



Fred. Olsen Energy ASA

1Q 2018 results presentation

This presentation has been produced by Fred. Olsen Energy ASA (the "Company") based on information which is publicly available. This presentation is for information purposes only.

Further to the aforementioned, this presentation is the result of an effort of the Company to present certain information which the Company has deemed relevant in an accessible format.

The presentation is not intended to contain an exhaustive overview of the Company's present or future financial condition and there are several other facts and circumstances relevant to the

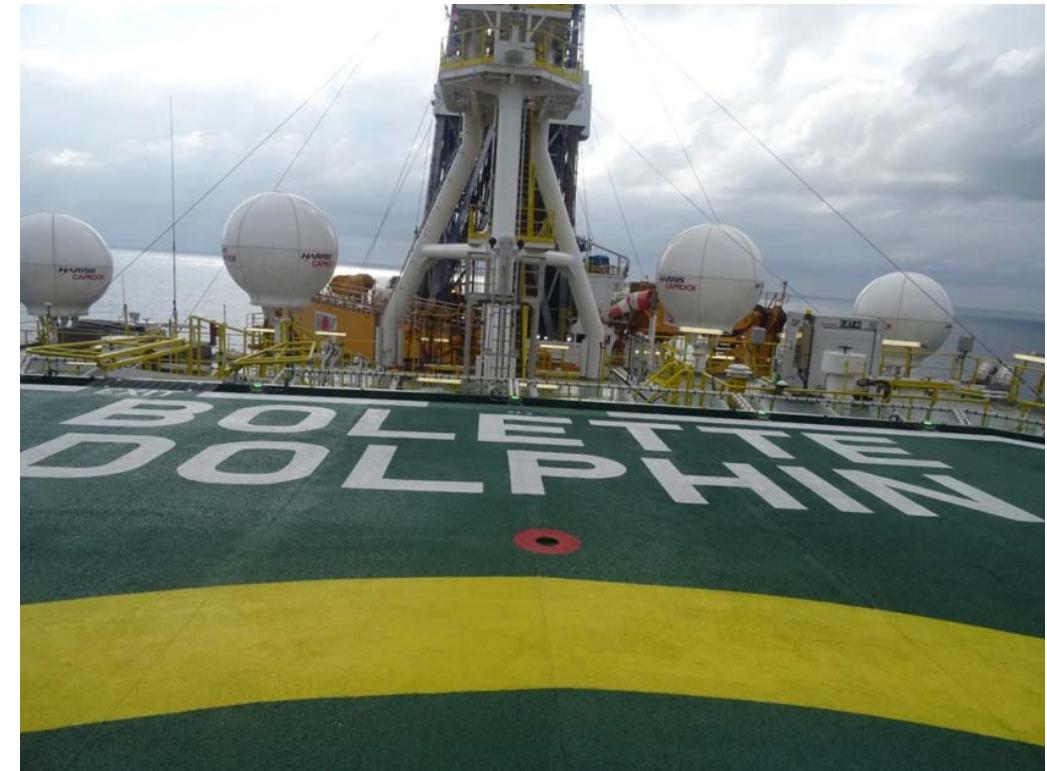
Company and its present and future financial condition that has not been included in the this presentation. No representation or warranty (express or implied) is made or intended to be made as to the accuracy or completeness of any or all of the information contained herein and it should not be relied upon as such. The recipient of this presentation acknowledges that it will be solely

responsible for its own assessment of the information.

This presentation contains forward-looking statements. Such forward-looking statements give the Company's current expectations and projections relating to its financial condition, the market in which it operates and the future performance of the Company. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the Company's actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which it will operate in the future.

Neither the Company's nor any of its affiliates (nor any department in any of those entities), nor any such person's directors, officers, employees, advisors or representatives (collectively the "Representatives"), in any capacity, shall have any liability whatsoever arising directly or indirectly from the use of this presentation, including (but not limited to) as a result of any liability for errors, inaccuracies, omissions or misleading statements in this presentation.

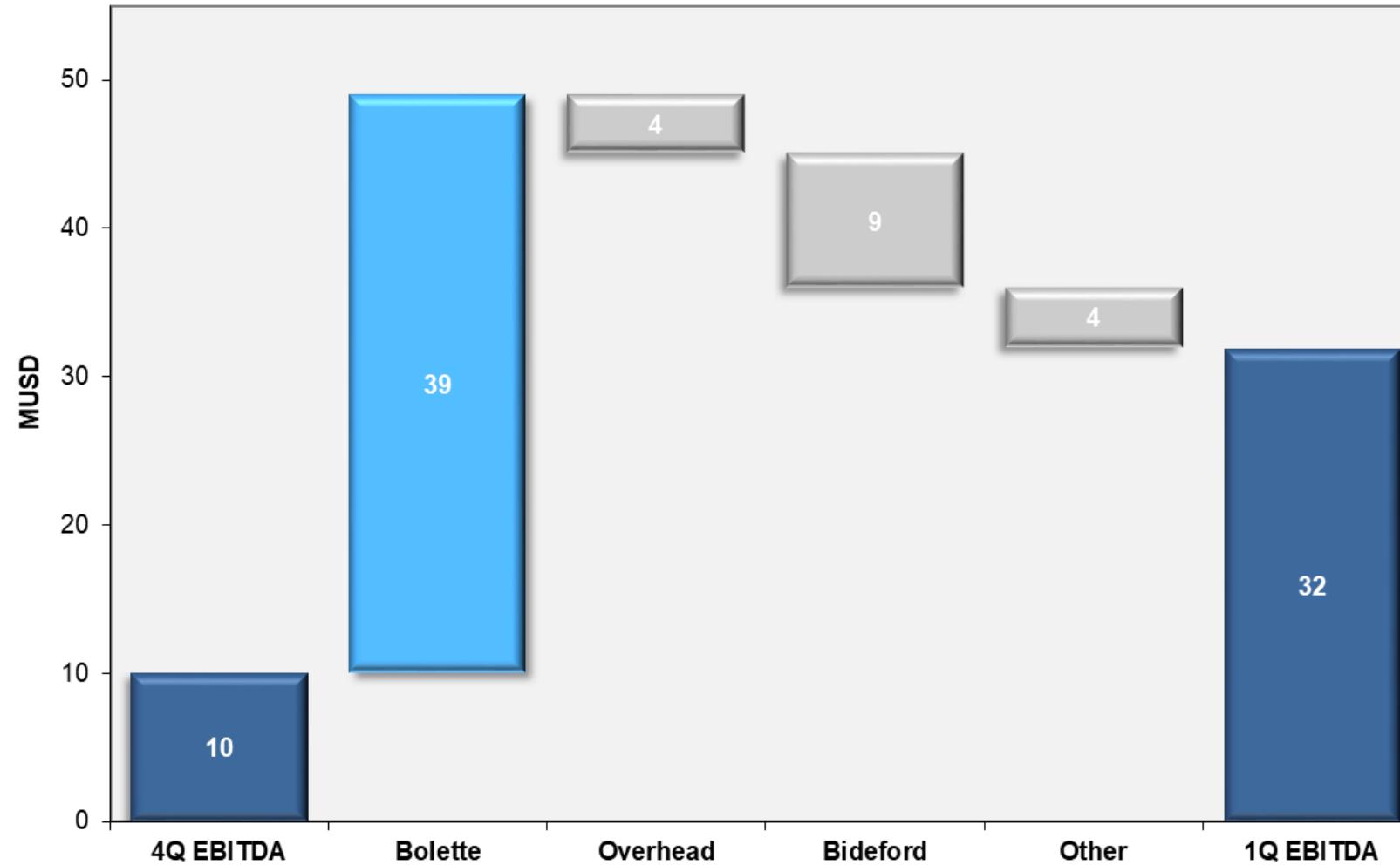
- **FINANCIAL RESULTS**
- **MARKET**
- **OPERATIONS**
- **SUMMARY**



Income statement – key figures

(USD mill)	1Q 2018	4Q 2017	Change
Operating revenues	69,5	47,4	22,1
Recharged income	1,9	2,1	(0,2)
Total revenues	71,4	49,5	21,9
Operating costs	(37,7)	(37,0)	(0,7)
Recharged expenses	(1,9)	(2,2)	0,3
Total operating expenses	(39,6)	(39,2)	(0,4)
Oper. result before depr. (EBITDA)	31,8	10,3	21,5
Depreciation	(56,4)	(55,4)	(1,0)
Operating result (EBIT)	(24,6)	(45,1)	20,5
Net financial items	(18,2)	(11,1)	(7,1)
Result before tax	(42,8)	(56,2)	13,4
Estimated tax	0,2	(5,9)	6,1
Net result	(42,6)	(62,1)	19,5

EBITDA comparison 1Q 2018 vs. 4Q 2018



(USD mill)	1Q 2018	4Q 2017	Change
Operating revenues	61,8	42,9	18,9
Recharged income	1,9	2,1	(0,2)
Total revenues	63,7	45,0	18,7
Operating costs	(28,1)	(31,6)	3,5
Recharged expenses	(1,9)	(2,2)	0,3
Total operating expenses	(30,0)	(33,8)	3,8
Oper. result before depr. (EBITDA)	33,7	11,2	22,5
Depreciation	(55,9)	(54,9)	(1,0)
Operating result (EBIT)	(22,2)	(43,7)	21,5

(USD mill)	1Q 2018	4Q 2017	Change
Operating revenues (external)	7,7	4,5	3,2
Inter-segment revenues	-	-	-
Total operating revenues	7,7	4,5	3,2
Operating costs	(9,6)	(5,4)	(4,2)
Oper. result before depr. (EBITDA)	(1,9)	(0,9)	(1,0)
Depreciation	(0,5)	(0,5)	-
Operating result (EBIT)	(2,4)	(1,4)	(1,0)

Financial Items Breakdown

(USD mill)	1Q 2018	4Q 2017	Change
Interest income	1,1	1,9	(0,8)
Gains on financial instruments	0,4	0,3	0,1
Financial income	1,5	2,2	(0,7)
Interest expenses	(8,1)	(9,1)	1,0
Losses on financial instruments	(0,2)	(0,2)	-
Other financial expenses	(1,8)	(1,4)	(0,4)
Financial expenses	(10,1)	(10,7)	0,6
Net foreign currency loss	(9,6)	(2,6)	(7,0)
Net financial items	(18,2)	(11,1)	(7,1)

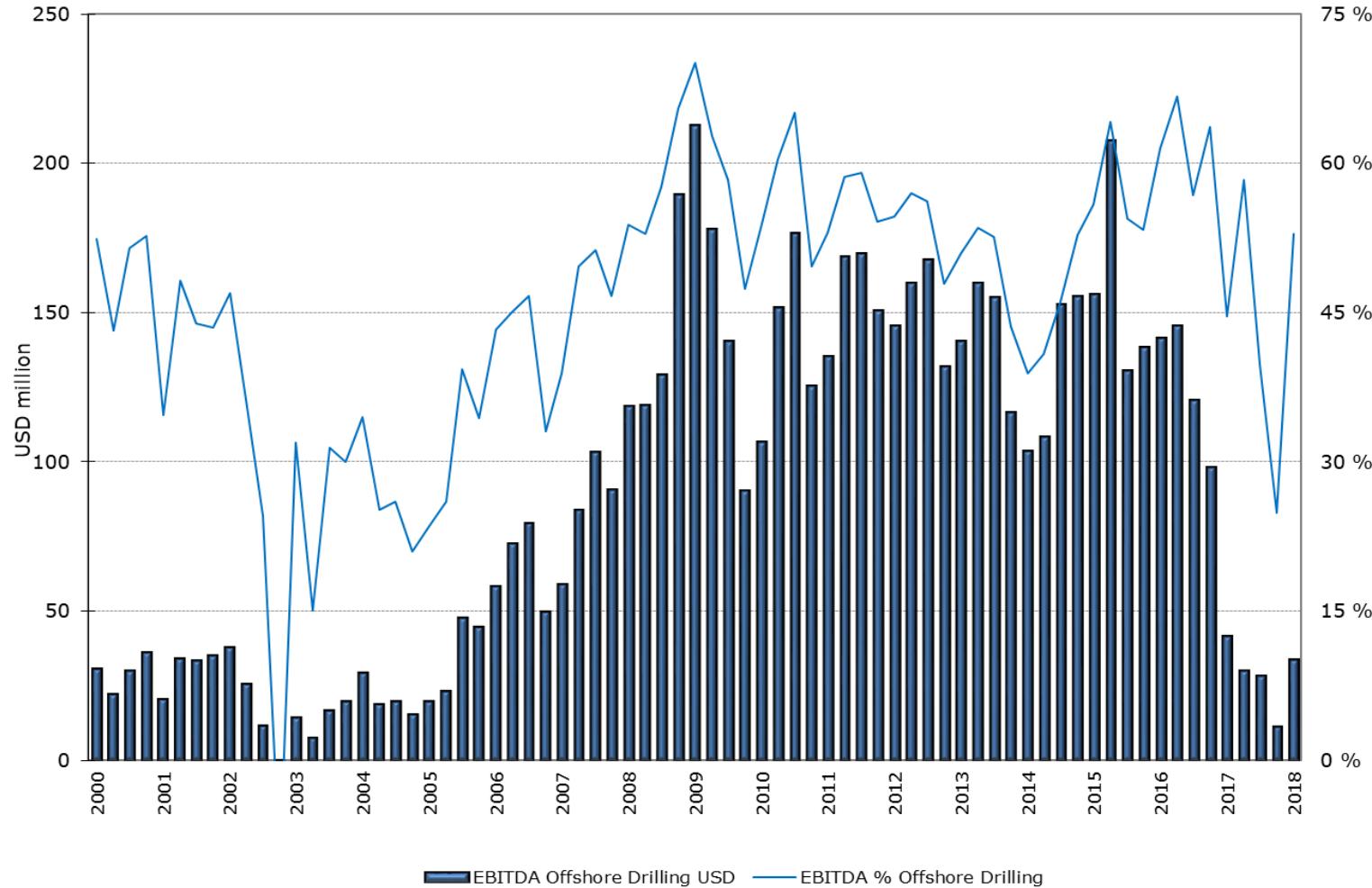
Consolidated Balance Sheet

(USD mill)	31 Mar 2018	31 Dec 2017	Change
Property, plant & equipment	1 026,8	1 073,4	(46,6)
Other non-current assets	1,5	1,6	(0,1)
Total non-current assets	1 028,3	1 075,0	(46,7)
Other current assets	121,7	131,4	(9,7)
Cash and cash equivalents	253,5	435,0	(181,5)
Total current assets	375,2	566,4	(191,2)
Total assets	1 403,5	1 641,4	(237,9)
Equity	552,4	593,3	(40,9)
Non-current interest bearing debt	546,9	686,2	(139,3)
Other non-current liabilities	64,3	61,2	3,1
Total non-current liabilities	611,2	747,4	(136,2)
Current interest bearing debt	190,9	190,9	-
Other current liabilities	49,0	109,8	(60,8)
Total current liabilities	239,9	300,7	(60,8)
Total equity and liabilities	1 403,5	1 641,4	(237,9)

Consolidated Cash Flow

(USD mill)	1Q 2018	4Q 2017	Change
Profit before income taxes	(42,8)	(56,2)	13,4
Depreciation and impairment	56,4	55,4	1,0
Interest expense	9,4	10,2	(0,8)
Gain on sale of property, plant and equipment	-	(0,1)	0,1
Changes in working capital	10,7	19,5	(8,8)
Bolette termination fee amortized	(61,7)	(25,3)	(36,4)
Unrealized loss/(gain) financial instruments	6,5	(4,4)	10,9
Cash generated from operations	(21,5)	(0,9)	(20,6)
Interest paid	(9,2)	(9,1)	(0,1)
Taxes paid	(0,8)	(1,6)	0,8
Net cash flow from operating activities	(31,5)	(11,6)	(19,9)
Net investment in fixed assets	(5,6)	(3,2)	(2,4)
Cash flow from/used in investment activities	(5,6)	(3,2)	(2,4)
Repayments of interest bearing loans	(147,5)	-	(147,5)
Cash flow used in financing activities	(147,5)	-	(147,5)
Foreign currency	3,1	(2,1)	5,2
Net change in cash and cash equivalents	(184,6)	(14,8)	(169,8)
Cash at beginning of period	435,0	451,9	(16,9)
Cash at end of period	253,5	435,0	(181,5)

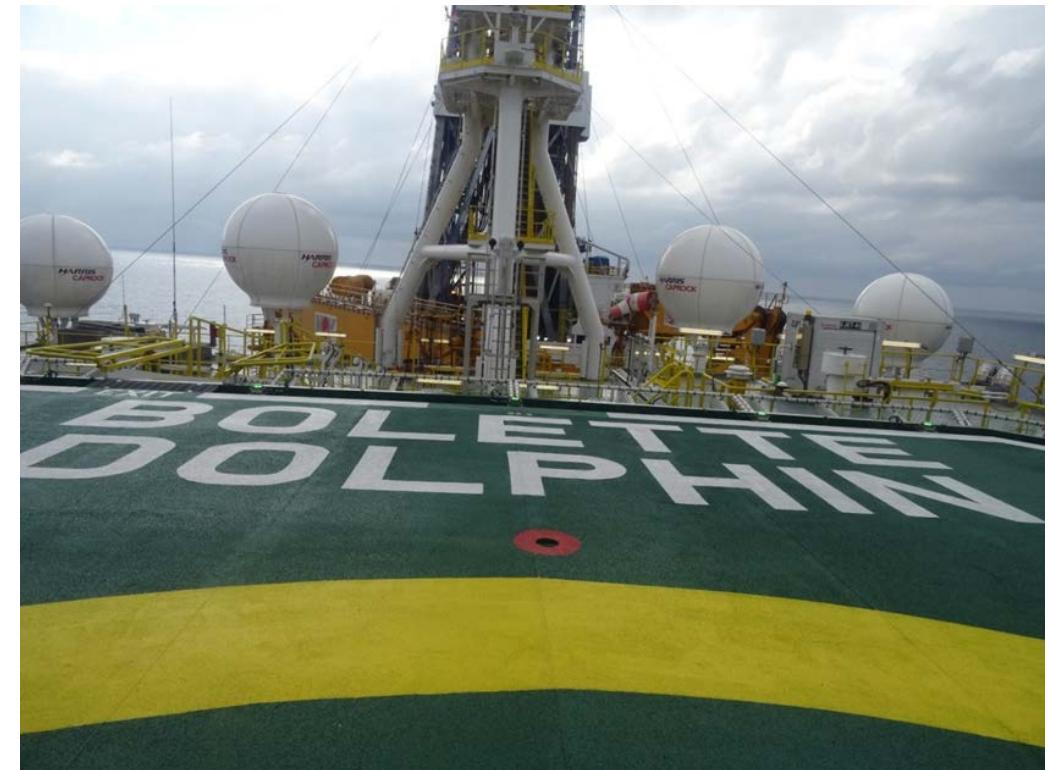
Offshore drilling EBITDA and margin



RIG	DESIGN	W DEPTH	LOCATION	CLIENT	CONTRACT STATUS	DAY RATE	NEXT CRS
ULTRA- / DEEPWATER UNITS							
Bolette Dolphin	DS/ Gusto P10'	12 000	Tenerife		Termination for convenience	Termination fee USD 96 million	
Blackford Dolphin	SS / Aker H-3	7 000	UK	BP	May-August 2018 Options: September- November	GBP 98 900	2Q 2020
Belford Dolphin	DS / LMG Marin	10 000	Malaysia		Preserved and maintained		
MID WATER FLOATERS NORWAY							
Bideford Dolphin	SS / Aker H-3	1 500	Norway		Smart stacked	3Q 2019*	
Borgland Dolphin	SS / Aker H-3	1 500	Norway		Smart stacked	3Q 2021*	
Bredford Dolphin	SS / Aker H-3	1 500	Norway		Preserved and maintained		
MID WATER FLOATERS UK							
Byford Dolphin	SS / Aker H-3	1 500 Norway (UK compliant)			Smart stacked	4Q 2021*	

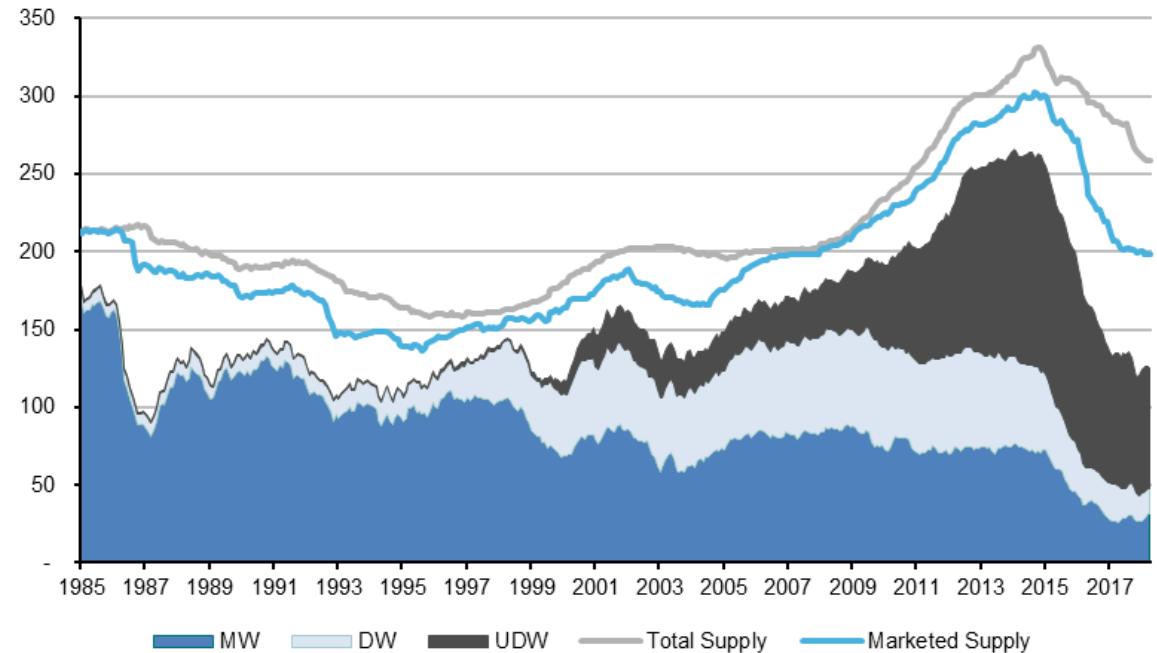
* Will be further postponed if further smart stacking period

- FINANCIAL RESULTS
- MARKET
- OPERATIONS
- SUMMARY

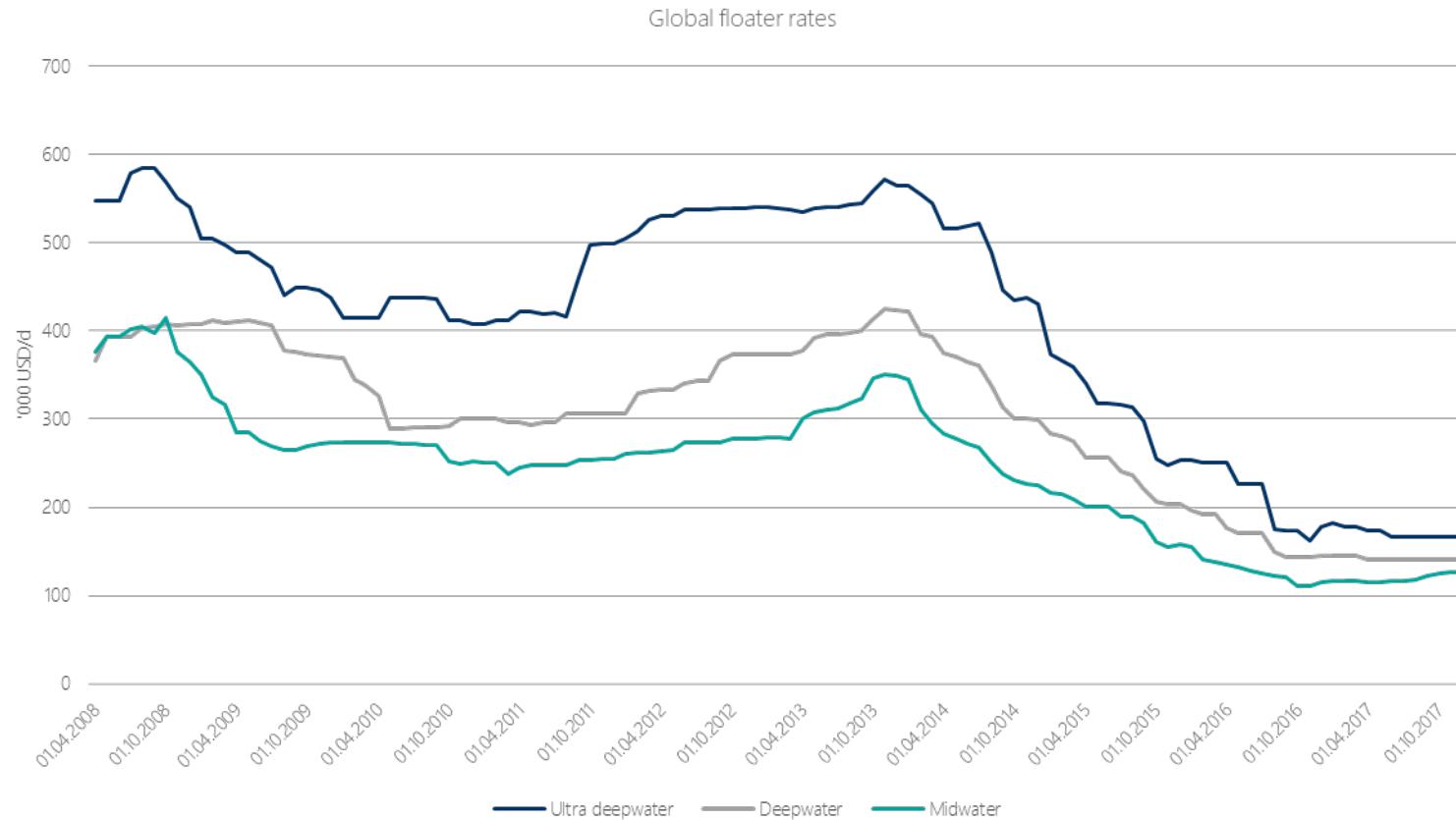


Floating units

- The positive market trend has continued during the quarter with new requests and contract fixtures expected to materialize
- There has also been higher activity in the UDW market with an increased number of tenders and contract awards
- Increased rig demand is expected in deepwater areas such as South America, East/West Africa and GoM
- Based on the fleet composition in the midwater segment, the market is expected to rebalance in 2019

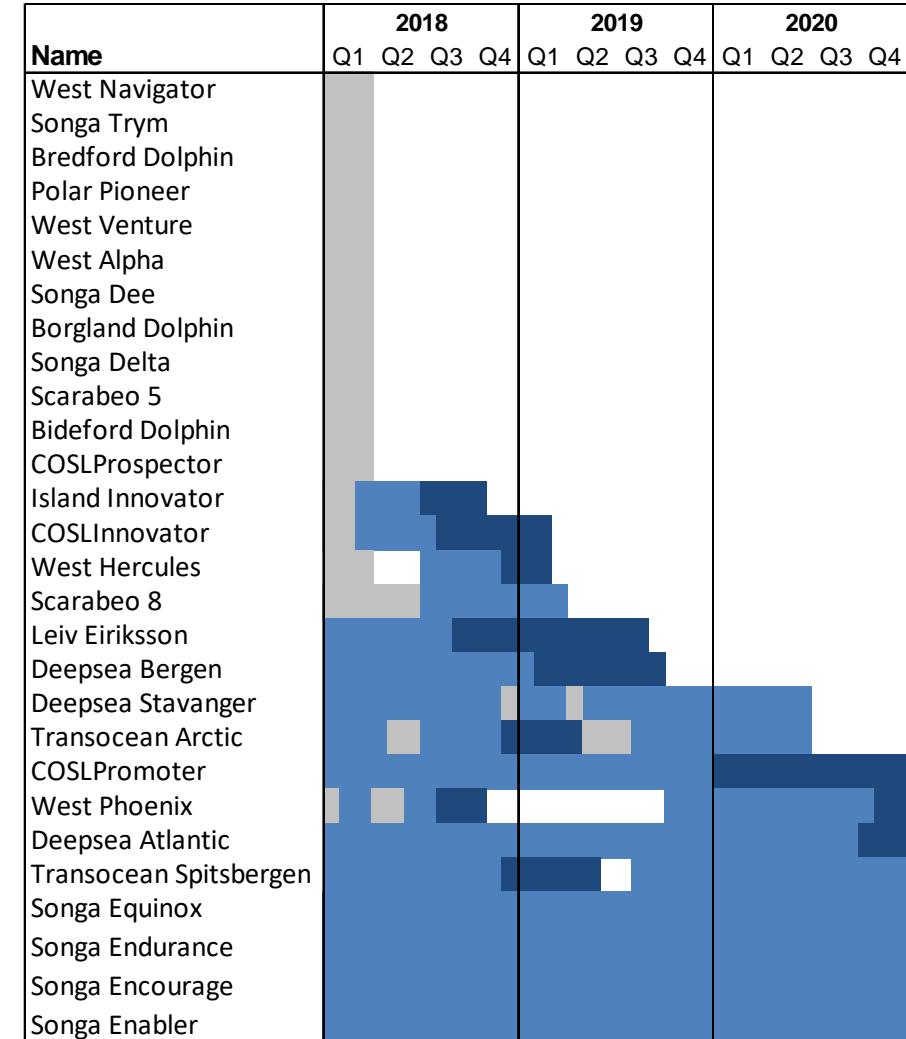


Source: DNB

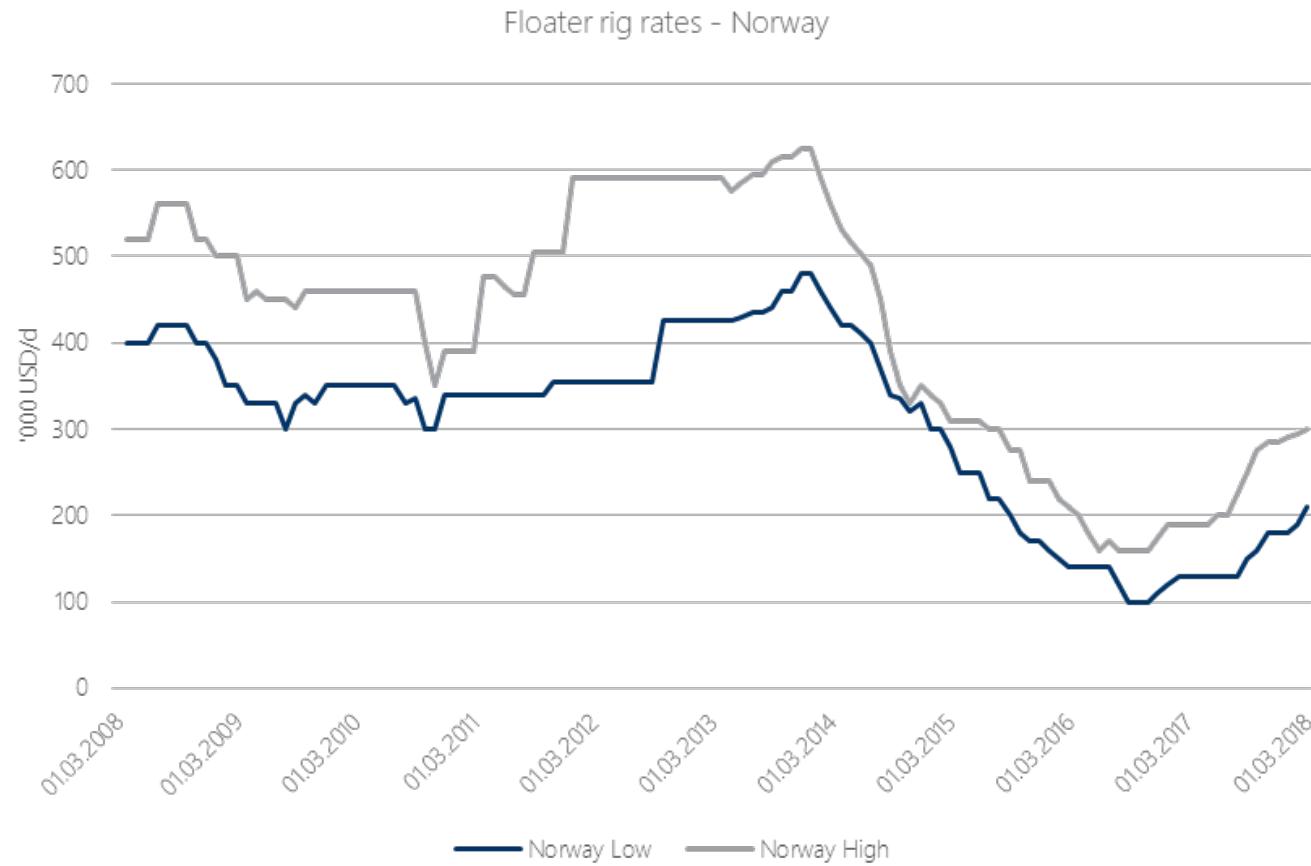


Source: Clarksons Platou Offshore

- New contracts have been awarded for work in 2019 and 2020, predominantly for field development activities
- Further sanctioning of field development projects are expected over the next years
- This has resulted in an increase in the dayrates in the North Sea market, in particular for the field development work in 2019-2020
- Exploration and appraisal activity is also expected to increase into 2019

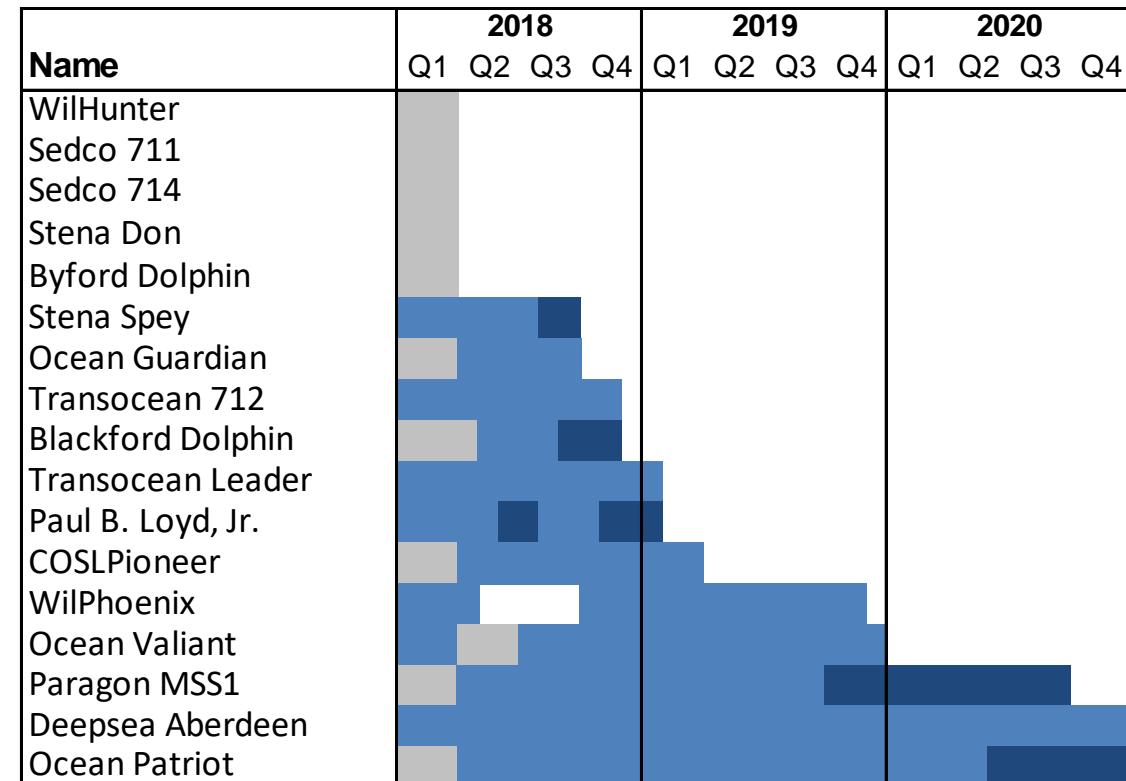


Average dayrates Norway



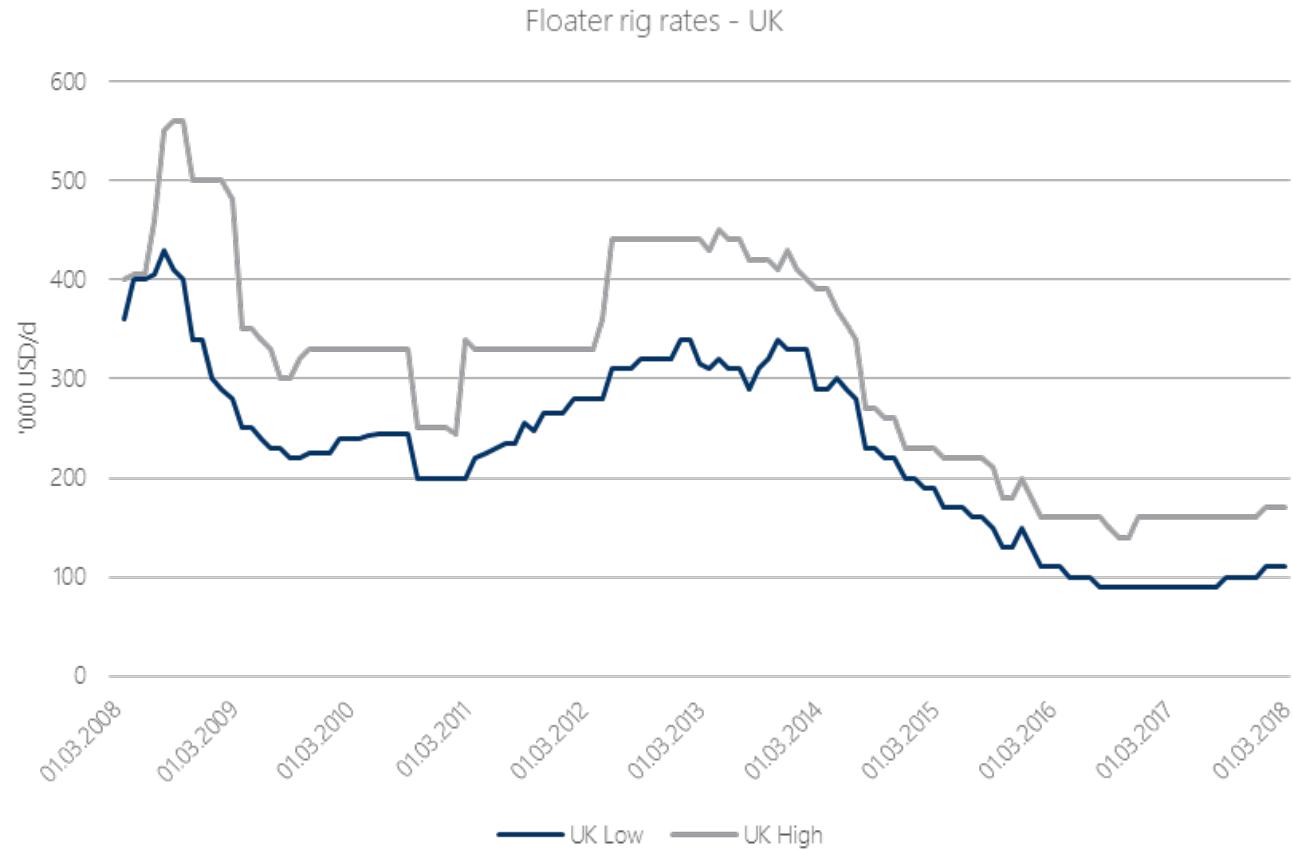
Source: Clarksons Platou Offshore

- Several contracts have been awarded during the recent quarters and a number of tenders still outstanding of which some targeting 2018 work
- Additionally, a high number of requests for work in 2019 are materializing
- Blackford Dolphin preparations for operation are progressing as planned, with expected commencement with BP Exploration Operating Company Ltd. during May
- Borgland Dolphin has a safety case and is also marketed in UK



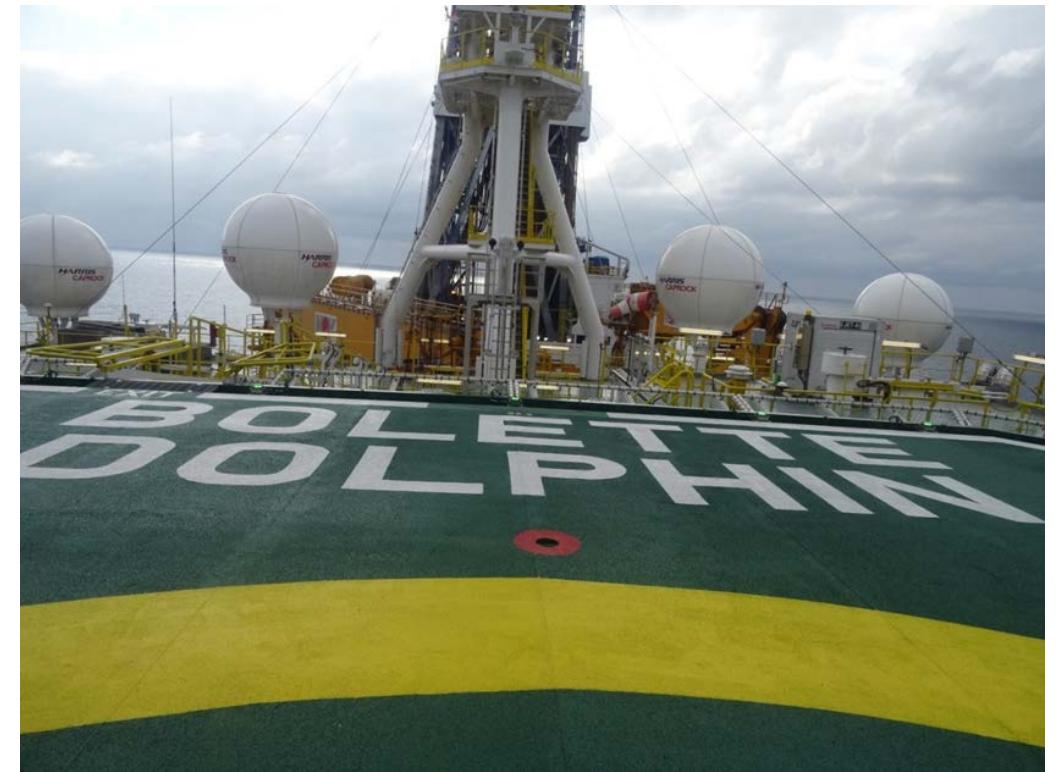
Source: DNB and
the Company

Average dayrates UK



Source: Clarksons Platou Offshore

- FINANCIAL RESULTS
- MARKET
- OPERATIONS
- SUMMARY



The core fleet

- ✓ High operational performance
- ✓ Fit for purpose

- ✓ - High technical condition
- ✓ Ready for operations

Norway

Bideford
Dolphin



- ✓ Total rebuild '98
- ✓ Drilling & completion workhorse
- ✓ Consistent top performer for Statoil

Borgland
Dolphin



- ✓ Total rebuild '99
- ✓ Drilling & completion workhorse
- ✓ Top performance for a variety of customers

UK

Blackford
Dolphin



- ✓ Total rebuild '08
- ✓ High spec UK rig
- ✓ Versatile, DW capable

Byford
Dolphin



- ✓ The last 6 years with BP in UK
- ✓ Mix of drilling and completion/work-over
- ✓ 12pts mooring

International

Bolette
Dolphin



- ✓ High spec. 7G UDW
- ✓ Consistent top performance
- ✓ Proven MPD operations

Unit	Contract schedule		Class renewal survey schedule			
	2017	2018	2019	2020	2021	2022
Bolette	Anadarko					Continuous class during operations
Blackford	Chevron	Smart stacked	BP			
Bideford	Statoil	Statoil				
Borgland	Smart stacked					
Byford	Smart stacked					
Belford	Preserved and maintained					
Bredford	Preserved and maintained					

➡ Original CRS date
⬇ Current CRS date if operations restarted today

➡ Certificates prolonged 2 years
if 2 yrs smart stacked (potentially 3 years)

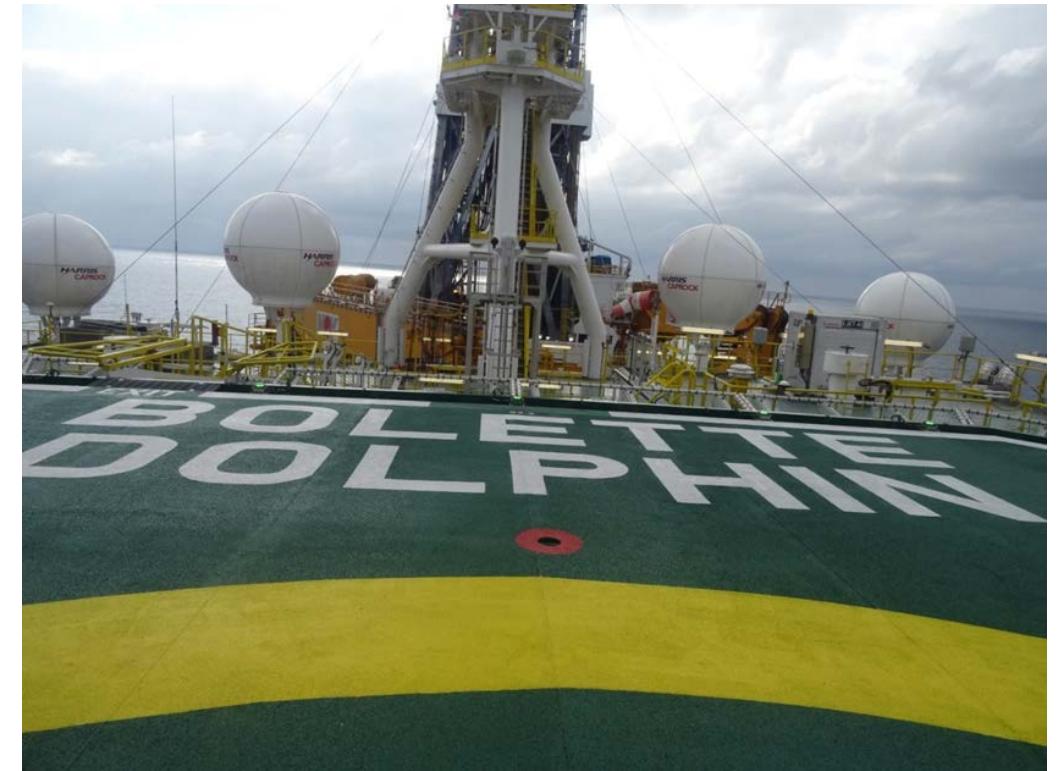
Firm contract
Terminated for convenience
Option

- Conserve class certificates on core units to benefit from expected recovery in dayrates
- Postponed capex outlays
- Contract opportunities are pursued aggressively
- Reactivation of Blackford Dolphin is progressing according to plan

- The activity increased during the quarter
- Work has been concentrated on dockings as well as construction and assembly of substructures for offshore windfarm development



- FINANCIAL RESULTS
- MARKET
- OPERATIONS
- SUMMARY



Summary

Financial	<ul style="list-style-type: none">■ Revenues were USD 71 million■ EBITDA was USD 32 million■ Profit after tax was negative USD 43 million
Market	<ul style="list-style-type: none">■ Preparation for contract commencement for Blackford Dolphin with BP, scheduled to commence in May 2018
Operational	<ul style="list-style-type: none">■ Smart stacking of units continues with high focus on technical condition and preparation for efficient restart■ Bolette Dolphin hot stacked while pursuing new contract opportunities

