

Fred. Olsen Energy ASA

4Q 2009 result presentation

17 February 2010



AGENDA

- **FINANCIAL RESULT 4Q 2009**
- MARKETS
- OPERATIONS
- SUMMARY AND OUTLOOK

Income Statement – Key Figures

(NOK mill)	4Q 2009	3Q 2009
Operating revenues	1 067	1 451
Recharged income	61	39
Total revenues	1 128	1 490
Operating costs	(538)	(602)
Recharged expenses	(60)	(37)
Total operating expenses	(598)	(639)
Oper. result before depr. (EBITDA)	530	851
Depreciation	(238)	(241)
Operating result (EBIT)	292	610
Net financial items	(36)	(85)
Result before tax	256	525
Estimated tax	(6)	(5)
Net result	250	520

Q4 EBITDA Comparison vs. Q3

MNOK



Financial Items Breakdown

(NOK mill)	4Q 2009	3Q 2009
Interest income	2	3
Gains on financial instruments	23	7
Financial income	25	10
Interest expenses	(22)	(31)
Losses on financial instruments	(23)	(61)
Other financial expenses	(5)	(6)
Financial expenses	(50)	(98)
Net foreign currency gain/(loss)	(11)	3
Net financial items	(36)	(85)

Offshore Drilling Segment

(NOK mill)	4Q 2009	3Q 2009
Operating revenues	1 038	1 383
Recharged income	61	39
Total revenues	1 099	1 422
Operating costs	(518)	(555)
Recharged expenses	(60)	(37)
Total operating expenses	(578)	(593)
Oper. result before depr. (EBITDA)	521	830
Depreciation	(236)	(240)
Operating result (EBIT)	285	590

Engineering & Fabrication Segment

(NOK mill)	4Q 2009	3Q 2009
Operating revenues	30	68
Operating costs	(21)	(47)
Oper. result before depr. (EBITDA)	9	21
Depreciation	(2)	(2)
Operating result (EBIT)	7	19

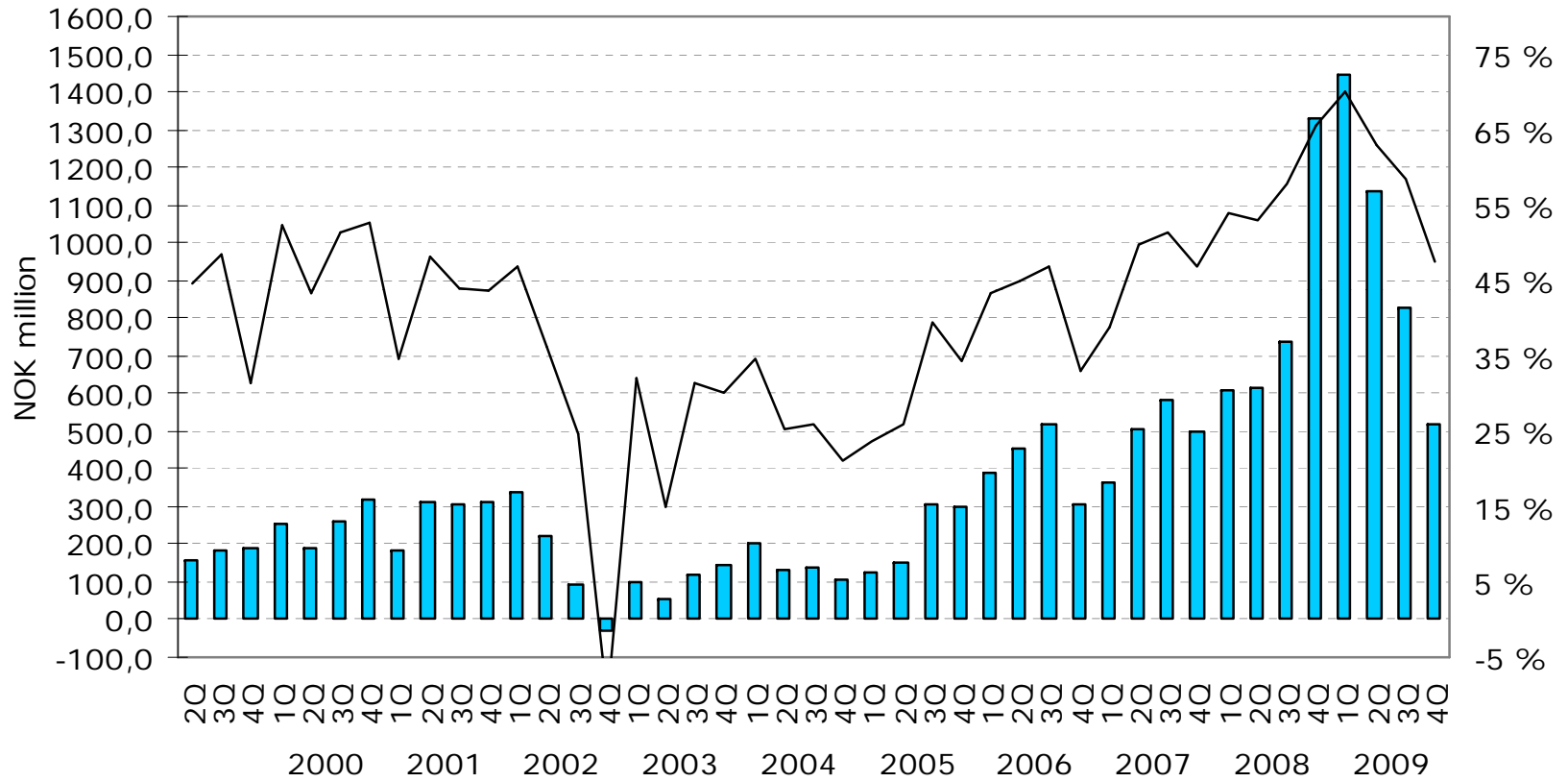
Consolidated Balance Sheet

(NOK mill)	4Q 2009	3Q 2009
Intangible assets	99	99
Property, plant & equipment	9 981	9 087
Other non-current assets	54	37
Total non-current assets	10 134	9 223
Other current assets	1 722	1 829
Cash and cash equivalents	2 014	2 186
Total current assets	3 736	4 015
Total assets	13 870	13 238
Equity	5 680	5 423
Non-current interest bearing debt	5 451	5 446
Other non-current liabilities	288	299
Total non-current liabilities	5 739	5 745
Current liabilities	1 180	799
Current interest bearing debt	1 271	1 271
Total current liabilities	2 451	2 070
Total equity and liabilities	13 870	13 238

Consolidated Cash Flow

(NOK mill)	4Q 2009	3Q 2009
Profit before income taxes	256	525
Depreciation and impairment	238	241
Interest expense	22	31
Changes in working capital	(63)	450
Unrealized currency loss/(gain)	(21)	42
Cash generated from operations	432	1 289
Interest paid	(27)	(28)
Taxes paid	(20)	4
Net cash flow from operating activities	385	1 265
Net investment in fixed assets	(680)	(655)
Cash flow from investment activities	(680)	(655)
Net borrowing/repayment of loans	-	(663)
Cash flow from financing activities	-	(663)
Foreign currency	123	(251)
Net change in cash and cash equivalents	(295)	(53)
Cash at beginning of period	2 186	2 490
Cash at end of period	2 014	2 186

Offshore drilling EBITDA and margin



Fleet status as per 17 February 2010

Rig	Type / design	W depth ft	Location	Client	Contract status	Day rate (in USD)	Next CR survey
Deepwater units							
Belford Dolphin	Drillship	10 000	USGoM	Anadarko <i>Anadarko</i>	Until April '10 <i>April '10- April '13</i>	439 000 <i>525 000</i>	1Q 2015
Blackford Dolphin	SS / Aker H-3	7 000	Ghana	Reliance	July '09- Desember'11	398 000	3Q 2013
Midwater floaters Norway							
Bideford Dolphin	SS / Aker H-3	1 500	Norway	StatoilHydro	Until January '11	NOK 2,71mill.	2Q 2014
Borgland Dolphin	SS / Aker H-3	1 500	Norway	<i>Consortium*</i>	<i>January '10 - January '14</i>	NOK 850' + USD 379'	4Q 2014
Bredford Dolphin	SS / Aker H-3	1 500	Norway	AGR** <i>RWE Dea</i> <i>RWE Dea</i>	Until June '10 July '10 - Sept '10 Oct '10 - Nov '10	392 000 429 000 373 000	2Q 2012
Midwater floaters UK - Brazil							
Borgsten Dolphin	SS / Aker H-3	1 500	UK UK	Hurrigan (LOI)	Idle May '10 - July '10	262 500	1Q 2015
Borgny Dolphin	SS / Aker H-3	2 300	Brazil	Petrobras	Until September '13	233 000	CRS
Byford Dolphin	SS / Aker H-3	1 500	UK	<i>BP</i>	<i>1Q 2010 - 1Q 2013</i>	<i>324 000</i>	1Q 2015
Accomodation floater							
Borgholm Dolphin	Acc. / Aker H-3		UK	BG	Idle		4Q 2012
Participants in the consortiums:							
* BP, Bridge, Discover, EON, Nexen, OMV, Rocksource, Wintershall							
** BG, Detnor, Endavour, Lundin, Marathon, Revus							

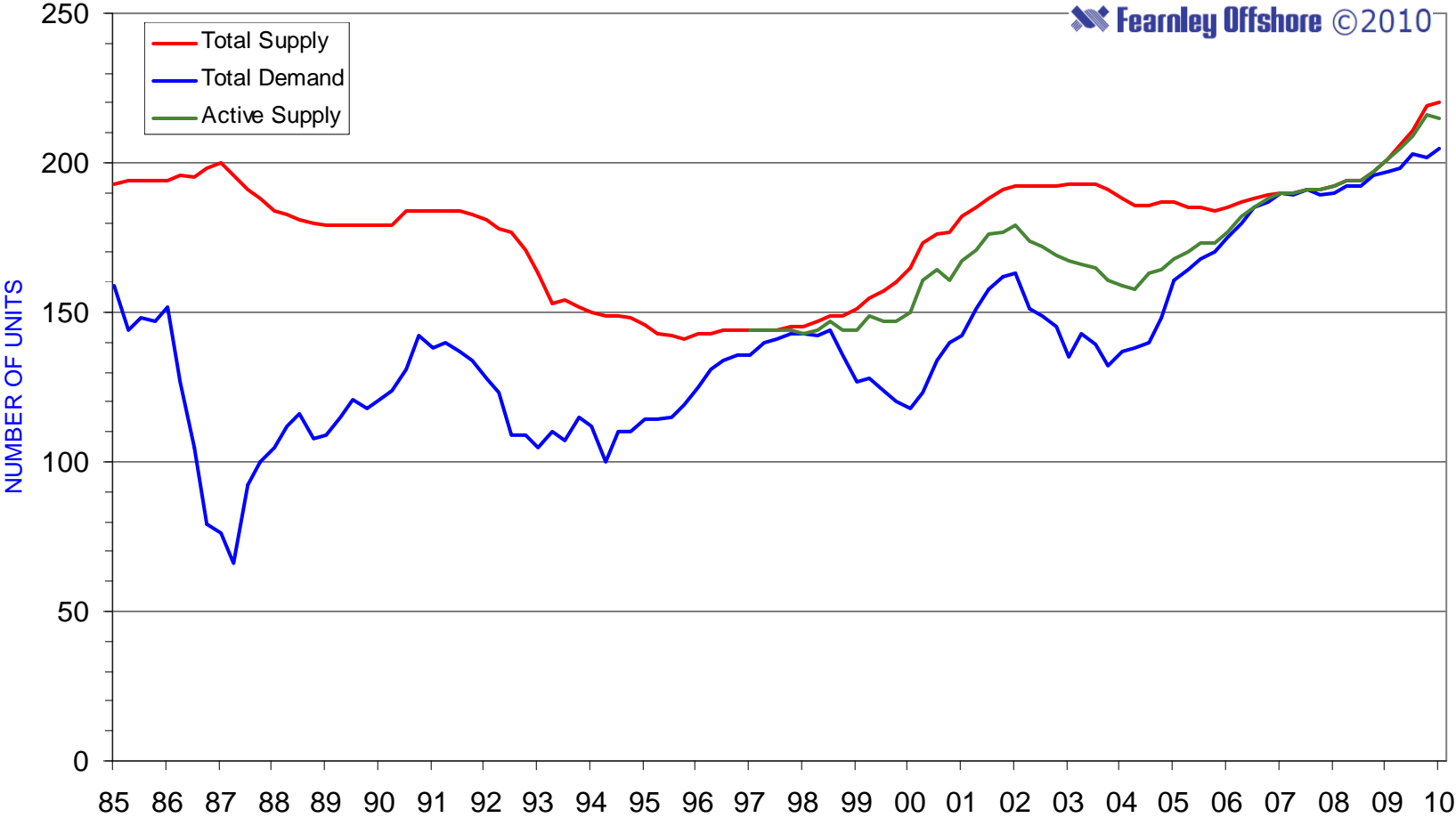
Class Renewal Survey and Capex

USD million	RS and upgrade cost	Cash outlay Per 31.12.2009	Remaining Cash outlay
Borgny Dolphin	160	123	37
Byford Dolphin	110	45	65
Borgland Dolphin	60	26	34
Borgsten Dolphin	34	10	24
Belford Dolphin	15	6	9

AGENDA

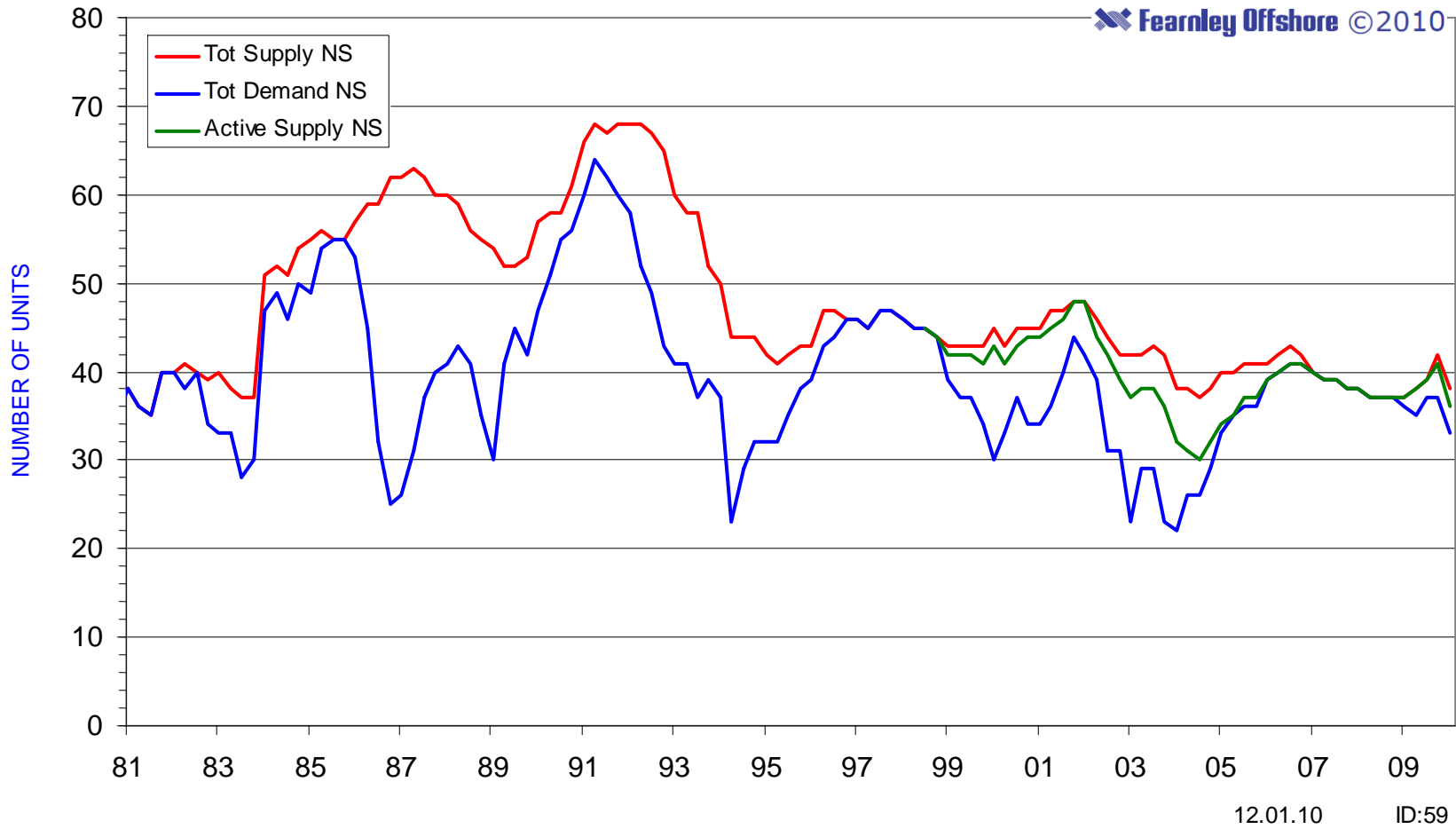
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SUPPLY AND DEMAND WORLDWIDE FLOATERS

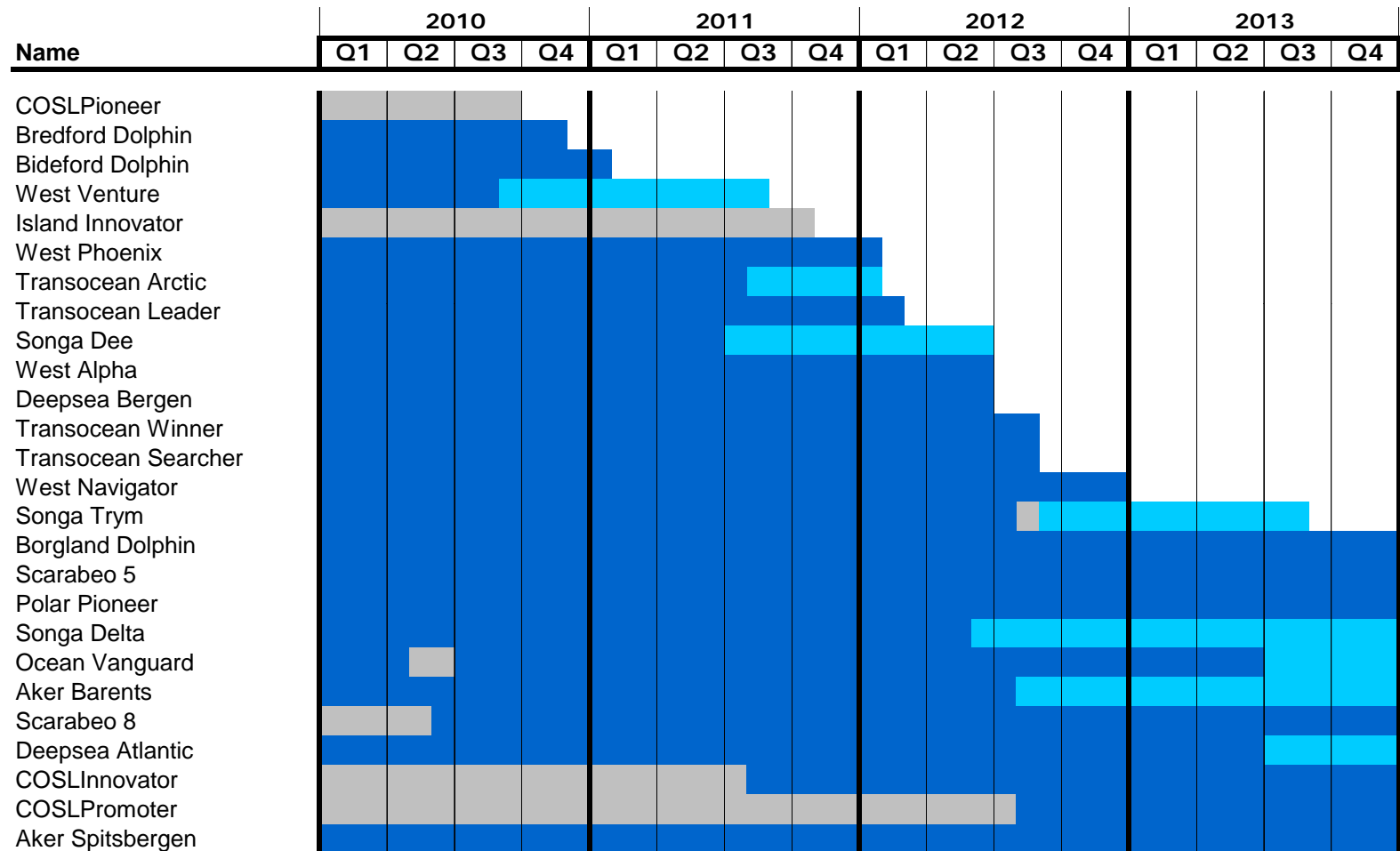


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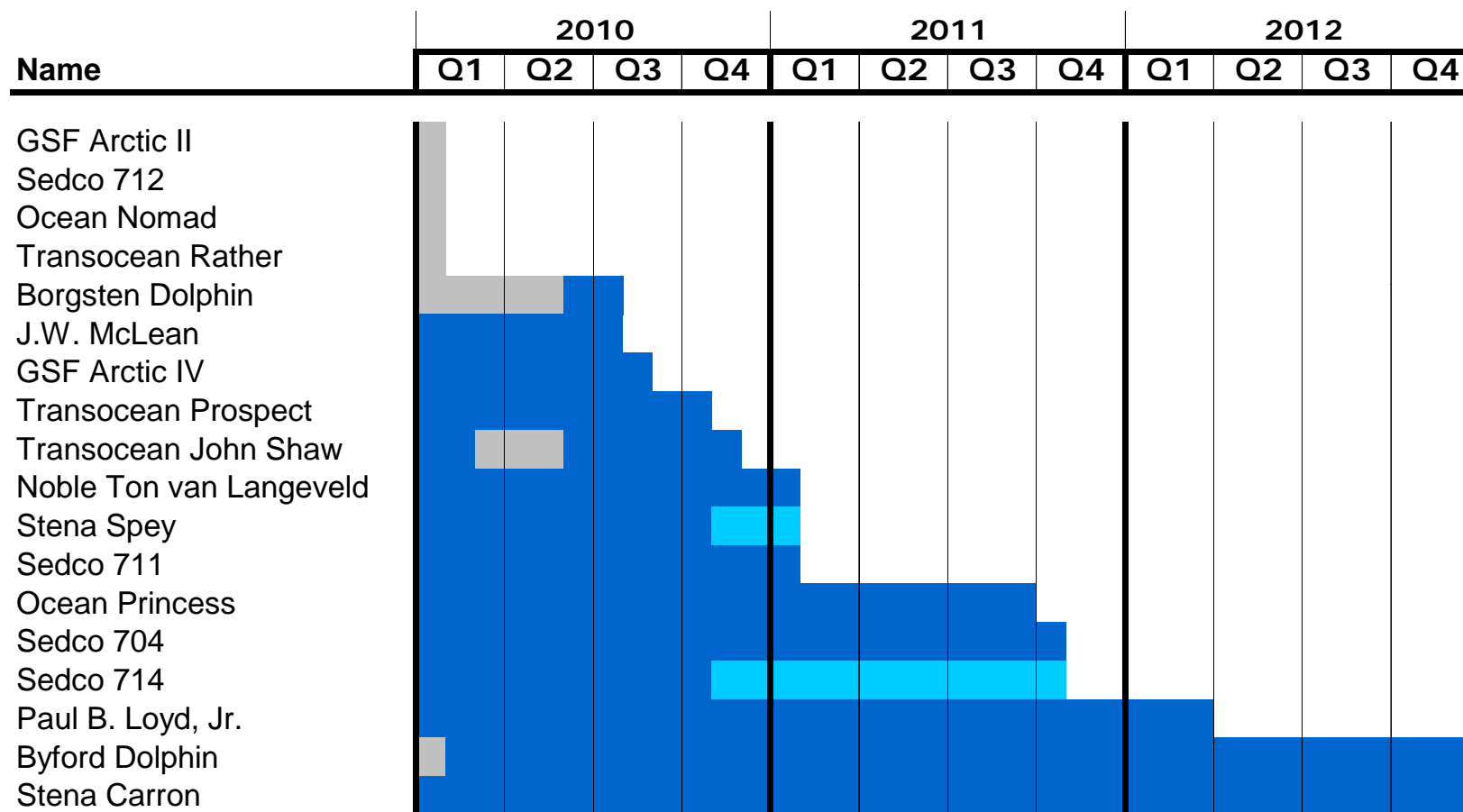
SUPPLY AND DEMAND NORTH SEA AREA SEMISUBMERSIBLE DRILLING UNITS



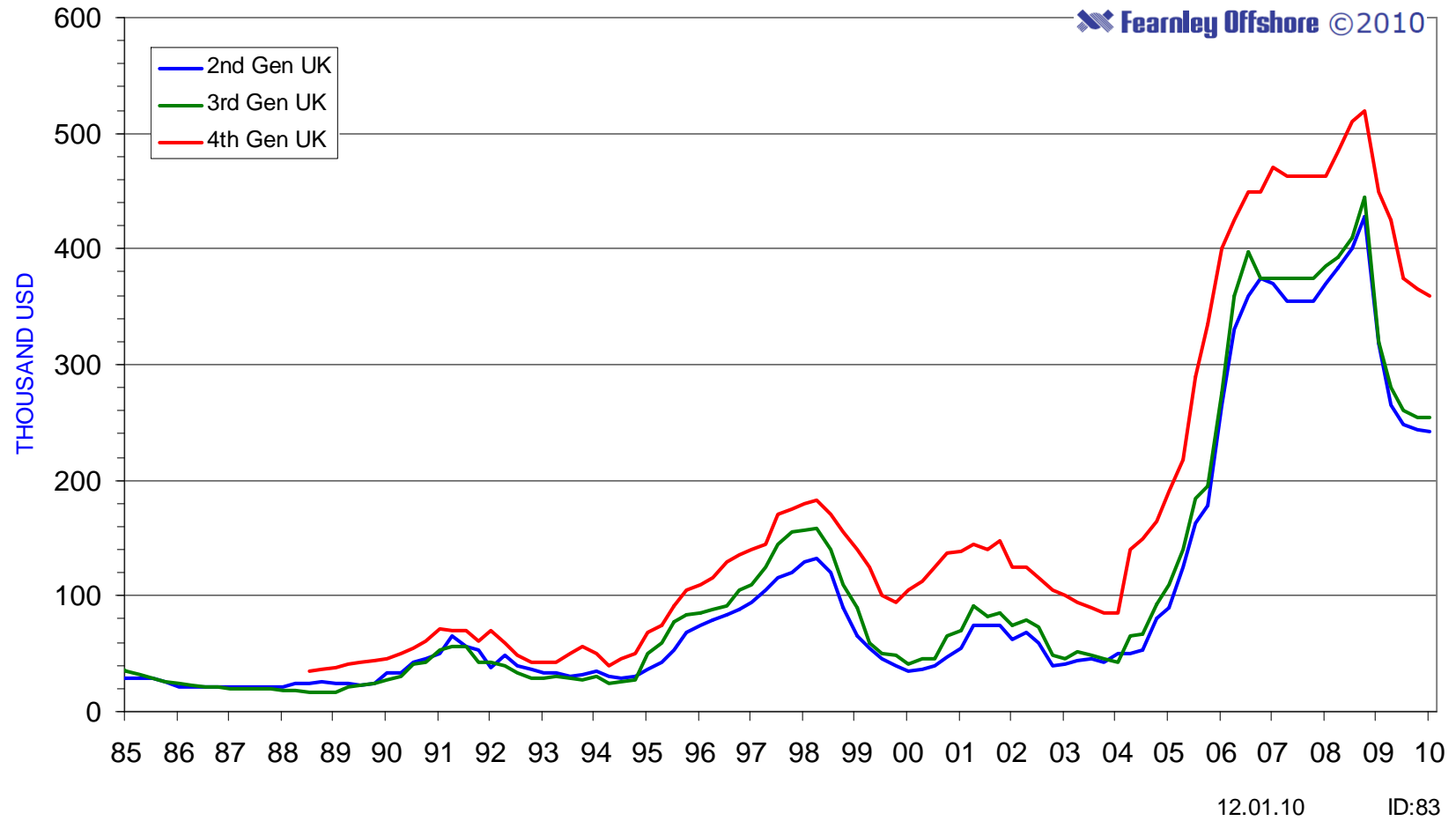
Rig availability Norwegian floater market



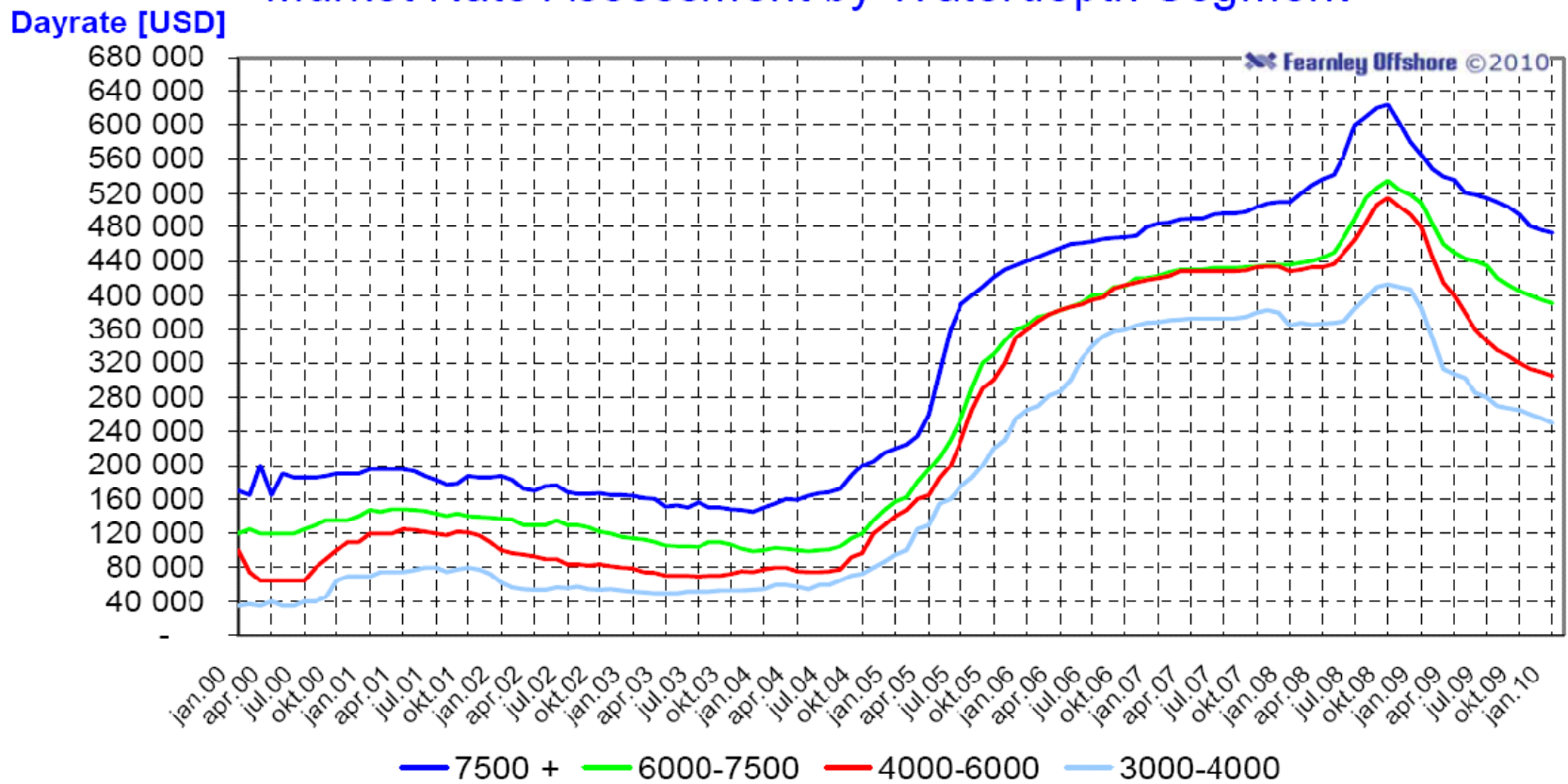
Rig availability UK floater market



AVERAGE DAYRATES UK SECTOR SEMI SUBMERSIBLE DRILLING UNITS

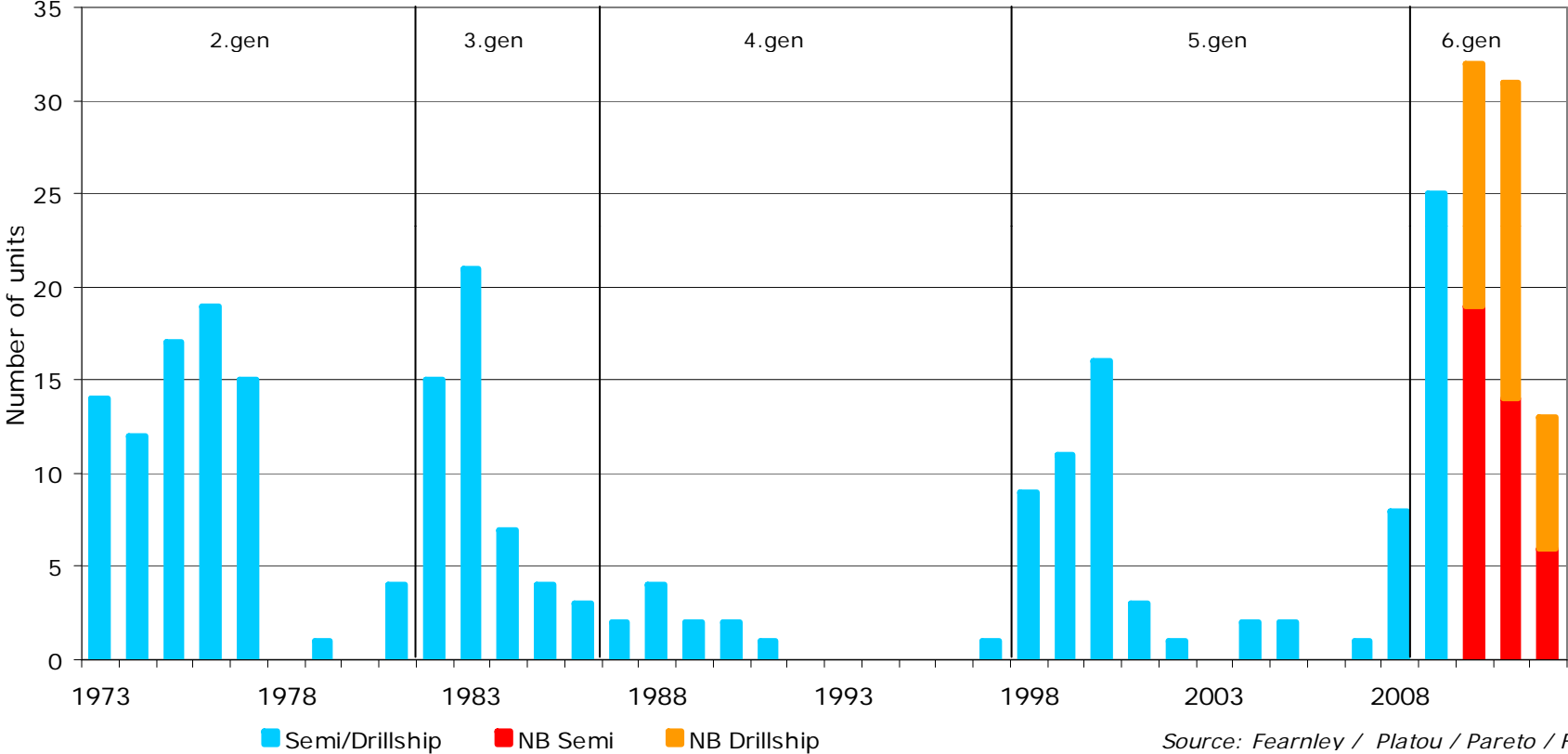


Worldwide Deepwater Drilling Units Market Rate Assessment by Waterdepth Segment



Global floater fleet and newbuilds

Age profile floaters
(Average 21 years)

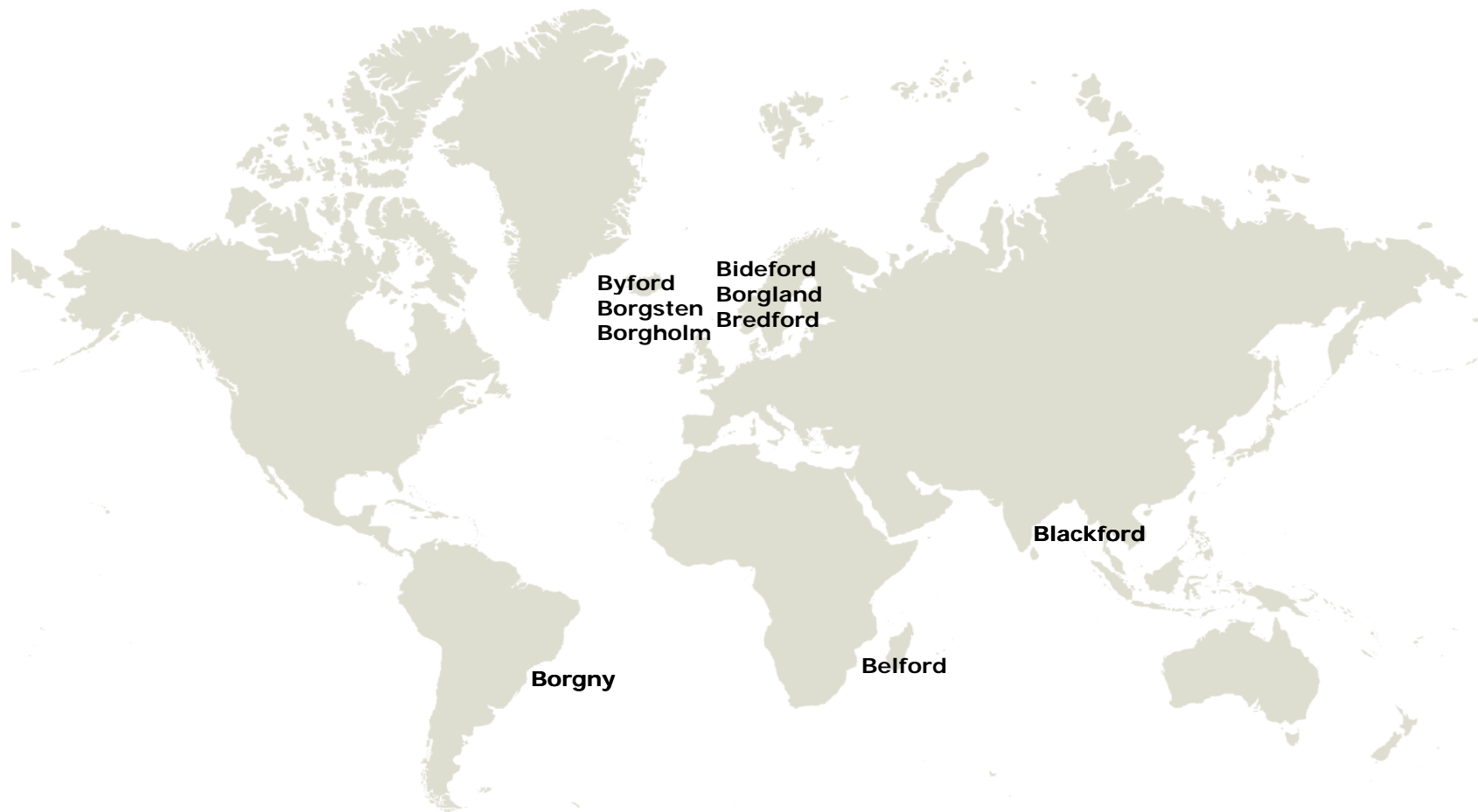


Source: Fearnley / Platou / Pareto / FOE

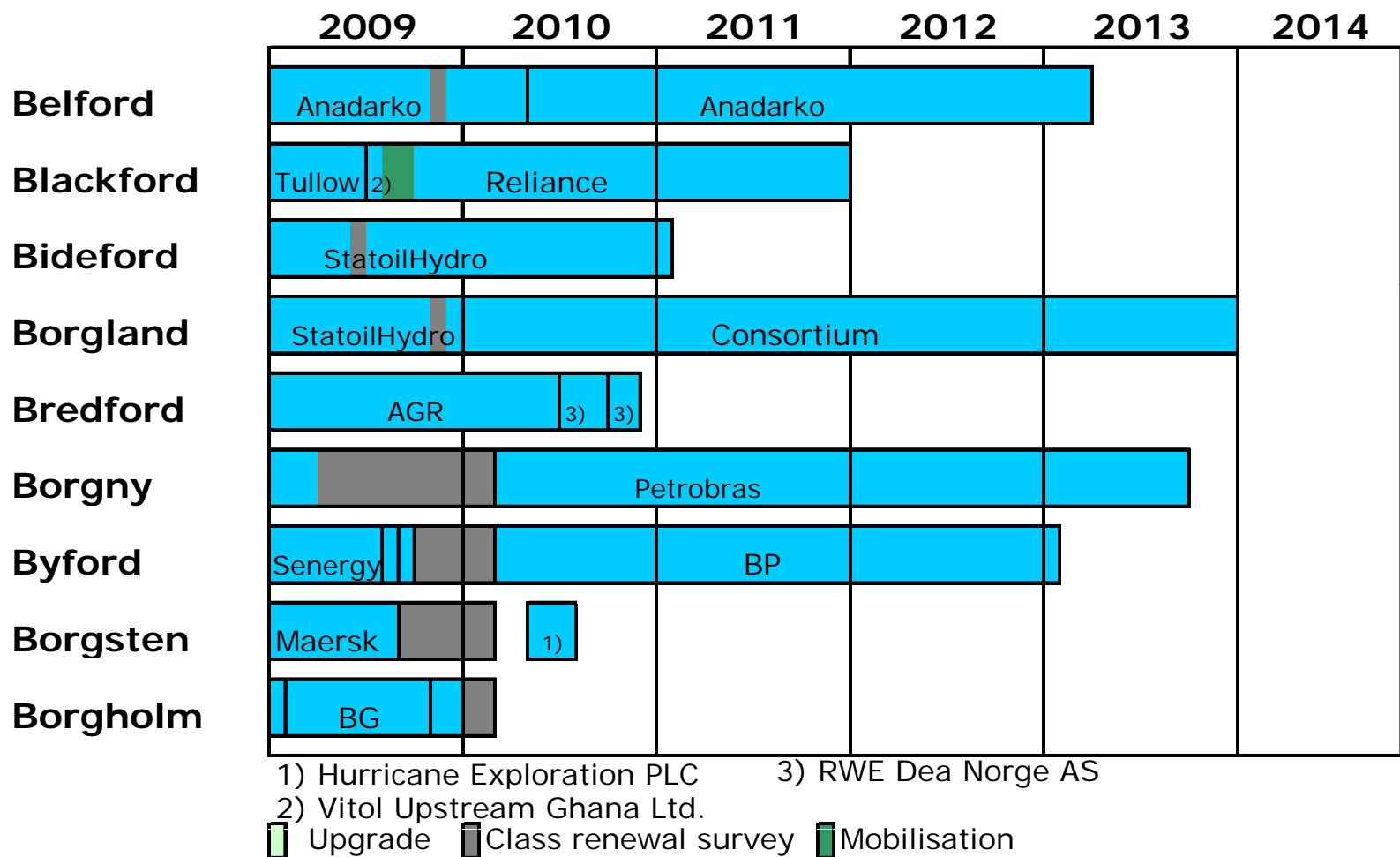
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Fred. Olsen Energy operating worldwide



Contract schedule as per 17 February 2010



Average contract length: 23 months

Deepwater – Africa/India

Belford Dolphin

- Three-year drilling contract with Anadarko from April 2007
- New three-year drilling contract from April 2010 with Anadarko
- Currently in Mozambique
- Completed five-year class renewal survey in 4Q09



Blackford Dolphin

- Completed drilling operations in Oman
- Currently on the cost of India
- Three-year contract with Reliance Industries Ltd. in India including the contract with Tullow Oil and Vitol Upstream Ghana Ltd.



Norway

Bideford Dolphin

- Operating for Statoil under a three-year contract offshore Norway expiring January 2011
- Five-year class renewal survey completed July 2009



Borgland Dolphin

- Completed operating for Statoil in January 2010
- Commenced operating under a four year contract with consortium of eight oil companies managed by RMN (Rig Management Norway)
- Five-year class renewal survey completed in Q409



Norway / United Kingdom

Bredford Dolphin

- Three-year contract through AGR for 7 operators in Norway, commenced in June 2007
- A new one well contract (90 days) with RWE Dea Norway is estimated to commence mid 2010, followed by another one well contract (60 days) with RWE Dea Norway in direct continuation
- Five-year class renewal survey and upgrade completed in June 2007



Borgholm Dolphin

- Aker H-3 accommodation rig with 600 bed capacity. Class renewal survey completed in January 2008
- Completed an accommodation contract with BG Group mid December.
- The unit is currently in lay-up in Invergordon and is available for new assignments.



United Kingdom (cont.)

Byford Dolphin

- Completed a drilling contract with Senergy Ltd. in October 2009
- A new three-year contract with BP Exploration is estimated to commence in 1Q 2010
- Five-year class renewal survey estimated to be completed in March 2010



Borgsten Dolphin

- Completed a nine-month contract with Maersk in August 2009 and are currently carrying out its five-year class renewal survey
- A Letter of Intent for two wells, estimated to 75 days was entered into with Hurricane Exploration PLC in January 2010 with commencement in May 2010



Brazil

Borgny Dolphin

- Commenced operation under a five-year drilling contract with Petrobras in Brazil, expiring September 2013
- Currently undergoing the five-year class renewal survey and upgrade. The unit is estimated to commence operation in March 2010.



Harland & Wolff

- Focus on ship repair, ship building, steel fabrication and engineering services
- Holds a Waste Management License for ship demolition
- The yard area is serving as a logistics and assembly base for offshore windfarms
- This will be a focus area for the future, in addition to ship building and ship repair



Summary and outlook

- Relatively stable oil price in 2nd half 2009 and into 2010
- Number of enquiries and pre-tendering activity has increased
- New fixtures in Norway, UK and other areas

- The balance between supply and demand seems healthy in a longer perspective

- The company will continue to consider possible investment opportunities to expand its drilling services
- Average contract duration: approximately 23 months

- The Board of Fred. Olsen Energy ASA proposes a dividend of NOK 10 per share for 2009