

# Fred. Olsen Production ASA

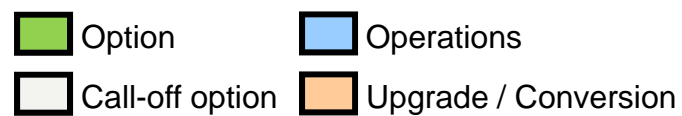
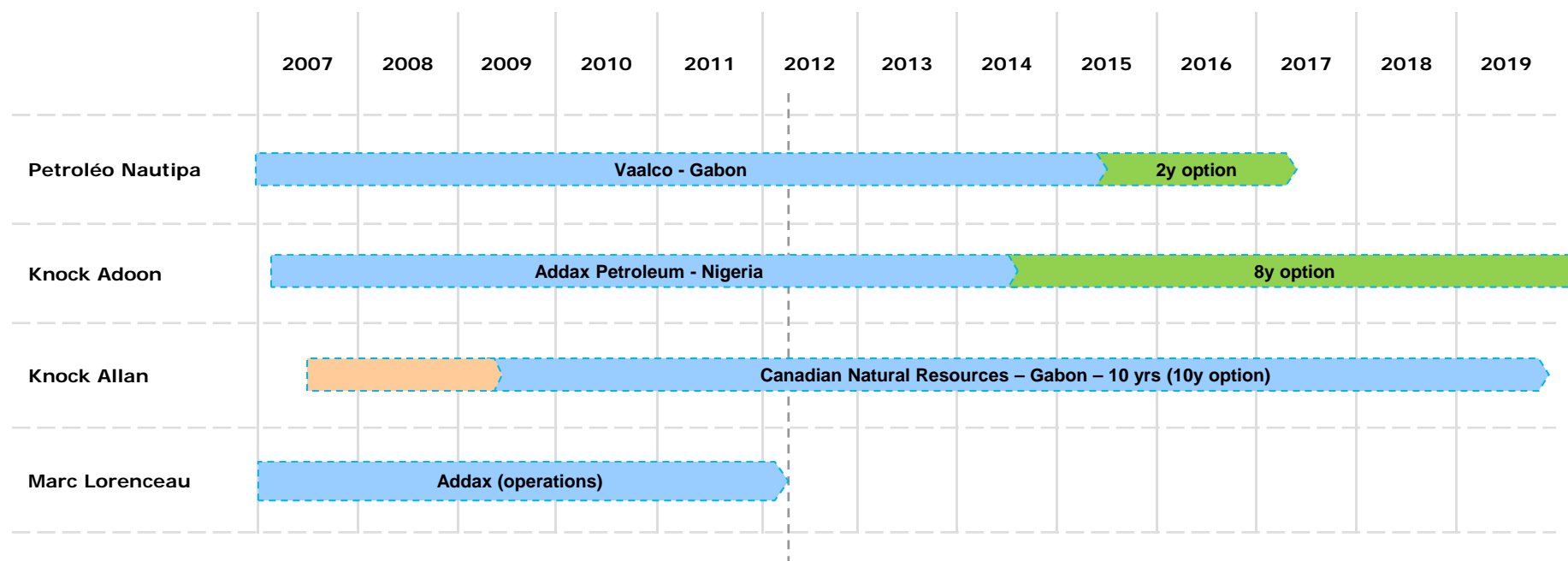
PRESENTATION OF

Financial result 1<sup>st</sup> quarter 2012 at AGM

## 1Q 2012 in brief

- ✓ Revenues USD 26.9 million (USD 27.1 million)
- ✓ 100% commercial up-time for all units (98.9%)
- ✓ EBITDA was USD 10.3 million (USD 10.3 million)
- ✓ EBIT was USD 3.2 million (USD 2.6 million)
- ✓ Net profit before tax USD 2.1 million (USD 1.5 million)
- ✓ Net profit after tax USD 0.3 million (negative USD 0.7 million)

# Long-term contracted cash-flow



## Operational update

- Knock Allan
  - Commercial up-time 100% in 1q
  - Gas compressors worked satisfactorily, adjustments and fine-tuning ongoing, extensive maintenance cost
- Knock Adoon
  - Commercial up-time 100% in 1q, average oil-production 42,600 bopd
  - Production expected to increase slightly with following Kitamarine tie-ins
- Petróleo Nautipa
  - Commercial up-time 100% in 1q, average oil-production at 20,900 bopd i.e bonus
- Mark Lorenceau
  - Commercial uptime 100% in 1q
  - Tender for new service contract announced for 3q



# Market Commentary - Highlights

- The total market demand for FPSOs is buoyant compared to 2008/2009
- Drivers: development of new fields in remote areas or deep water
- Number of lease projects remains below market expectations.
- Inquiry flow for mid-range projects:
  - remains high in Asia, most activity in Vietnam, Malaysia and Indonesia
  - few projects in West Africa, except high-end (turnkey) projects
  - Brazil remains steady; large local consortium projects prioritized ahead of the (smaller) international tenders.
- The first quarter 2012 was quiet in terms of new contract awards:
  - only 3 FPSO contracts were awarded
  - (excluding 4 hull only conversions in Brazil)
  - Of 3 contracts awarded, 2 were lease (both redeployments) and 1 turnkey/EPC



## Market Commentary - FOP near term prospects

### Asia

- Lamson JOC pending
- Vietnam and Malaysia high activity; Malaysia has not been FOP focus
- Indonesia; multiple small FPSO projects next 12-18 months

### Africa

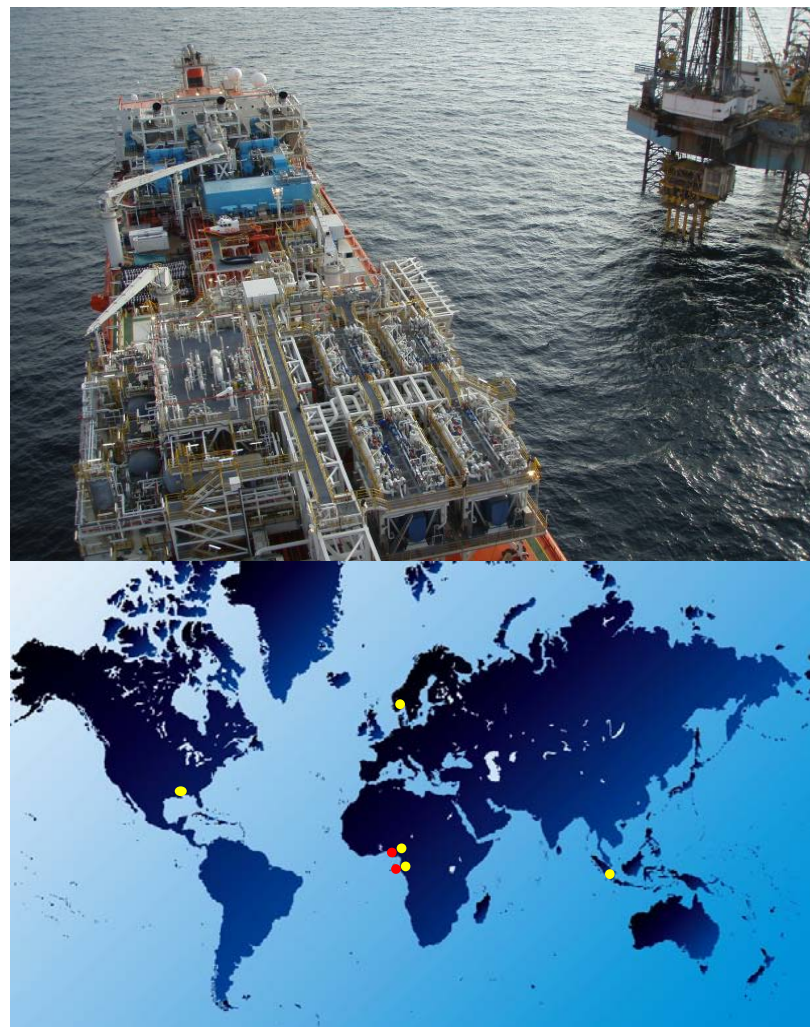
- 2 to 3 mid-segment projects within 12 month horizon – new project in Nigeria
- Several smaller scale projects pending development decisions in longer term
- Extension opportunities and further tie-ins for existing contracts

### Brazil

- Aggressive FPSO program; Petrobras and OGX

### Other Markets

- Project opportunities in Europe and Caribbean respectively



# Outlook

- Lamson JOC tender pending
- Possible new projects as African market recovers
- Number of mid-size opportunities in South-East Asia
- Balance between supply and demand improving
- Existing contracts have potential to add value
- FOP focus on cost efficient operation