013

- Market
 - Blackford Dolphin entered into two new contracts in the UK sector
 - Average contract duration approximately 31 months



Q&A