SCANA CREATES PROGRESS

SCANA INDUSTRIER ASA

Pareto's Oil and Offshore Conference, Sept 1-2, 2010

Christian Rugland, CFO

Scana Industrier ASA

Scana Industrier ASA is a Nordic industrial group providing products and system solutions to three market segments: Marine, Energy and Steel & Machinery.

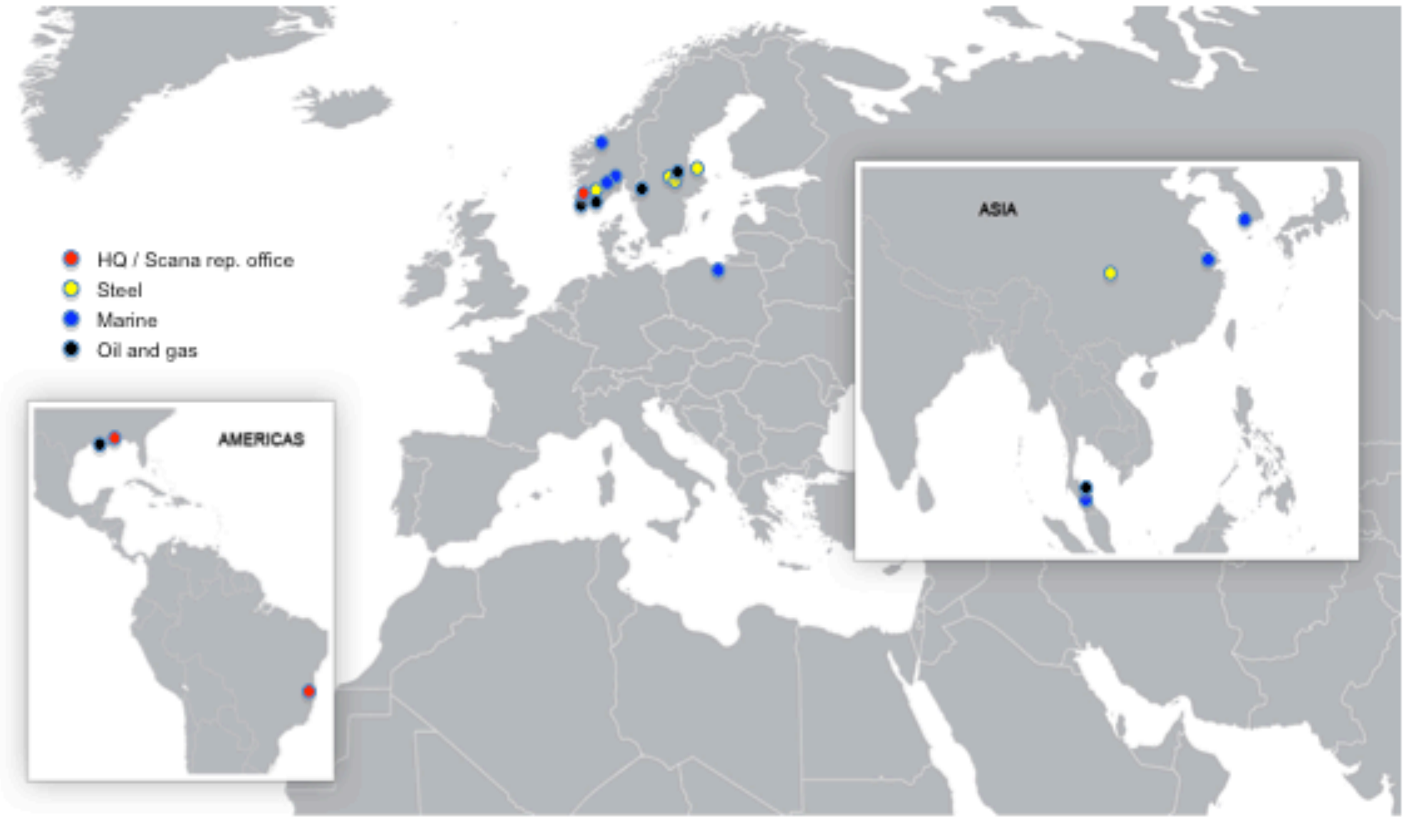
Scana also provides service and laboratory services, in addition to maintenance and repairs for customers in the marine market and oil & gas.

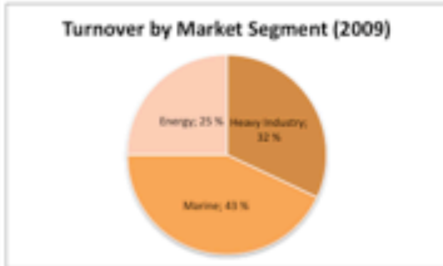
Scana’s technology, unique expertise in engineering materials and extensive production experience form the basis of our competitive power.

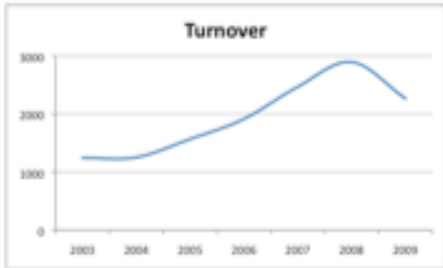
Our aim is to be the preferred supplier for leading companies within our market segments. The majority of Scana’s customers are in Europe, the USA and South East Asia.

Scana Industrier ASA has companies in Norway, Sweden, China, USA, Poland, Singapore, Brazil and South Korea, as well as associated companies in a number of countries.
The group’s head office is in Stavanger.

Global representation







Scana's Market Segments

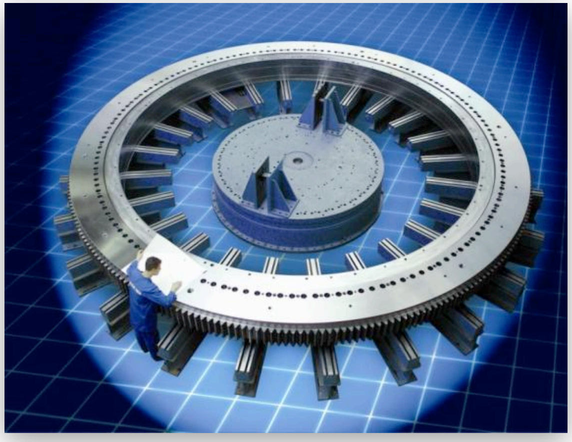
- **Scana Industrier ASA**
  - **Heavy Industry**
    - Forged products
    - Cast products
    - Rolled products
    - Forklift components
  - **Marine**
    - Propulsion
    - Control Systems
    - Actuators
    - After-market Service
  - **Energy**
    - Subsea and Drilling
    - Turret and Oil Production
    - Renewable Energy
    - Maintenance, Modifications

Market Segment:

Steel & Machinery

Fork-lift components

Components for heavy machinery



Systems from drawing board to finished product

Forged shafts for motors and generators

CAT

MAN

SANDVIK

UDDEHOLM

IGGESUND HOLMEN GROUP

DEUTSCHE EDELSTAHLWERKE

Kalmar

Linde

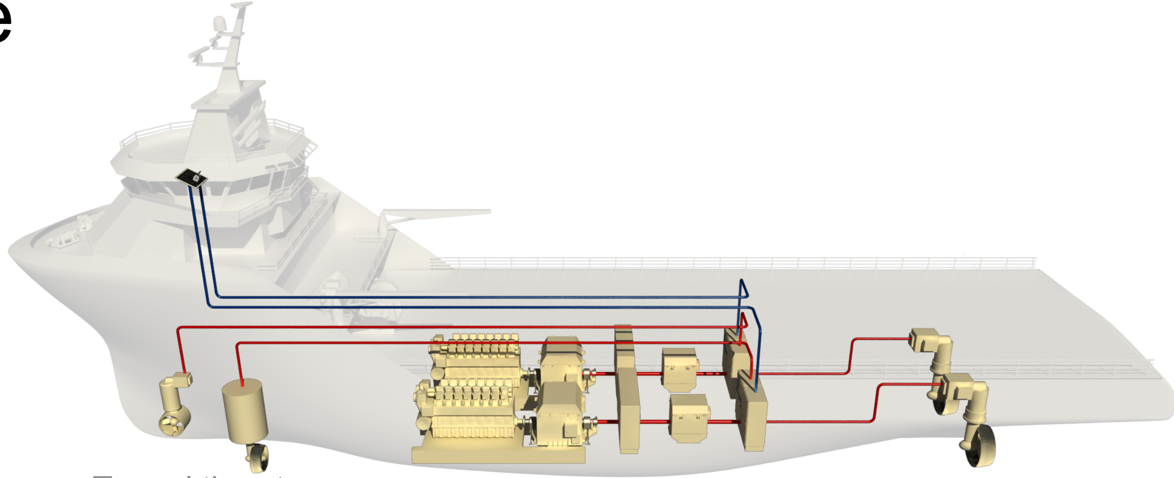
Beijing 2008

SVETRUCK

BAOSTEEL

Market Segment:

Marine



Tunnel thrusters

Diesel-electric propulsion system

SAMSUNG HEAVY INDUSTRIES

HYUNDAI HEAVY INDUSTRIES CO.,LTD.

WÄRTSILÄ

Rolls-Royce

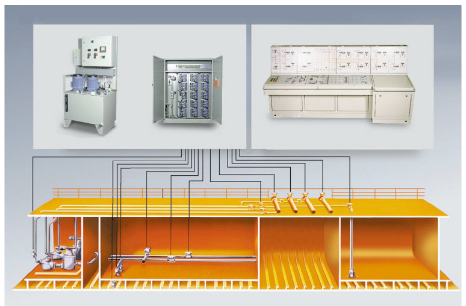
Bourbon Offshore Norway

SOLSTAD OFFSHORE ASA

stx Europe

FARSTAD

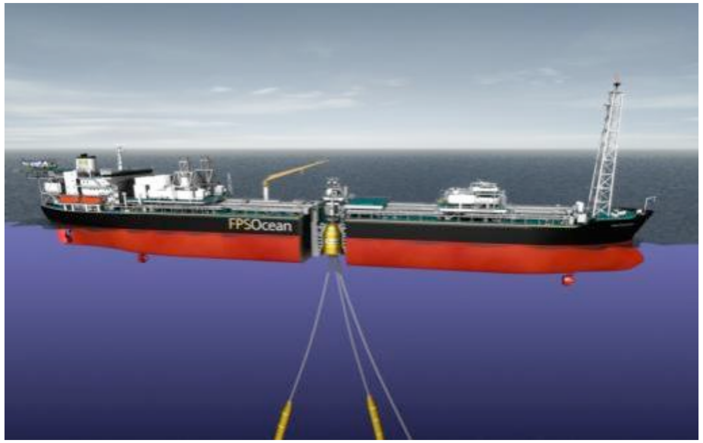
Double-acting actuator



Control system

Market Segment:

Energy



Loading system for FPSOs

Hose reels for Oil Installations


LMRP for BOP stack


Shafts for water turbines


Main shafts, gearboxes, generator shafts and integrals

FMC Technologies
NATIONAL OILWELL VARCO
bp
PETROBRAS
SEVAN marine
Transocean
Seadrill
ABB
SIEMENS
BRUSH
ALSTOM
imagination at work

First half 2010:

Continued weak market – but with signs of improvement

Significantly better order inflow in the first half of the year compared to the same period in 2009

Decline in turnover and profit due to:

- Less optimal product mix with lower refinement ratio and reduced prices
- Weaker Euro

A gradual improvement in product mix and increased order inflow are expected to impact the result from the fourth quarter of 2010

First half 2010:

Key figures

	Quarter					YTD		All year
NOK millions	Q2 10	Q2 09	Q1 10	Q4 09	Q3 09	2010	2009	2009
Operating revenue	448	618	430	491	457	878	1,319	1,995
EBITDA	6	82	17	40	52	23	171	191
Operating profit EBIT	(11)	67	1	22	38	(10)	141	127
Operating margin %	-2%	11%	0%	4%	8%	-1%	11%	6%
Profit before tax before temp. change in value of currencies	(8)	50	2	24	32	(6)	114	41
Profit before tax	(18)	71	7	27	83	(11)	215	188
Order inflow	414	200	434	284	284	848	553	1,121
Order reserve	836	1,304	843	856	1,075	836	1,304	856

Scana

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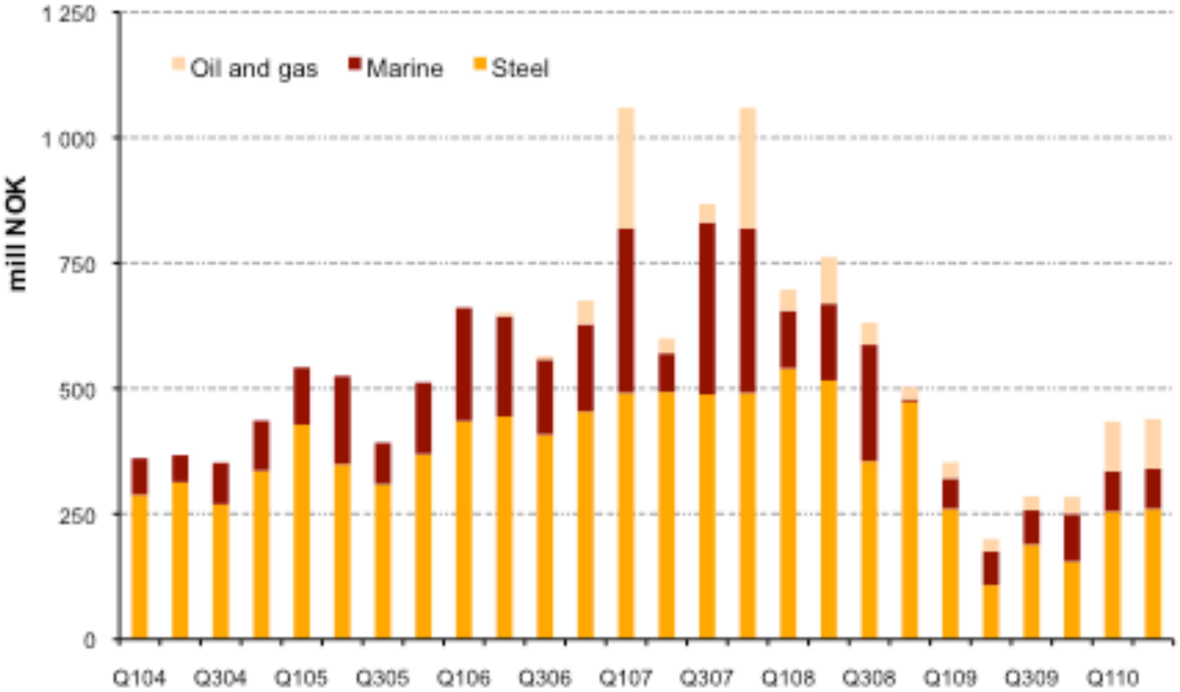
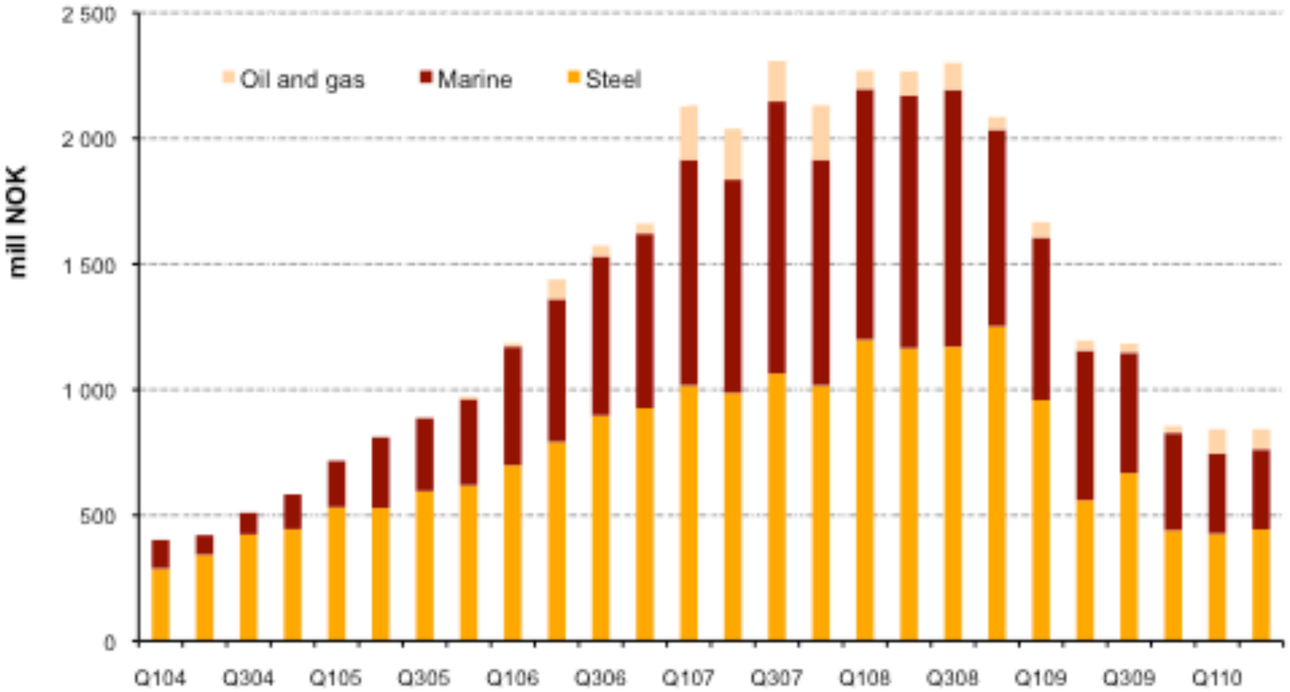
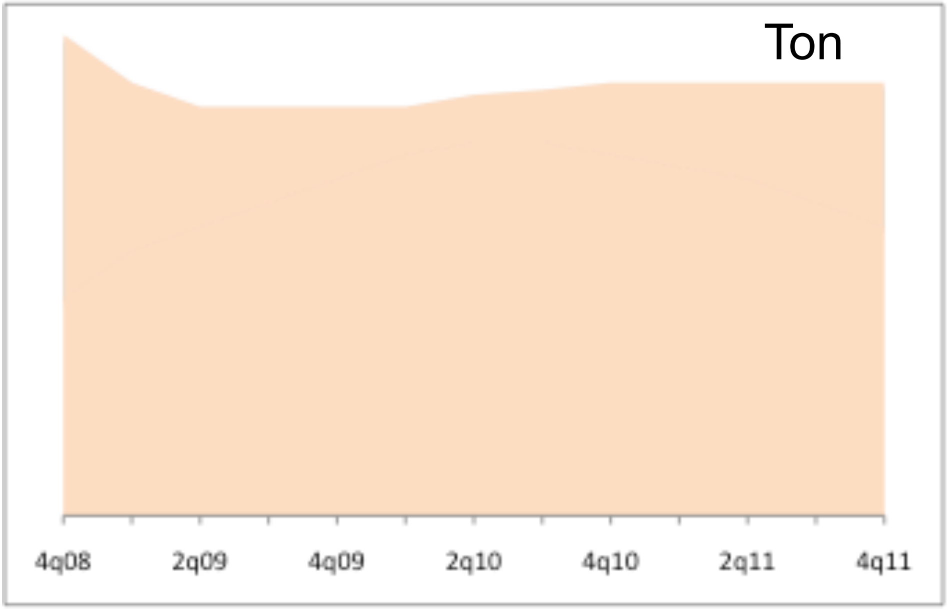
Order Intake

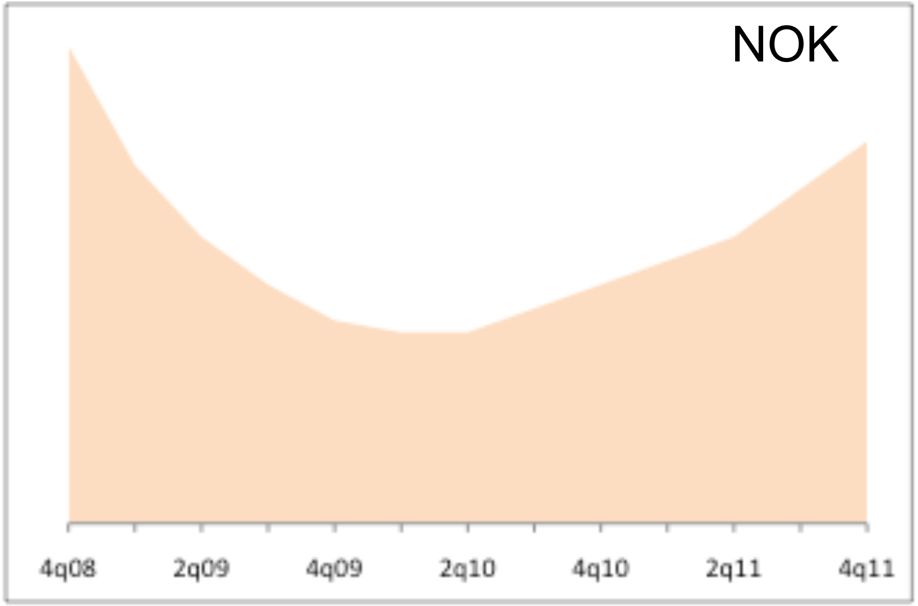


Order Reserve

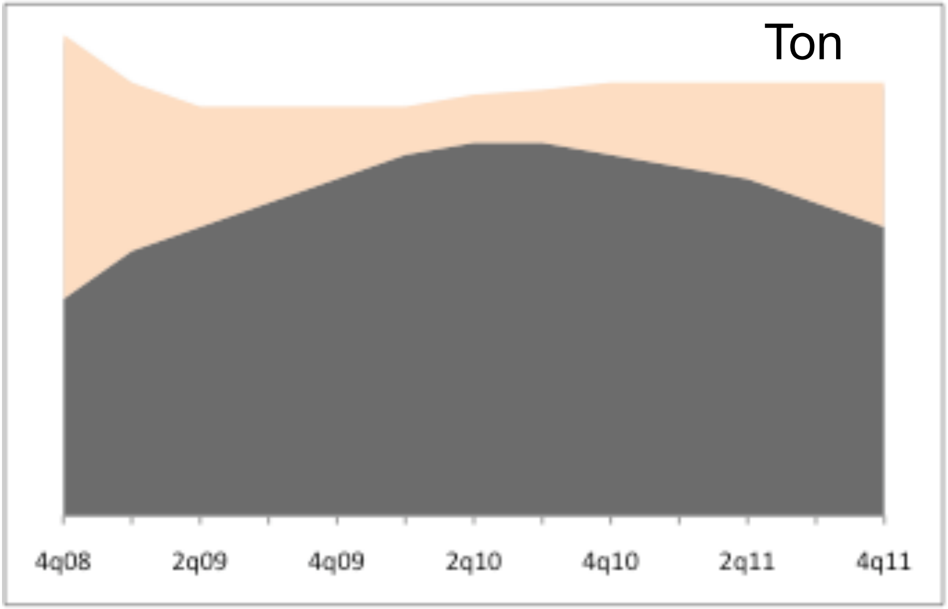


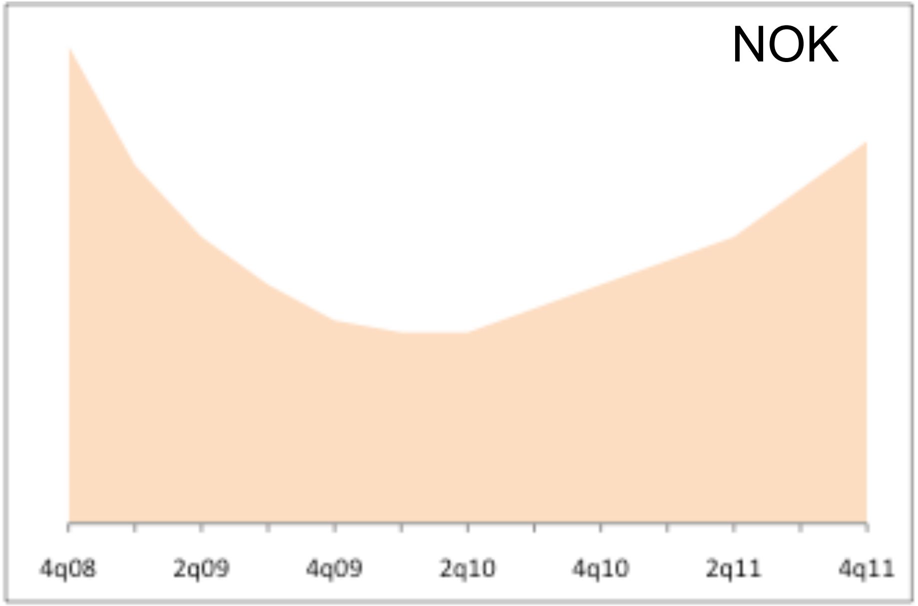
Product Mix in Steel Companies (illustration)





Product Mix in Steel Companies (illustration)



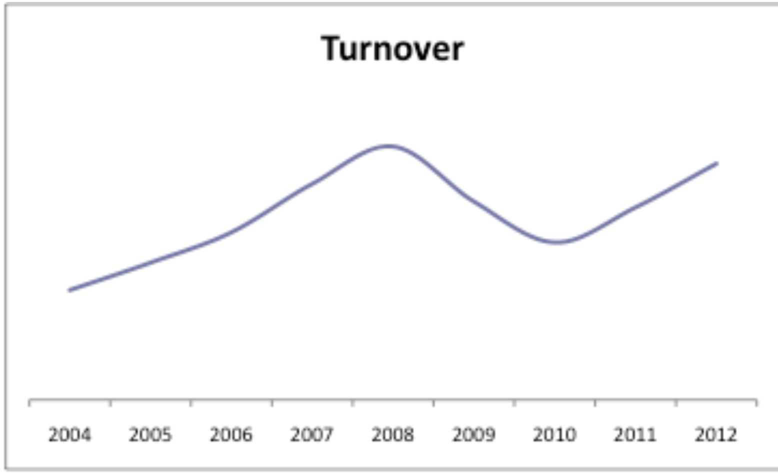


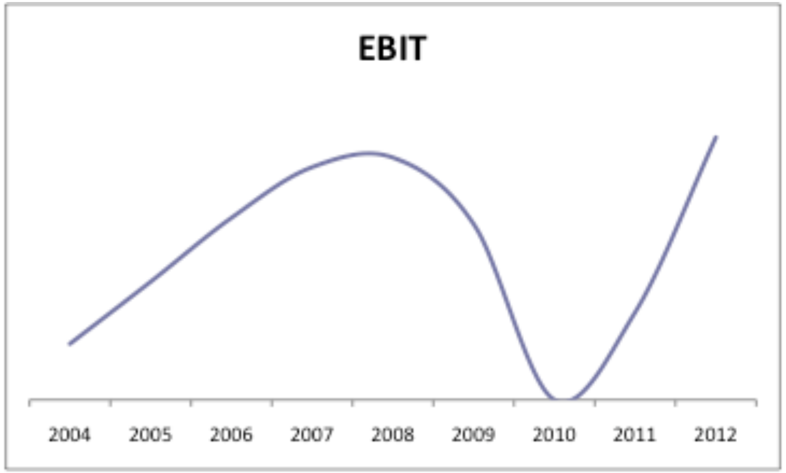
Tonnage
Grey; half-fabricated products for the steel and machinery market segment

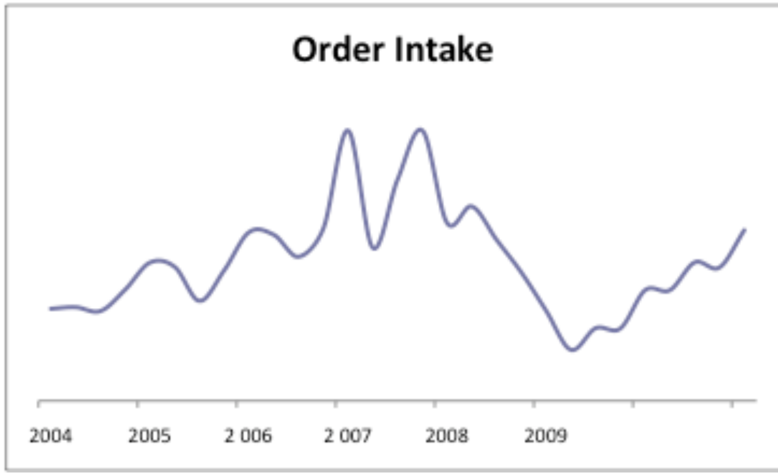

-30

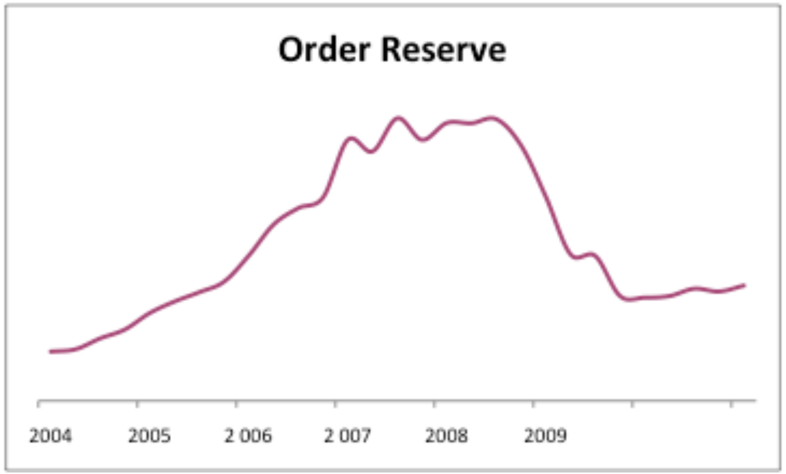
GUIDING

Scana 2010 - 2012









Critical Success Factors 2010-11

Opportunities

+ Gradually improved product mix for Scana (increasing share of finished products)
+ High demand for cast steel and highly corrosion resistant steel
+ High tendering activity for risers and increased number of tenders for FPSO packages
+ Scana's competitive position with largest clients has been strenghtened
+ Positive trends within marine,
  with several new orders placed, current negotiations and tendering activity high
+ Gradually increasing prices in new steel contracts

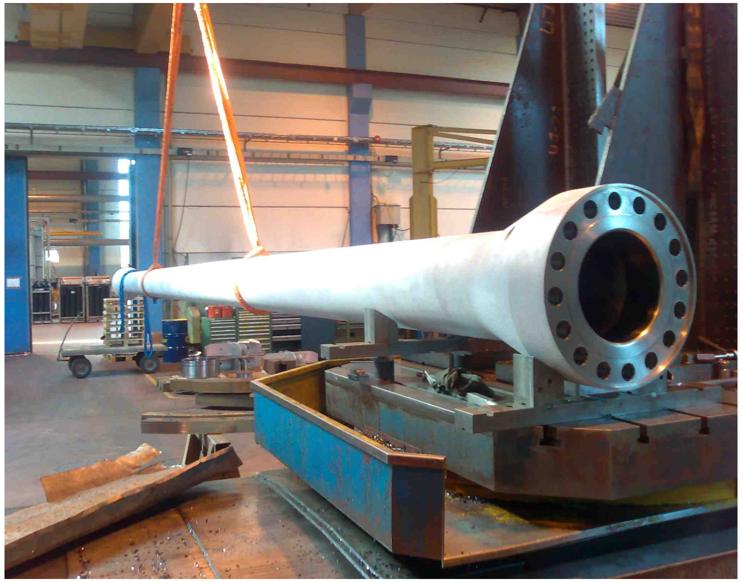
Threats

- EURO-zone is recovering slowly
- Hesitant progress of key projects within oil and gas
- High capacity increase in European steelworks
- China's growth rate is reduced, US economy fragile

Scana expect:

Q-on-Q increase in order intake and gradually improved profitabilty

Business Development



USA	Evaluating a green-field service- and repair centre for heavy drilling equipment and risers in Lousiana. Could extend to BOP and marine service at stage II.
Brazil	Considering JV for manufacturing of projects. Resources for sales and services are strengthened.
Singapore	Aim to establish business for service, repairs and production. Screening for ventures is ongoing.
Products	TTS a possible partner to strengthen product portfolio and utilise production capacity.

TTS

MARINE	ENERGY	PORT & LOGISTICS	SERVICES
			

Scana's initial view

TTS

Products
- TTS would broaden the range of products and systems
- Particularly relevant within energy

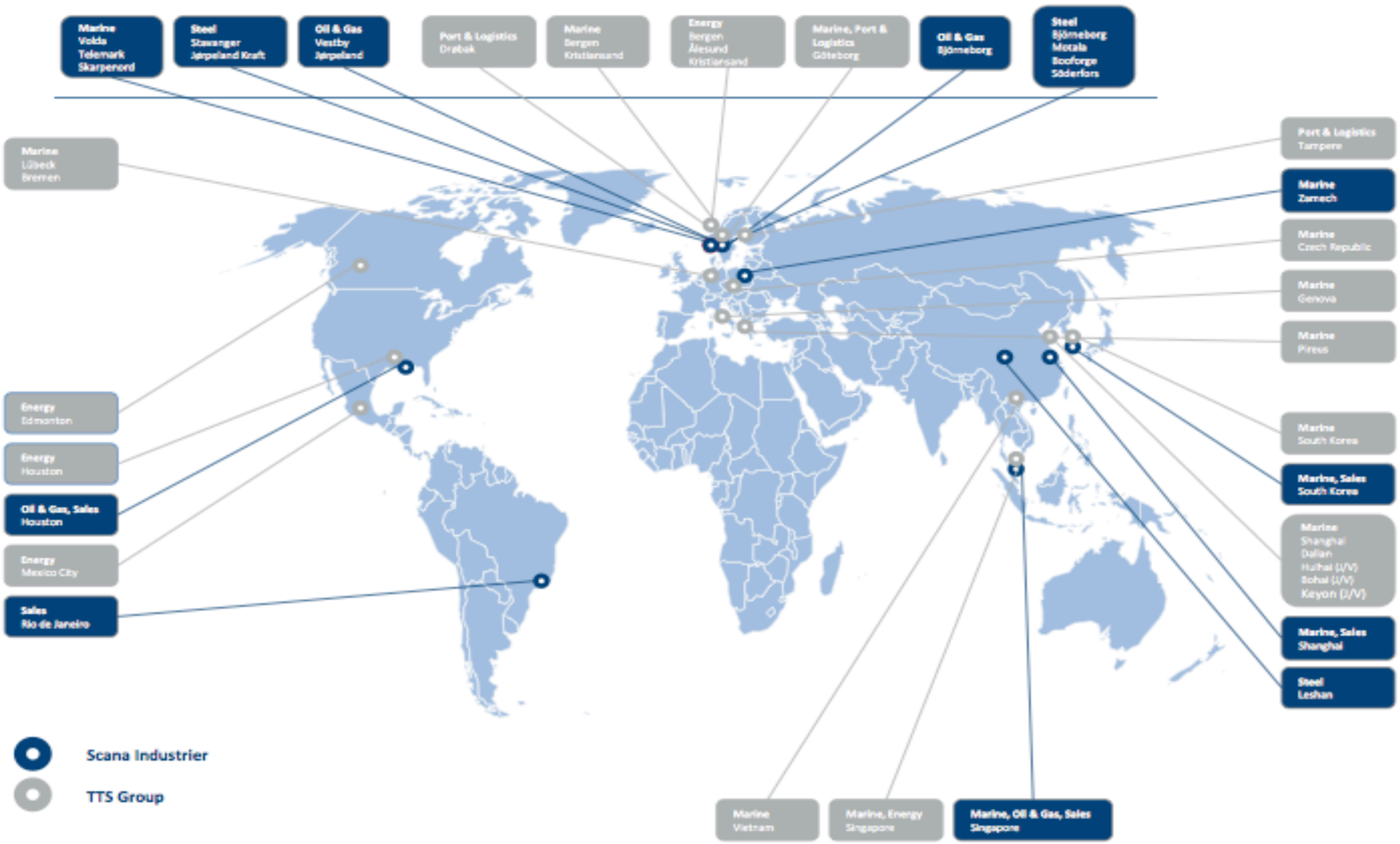
International presence
- Geographically
- Complementary in Asia
- New opportunities in Brasil

Service og repairs
- Important for both companies

Possible production & value chain synergies

Financial synergies

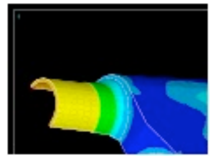
The companies will explore the basis for further cooperation



Marine Volda Telemark Skarpenord
Steel Stavanger Jørpeland Kraft
Oil & Gas Vestby Jørpeland
Port & Logistics Drøbak
Marine Bergen Kristiansand
Energy Bergen Ålesund Kristiansand
Marine, Port & Logistics Göteborg
Oil & Gas Björneborg
Steel Björneborg Motala Booforge Söderfors
Marine Lübeck Bremen
Port & Logistics Tampere
Marine Zamech
Marine Czech Republic
Marine Genova
Marine Pireus
Energy Edmonton
Energy Houston
Oil & Gas, Sales Houston
Energy Mexico City
Sales Rio de Janeiro
Marine South Korea
Marine, Sales South Korea
Marine Shanghai Dalian Huihai (J/V) Bohai (J/V) Keyon (J/V)
Marine, Sales Shanghai
Steel Leshan
Marine Vietnam
Marine, Energy Singapore
Marine, Oil & Gas, Sales Singapore
Scana Industrier
TTS Group

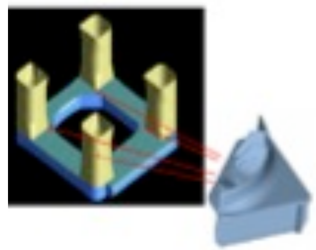
Product development within oil and gas

Scana Vestby – Rig / FPSO fueling system
further development of offloading technology into smaller systems.



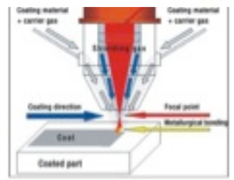
Scana Subsea – Flowline connectors (Y & T)
development of material and forging technology to produce flowline connectors for export pipelines

Scana Offshore Systems – Compensating systems for well intervention
for use on new deepwater rigs doing well intervention work on deeper waters



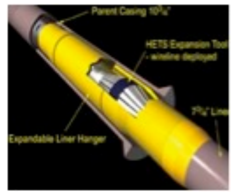
Scana Steel Stavanger – Constructions (Insert Nodes)
engineering assisted development for use within compact, load bearing constructions
in the rig and windmill structures

Scana Offshore Technology – Laser overlay cladding
supplement to the existing thermal spay



Scana Steel Stavanger – High alloy Cr-Ni materials
for use in extremely acidic wells in down hole systems

Scana Offshore Vestby – Use of wolfram-carbide for riser repair



Scana Steel Björneborg – Development of increased tensile strength for risers production

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www.scana.no

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