

# Fred. Olsen Energy ASA

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## **Report for the 2<sup>nd</sup> quarter 2009 and the first half year 2009**

*Figures in NOK*

**FRED. OLSEN ENERGY ASA (FOE) REPORTS AN OPERATING PROFIT BEFORE DEPRECIATION (EBITDA) OF 1,150 MILLION FOR THE 2<sup>nd</sup> QUARTER 2009 AND 2,601 MILLION FOR THE FIRST HALF YEAR 2009**

### **HIGHLIGHTS FOR THE 2<sup>nd</sup> QUARTER 2009**

- Revenues were 1,873 million
- EBITDA was 1,150 million
- Operating profit (EBIT) was 907 million
- Profit before tax was 900 million
- Earnings per share were 13.1
- Bredford Dolphin secured new 90 days contract

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## **FINANCIAL INFORMATION (1<sup>st</sup> quarter 2009 and 1<sup>st</sup> half year 2008 in brackets)**

Operating revenues in the quarter were 1,873.3 million (2,108.6 million), a decrease of 235.3 million compared with the previous quarter. The revenues for offshore drilling division were 1 810.6 million, a decrease of 249.3 million. Revenues for the engineering and fabrication division were 62.7, an increase of 14.0 million. The decrease in revenues within the offshore drilling division is mainly due to class renewal survey for Borgny Dolphin and Bideford Dolphin.

Operating costs were 723.3 million (657.8 million), an increase of 65.5 million compared with previous quarter. Operating costs within the offshore drilling division increased by 58.2 million. Operating costs within the engineering and fabrication division increased by 7.3 million. The increase in operating costs within the offshore drilling division is mainly due to a provision of 72 million related to clients, partly offset by lower operating cost for Borgny Dolphin and Bideford Dolphin while going through class renewal survey.

Operating profit before depreciation (EBITDA) was 1,150.0 million (1,450.8 million).

Operating profit before depreciation (EBITDA) for the half year was 2,600.8 million (1,230.6 million).

Depreciation amounted to 242.9 million (251.7 million).

Depreciation for the half year amounted to 494.6 million (250.5 million).

Operating profit after depreciation (EBIT) was 907.1 million (1,199.1 million).

Operating profit after depreciation (EBIT) for the half year was 2,106.2 million (980.1 million).

Net financial expenses were 6.9 million (52.1 million).

Net financial expenses for the half year were 59.0 million (income of 4.6 million).

Profit before tax was 900.2 million (1,147.0 million).

Profit before tax for the half year was 2,047.2 million (984.7 million).

Net profit, including an estimated tax charge of 30.3 million (32.6 million), was 869.9 million (1,114.4 million).

Net profit for the half year, including an estimated tax charge of 62.9 million (7.2 million), was 1,984.3 million (977.5 million).

Basic earnings per share were 13.1 (16.8).

Basic earnings per share for the half year were 29.9 (14.7).

The **offshore drilling division** reported revenues of 1,810.6 million (2,059.9 million) and EBITDA of 1,136.8 million (1,444.3 million).

The **engineering and fabrication division** reported revenues of 62.7 million (48.7 million) and EBITDA of 13.2 million (6.5 million).

## **OPERATIONS**

### **Drilling Division**

The Group's offshore fleet consists of two deepwater units and six mid-water semi-submersible drilling rigs in addition to one accommodation unit. Three of the semi-submersible drilling rigs are operating in Norway. Seven out of nine units have long-term contracts.

#### **Norway**

Bideford Dolphin continued operations under the three-year drilling program offshore Norway for StatoilHydro ASA. The contract will expire in January 2011. The rig went inshore to the CCB base in Bergen for its five year class renewal survey on the 9<sup>th</sup> of June 2009. The unit left the yard and started mobilization on the 14<sup>th</sup> July.

Borgland Dolphin continued operations under a three-year drilling contract with StatoilHydro ASA and the other licensees in the Tampen area on the Norwegian Continental Shelf. The contract will expire on 1<sup>st</sup> January 2010. In August 2008, a four year drilling contract for the unit was entered into with a consortium consisting of 8 oil companies and managed by RMN (Rig Management Norway). The unit is scheduled to go through its five year class renewal survey in September 2009.

Bredford Dolphin continued operations under a three-year drilling contract with AGR and a consortium of licensees on the Norwegian Continental Shelf. The contract will expire in June 2010. In June 2009, a new 90 days drilling contract was entered into for the unit with RWE Dea Norge AS for operation on the Norwegian Continental Shelf. The contract will expire in September 2010.

#### **International**

The ultra deepwater drillship Belford Dolphin continued operations under a three years drilling contract with Anadarko, which will expire in April 2010. In November 2007, a three-year drilling contract for the unit was entered into with Anadarko in direct continuation with the existing contract. This contract will expire in April 2013.

Blackford Dolphin completed the contract with Tullow in Ghana and commenced a drilling program of one well for Vitol Upstream also in Ghana on the 1<sup>st</sup> of June 2009, which is estimated to be completed in July. Thereafter the unit is scheduled to proceed to India to work for Reliance Industries Ltd. The total length of the contract for the combined operations in Ghana and India is three years and will expire in December 2011.

Borgny Dolphin commenced a five years drilling contract with Petrobras in September 2008. The contract is estimated to expire in September 2013. The unit commenced its five year class renewal survey in the beginning of April 2009. After entering into the yard it was concluded that the unit would need more steel replacement than anticipated. This has extended the yard stay and the rig is now estimated to commence operation late 3<sup>rd</sup> quarter 2009. The cost for the Class Renewal Survey and upgrade is estimated to USD 125 million.

Byford Dolphin commenced a nine months contract with Senergy in October 2008 which is estimated to end in July 2009. A new three year agreement with BP Exploration Operating Co. Ltd for operation in UK sector of the North Sea was entered into in October 2008 with commencement in first quarter 2010. In May 2009, a new 48-day drilling contract was entered into for the unit with Senergy for operation in UK sector of the North Sea which is estimated to end in September 2009. The unit is estimated to go through its five year class renewal survey in fourth quarter 2009, prior to commencement of the contract with BP.

Borgsten Dolphin commenced a nine months drilling contract with Maersk Oil North Sea Limited in September for operation in the UK sector of the North Sea. Borgsten Dolphin is available for new contract from August 2009.

Borgholm Dolphin commenced an 8.5 months accommodation contract with BG Group in February 2009 for accommodation work in the UK sector of the North Sea. The contract will expire in October 2009.

### **Engineering and Fabrication**

The Harland & Wolff shipyard continued operations within engineering, ship repair and shipbuilding. In addition the yard has, as in the previous quarters, been engaged in logistics and assembly activities related to offshore windfarms, a business area with large potential going forward. The company will develop this business segment further and seek to secure contracts for additional windfarm projects.

### **MATERIAL EVENTS**

There have been no material changes to material events since the release of the Annual Report for 2008.

### **FINANCIALS**

There is no material changes related to financial risk management, including interest rate and currency risks, since the release of the Annual Report.

### **SHARE CAPITAL ISSUES**

At the Annual General Meeting in May, the dividend payment of NOK 25 per share was approved. The dividend was paid on 10<sup>th</sup> June 2009, with a total amount of approximately NOK 1.66 billion.

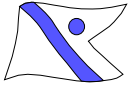
The Board of Directors was given a general authorization by the Annual General Meeting to increase the share capital of up to 6.7 million shares by issuing new shares, and to increase the share capital of up to 6.7 million shares by raising loans with the right to subscribe new shares. Furthermore, the Annual General Meeting gave the Board of Directors a general authorization to purchase up to 6.7 million shares of the Company's own shares.

## **MARKET AND PROSPECTS**

Despite a recovery of the oil price during the quarter we have seen little improvement in the activity among oil companies for increased activity in 2009 and first half of 2010. They are still aiming at cutting costs and reduce or postponed spending plans by trying to sub let drilling units and defer additional rig commitments.

However, in a longer perspective, the balance between supply and demand for offshore floating drilling units is believed to be healthy.

Oslo, 14<sup>th</sup> July 2009  
The Board of Directors  
**Fred. Olsen Energy ASA**



# Fred. Olsen Energy ASA

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## **Statement by the Board of Directors and Chief Executive Officer**

The Board of Directors and Chief Executive Officer have today considered and approved the condensed consolidated interim report of Fred. Olsen Energy ASA as at 30 June 2009 and for the first half-year 2009 including condensed consolidated comparative figures as at 30 June 2008 and for the first half-year 2008 (“the interim report”).

The interim report has been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU and additional Norwegian requirements in Securities Trading Act.

We consider the accounting policies applied to be appropriate. Accordingly, the interim report give a true and fair view of the Group’s assets, liabilities and financial position as at 30 June 2009 and as at 30 June 2008 and of the results of the Group’s operations and cash flows for the first half-year 2009 and the first half-year 2008.

Oslo, 14 July 2009  
Fred. Olsen Energy ASA

Sign. Anette S. Olsen Chairman	Sign. Jan Peter Valheim	Sign. Cecilie B. Heuch	Sign. Øivin Fjeldstad	Sign. Agnar Gravdal	Sign. Helge Haakonsen CEO
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# Fred. Olsen Energy ASA

## Condensed Financial Statements in accordance with IFRS

### GROUP INCOME STATEMENT

Unaudited

(NOK mill)	Note	2nd Q 2009	1st Q 2009	2nd Q 2008	Jan - June 2009	Jan - June 2008	Year 2008
Operating revenues		1 806,6	2 030,0	1 131,1	3 836,6	2 219,1	5 503,4
Recharged income		66,7	78,6	76,9	145,3	160,8	283,4
<b>Total revenues</b>		<b>1 873,3</b>	<b>2 108,6</b>	<b>1 208,0</b>	<b>3 981,9</b>	<b>2 379,9</b>	<b>5 786,8</b>
Operating costs		(656,9)	(581,4)	(515,0)	(1 238,3)	(993,2)	(2 174,9)
Recharged expenses		(66,4)	(76,4)	(75,1)	(142,8)	(156,1)	(275,2)
<b>Oper. profit before depr. (EBITDA)</b>		<b>1 150,0</b>	<b>1 450,8</b>	<b>617,9</b>	<b>2 600,8</b>	<b>1 230,6</b>	<b>3 336,7</b>
Depreciation and amortisation	6	(242,9)	(251,7)	(122,9)	(494,6)	(250,5)	(692,7)
Impairment		-	-	-	-	-	(35,0)
<b>Operating profit (EBIT)</b>		<b>907,1</b>	<b>1 199,1</b>	<b>495,0</b>	<b>2 106,2</b>	<b>980,1</b>	<b>2 609,0</b>
Net financial (expenses)/income	8	(6,9)	(52,1)	(38,1)	(59,0)	4,6	(491,5)
<b>Profit before income taxes</b>		<b>900,2</b>	<b>1 147,0</b>	<b>456,9</b>	<b>2 047,2</b>	<b>984,7</b>	<b>2 117,5</b>
Income tax expense		(30,3)	(32,6)	(6,0)	(62,9)	(7,2)	(20,9)
<b>Profit for the period</b>		<b>869,9</b>	<b>1 114,4</b>	<b>450,9</b>	<b>1 984,3</b>	<b>977,5</b>	<b>2 096,6</b>
<b>Attributable to:</b>							
Shareholders		868,9	1 113,9	450,9	1 982,8	977,5	2 092,6
Minority interests		1,0	0,5	-	1,5	-	4,0
<b>Profit for the period</b>		<b>869,9</b>	<b>1 114,4</b>	<b>450,9</b>	<b>1 984,3</b>	<b>977,5</b>	<b>2 096,6</b>
<i>EPS:</i>							
Basic earnings per share		13,1	16,8	6,8	29,9	14,7	31,4
Diluted earnings per share		13,1	16,8	6,8	29,9	14,7	31,4
<b>Outstanding shares</b>							
Average number of ordinary shares, basic		66,3	66,3	66,7	66,3	66,7	66,7
Average number of ordinary shares, diluted		66,3	66,3	66,7	66,3	66,7	66,7

### GROUP STATEMENT OF COMPREHENSIVE INCOME

Unaudited

Unaudited	2nd Q 2009	1st Q 2009	2nd Q 2008	Jan - June 2009	Jan - June 2008	Year 2008
Profit for the period	869,9	1 114,4	450,9	1 984,3	977,5	2 096,6
Exchange differences on translation of foreign operations	(164,6)	(263,7)	18,2	(428,3)	(303,9)	1 095,3
<b>Total comprehensive income for the period</b>	<b>705,3</b>	<b>850,7</b>	<b>469,1</b>	<b>1 556,0</b>	<b>673,6</b>	<b>3 191,9</b>
<b>Attributable to:</b>						
Shareholders	703,8	850,4	469,1	1 554,2	673,6	3 187,9
Minority interests	1,5	0,3	-	1,8	-	4,0
<b>Total comprehensive income for the period</b>	<b>705,3</b>	<b>850,7</b>	<b>469,1</b>	<b>1 556,0</b>	<b>673,6</b>	<b>3 191,9</b>



# Fred. Olsen Energy ASA

## Condensed Financial Statements in accordance with IFRS

(NOK mill)		30 June 09	31 Mar 09	30 June 08	31 Dec 08
Intangible assets		98,6	98,6	98,6	98,6
Property, plant & equipment	6	9 553,0	9 837,4	7 539,7	10 415,4
Other non-current assets		56,4	40,5	20,1	42,0
<b>Total non-current assets</b>		<b>9 708,0</b>	<b>9 976,5</b>	<b>7 658,4</b>	<b>10 556,0</b>
Inventories		340,4	356,5	208,4	373,5
Trade and other receivables		1 559,0	1 515,2	1 009,2	1 577,9
Other current assets		494,8	457,0	181,0	504,3
Cash and cash equivalents		2 490,2	3 621,9	803,8	3 673,8
<b>Total current assets</b>		<b>4 884,4</b>	<b>5 950,6</b>	<b>2 202,4</b>	<b>6 129,5</b>
<b>Total assets</b>		<b>14 592,4</b>	<b>15 927,1</b>	<b>9 860,8</b>	<b>16 685,5</b>
Share capital		1 333,9	1 333,9	1 333,9	1 333,9
Other equity		4 092,4	5 045,2	1 760,5	4 194,8
Minority interests		5,8	4,3	-	4,0
<b>Total Equity</b>	9	<b>5 432,1</b>	<b>6 383,4</b>	<b>3 094,4</b>	<b>5 532,7</b>
Non-current interest-bearing loans and borrowings	5	6 714,2	7 025,6	4 163,5	8 123,4
Other non-current liabilities		303,0	353,0	189,0	397,4
<b>Total non-current liabilities</b>		<b>7 017,2</b>	<b>7 378,6</b>	<b>4 352,5</b>	<b>8 520,8</b>
Other current liabilities		739,4	695,4	989,0	792,4
Current interest-bearing loans and borrowings	5	1 403,7	1 469,7	1 424,9	1 839,6
<b>Total current liabilities</b>		<b>2 143,1</b>	<b>2 165,1</b>	<b>2 413,9</b>	<b>2 632,0</b>
<b>Total equity and liabilities</b>		<b>14 592,4</b>	<b>15 927,1</b>	<b>9 860,8</b>	<b>16 685,5</b>

### GROUP STATEMENT OF CHANGES IN EQUITY

Unaudited

(NOK mill)

	Share capital	Share premium	Capital reserves	Translation reserves	Reserve for own shares	Retained earnings	Total	Minority interests	Total equity
<b>Jan - June 2008</b>									
Balance at 1 January 2008	1 333,9	548,1	3,1	(769,1)	(0,1)	2 972,2	4 088,1	-	4 088,1
Total comprehensive income	-	-	(1,2)	(303,9)	-	978,7	673,6	-	673,6
Dividend	-	-	-	-	-	(1 667,3)	(1 667,3)	-	(1 667,3)
<b>Balance at 30 June 2008</b>	<b>1 333,9</b>	<b>548,1</b>	<b>1,9</b>	<b>(1 073,0)</b>	<b>(0,1)</b>	<b>2 283,6</b>	<b>3 094,4</b>	<b>-</b>	<b>3 094,4</b>
Balance at 1 January 2008	1 333,9	548,1	3,1	(769,1)	(0,1)	2 972,2	4 088,1	-	4 088,1
Total comprehensive income	-	-	(2,5)	1 095,3	-	2 095,1	3 187,9	4,0	3 191,9
Purchase of own shares	-	-	-	-	(8,5)	(71,5)	(80,0)	-	(80,0)
Dividend	-	-	-	-	-	(1 667,3)	(1 667,3)	-	(1 667,3)
<b>Balance at 31 Dec 2008</b>	<b>1 333,9</b>	<b>548,1</b>	<b>0,6</b>	<b>326,2</b>	<b>(8,6)</b>	<b>3 328,5</b>	<b>5 528,7</b>	<b>4,0</b>	<b>5 532,7</b>
<b>Jan - June 2009</b>									
Total comprehensive income	-	-	(0,6)	(428,3)	-	1 983,1	1 554,2	1,8	1 556,0
Dividend	-	-	-	-	-	(1 656,6)	(1 656,6)	-	(1 656,6)
<b>Balance at 30 June 2009</b>	<b>1 333,9</b>	<b>548,1</b>	<b>0,0</b>	<b>(102,1)</b>	<b>(8,6)</b>	<b>3 655,0</b>	<b>5 426,3</b>	<b>5,8</b>	<b>5 432,1</b>





# Fred. Olsen Energy ASA

## Condensed Financial Statements in accordance with IFRS

### CONSOLIDATED STATEMENT OF CASH FLOWS

Unaudited (NOK mill)	Jan-June 2009	Jan-June 2008	Year 2008
<b>Cash flows from operating activities</b>			
Profit before income tax	2 047,2	984,7	2 117,5
<i>Adjustment for:</i>			
Depreciation and amortisation	494,6	250,5	727,7
Interest expense	114,2	35,8	179,1
(Gain)/loss on sales of fixed assets	(1,8)	-	0,7
Changes in working capital	37,0	(241,9)	(1 139,9)
Unrealised loss/(gain) financial instruments/currency	(186,9)	-	265,1
<b>Cash generated from operations</b>	<b>2 504,3</b>	<b>1 029,1</b>	<b>2 150,2</b>
Interest paid	(162,6)	(114,3)	(244,1)
Taxes paid	(58,1)	(21,7)	(49,2)
<b>Net cash from operating activities</b>	<b>2 283,6</b>	<b>893,1</b>	<b>1 856,9</b>
<b>Cash flows from investing activities</b>			
Net investment in fixed assets	(543,5)	(785,3)	(1 680,5)
Proceeds from sale of equipment	2,7	0,3	0,8
<b>Net cash used to investing activities</b>	<b>(540,8)</b>	<b>(785,0)</b>	<b>(1 679,7)</b>
<b>Cash flows from financing activities</b>			
Borrowing of interest bearing debt	-	5 414,7	7 581,4
Repayments of interest bearing debt	5	(3 677,8)	(3 689,2)
Dividend paid	9	(1 667,3)	(1 667,3)
Purchase of treasury shares	-	-	(80,2)
<b>Net cash from financing activities</b>	<b>(2 710,4)</b>	<b>69,6</b>	<b>2 144,7</b>
Foreign currency	(216,0)	(87,5)	638,3
Net change in cash and cash equivalents	(967,6)	177,7	2 321,9
Cash and cash equivalents at the beg. of period	3 673,8	713,6	713,6
<b>Cash and cash equiv. at the end of period</b>	<b>2 490,2</b>	<b>803,8</b>	<b>3 673,8</b>



# Fred. Olsen Energy ASA

## Condensed Financial Statements in accordance with IFRS

### Notes

#### 1. Segment information

(NOK mill)	Offshore Drilling *	Engineering & Fabrication	Eliminations	FOE Group
<b>2nd Q 2009</b>				
Revenues from external customers	1 810,6	62,7	-	1 873,3
Inter-segment revenues	-	-	-	-
<b>Total revenues</b>	<b>1 810,6</b>	<b>62,7</b>	<b>-</b>	<b>1 873,3</b>
Operating costs	(673,8)	(49,5)	-	(723,3)
<b>Oper. profit before depr. (EBITDA)</b>	<b>1 136,8</b>	<b>13,2</b>	<b>-</b>	<b>1 150,0</b>
Depreciation and amortisation	(241,1)	(1,8)	-	(242,9)
<b>Operating profit (EBIT)</b>	<b>895,7</b>	<b>11,4</b>	<b>-</b>	<b>907,1</b>
<b>1st Q 2009</b>				
Revenues from external customers	2 059,9	48,7	-	2 108,6
Inter-segment revenues	-	-	-	-
<b>Total revenues</b>	<b>2 059,9</b>	<b>48,7</b>	<b>-</b>	<b>2 108,6</b>
Operating costs	(615,6)	(42,2)	-	(657,8)
<b>Oper. profit before depr. (EBITDA)</b>	<b>1 444,3</b>	<b>6,5</b>	<b>-</b>	<b>1 450,8</b>
Depreciation and amortisation	(250,1)	(1,6)	-	(251,7)
<b>Operating profit (EBIT)</b>	<b>1 194,2</b>	<b>4,9</b>	<b>-</b>	<b>1 199,1</b>
<b>2nd Q 2008</b>				
Revenues from external customers	1 156,5	51,5	-	1 208,0
Inter-segment revenues	-	14,1	(14,1)	-
<b>Total revenues</b>	<b>1 156,5</b>	<b>65,6</b>	<b>(14,1)</b>	<b>1 208,0</b>
Operating costs	(544,8)	(55,0)	9,7	(590,1)
<b>Oper. profit before depr. (EBITDA)</b>	<b>611,7</b>	<b>10,6</b>	<b>(4,4)</b>	<b>617,9</b>
Depreciation and amortisation	(121,5)	(1,4)	-	(122,9)
<b>Operating profit (EBIT)</b>	<b>490,2</b>	<b>9,2</b>	<b>(4,4)</b>	<b>495,0</b>
<b>Jan - June 2009</b>				
Revenues from external customers	3 870,5	111,4	-	3 981,9
Inter-segment revenues	-	-	-	-
<b>Total revenues</b>	<b>3 870,5</b>	<b>111,4</b>	<b>-</b>	<b>3 981,9</b>
Operating costs	(1 289,4)	(91,7)	-	(1 381,1)
<b>Oper. profit before depr. (EBITDA)</b>	<b>2 581,1</b>	<b>19,7</b>	<b>-</b>	<b>2 600,8</b>
Depreciation and amortisation	(491,2)	(3,4)	-	(494,6)
<b>Operating profit (EBIT)</b>	<b>2 089,9</b>	<b>16,3</b>	<b>-</b>	<b>2 106,2</b>
<b>Jan - June 2008</b>				
Revenues from external customers	2 289,1	90,8	-	2 379,9
Inter-segment revenues	-	37,3	(37,3)	-
<b>Total revenues</b>	<b>2 289,1</b>	<b>128,1</b>	<b>(37,3)</b>	<b>2 379,9</b>
Operating costs	(1 068,0)	(114,2)	32,9	(1 149,3)
<b>Oper. profit before depr. (EBITDA)</b>	<b>1 221,1</b>	<b>13,9</b>	<b>(4,4)</b>	<b>1 230,6</b>
Depreciation and amortisation	(247,7)	(2,8)	-	(250,5)
<b>Operating profit (EBIT)</b>	<b>973,4</b>	<b>11,1</b>	<b>(4,4)</b>	<b>980,1</b>
<b>Year 2008</b>				
Revenues from external customers	5 592,7	194,1	-	5 786,8
Inter-segment revenues	-	36,7	(36,7)	-
<b>Total revenues</b>	<b>5 592,7</b>	<b>230,8</b>	<b>(36,7)</b>	<b>5 786,8</b>
Operating costs	(2 307,2)	(173,0)	30,1	(2 450,1)
<b>Oper. profit before depr. (EBITDA)</b>	<b>3 285,5</b>	<b>57,8</b>	<b>(6,6)</b>	<b>3 336,7</b>
Depreciation and amortisation	(687,1)	(5,6)	-	(692,7)
Impairment	(35,0)	-	-	(35,0)
<b>Operating profit (EBIT)</b>	<b>2 563,4</b>	<b>52,2</b>	<b>(6,6)</b>	<b>2 609,0</b>



# Fred. Olsen Energy ASA

## Condensed Financial Statements in accordance with IFRS

\* Includes Fred. Olsen Energy ASA

(NOK mill)	Offshore Drilling *	Engineering & Fabrication	Eliminations	FOE Group
<b>30 June 09</b>				
Segment assets	14 340,0	306,0	(53,6)	14 592,4
Segment liabilities	8 930,5	283,4	(53,6)	9 160,3
<b>31 Mar 09</b>				
Segment assets	15 734,1	248,7	(55,7)	15 927,1
Segment liabilities	9 351,8	247,6	(55,7)	9 543,7
<b>30 June 08</b>				
Segment assets	9 688,0	224,2	(51,4)	9 860,8
Segment liabilities	6 543,7	274,1	(51,4)	6 766,4
<b>31 Dec 08</b>				
Segment assets	16 482,1	261,2	(57,8)	16 685,5
Segment liabilities	10 945,3	265,3	(57,8)	11 152,8

## 2. Introduction

The consolidated interim financial statements for 2<sup>nd</sup> Quarter 2009 and 1<sup>st</sup> half year 2009, ended 30 June 2009, comprise Fred. Olsen Energy ASA and its subsidiaries (together referred to as the "Group").

These consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2008.

The consolidated financial statements of the Group for the year ended 31 December 2008 are available upon request from the Company's office in Oslo or at [www.fredolsen-energy.no](http://www.fredolsen-energy.no).

These consolidated interim financial statements were approved by the Board of Directors on 14 July 2009.

## 3. Significant accounting policies

The main accounting policies applied by the Group in these consolidated financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2008.

Effective 1 January 2009, the group adopted IFRS 8, Operating segments. The information reviewed by the Group's Management for operating segments under IFRS 8, is consistent with the Group's historical segment disclosures. As a result, the adoption of IFRS 8 did not have a significant impact on the Group. In addition, the Group adopted the revised presentation of IAS 1 which requires the Group to present a statement of Comprehensive income which is presented herein.

## 4. Estimates

The preparations of interim financial statements require use of estimates, judgments and assumptions which may affect the use of accounting principles and recognized assets, liabilities, income and expenses. The resulting accounting estimates may differ from the eventual outcome.



# Fred. Olsen Energy ASA

## Condensed Financial Statements in accordance with IFRS

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts are the same as described in the annual report for the year 2008.

### 5. Interest-bearing loans and borrowings

The Group has repaid USD 110 million of the fleet loan and redeemed bond loans, FOE02 and FOE03 of total NOK 300.7 million during the 1<sup>st</sup> half year 2009.

### 6. Property, plant and equipment

(NOK mill)	Rigs and drillship	Machinery and equipment	Plant, building and land	Total
<b>Cost</b>				
Balance at 1 January 2009	13 334,9	517,3	114,1	13 966,3
Acquisitions	506,4	15,7	2,3	524,4
Disposals	(3,6)	(1,3)	0,0	(4,9)
Movements in foreign currency	(1 178,4)	1,3	(0,8)	(1 177,9)
<b>Balance at 30 June 2009</b>	<b>12 659,3</b>	<b>533,0</b>	<b>115,6</b>	<b>13 307,9</b>
<b>Depreciation</b>				
Balance at 1 January 2009	3 053,3	428,9	68,7	3 550,9
Depreciation	487,1	6,8	0,7	494,6
Disposals	(3,5)	(0,6)	0,0	(4,1)
Movements in foreign currency	(291,7)	5,5	(0,3)	(286,5)
<b>Balance at 30 June 2009</b>	<b>3 245,2</b>	<b>440,6</b>	<b>69,1</b>	<b>3 754,9</b>
<b>Carrying amounts</b>				
At 1 January 2009	10 281,6	88,4	45,4	10 415,4
At 30 June 2009	9 414,1	92,4	46,5	9 553,0

### 7. Related parties

In the ordinary course of business, the Group recognises revenues and expenses with related companies. Related parties are (1) Ganger Rolf ASA and Bonheur ASA which are the owners of a combined 53.77% of the Group, (2) their subsidiaries and (3) Fred.Olsen & Co. The Group receives certain administrative, financial, and legal advisory services from Fred.Olsen & Co. There are no material changes since the financial statements for the year ended 31 December 2008.

### 8. Financial expenses

Net financial expenses for 1<sup>st</sup> half year 2009 includes NOK 98 million of unrealised gain related to changes in fair value of interest rate contracts and NOK 89 million of unrealised gain related to changes in fair value of currency exchange contracts.

### 9. Dividend

The Annual General Meeting in May 2009 approved the Board's proposal of an ordinary dividend payment of NOK 10,- per share and an extraordinary dividend payment of NOK 15,- per share for the year 2008. The payment was made in June 2009 and amounted to NOK 1 656.6 million.