

Fred. Olsen Energy ASA

Presentation 1Q results 2013

Oslo, 7 May 2013



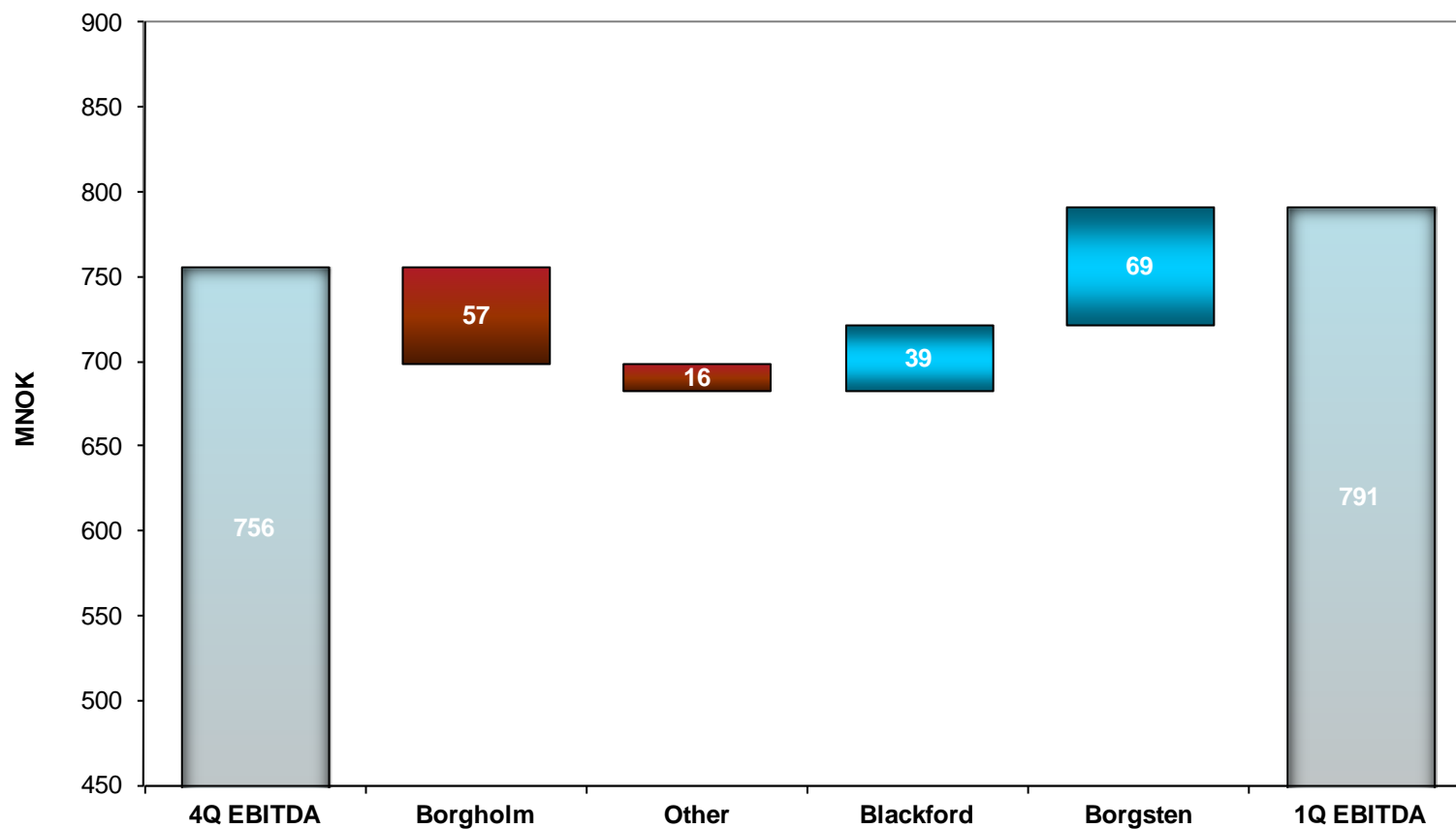
AGENDA

- **FINANCIAL RESULT 1Q 2013**
- MARKETS
- OPERATIONS
- SUMMARY

Income Statement – Key Figures

(NOK mill)	1Q 2013	4Q 2012
		* Restated
Operating revenues	1 536	1 569
Recharged income	55	59
Total revenues	1 591	1 628
Operating costs	(747)	(817)
Recharged expenses	(53)	(56)
Total operating expenses	(800)	(873)
Oper. result before depr. (EBITDA)	791	755
Depreciation	(345)	(356)
Operating result (EBIT)	446	399
Net financial items	23	(81)
Result before tax	469	318
Estimated tax	(25)	(26)
Net result	444	292

EBITDA Comparison 1Q 2013 vs. 4Q 2012



Financial Items Breakdown

(NOK mill)	1Q 2013	4Q 2012
Interest income	4	4
Gains on financial instruments	21	16
Financial income	25	20
Interest expenses	(54)	(60)
Capitalized borrowing cost (projects)	24	17
Losses on financial instruments	(31)	(16)
Other financial expenses	(38)	(29)
Financial expenses	(99)	(88)
Net foreign currency gain/(loss)	97	(13)
Net financial items	23	(81)

Offshore Drilling Segment

(NOK mill)	1Q 2013	4Q 2012 * Restated
Operating revenues	1 492	1 532
Recharged income	55	59
Total revenues	1 547	1 591
Operating costs	(705)	(773)
Recharged expenses	(53)	(56)
Total operating expenses	(758)	(829)
Oper. result before depr. (EBITDA)	789	762
Depreciation	(342)	(354)
Operating result (EBIT)	447	408

Engineering & Fabrication Segment

(NOK mill)	1Q 2013	4Q 2012 * Restated
Operating revenues	44	37
Operating costs	(42)	(44)
Oper. result before depr. (EBITDA)	2	(7)
Depreciation	(2)	(2)
Operating result (EBIT)	-	(9)

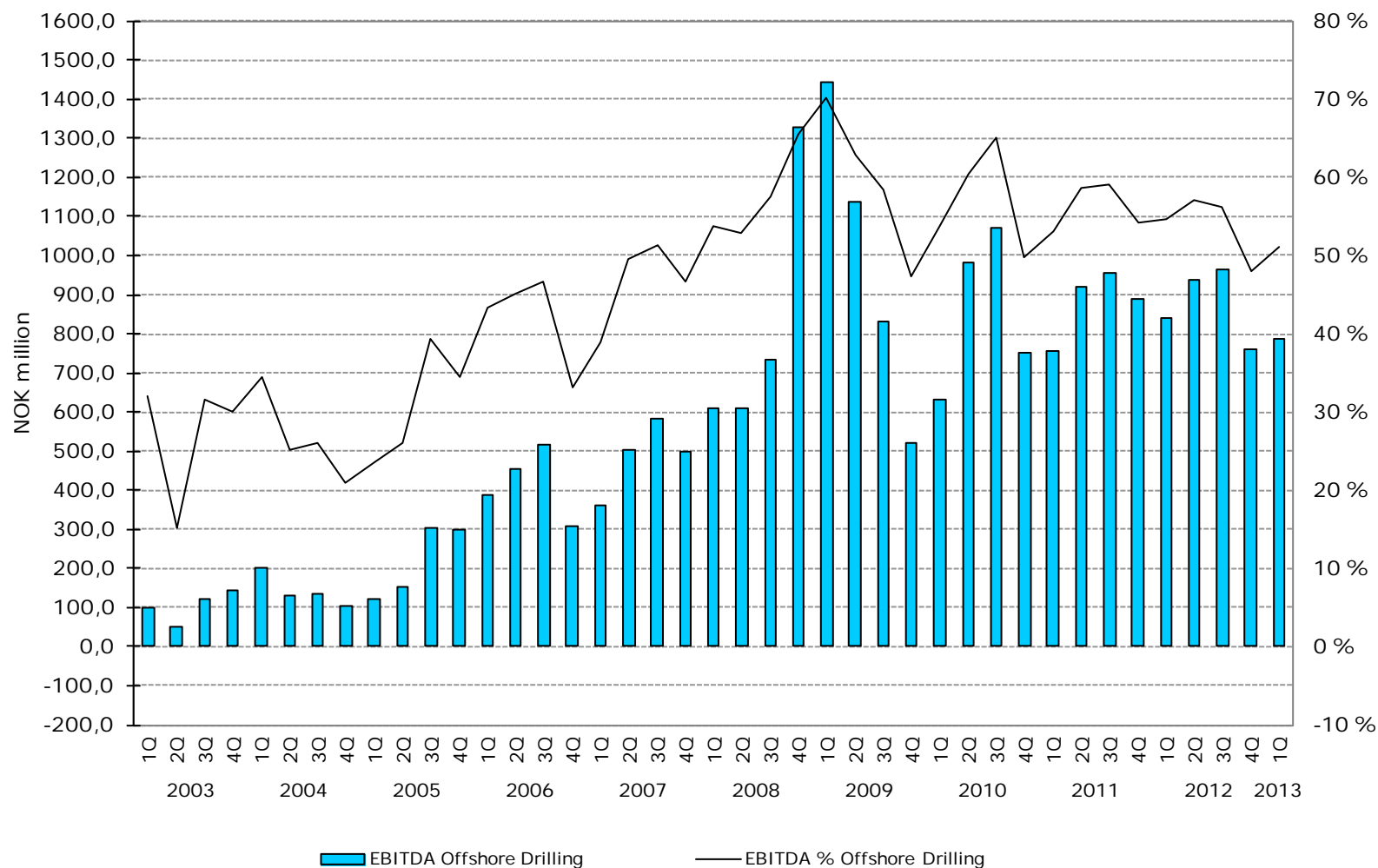
Consolidated Balance Sheet

(NOK mill)	1Q 2013	4Q 2012
		* Restated
Intangible assets	99	99
Property, plant & equipment	13 494	12 685
Other non-current assets	157	158
Total non-current assets	13 750	12 942
Other current assets	1 897	1 584
Cash and cash equivalents	1 396	1 387
Total current assets	3 293	2 971
Total assets	17 043	15 913
Equity	8 379	7 606
Non-current interest bearing debt	4 051	4 197
Other non-current liabilities	683	691
Total non-current liabilities	4 734	4 888
Current interest bearing debt	764	730
Current liabilities newbuilds	2 005	1 691
Other current liabilities	1 161	998
Total current liabilities	3 930	3 419
Total equity and liabilities	17 043	15 913

Consolidated Cash Flow

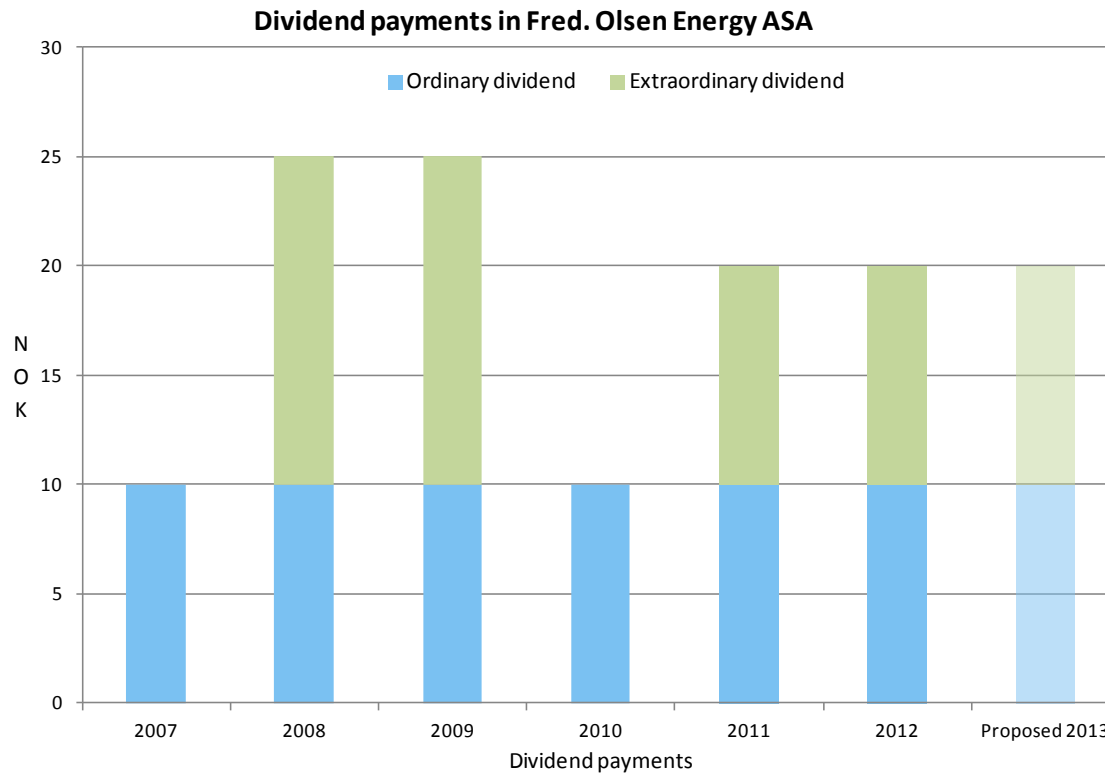
(NOK mill)	1Q 2013	4Q 2012
		* Restated
Profit before income taxes	469	318
Depreciation and impairment	345	356
Interest expense	30	43
Gain on sale of assets	1	4
Changes in working capital	(275)	502
Unrealized loss/(gain) financial instruments	(2)	(15)
Cash generated from operations	568	1 208
Interest paid	(55)	(60)
Taxes paid	(10)	(37)
Net cash flow from operating activities	503	1 111
Net investment in fixed assets	(235)	(536)
Cash flow used in investment activities	(235)	(536)
Repayment of loans	(287)	(389)
Cash flow from financing activities	(287)	(389)
Foreign currency	28	(3)
Net change in cash and cash equivalents	(19)	186
Cash at beginning of period	1 387	1 204
Cash at end of period	1 396	1 387

Offshore drilling EBITDA and margin



Dividend

- The Board of Directors will propose to the AGM 28 May 2013 to distribute NOK 10 as ordinary dividend and NOK 10 as extraordinary dividend
- Dividend payment date estimated to 20 June 2013



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	4Q 2013 - 4Q 2017	488 000	3Q 2018
Belford Dolphin	Drillship	10 000	Mozambique	Anadarko	January '12 - December '15	484 000	1Q 2015
Blackford Dolphin	SS / Aker H-3	7 000	Brazil	Karoon	December '12 - May '13	355 000	3Q 2013
				Anadarko	May '13 - September '13	365 000	
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 970' + USD 376'	4Q 2014
				Consortium**	February '14 - September '17	NOK 990' + USD 354'	
Bredford Dolphin	SS / Aker H-3	1 500	Norway	Lundin	November '11 - January '14	NOK 957' + USD 204'	2Q 2017
				Consortium***	February '14 - September '15	NOK 970' + USD 274'	
				Option	September '15 - February '17	NOK 970' + USD 274'	
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	April '13 - April '16	345 500	1Q 2015
				Option	May '16 - April '19		
Borgsten Dolphin	Tender support / AH-3		UK	Total	February '13 -May '16	202 000	1Q 2018
				Option	June '16 - June '17		
Borgholm Dolphin	Accommodation / AH-3		UK	Idle	April '13 - May'13		4Q 2017
				Shell	May '13- June '14	245 000	
				BG	August '14- April '15	240 000	
				Option	May '15 - June '15	240 000	

* Participants in the consortium: BP, Total, E.ON Ruhrgas, OMV, Rocksource, Wintershall, Statoil

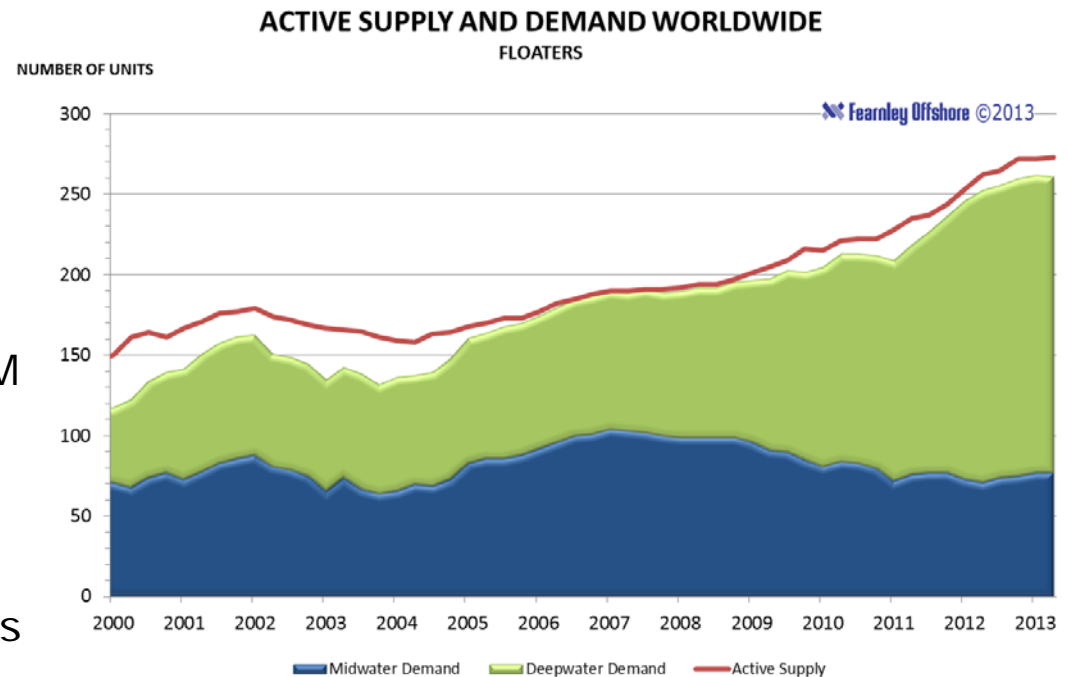
** Participants: Wintershall, E.ON Ruhrgas, Suncor Energy, Spring Energy

*** Participants: RWE DEA, Lundin, Noreco, Repsol

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Global market outlook – floating units

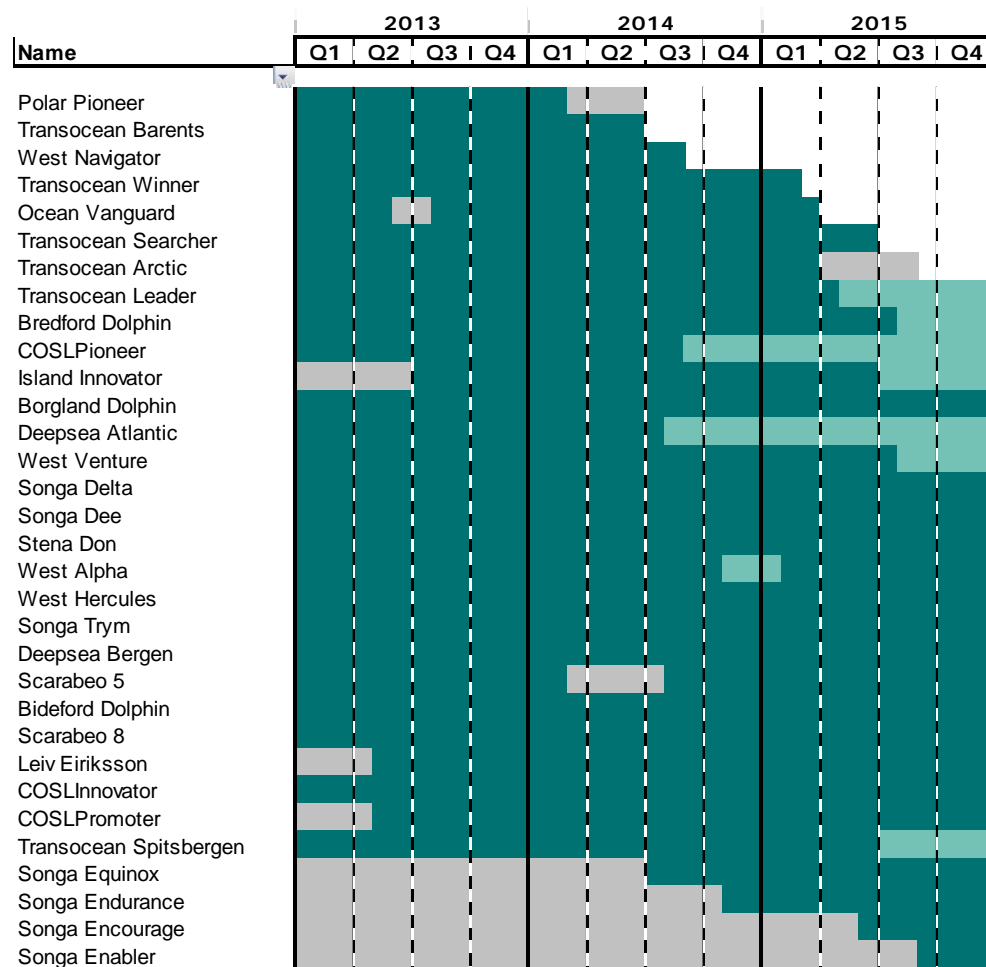
- Consolidation in the ultra deepwater segment continued in the quarter
- Some new contracts in Brazil
- Strong demand situation in GoM and West Africa
- North Sea market strong with few available rigs the next years



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Norwegian floater market

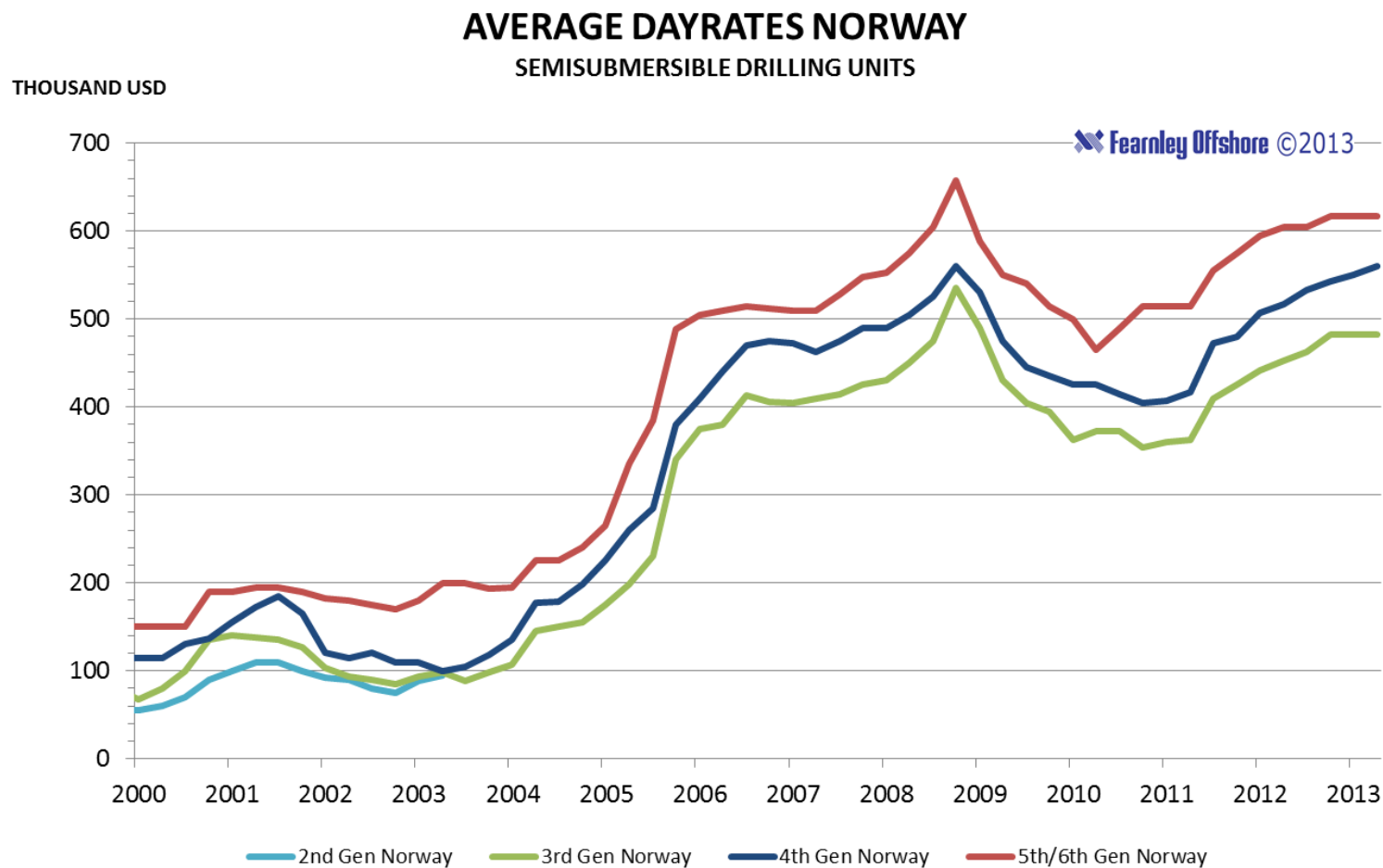
- Tight market with no availability in 2013 and only three units becoming available in 2014
- Continued demand both for exploration and development projects



As per April 2013

Source: DNB 15

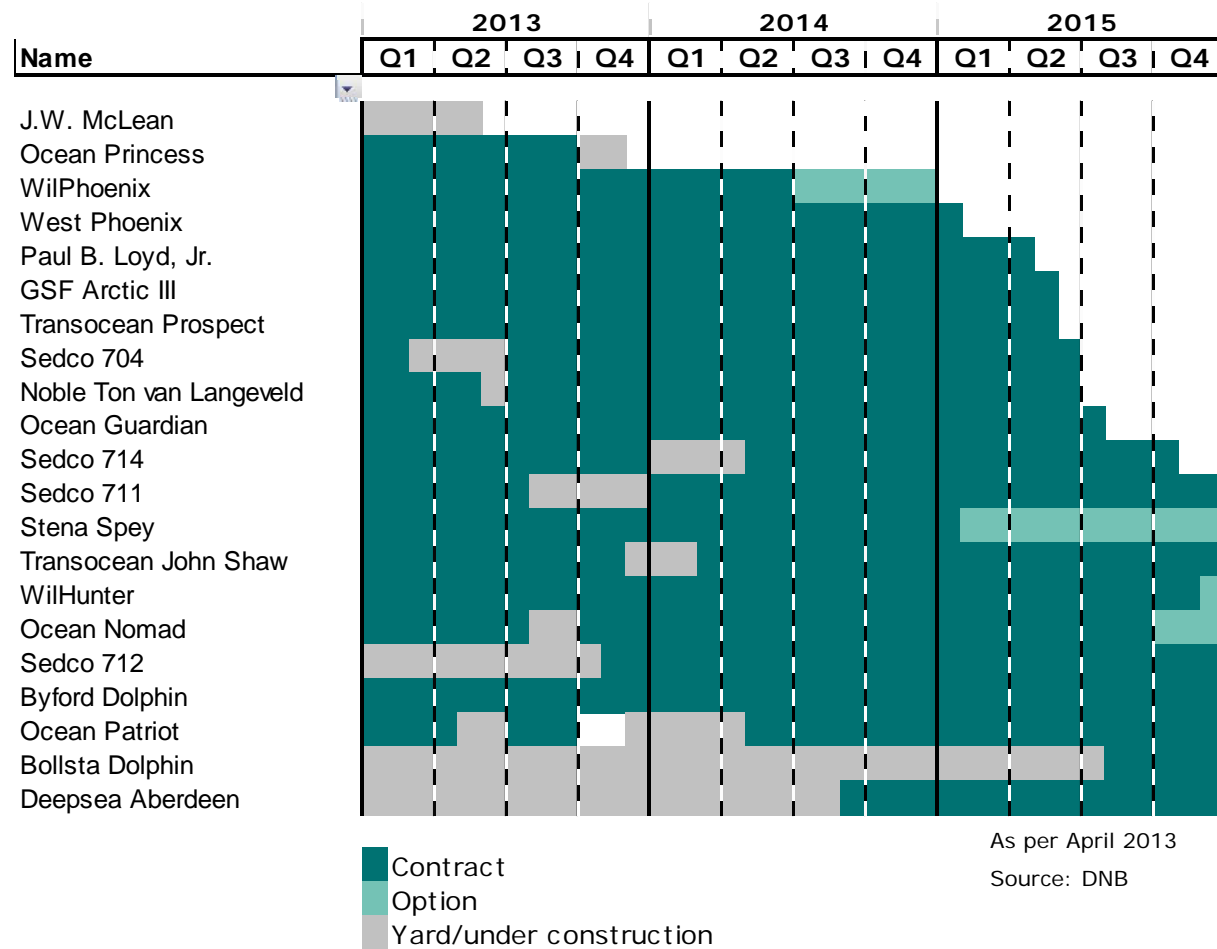
Average dayrates Norway



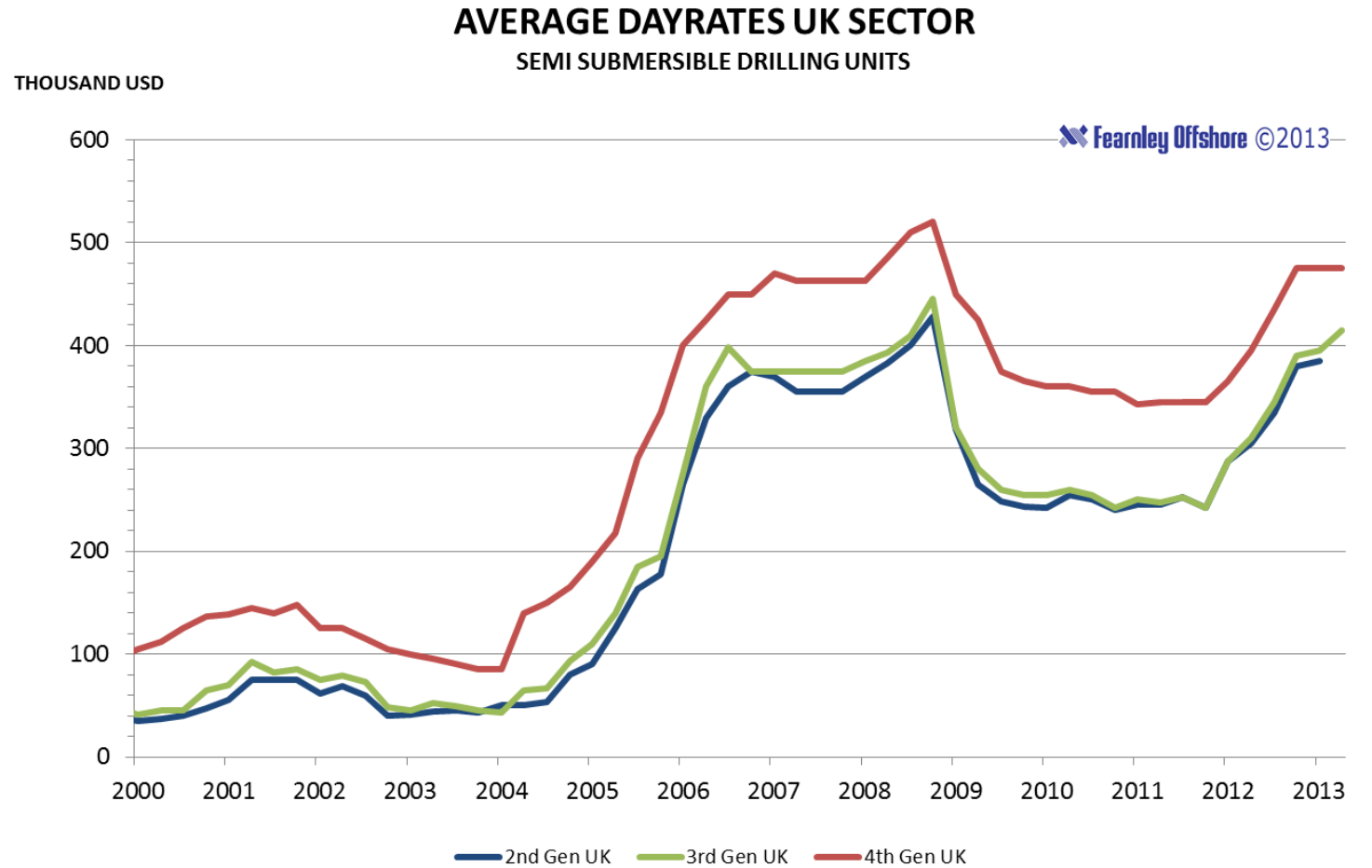
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UK floater market

- A continued strong market with limited availability until 2015
- Some increase in supply has been announced
- In the accommodation segment longer term outlook looks positive



Average dayrates UK

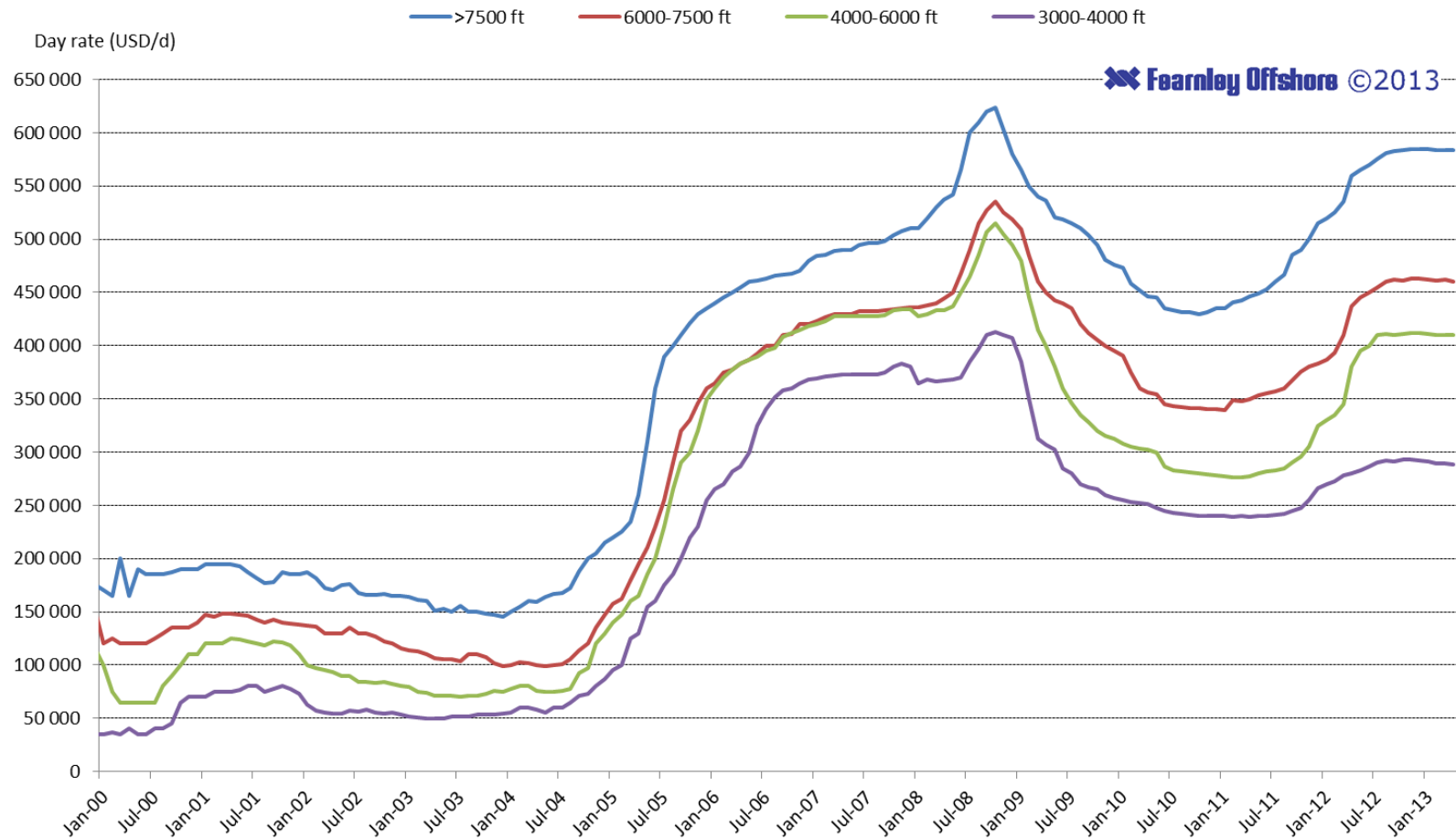


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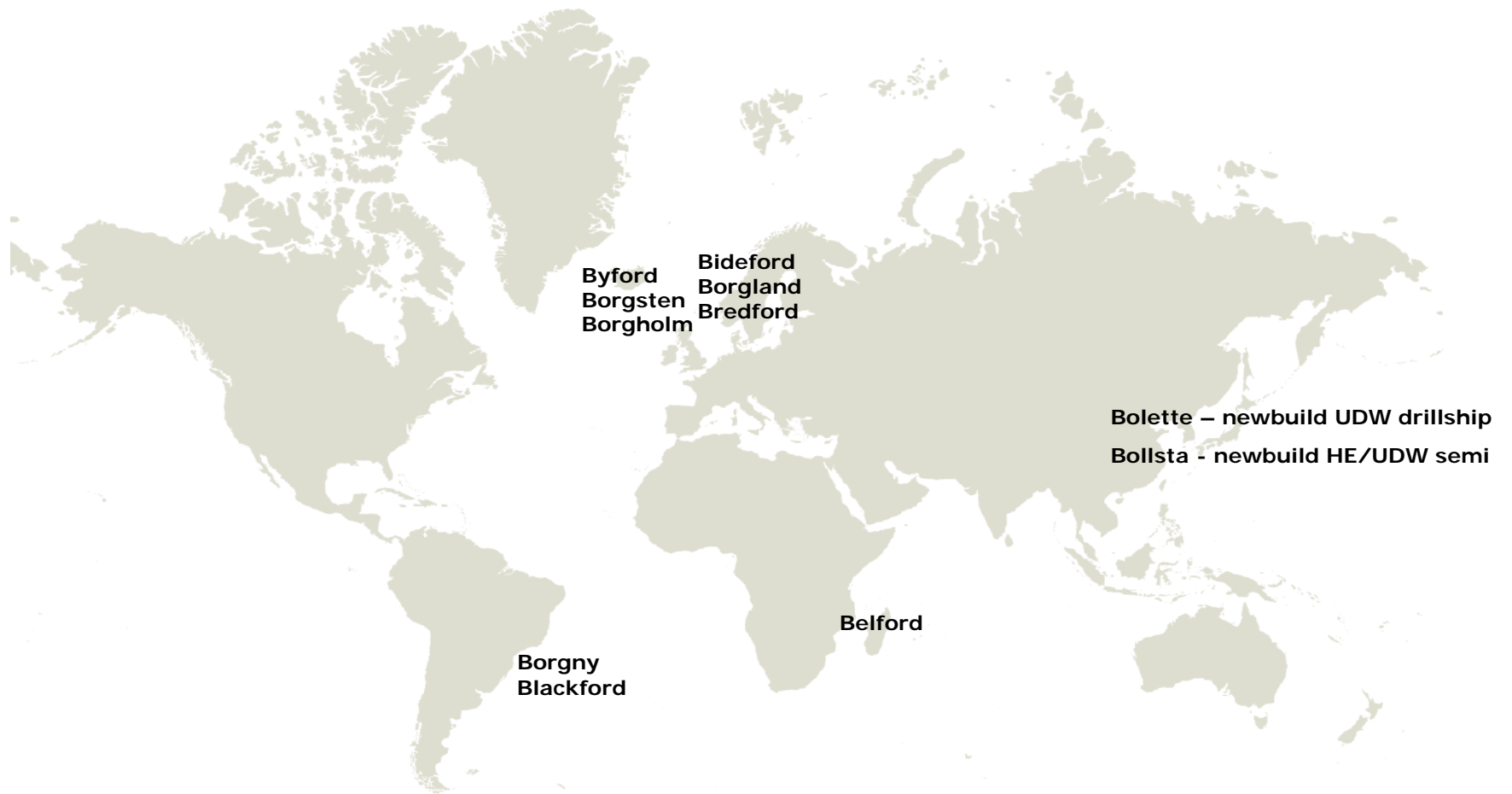
Dayrates deepwater drilling units worldwide

WORLDWIDE DEEPWATER DRILLING UNITS MARKET RATE ASSESSMENT BY WATER DEPTH SEGMENT

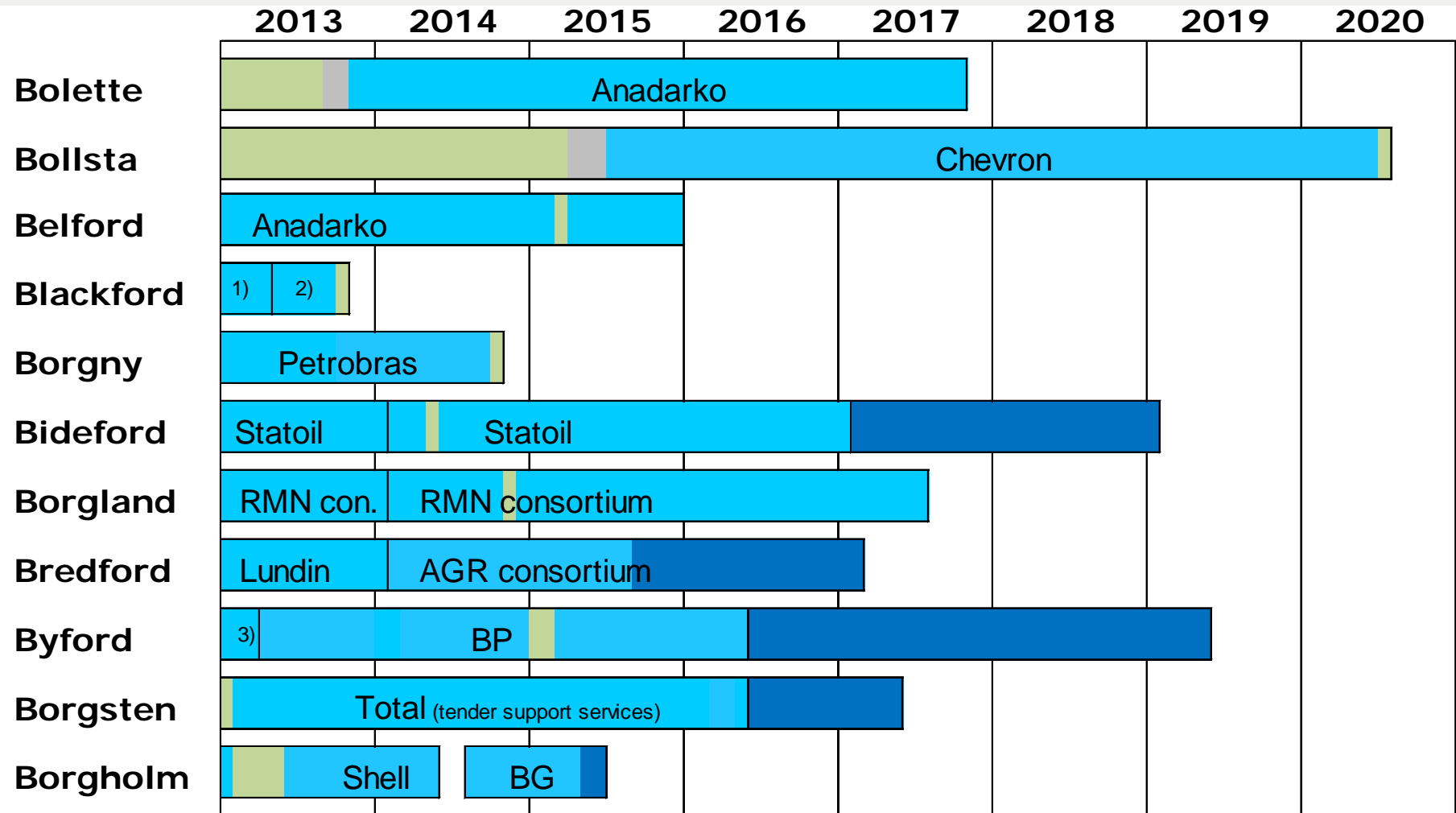


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Fred. Olsen Energy operating worldwide



Contract overview

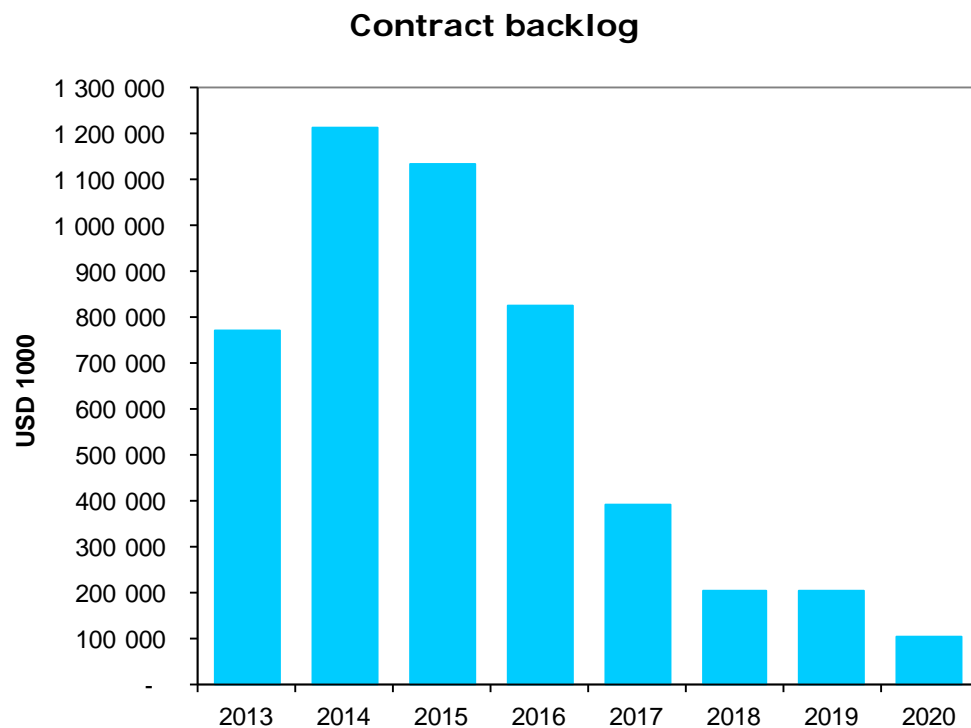


1) Karoon 2) Anadarko 3) BP

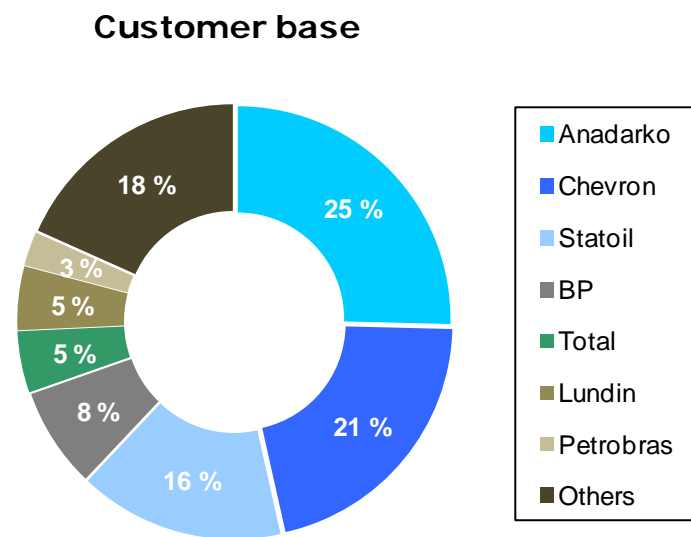
Yard/Class renewal survey
 Option
 Mobilization

Average contract length of ca. 34 months

Contract backlog



Total backlog ca. USD 4.8 billion



Bollsta Dolphin

- Moss Maritime CS 60 E (Enhanced) design from HHI
- Estimated delivery 1Q 2015, total cost estimated to USD 740 million including two BOPs
- Engineering phase ongoing
- 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 – Africa

Bolette Dolphin

- Drillship from Hyundai Heavy Industries with estimated delivery 3Q 2013
- In November 2011, a four-year contract with Anadarko was entered into for international operations, including Mozambique. Start of operation after delivery and mobilization
- Commissioning phase 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 operation under a four-year drilling contract with a consortium managed by RMN (Rig Management Norway), expiring February 2014
- The 15 well RMN contract, with estimated commencement February 2014, was extended with 3 wells. Estimated duration is now 3.5 years
- Next five-year class renewal survey to take place 4Q 2014



Bideford Dolphin

- Continued operations under a three-year drilling contract with Statoil estimated to expire end of January 2014
- 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

- Continued under the drilling contract with Lundin Norway AS, estimated to be completed end of January 2014
- A new eight well contract with a consortium led by AGR was entered into in September 2012, estimated to be completed September 2015
- The class renewal survey was completed August 2012



Borgholm Dolphin

- Accommodation unit with 303 bed capacity
- Completed operations under the BP contract early February 2013
- Completed the CRS stay at the Fayard yard, at cost of USD 32 million
- In 2012, a one year contract was entered into with Shell with estimated commencement mid May 2013. A new nine month contract was entered into with BG, with commencement 1st August 2014



Midwater - United Kingdom (cont.)

Byford Dolphin

- Completed a three-year drilling contract with BP Exploration in April 2013 and commenced the new contract with BP, estimated to expire April 2016
- The class renewal survey and installation of a new five ram BOP is now rescheduled to 1Q 2015



Borgsten Dolphin

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



Deepwater/ midwater - Brazil

Blackford Dolphin

- Continued the three-well contract with Karoon Petroleo & Gas S.A. A new one-well contract with Anadarko is entered into with estimated commencement mid May 2013
- Next five-year class renewal survey to take place in 3Q 2013



Borgny Dolphin

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



Harland & Wolff

- Focus on ship repair, ship building, steel fabrication and engineering services
- Was awarded a contract for design and fabrication of the Humber Gateway offshore windfarm substation jacket for E.ON
- During the quarter, the yard commenced the contract for Kværner Verdal AS for fabrication of pile sleeve clusters and floatation tanks for the Edvard Grieg and Martin Linge jackets



Summary

■ Financial

- Revenues were 1,591 million
- EBITDA was 791 million
- Profit before tax was 469 million
- Contract backlog amounting to approximately USD 4.8 billion
- Dividend payment date estimated to 20 June 2013

■ Operational

- Borgsten Dolphin completed class renewal survey and conversion to TSV. Commenced the Total contract mid February
- Borgholm Dolphin completed class renewal survey
- Byford Dolphin commenced new BP contract mid April

■ Market

- Three well contract extension for Borgland Dolphin under the RMN contract
- Average contract duration approximately 34 months

