



# Fred. Olsen Energy ASA

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## Report for the 3<sup>rd</sup> quarter 2012

Figures in NOK

**FRED. OLSEN ENERGY ASA (FOE) REPORTS AN OPERATING PROFIT BEFORE DEPRECIATION (EBITDA) OF 992 MILLION IN 3<sup>rd</sup> QUARTER 2012**

### **HIGHLIGHTS**

- Revenues were 1,901 million
- EBITDA was 992 million
- Operating profit (EBIT) was 662 million
- Profit before tax was 566 million
- Earnings per share were 8.2
- BP exercised one month option on Borgholm Dolphin
- New three-year contract for Borgland Dolphin
- New eight-well contract, estimated to 570 days, for Bredford Dolphin

### **Post quarter events**

- Three-year extension for Bideford Dolphin
- Five-year drilling contract for Bollsta Dolphin

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## Figures in NOK

### FINANCIAL INFORMATION (*2<sup>nd</sup> quarter 2012 in brackets*)

Operating revenues in the quarter were 1,901 million (1,742 million), an increase of 159 million compared with the previous quarter. Revenues from the offshore drilling division were 1,714 million (1,641 million), an increase of 73 million. Revenues from the engineering and fabrication division were 187 million (101million), an increase of 86 million. The increase in revenues within the offshore drilling division is mainly due to increased dayrate for Blackford Dolphin, partly offset by reduced income for Bredford Dolphin due to Class Renewal Survey. The increase in revenue from the engineering and fabrication division is mainly due to finalisation of several projects in the quarter.

Operating costs were 909 million (800 million), an increase of 110 million compared with previous quarter. Operating costs within the offshore drilling division increased by 46 million, while operating cost within the engineering and fabrication division increased with 64 million. The increase in operating costs within the offshore drilling division is mainly due to higher reimbursable expenses.

Operating profit before depreciation (EBITDA) was 992 million (942 million). EBITDA within the offshore drilling division increased by 27 million to 963 million (936 million), and EBITDA within engineering and fabrication division was 29 million, which is up from 6 million in previous quarter.

Depreciation, amortisation and impairment amounted to 330 million (326 million).

Operating profit after depreciation (EBIT) was 662 million (616 million).

Net financial expenses were 96 million (income 12 million). Capitalized interest expenses related to the newbuilds in the quarter amounted to 30 million (12 million).

Profit before tax was 566 million (628 million).

Net profit, including an estimated tax charge of 17 million (13 million), was 549 million (615 million).

Earnings per share were 8.2 (9.3).

## **Figures in NOK**

### **OPERATIONS**

#### **Drilling Division**

The offshore fleet of Fred. Olsen Energy ASA with subsidiaries (the Group) consists of two deepwater units and six mid-water semi-submersible drilling rigs in addition to one accommodation unit. Three of the semi-submersible drilling rigs are operating on the Norwegian Continental Shelf. The Group has two newbuilds under construction, an ultra deepwater drillship scheduled to be delivered in 3Q 2013 and an ultra deepwater semi submersible for harsh environment scheduled to be delivered in 1Q 2015. Both units are ordered at Hyundai Heavy Industries Co., Ltd.

#### **Norway**

Bideford Dolphin continued operations under a three-year drilling contract for Statoil ASA. The contract will expire in January 2014. In October 2012, a three-year extension of the current drilling contract was entered into with Statoil ASA. The extension is in direct continuation with the current contract, with estimated commencement in January 2014. The unit completed its five-year Class Renewal Survey in July 2009.

Borgland Dolphin continued operations under the four-year drilling contract with a consortium consisting of several oil companies, managed by Rig Management Norway AS. The contract will expire in January 2014. In September 2012 a new 15 well drilling contract, estimated to three years, was entered into with a Rig Management Norway consortium consisting of four oil companies. The unit completed its five-year Class Renewal Survey in December 2009.

Bredford Dolphin continued operations under a 10 well drilling program for Lundin Norge, with estimated completion in 3<sup>rd</sup> quarter 2013. In September 2012, a new drilling contract was entered into for an eight well drilling campaign, estimated to 570 days. The contract is with an AGR coordinated group of four oil companies for operation on the Norwegian Continental Shelf. The operators have the right to extend the contract period with four additional wells within 30th of June 2013. Subject to execution of the first four optional wells, the operators have the right to extend the contract with minimum additional five wells within contract commencement.

The five-year Class Renewal Survey was completed in August. The cost of the survey and upgrades amounted to approximately USD 100 million and was undertaken in 60 days. The increased capital expenditure was due to an increased yard scope.

#### **International**

Belford Dolphin continued operations under the four-year drilling contract with Anadarko Petroleum Corporation. The contract will expire year end 2015. The unit is currently operating offshore Mozambique. The unit completed its five-year Class Renewal Survey in November 2009.

Blackford Dolphin continued operations under a one-well contract with Anadarko. In May 2011, a new three-well contract with Karoon Petroleo & Gas S.A. was entered into with commencement in direct continuation with current operation. The contract will be followed by another one-well drilling contract with Anadarko for operations in Brazil. The unit will undertake its five-year Class Renewal Survey second half 2013. During October 2012 the unit has had a total of 9 days downtime.

## **Figures in NOK**

Borgny Dolphin continued operations under a five-year drilling contract with Petrobras. The contract is estimated to expire in September 2013. The unit will undertake its five-year Class Renewal Survey second half 2014.

Byford Dolphin continued operations under a three-year drilling contract with BP Exploration Operating Co. Ltd. The contract will expire April 2013. In June 2012, a new three-year drilling contract was entered into with BP in direct continuation with current contract. The unit will undertake an early Class Renewal Survey, including installation of a new BOP, first quarter 2014.

Borgsten Dolphin completed drilling operations for Valiant Causeway Limited late September and demobilized to the Nigg yard, in Scotland, to undertaking an upgrade, conversion and an early five-year Class Renewal Survey. In November 2011, a 40 months contract for Tender Support service at the Dunbar platform was entered into with Total E&P UK Ltd. Options exist for a contract extension of two six month periods. Estimated commencement of contract is January 2013.

Borgholm Dolphin continued under an accommodation contract with BP Exploration Operating Co. Ltd., for work on the Andrew field in the UK sector of the North Sea. The contract is estimated to end in January 2013. The five-year Class Renewal Survey is scheduled to be undertaken upon completion of contract with BP in January 2013.

In May 2012 a wholly owned subsidiary of Fred. Olsen Energy ASA entered into a turn-key contract with Hyundai Heavy Industries Co., Ltd. for the building of a new harsh environment ultra-deepwater semi submersible drilling rig, to be named Bollsta Dolphin, with scheduled delivery in first quarter 2015. In October 2012, a five-year drilling contract was entered into with Chevron North Sea Limited. Total project cost is estimated to USD 740 million (including a second BOP, additional riser, spare parts, owner furnished equipment and project team).

An option for a second similar unit exists. The expiry date has been postponed to second half of November 2012, from originally end October.

The ultra deepwater newbuild Bolette Dolphin, currently under construction at Hyundai Heavy Industries in Korea, is scheduled to be delivered in 3Q 2013 and commence a four-year drilling contract with Anadarko Petroleum Corporation in 4Q 2013.

## **Engineering and Fabrication**

The Harland & Wolff shipyard continued its core activities within engineering, ship repair and shipbuilding. The yard completed the construction of two substations for Siemens during the quarter, in addition to the completion of the SeaRose FPSO dry docking for Husky. Harland & Wolff continues to pursue contract opportunities within its core business, and develop the yard further.

Oslo, 30<sup>th</sup> October 2012  
The Board of Directors  
**Fred. Olsen Energy ASA**



# Fred. Olsen Energy ASA

## Condensed Financial Statements in accordance with IFRS

### GROUP INCOME STATEMENT

Unaudited

(NOK mill)	Note	3Q 2012	2Q 2012	3Q 2011	Jan - Sep 2012	Jan - Sep 2011	Year 2011
Operating revenues		1 829,1	1 709,4	1 617,3	5 068,8	4 632,5	6 262,2
Recharged income		71,9	32,2	64,3	180,2	156,7	208,7
<b>Total revenues</b>		<b>1 901,0</b>	<b>1 741,6</b>	<b>1 681,6</b>	<b>5 249,0</b>	<b>4 789,2</b>	<b>6 470,9</b>
Operating costs		(840,6)	(771,0)	(659,3)	(2 298,5)	(1 986,3)	(2 729,2)
Recharged expenses		(68,5)	(28,5)	(62,7)	(172,5)	(151,0)	(201,0)
<b>Total operating expenses</b>		<b>(909,1)</b>	<b>(799,5)</b>	<b>(722,0)</b>	<b>(2 471,0)</b>	<b>(2 137,3)</b>	<b>(2 930,2)</b>
<b>Oper. profit before depr. (EBITDA)</b>		<b>991,9</b>	<b>942,1</b>	<b>959,6</b>	<b>2 778,0</b>	<b>2 651,9</b>	<b>3 540,7</b>
Depreciation and amortisation	6	(330,1)	(326,4)	(317,5)	(994,8)	(929,1)	(1 260,7)
Impairment		-	-	-	-	-	(15,3)
<b>Operating profit (EBIT)</b>		<b>661,8</b>	<b>615,7</b>	<b>642,1</b>	<b>1 783,2</b>	<b>1 722,8</b>	<b>2 264,7</b>
Net financial (expense)/income	8	(96,0)	11,8	(12,6)	(194,5)	(131,5)	(157,5)
<b>Profit before income taxes</b>		<b>565,8</b>	<b>627,5</b>	<b>629,5</b>	<b>1 588,7</b>	<b>1 591,3</b>	<b>2 107,2</b>
Income tax expense		(17,3)	(12,6)	(14,0)	(56,4)	(34,0)	(19,5)
<b>Profit for the period</b>		<b>548,5</b>	<b>614,9</b>	<b>615,5</b>	<b>1 532,3</b>	<b>1 557,3</b>	<b>2 087,7</b>
<b>Attributable to:</b>							
Shareholders		546,3	614,5	615,1	1 529,6	1 555,8	2 086,3
Non-controlling interests		2,2	0,4	0,4	2,7	1,5	1,4
<b>Profit for the period</b>		<b>548,5</b>	<b>614,9</b>	<b>615,5</b>	<b>1 532,3</b>	<b>1 557,3</b>	<b>2 087,7</b>
<b>EPS :</b>							
Basic earnings per share		8,2	9,3	9,3	23,1	23,5	31,5
Diluted earnings per share		8,2	9,3	9,3	23,1	23,5	31,5
<b>Outstanding shares</b>							
Average number of ordinary shares, basic		66,3	66,3	66,3	66,3	66,3	66,3
Average number of ordinary shares, diluted		66,3	66,3	66,3	66,3	66,3	66,3

### GROUP STATEMENT OF COMPREHENSIVE INCOME

Unaudited

	3Q 2012	2Q 2012	3Q 2011	Jan - Sep 2012	Jan - Sep 2011	Year 2011
Profit for the period	548,5	614,9	615,5	1 532,3	1 557,3	2 087,7
Exchange differences on translation of foreign operations	(404,2)	383,4	571,0	(383,8)	70,8	286,4
<b>Total comprehensive income for the period</b>	<b>144,3</b>	<b>998,3</b>	<b>1 186,5</b>	<b>1 148,5</b>	<b>1 628,1</b>	<b>2 374,1</b>
<b>Attributable to:</b>						
Shareholders	142,2	997,8	1 185,7	1 145,9	1 626,6	2 372,5
Non-controlling interests	2,1	0,5	0,8	2,6	1,5	1,6
<b>Total comprehensive income for the period</b>	<b>144,3</b>	<b>998,3</b>	<b>1 186,5</b>	<b>1 148,5</b>	<b>1 628,1</b>	<b>2 374,1</b>



# Fred. Olsen Energy ASA

Condensed Financial Statements in accordance with IFRS

## STATEMENT OF FINANCIAL POSITION

Unaudited

(NOK mill)

		30 Sep 12	30 Jun 12	30 Sep 11	31 Dec 11
Intangible assets		98,6	98,6	98,6	98,6
Property, plant & equipment	6	12 427,2	11 835,3	10 314,9	10 449,2
Other non-current assets		61,2	61,6	38,8	61,4
<b>Total non-current assets</b>		<b>12 587,0</b>	<b>11 995,5</b>	<b>10 452,3</b>	<b>10 609,2</b>
Inventories		476,9	503,4	454,4	466,4
Trade and other receivables		1 265,9	1 466,2	1 123,7	1 199,8
Other current assets		228,0	123,6	468,0	405,4
Cash and cash equivalents		1 203,7	1 111,1	1 451,4	2 183,6
<b>Total current assets</b>		<b>3 174,5</b>	<b>3 204,3</b>	<b>3 497,5</b>	<b>4 255,2</b>
<b>Total assets</b>		<b>15 761,5</b>	<b>15 199,8</b>	<b>13 949,8</b>	<b>14 864,4</b>
Share capital		1 333,9	1 333,9	1 333,9	1 333,9
Other equity	9	6 467,9	6 325,6	5 901,4	6 647,3
Non-controlling interests		9,5	7,4	6,8	6,9
<b>Total Equity</b>		<b>7 811,3</b>	<b>7 666,9</b>	<b>7 242,1</b>	<b>7 988,1</b>
Non-current interest-bearing loans and borrowings	5	4 657,5	5 231,4	4 349,8	4 429,5
Other non-current liabilities		327,6	342,2	373,3	372,7
<b>Total non-current liabilities</b>		<b>4 985,1</b>	<b>5 573,6</b>	<b>4 723,1</b>	<b>4 802,2</b>
Current interest-bearing loans and borrowings	5	747,8	490,6	1 285,2	1 318,4
Other current liabilities		2 217,3	1 468,7	699,4	755,7
<b>Total current liabilities</b>		<b>2 965,1</b>	<b>1 959,3</b>	<b>1 984,6</b>	<b>2 074,1</b>
<b>Total equity and liabilities</b>		<b>15 761,5</b>	<b>15 199,8</b>	<b>13 949,8</b>	<b>14 864,4</b>

## GROUP STATEMENT OF CHANGES IN EQUITY

Unaudited

(NOK mill)

	Share capital	Share premium	Translation reserves	Reserve for own shares	Retained earnings	Total	Non-contr. interests	Total equity
<b>Jan - Sep 2011</b>								
Balance at 1 January 2011	1 333,9	548,1	(636,5)	(8,6)	5 697,1	6 934,0	5,3	6 939,3
Total comprehensive income	-	-	70,8	-	1 555,8	1 626,6	1,5	1 628,1
Dividend	-	-	-	-	(1 325,3)	(1 325,3)	-	(1 325,3)
<b>Balance at 30 Sep 2011</b>	<b>1 333,9</b>	<b>548,1</b>	<b>(565,7)</b>	<b>(8,6)</b>	<b>5 927,6</b>	<b>7 235,3</b>	<b>6,8</b>	<b>7 242,1</b>
<b>Year 2011</b>								
Balance at 1 January 2011	1 333,9	548,1	(636,5)	(8,6)	5 697,1	6 934,0	5,3	6 939,3
Total comprehensive income	-	-	286,2	-	2 086,3	2 372,5	1,6	2 374,1
Dividend	-	-	-	-	(1 325,3)	(1 325,3)	-	(1 325,3)
<b>Balance at 31 Dec 2011</b>	<b>1 333,9</b>	<b>548,1</b>	<b>(350,3)</b>	<b>(8,6)</b>	<b>6 458,1</b>	<b>7 981,2</b>	<b>6,9</b>	<b>7 988,1</b>
<b>Jan - Sep 2012</b>								
Total comprehensive income	-	-	(383,9)	-	1 529,8	1 145,9	2,6	1 148,5
Dividend	-	-	-	-	(1 325,3)	(1 325,3)	-	(1 325,3)
<b>Balance at 30 Sep 2012</b>	<b>1 333,9</b>	<b>548,1</b>	<b>(734,2)</b>	<b>(8,6)</b>	<b>6 662,6</b>	<b>7 801,8</b>	<b>9,5</b>	<b>7 811,3</b>



# Fred. Olsen Energy ASA

## Condensed Financial Statements in accordance with IFRS

### CONSOLIDATED STATEMENT OF CASH FLOWS

Unaudited (NOK mill)	Note	Jan-Sep 2012	Jan-Sep 2011	Year 2011
<b>Cash flows from operating activities</b>				
Profit before income tax		1 588,7	1 591,3	2 107,2
<i>Adjustment for:</i>				
Depreciation and amortisation		994,8	929,1	1 276,0
Interest expense	8	92,6	70,0	103,1
Gain/(loss) on sales of fixed assets		0,6	0,4	-
Changes in working capital		22,1	(235,5)	(182,9)
Unrealised loss/(gain) financial instruments		(31,1)	7,9	(9,6)
Cash generated from operations		2 667,7	2 363,2	3 293,8
Interest paid		(143,3)	(74,3)	(114,7)
Taxes paid		(54,1)	(60,9)	(74,9)
<b>Net cash from operating activities</b>		<b>2 470,3</b>	<b>2 228,0</b>	<b>3 104,2</b>
<b>Cash flows from investing activities</b>				
Net investment in fixed assets		(2 010,3)	(1 183,2)	(1 300,6)
Proceeds from sale of equipment		1,1	1,1	1,2
<b>Net cash used to investing activities</b>		<b>(2 009,2)</b>	<b>(1 182,1)</b>	<b>(1 299,4)</b>
<b>Cash flows from financing activities</b>				
Borrowing of interest bearing debt		4 487,5	1 400,0	1 400,0
Repayments of interest bearing debt	5	(4 466,9)	(1 249,1)	(1 249,1)
Dividend paid	9	(1 325,3)	(1 325,3)	(1 325,3)
<b>Net cash from financing activities</b>		<b>(1 304,7)</b>	<b>(1 174,4)</b>	<b>(1 174,4)</b>
Foreign currency		(136,3)	81,7	55,0
Net change in cash and cash equivalents		(843,6)	(128,5)	630,4
Cash and cash equivalents at the beg. of period		2 183,6	1 498,2	1 498,2
<b>Cash and cash equiv. at the end of period</b>		<b>1 203,7</b>	<b>1 451,4</b>	<b>2 183,6</b>



# Fred. Olsen Energy ASA

Condensed Financial Statements in accordance with IFRS

## Notes

### 1. Segment information

(NOK mill)	Offshore Drilling *	Engineering & Fabrication	Eliminations	FOE Group
<b>3Q 2012</b>				
Revenues from external customers	1 713,7	187,3	-	1 901,0
Inter-segment revenues	-	-	-	-
<b>Total revenues</b>	<b>1 713,7</b>	<b>187,3</b>	<b>-</b>	<b>1 901,0</b>
Operating costs	(750,6)	(158,5)	-	(909,1)
<b>Oper. profit before depr. (EBITDA)</b>	<b>963,1</b>	<b>28,8</b>	<b>-</b>	<b>991,9</b>
Depreciation and amortisation	(328,1)	(2,0)	-	(330,1)
<b>Operating profit (EBIT)</b>	<b>635,0</b>	<b>26,8</b>	<b>-</b>	<b>661,8</b>
<b>2Q 2012</b>				
Revenues from external customers	1 640,5	101,1	-	1 741,6
Inter-segment revenues	-	-	-	-
<b>Total revenues</b>	<b>1 640,5</b>	<b>101,1</b>	<b>-</b>	<b>1 741,6</b>
Operating costs	(704,6)	(94,9)	-	(799,5)
<b>Oper. profit before depr. (EBITDA)</b>	<b>935,9</b>	<b>6,2</b>	<b>-</b>	<b>942,1</b>
Depreciation and amortisation	(324,4)	(2,0)	-	(326,4)
<b>Operating profit (EBIT)</b>	<b>611,5</b>	<b>4,2</b>	<b>-</b>	<b>615,7</b>
<b>3Q 2011</b>				
Revenues from external customers	1 615,6	66,0	-	1 681,6
Inter-segment revenues	-	-	-	-
<b>Total revenues</b>	<b>1 615,6</b>	<b>66,0</b>	<b>-</b>	<b>1 681,6</b>
Operating costs	(661,4)	(60,6)	-	(722,0)
<b>Oper. profit before depr. (EBITDA)</b>	<b>954,2</b>	<b>5,4</b>	<b>-</b>	<b>959,6</b>
Depreciation and amortisation	(316,2)	(1,3)	-	(317,5)
<b>Operating profit (EBIT)</b>	<b>638,0</b>	<b>4,1</b>	<b>-</b>	<b>642,1</b>
<b>Jan - Sep 2012</b>				
Revenues from external customers	4 894,1	354,9	-	5 249,0
Inter-segment revenues	-	-	-	-
<b>Total revenues</b>	<b>4 894,1</b>	<b>354,9</b>	<b>-</b>	<b>5 249,0</b>
Operating costs	(2 153,2)	(317,8)	-	(2 471,0)
<b>Oper. profit before depr. (EBITDA)</b>	<b>2 740,9</b>	<b>37,1</b>	<b>-</b>	<b>2 778,0</b>
Depreciation and amortisation	(988,9)	(5,9)	-	(994,8)
<b>Operating profit (EBIT)</b>	<b>1 752,0</b>	<b>31,2</b>	<b>-</b>	<b>1 783,2</b>
<b>Jan - Sep 2011</b>				
Revenues from external customers	4 612,4	176,8	-	4 789,2
Inter-segment revenues	-	-	-	-
<b>Total revenues</b>	<b>4 612,4</b>	<b>176,8</b>	<b>-</b>	<b>4 789,2</b>
Operating costs	(1 981,4)	(155,9)	-	(2 137,3)
<b>Oper. profit before depr. (EBITDA)</b>	<b>2 631,0</b>	<b>20,9</b>	<b>-</b>	<b>2 651,9</b>
Depreciation and amortisation	(924,2)	(4,9)	-	(929,1)
Impairment	-	-	-	-
<b>Operating profit (EBIT)</b>	<b>1 706,8</b>	<b>16,0</b>	<b>-</b>	<b>1 722,8</b>
<b>Year 2011</b>				
Revenues from external customers	6 250,4	220,5	-	6 470,9
Inter-segment revenues	-	-	-	-
<b>Total revenues</b>	<b>6 250,4</b>	<b>220,5</b>	<b>-</b>	<b>6 470,9</b>
Operating costs	(2 732,9)	(197,3)	-	(2 930,2)
<b>Oper. profit before depr. (EBITDA)</b>	<b>3 517,5</b>	<b>23,2</b>	<b>-</b>	<b>3 540,7</b>
Depreciation and amortisation	(1 254,2)	(6,5)	-	(1 260,7)
Impairment	(15,3)	-	-	(15,3)
<b>Operating profit (EBIT)</b>	<b>2 248,0</b>	<b>16,7</b>	<b>-</b>	<b>2 264,7</b>

\* Includes Fred. Olsen Energy ASA





# Fred. Olsen Energy ASA

## Condensed Financial Statements in accordance with IFRS

(NOK mill)	Offshore Drilling *	Engineering & Fabrication	Eliminations	FOE Group
<b>30 Sep 12</b>				
Segment assets	15 444,0	369,4	(51,9)	15 761,5
Segment liabilities	7 702,7	299,4	(51,9)	7 950,2
<b>30 Sep 11</b>				
Segment assets	13 727,2	274,2	(51,6)	13 949,8
Segment liabilities	6 520,2	239,1	(51,6)	6 707,7
<b>31 Dec 11</b>				
Segment assets	14 632,5	284,8	(52,9)	14 864,4
Segment liabilities	6 679,3	249,9	(52,9)	6 876,3

\* Includes Fred. Olsen Energy ASA

## 2. Introduction

The consolidated interim financial statements for 3<sup>rd</sup> Quarter 2012 ended 30 September 2012, comprise Fred. Olsen Energy ASA and its subsidiaries (together referred to as the "Group").

These consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2011.

The consolidated financial statements of the Group for the year ended 31 December 2011 are available upon request from the Company's office in Oslo or at [www.fredolsen-energy.com](http://www.fredolsen-energy.com).

These consolidated interim financial statements were approved by the Board of Directors on 29 October 2012.

## 3. Significant accounting policies

The main accounting policies applied by the Group in these consolidated financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2011.

## 4. Estimates

The preparations of interim financial statements require use of estimates, judgments and assumptions which may affect the use of accounting principles and recognized assets, liabilities, income and expenses. The resulting accounting estimates may differ from the eventual outcome.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts are the same as described in the annual report for the year 2011.

## 5. Interest-bearing loans and borrowings

In June 2012, the Group signed a new five year bank credit facility of up to USD 1.500 million. During second quarter the Group borrowed USD 750 million under the new facility and repaid the existing bank loans by USD 620 million. USD 450 million will be used to full-finance the newbuild Bolette Dolphin and general corporate purposes.



# Fred. Olsen Energy ASA

## Condensed Financial Statements in accordance with IFRS

The Group has repaid USD 20.3 million of the new facility during 3<sup>rd</sup> Quarter 2012. Per 30 September USD 287.5 million is undrawn and available under the credit facility for general corporate purposes.

### 6. Property, plant and equipment

(NOK mill)	Rigs and drillship	Machinery and equipment	Plant, building and land	Total
<b>Cost</b>				
Balance at 1 January 2012	15 845,5	428,7	108,5	16 382,7
Acquisitions	3 414,6	38,6	0,9	3 454,1
Disposals	(9,0)	(1,4)	0,0	(10,4)
Movements in foreign currency	(775,3)	(3,4)	(1,4)	(780,1)
<b>Balance at 30 Sept 2012</b>	<b>18 475,8</b>	<b>462,5</b>	<b>108,0</b>	<b>19 046,3</b>
<b>Depreciation</b>				
Balance at 1 January 2012	5 509,7	361,4	62,4	5 933,5
Depreciation	977,9	16,1	0,8	994,8
Disposals	(9,0)	(0,8)	0,0	(9,8)
Movements in foreign currency	(296,1)	(2,4)	(0,9)	(299,4)
<b>Balance at 30 Sept 2012</b>	<b>6 182,5</b>	<b>374,3</b>	<b>62,3</b>	<b>6 619,1</b>
<b>Carrying amounts</b>				
At 1 January 2012	10 335,8	67,3	46,1	10 449,2
At 30 Sept 2012	12 293,3	88,2	45,7	12 427,2

The Group entered into a turnkey contract for a harsh environment ultra deepwater semi-submersible drilling rig with Hyundai Heavy Industries Co.Ltd in May 2012. The first instalment of \$186.4 million is included as acquisition above. The drillship under construction, Bolette Dolphin, is included as acquisition above with \$ 242 million based on percent of completion.

### 7. Related parties

In the ordinary course of business, the Group recognises revenues and expenses with related companies. Related parties are (1) Ganger Rolf ASA and Bonheur ASA which are the owners of a combined 51.9% (adjusted for own shares) of the Group, (2) their subsidiaries and (3) Fred.Olsen & Co. The Group receives certain administrative, financial, and legal advisory services from Fred.Olsen & Co. There are no material changes since the financial statements for the year ended 31 December 2011.

### 8. Financial expenses

Net financial expenses per 30 September 2012 include NOK 22 million of unrealised gain related to changes in fair value of interest rate contracts and NOK 9 million of unrealised gain on currency contracts. Interest cost of NOK 51 million is capitalized to Bolette Dolphin and Bollsta Dolphin under construction.

### 9. Dividend

The Annual General Meeting in May 2012 approved the Board's proposal of an ordinary dividend payment of NOK 10 and an extraordinary dividend payment of NOK 10 per share for the year 2011. The payment was made in June 2012 and amounted to NOK 1 325.3 million.