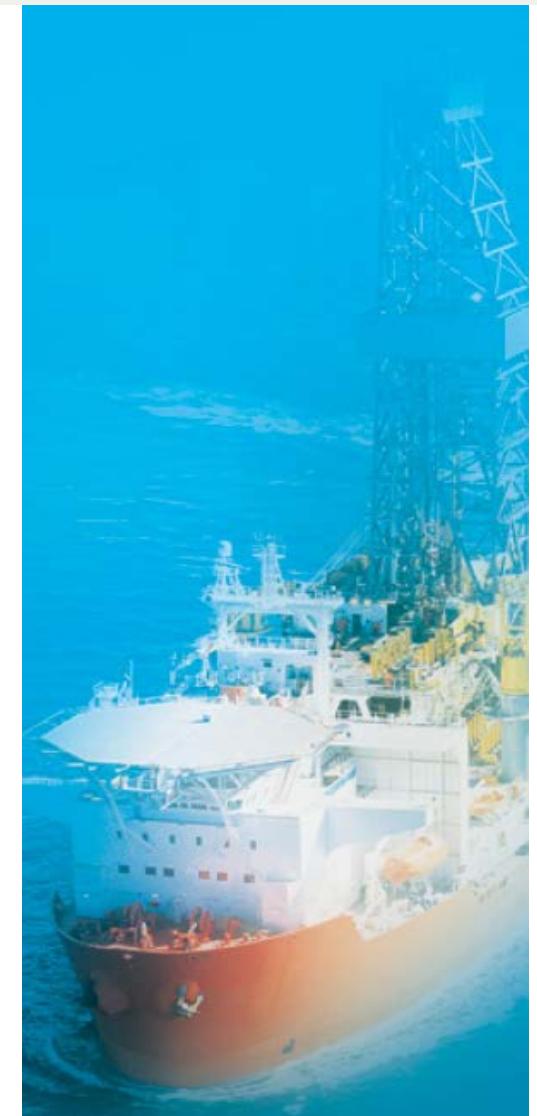


Fred. Olsen Energy ASA

4Q 2013 presentation

Oslo, 11 February 2014



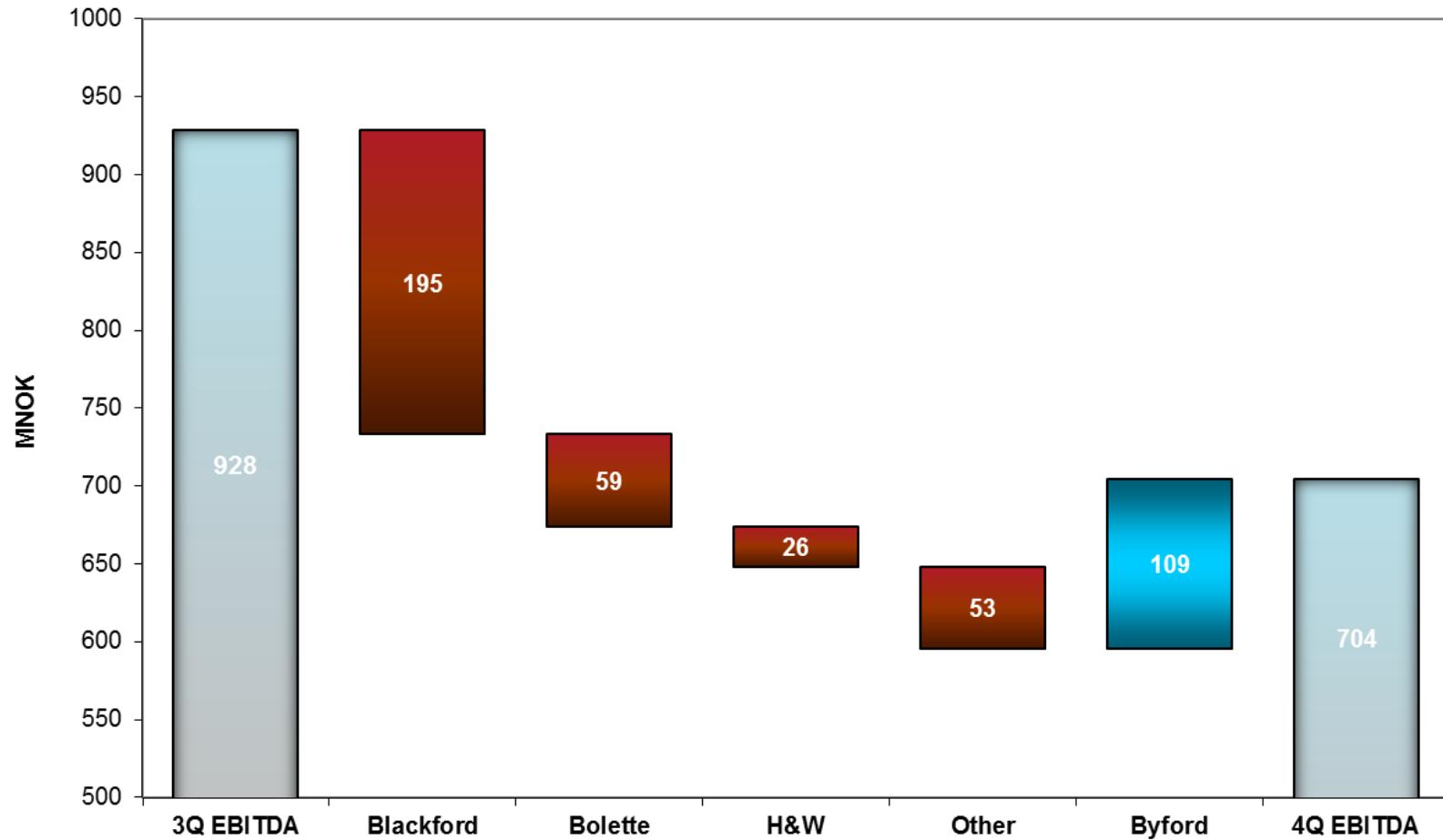
AGENDA

- **FINANCIAL RESULT 4Q 2013**
- MARKETS
- OPERATIONS
- SUMMARY

Income Statement – Key Figures

(NOK mill)	4Q 2013	3Q 2013
Operating revenues	1 746	1 759
Recharged income	58	80
Total revenues	1 804	1 839
Operating costs	(1 044)	(836)
Recharged expenses	(56)	(75)
Total operating expenses	(1 100)	(911)
Oper. result before depr. (EBITDA)	704	928
Depreciation	(364)	(361)
Operating result (EBIT)	340	567
Net financial items	(41)	(68)
Result before tax	299	499
Estimated tax	(39)	(19)
Net result	260	480

EBITDA Comparison 4Q 2013 vs. 3Q 2013



Financial Items Breakdown

(NOK mill)	4Q 2013	3Q 2013
Interest income	3	4
Gains on financial instruments	10	23
Financial income	13	27
Interest expenses	(55)	(58)
Capitalized borrowing cost (projects)	29	27
Losses on financial instruments	(5)	(12)
Other financial expenses	(26)	(21)
Financial expenses	(57)	(64)
Net foreign currency gain/(loss)	3	(31)
Net financial items	(41)	(68)

Offshore Drilling Segment

(NOK mill)	4Q 2013	3Q 2013
Operating revenues	1 644	1 709
Recharged income	58	80
Total revenues	1 702	1 789
Operating costs	(904)	(773)
Recharged expenses	(56)	(75)
Total operating expenses	(960)	(848)
Oper. result before depr. (EBITDA)	742	941
Depreciation	(361)	(359)
Operating result (EBIT)	381	582

Engineering & Fabrication Segment

(NOK mill)	4Q 2013	3Q 2013
Operating revenues (external)	101	51
<u>Inter-segment revenues</u>	<u>51</u>	<u>2</u>
Total operating revenues	152	53
Operating costs	(190)	(65)
Oper. result before depr. (EBITDA)	(38)	(12)
Depreciation	(3)	(3)
Operating result (EBIT)	(41)	(15)

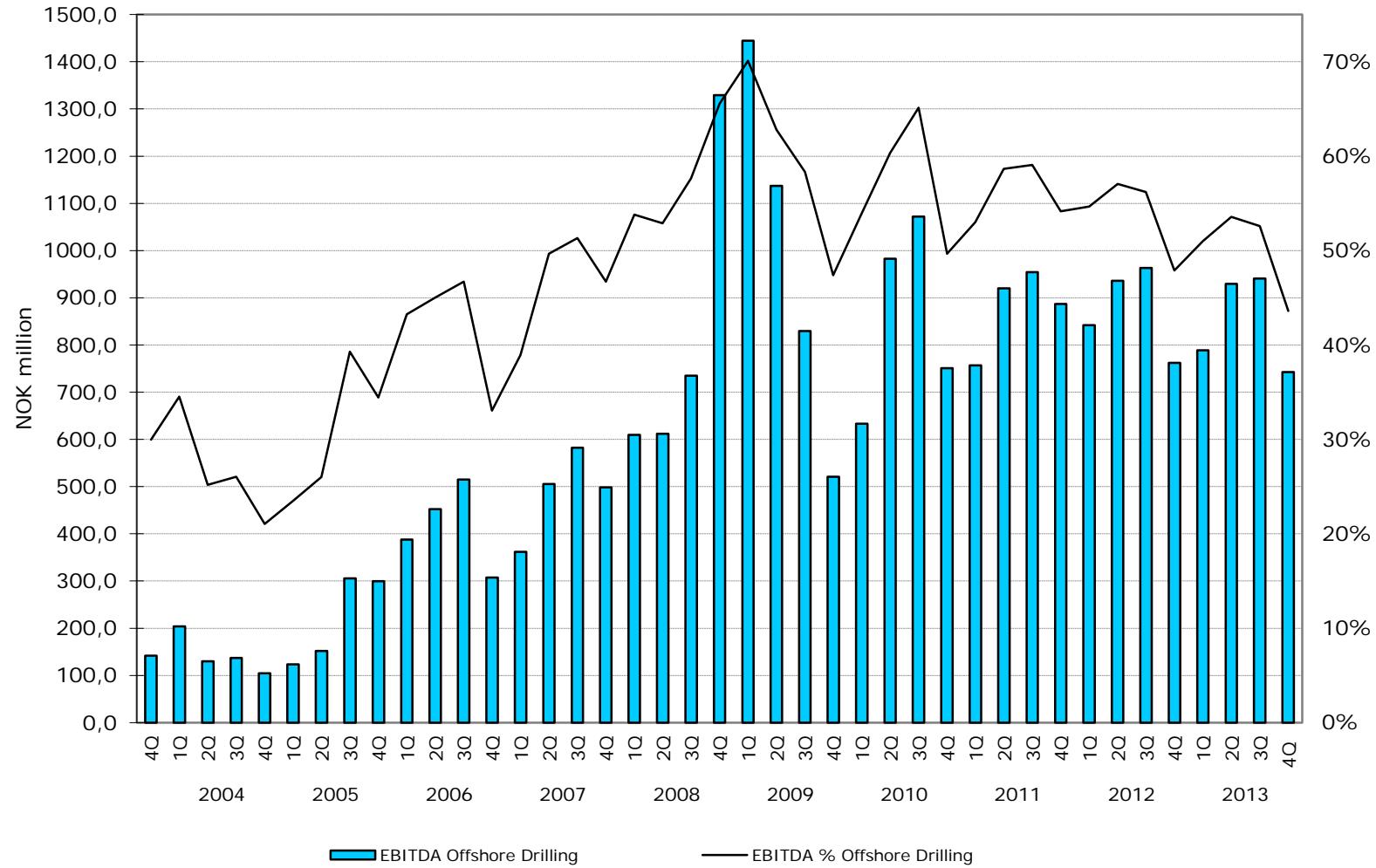
Consolidated Balance Sheet

(NOK mill)	4Q 2013	3Q 2013
Intangible assets	99	99
Property, plant & equipment	15 065	14 125
Other non-current assets	164	163
Total non-current assets	15 328	14 387
Other current assets	1 973	1 941
Cash and cash equivalents	1 351	1 231
Total current assets	3 324	3 172
Total assets	18 652	17 559
Equity	8 742	8 369
Non-current interest bearing debt	4 028	4 293
Other non-current liabilities	759	697
Total non-current liabilities	4 787	4 990
Current interest bearing debt	798	788
Current liabilities newbuilds	3 125	2 445
Other current liabilities	1 200	967
Total current liabilities	5 123	4 200
Total equity and liabilities	18 652	17 559

Consolidated Cash Flow

(NOK mill)	4Q 2013	3Q 2013
Profit before income taxes	299	499
Depreciation and impairment	364	361
Interest expense	26	31
Gain on sale of assets	(3)	(1)
Changes in working capital	266	34
Unrealized loss/(gain) financial instruments	(6)	(23)
Cash generated from operations	946	901
Interest paid	(59)	(59)
Taxes paid	(41)	(8)
Net cash flow from operating activities	846	834
Net investment in fixed assets	(400)	(270)
Cash flow used in investment activities	(400)	(270)
Repayment of loans	(328)	(429)
Cash flow from financing activities	(328)	(429)
Foreign currency	2	(5)
Net change in cash and cash equivalents	118	135
Cash at beginning of period	1 231	1 101
Cash at end of period	1 351	1 231

Offshore drilling EBITDA and margin



Fleet status

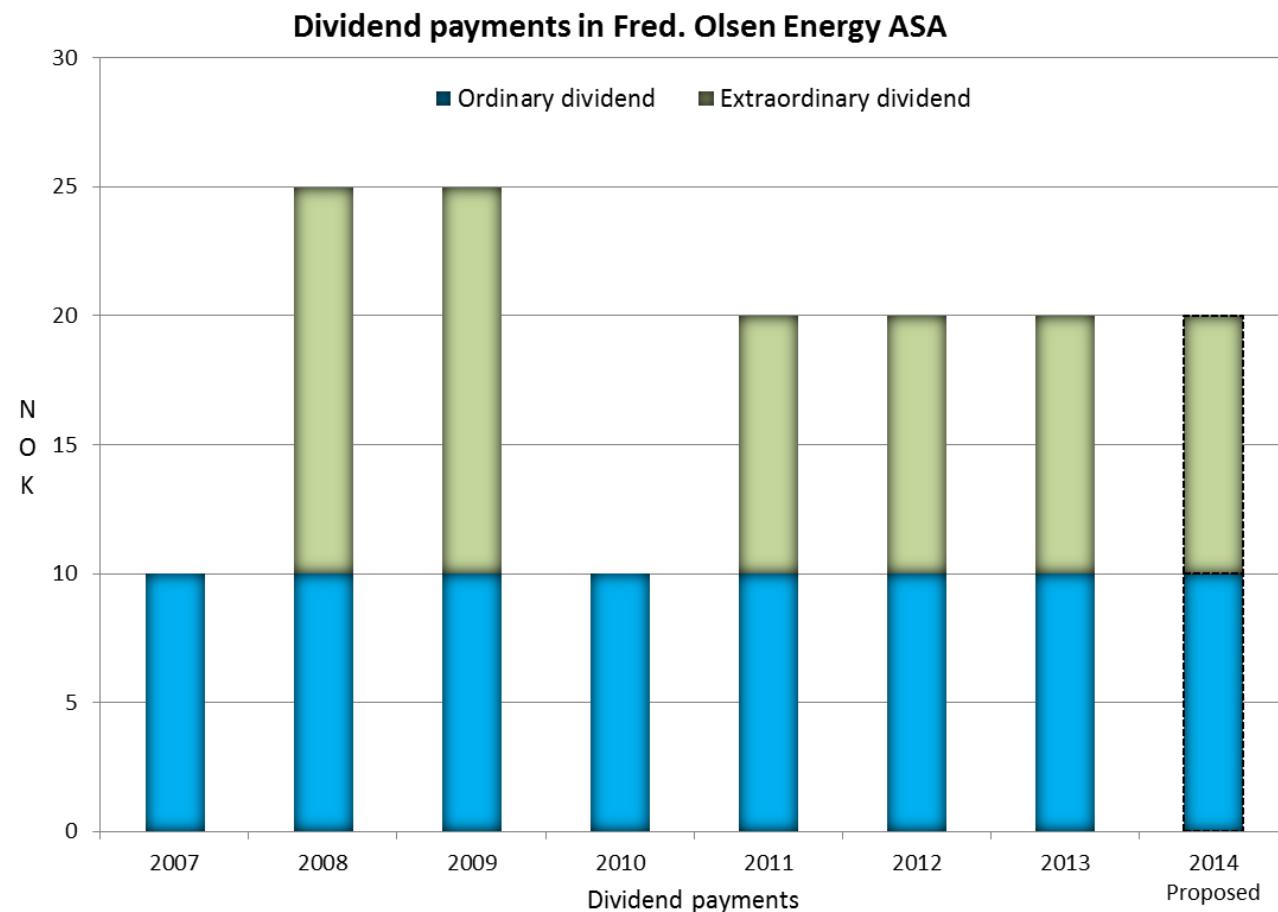
Rig	Type / design	W depth ft	Location	Client	Contract status	Day rate (in USD)	Next CR survey
Ultra-deepwater and deepwater units							
Bolla Dolphin	SS / Moss	10 000	UK	Chevron	4Q 2015- 4Q 2020	560 000	1Q 2020
Bolette Dolphin	Drillship	12 000	Mozambique	Anadarko	2Q 2014 - 2Q 2018	488 000	1Q 2019
Belford Dolphin	Drillship	10 000	Mozambique	Anadarko	January '12 - December '15	484 000	1Q 2015
Blackford Dolphin	SS / Aker H-3	7 000	UK Ireland UK UK	MPX Capricorn Nexen Chevron Option	May '14 - June '14 July '14 - September '14 October '14-June '15 July '15-January '17 February '17-December '17	419 000 467 000 428 000 428 000	4Q 2013
Midwater floaters Norway							
Bideford Dolphin	SS / Aker H-3	1 500	Norway	Statoil Option	February '14 - February '17 February '17 - February '19	NOK 990 + USD 301' NOK 990 + USD 301'	2Q 2014
Borgland Dolphin	SS / Aker H-3	1 500	Norway	Consortium* Consortium**	January '10 - April '14 April '14 - September '17	NOK 994' + USD 376' NOK 990' + USD 354'	4Q 2014
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	Accomodation / AH-3		UK	Shell BG Option	May '13- July '14 August '14- April '15 May '15 - June '15	245 000 240 000 240 000	4Q 2017

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

Dividend

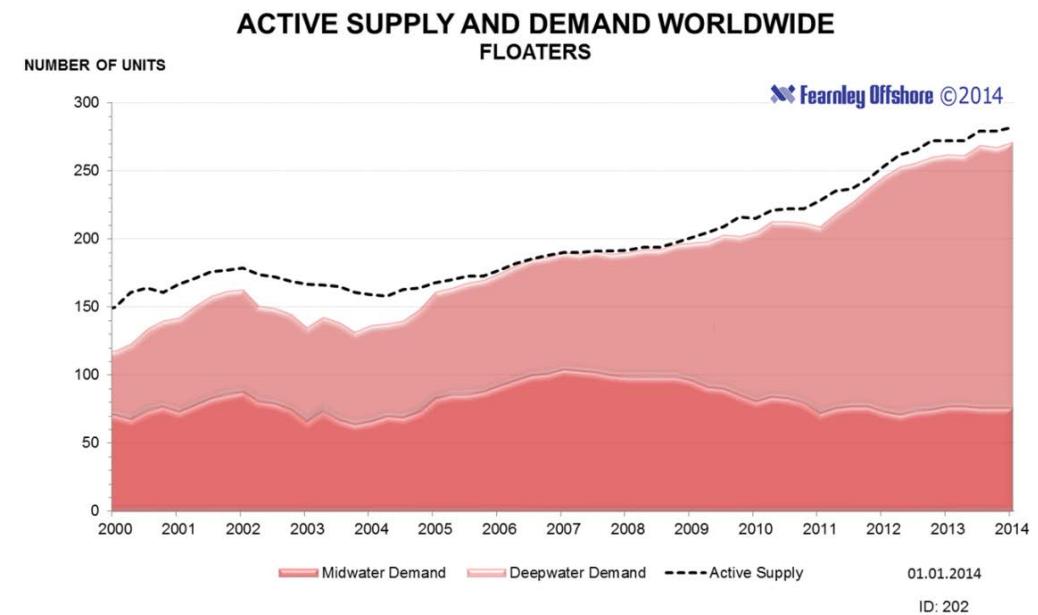
- The Board of Directors will propose to the AGM in May 2014 to distribute NOK 10 as ordinary dividend and NOK 10 as extraordinary dividend



- FINANCIAL RESULT
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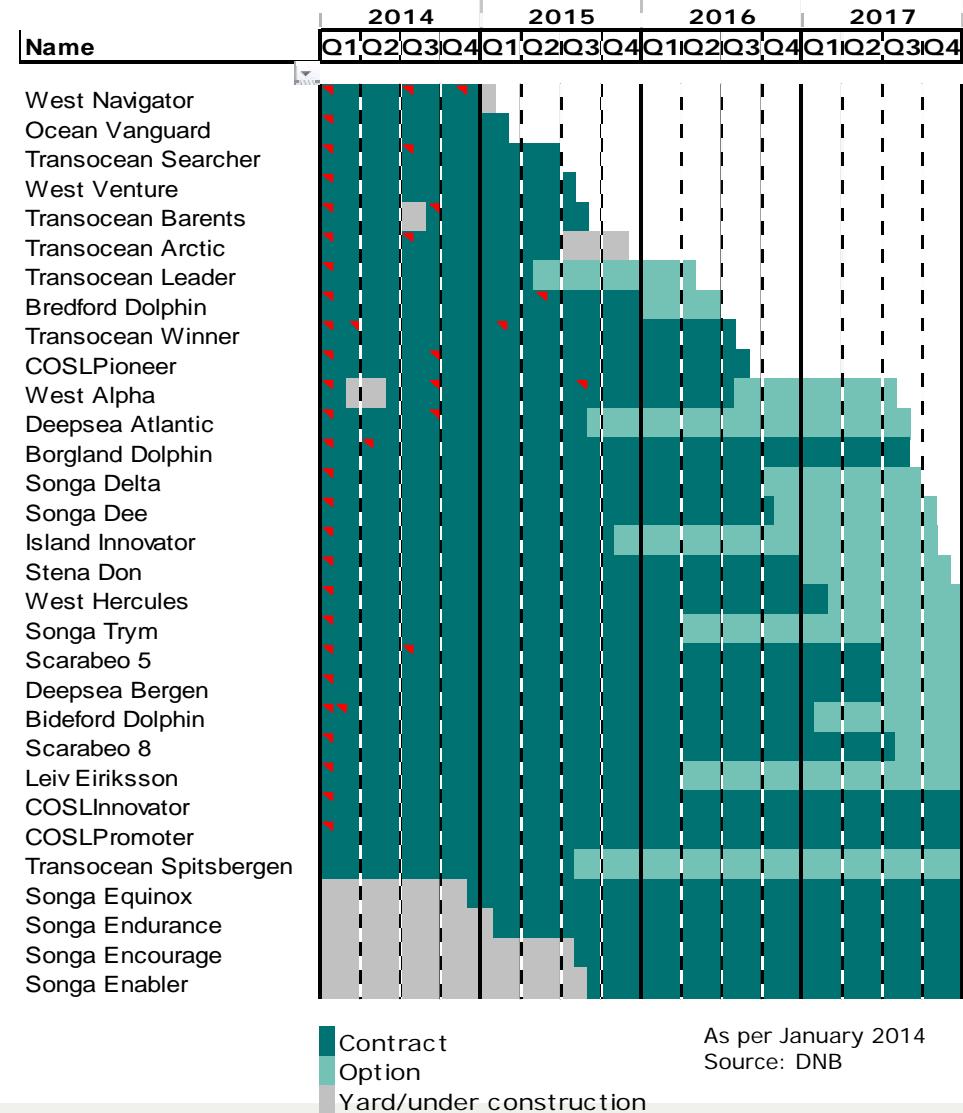
Global market outlook – floating units

- In general continued consolidation in all market segments
- Stable to decreasing dayrates seen in the ultra deepwater market, with increased market segmentation
- Relatively stable activity in the deep- and mid water markets, further units expected to be idle
- North Sea availability is limited in 2014

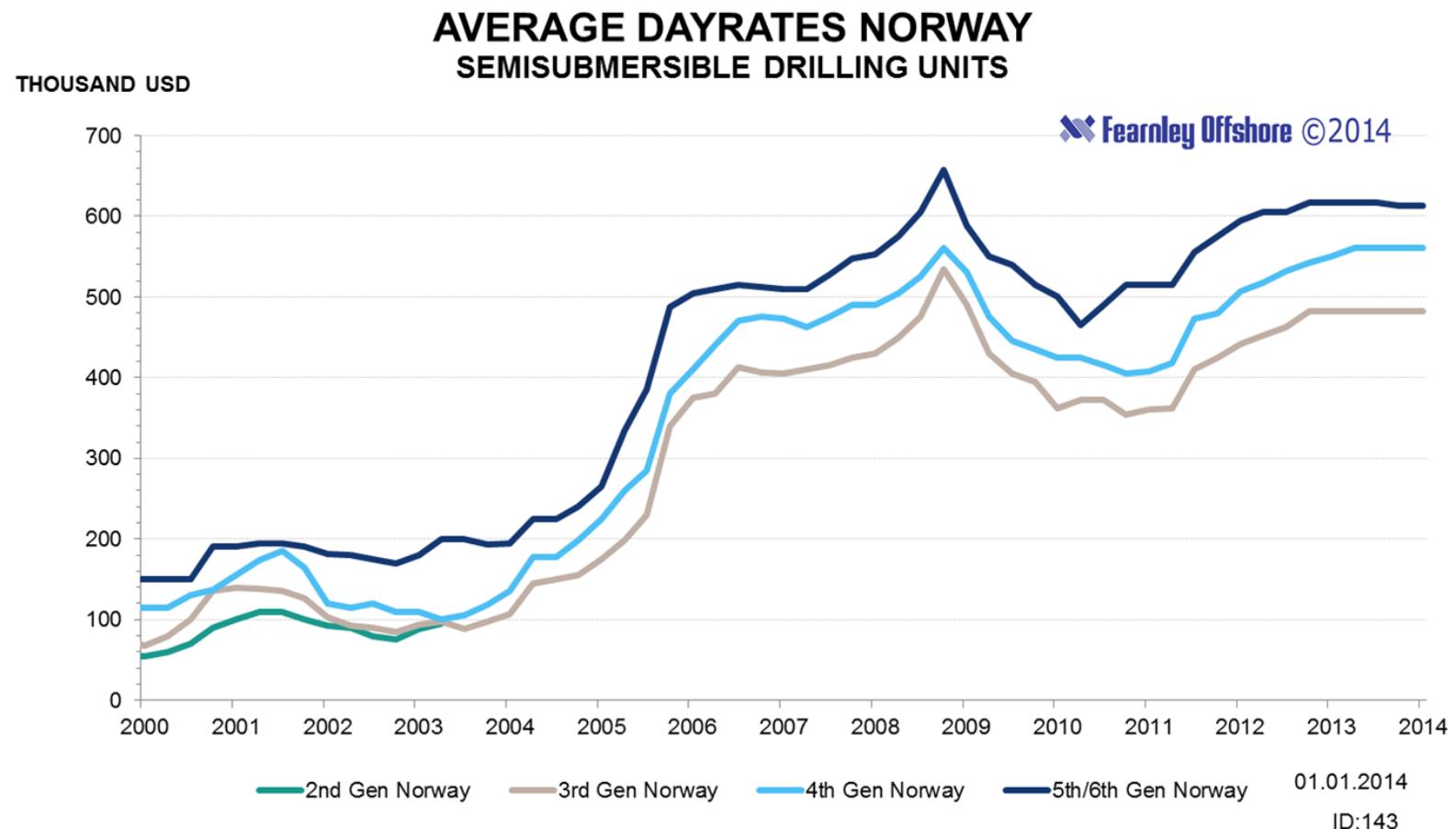


Norwegian floater market

- In general a tight market with first available units in 2015
- Low contracting activity during the quarter
- Long-term, continued demand both for exploration and development projects is expected

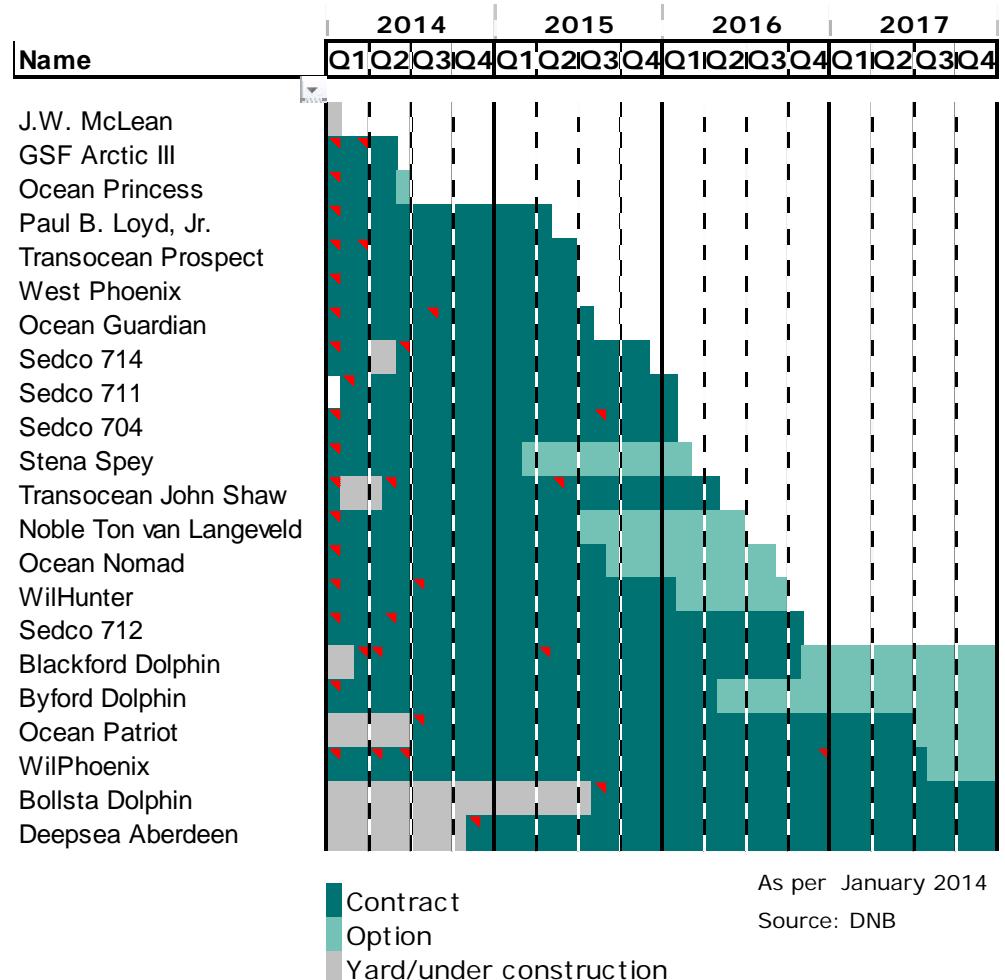


Average dayrates Norway

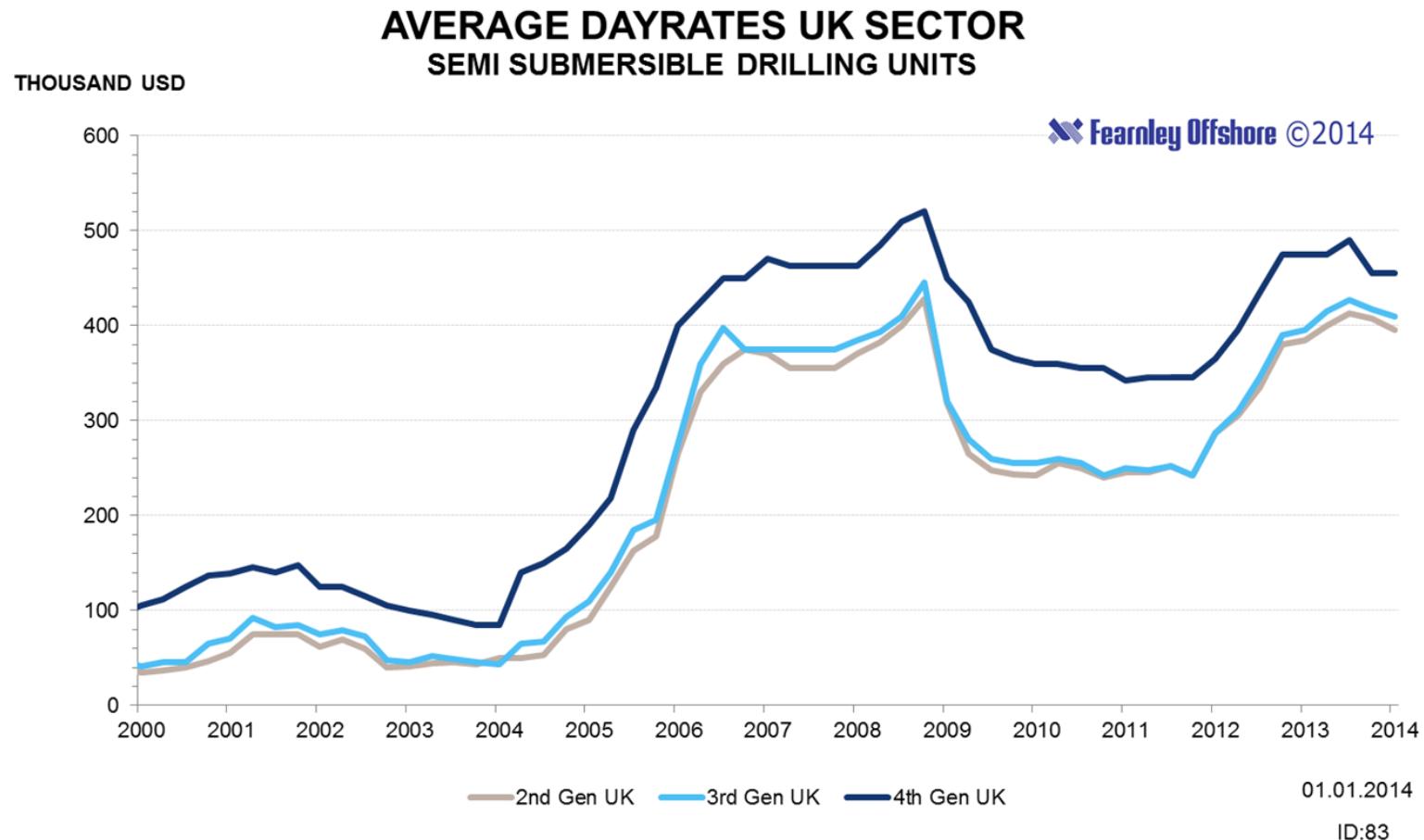


UK floater market

- Low contracting activity during the quarter
- Two units becoming available in 2014
- Stable prospects in the accommodation segment

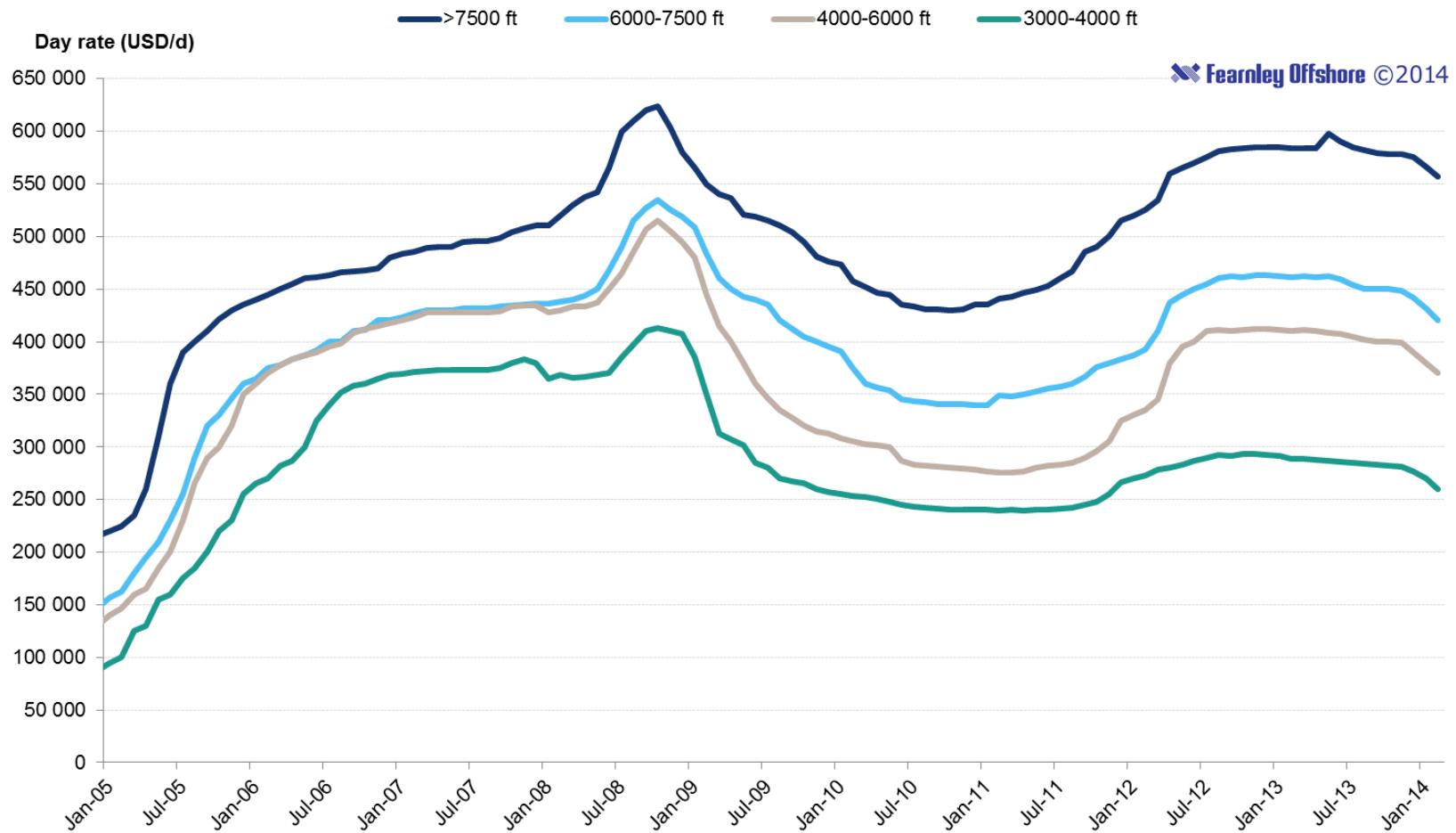


Average dayrates UK



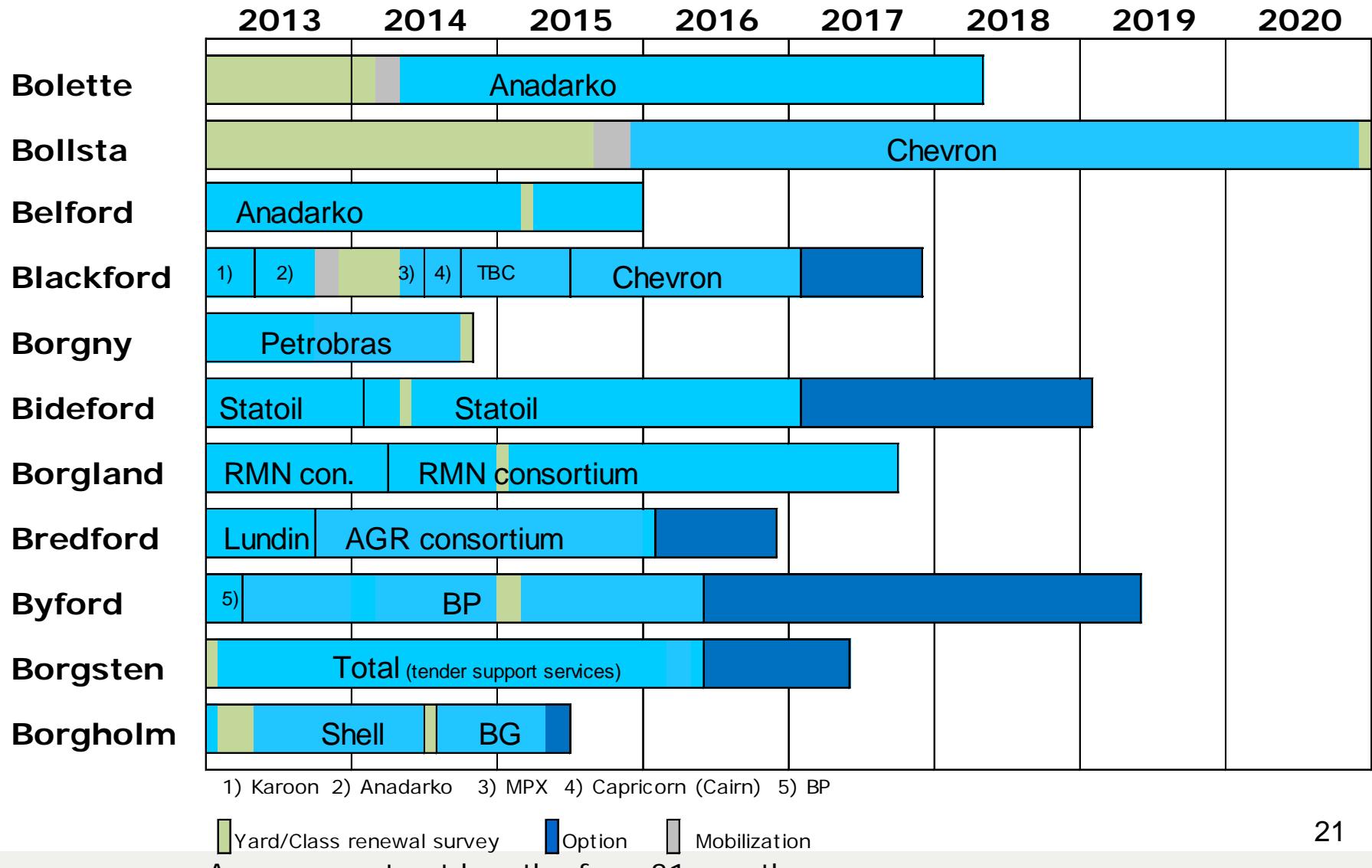
Dayrates deepwater drilling units worldwide

WORLDWIDE DEEPWATER DRILLING UNITS MARKET RATE ASSESSMENT BY WATER DEPTH SEGMENT

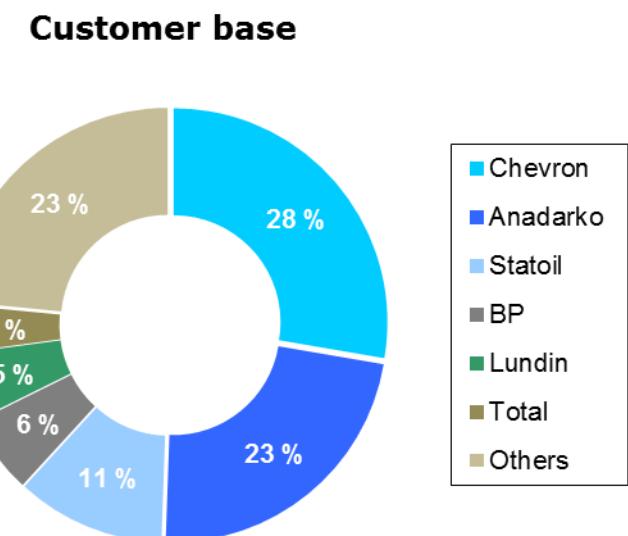
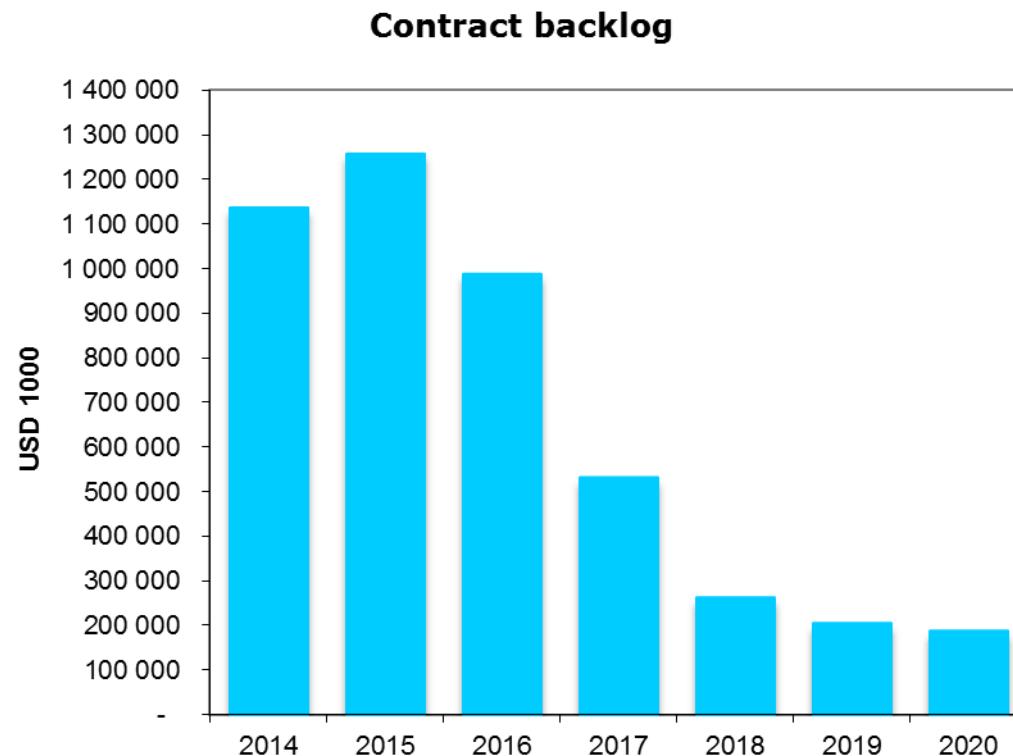


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Contract overview



Backlog



Total backlog approx. USD 4.6 billion

Bollsta Dolphin

- Harsh environment ultra deepwater semi-submersible under construction
- Moss Maritime CS 60 E (Enhanced) design from Hyundai Heavy Industries
- Delivery is rescheduled to 3Q 2015
- Block constructions ongoing
- Has secured a five-year contract with Chevron for operations West of Shetland in the UK sector



Ultra deepwater

Bolette Dolphin

- Newbuild ultra deepwater drillship from Hyundai Heavy Industries
- Delivery date is rescheduled to second half of February 2014
- Has secured a four-year contract with Anadarko for international operations. First location will be in West Africa. Start of operation after delivery and mobilization
- System integration testing and final commissioning 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 April 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 during the quarter
- Commenced the new three-year contract with Statoil end of January 2014
- Scheduled to undertake the five-year class renewal survey during 2Q 2014. The cost is estimated to USD 100 million with a 65 days yard stay, including mobilisation



Midwater - Norway / United Kingdom

Bredford Dolphin

- Continued under the 12-well contract with an AGR consortium. The contract is expected to expire end of January 2016. Further options exist for minimum five wells
- During January 2014, the unit experienced a breach in riser joints under operation. The incident caused 25 days on zero rate
- The class renewal survey was completed August 2012



Borgholm Dolphin

- Continued the one year contract with Shell
- A new nine month contract with BG will follow, with estimated commencement in August 2014 after scheduled yard stay in July
- In second half of February, the unit will undertake repairs at quay side, estimated to 3 weeks including mobilisation. The contract will be extended with the number of zero rate days in connection with the yard stay
- 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
- 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. Two six month options exist under the contract
- Completed class renewal survey and conversion to tender support vessel mid February 2013



Deepwater – United Kingdom

Blackford Dolphin

- Mobilised from Brazil to UK during the quarter
- Entered the H&W yard in December to undertake the five-year class renewal survey and upgrades
- After completion of the class renewal survey, the rig will commence two one-well contracts for MPX North Sea Ltd and Capricorn Ireland Ltd., followed by a nine month contract with Nexen and a 572 days contact with Chevron



Class Renewal Survey Blackford Dolphin

- Original scope nearing completion
- Upgrades in relation to UK and Ireland safety cases and need for structural upgrades have been identified
- Total cost is estimated to USD 125 million and completion is rescheduled to April 2014



Midwater - Brazil

Borgny Dolphin

- Operating under a five-year drilling contract with Petrobras in Brazil. The contract is estimated to expire in September 2014
- Next class renewal survey estimated 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. Provision of NOK 40 million taken on the project
- The engineering phase for fabrication of the Humber gateway offshore windfarm substation jacket continued during the quarter
- Commenced the class renewal survey of Blackford Dolphin in December 2013



Summary

- Financial
 - Revenues were 1, 804 million
 - EBITDA was 704 million
 - Profit before tax was 299 million
 - Contract backlog amounting to approximately USD 4.6 billion
 - The Board of Directors will propose to the AGM in May 2014 to distribute NOK 10 as ordinary dividend and NOK 10 as extraordinary dividend
- Operational
 - Blackford Dolphin mobilised from Brazil to UK and has been at yard for the class renewal survey
- Market
 - Blackford Dolphin entered into a 572 days contract with Chevron
 - Average contract duration approximately 31 months



Q&A