

Fred. Olsen Energy ASA

Report for the 2nd quarter 2013 and the 1st half year 2013

Figures in NOK

FRED. OLSEN ENERGY ASA (FOE) REPORTS AN OPERATING PROFIT BEFORE DEPRECIATION (EBITDA) OF 935 MILLION FOR THE 2nd QUARTER 2013 AND 1,726 MILLION FOR THE FIRST HALF YEAR 2013

HIGHLIGHTS FOR THE 2nd QUARTER 2013

- Revenues were 1,788 million
- EBITDA was 935 million
- Operating profit (EBIT) was 581 million
- Profit before tax was 573 million
- Earnings per share were 8.3
- Three-well contract extension for Borgland Dolphin
- Four optional wells exercised for Bredford Dolphin

Post quarter events:

- Two one-well contracts for Blackford Dolphin

CONTACT PERSONS: Hjalmar Krogseth Moe/Jannicke Nergaard Berg
Tel: 22 34 10 00
<mailto:hjalmar.krogseth.moe@fredolsen.no>
<mailto:jannicke.nergaard.berg@fredolsen.no>

FINANCIAL INFORMATION (1st quarter 2013 and 1st half year 2012 in brackets)

Operating revenues in the quarter were 1,788 million (1,591 million), an increase of 197 million compared with the previous quarter. The revenues for offshore drilling division were 1,736 million, an increase of 189 million. Revenues for the engineering and fabrication division were 52 million, an increase of 8 million. The increase in revenues within the offshore drilling division is mainly due to higher utilization of Borgholm Dolphin and Borgsten Dolphin and increased dayrate for Byford from April.

Operating costs were 853 million (800 million), an increase of 53 million compared with previous quarter. Operating costs within the offshore drilling division increased by 48 million. Operating costs within the engineering and fabrication division increased by 5 million. The increase in operating cost within the drilling division is due to somewhat higher repair and maintenance cost compared to previous quarter and the crewing up of Bolette Dolphin.

Operating profit before depreciation (EBITDA) was 935 million (791 million). EBITDA for the half year was 1,726 million (1,786 million).

Depreciation amounted to 354 million (345 million). For the half year it amounted to 699 million (665 million).

Operating profit after depreciation (EBIT) was 581 million (447 million). EBIT for the half year was 1,027 million (1,121 million).

Net financial expenses were 8 million (positive 23 million). Capitalized interest expenses related to the newbuilds in the quarter amounted to 26 million (24 million). Net financial expenses for the half year were positive 15 million (99 million).

Profit before tax was 573 million (469 million). Profit before tax for the half year was 1,042 million (1,023 million).

Net profit, including an estimated tax charge of 23 million (25 million), was 550 million (445 million). Net profit for the half year, including an estimated tax charge of 48 million (39 million), was 995 million (984 million).

Basic earnings per share were 8.3 (6.7).

Basic earnings per share for the half year were 15.0 (14.8).

OPERATIONS

Drilling Division

The offshore fleet of Fred. Olsen Energy ASA with subsidiaries (the Group) consists of two deepwater units, five mid-water semi-submersible drilling rigs, one tender support vessel and one accommodation unit. Three of the semi-submersible drilling rigs are operating on the Norwegian Continental Shelf. The Group has two newbuilds under construction, one ultra deepwater drillship scheduled to be delivered in 4Q 2013 and one ultra deepwater harsh environment semi-submersible scheduled to be delivered in 1Q 2015. Both units are ordered at Hyundai Heavy Industries Co., Ltd.

Norway

Bideford Dolphin continued operations under a three-year drilling contract for Statoil ASA. The contract will expire in January 2014. In October 2012, a three-year extension of the current drilling contract was entered into with Statoil ASA. The extension is in direct continuation with the current contract, with estimated commencement in January 2014. An option exists for a further two years contract extension. The unit will undertake its five-year Class Renewal Survey second quarter 2014.

Borgland Dolphin continued operations under the four-year drilling contract with a consortium of several oil companies, managed by Rig Management Norway AS. The contract will expire in February 2014. A new 18 well drilling contract, estimated to 3.5 years, was entered into with a Rig Management Norway consortium of four oil companies. The unit will undertake its five-year Class Renewal Survey fourth quarter 2014.

Bredford Dolphin continued operations under a 10 well drilling program for Lundin Norge, with estimated completion late 2013. In September 2012, a new drilling contract was entered into for an eight well drilling campaign, estimated to 570 days. The contract is with an AGR coordinated group of four oil companies for operation on the Norwegian Continental Shelf. In June 2013 the operators extended the contract period with additional four wells, estimated to 240 days. The operators have a further right to extend the contract with minimum additional five wells within contract commencement. The unit completed its five-year Class Renewal Survey in August 2012.

International

Belford Dolphin continued operations under the four-year drilling contract with Anadarko Petroleum Corporation. The contract will expire end 2015. The unit is currently operating offshore Mozambique. The unit will undertake its five-year Class Renewal Survey 1Q 2015.

Blackford Dolphin completed the contract with Karoon Petroleo & Gas S.A. in the quarter and commenced a one well-contract with Anadarko in Brazil. Upon completion of the Anadarko contract the rig will demobilize from Brazil and be relocated to the North Sea where it will drill one well for MPX North Sea ltd in the UK sector and one well offshore Ireland for Capricorn Ireland Ltd (a wholly owned subsidiary of Cairn Energy PLC). It has been entered into a LOI with Harland & Wolff to undertake the five-year

Class Renewal Survey (CRS) and upgrades before commencing the contracts. The mobilization time from Brazil to the Harland & Wolff yard is estimated to 60 days. The CRS and upgrades are estimated to 45 days and cost of USD 90 million.

Borgny Dolphin continued operations under a five-year drilling contract with Petrobras. In January 2013 the contract with Petrobras was extended with approximately one year and is now estimated to expire in September 2014. The unit will undertake its five-year Class Renewal Survey second half 2014.

Byford Dolphin continued under a three year contract with BP Exploration Operating Co. Ltd. The contract is estimated to expire 2Q 2016. The unit will undertake its five-year Class Renewal Survey 1Q 2015.

Borgsten Dolphin continued under a 40 months contract as Tender Support Vessel (TSV) at the Dunbar platform with Total E&P UK Ltd. Options exist for a contract extension of two six month periods. The unit completed its five-year Class Renewal Survey and upgrades to a TSV in February 2013.

In May, Borgholm Dolphin commenced a one year accommodation contract with Shell U.K. Limited. In December 2012 a new 9 months accommodation contract was entered into with BG with estimated commencement in August 2014. The unit completed its five-year Class Renewal Survey in March 2013.

The ultra-deepwater drillship newbuild, Bolette Dolphin is currently under construction at Hyundai Heavy Industries in Korea. The delivery date has been rescheduled to end October 2013. Upon delivery the unit will commence a four-year drilling contract with Anadarko Petroleum Corporation, estimated start-up of the contract is year-end 2013.

The harsh environment ultra-deepwater semi-submersible drilling rig Bollsta Dolphin, currently under construction at Hyundai Heavy Industries in Korea, is scheduled to be delivered end 1Q 2015 and commence a five-year drilling contract with Chevron North Sea Limited in 3Q 2015.

Engineering and Fabrication

The Harland & Wolff shipyard continued its core activities within engineering, ship repair and shipbuilding. In the quarter H&W continued the Kværner Verdalen AS contracts for fabrication of pile sleeve clusters and floatation tanks for Lundin's Edvard Grieg jacket and Total's Martin Linge jacket. The contracts are estimated to be completed in Q4 2013. Harland & Wolff has signed a LOI with Blackford Dolphin Pte Ltd, a subsidiary of Fred. Olsen Energy ASA, to undertake the Class Renewal Survey for the drilling rig. The rig is estimated to arrive at the yard in 4th quarter this year.

MATERIAL EVENTS

There have been no material events since the release of the Annual Report for 2012.

FINANCIALS

There is no material changes related to financial risk management, including interest rate and currency risks, since the release of the Annual Report for 2012.

SHARE CAPITAL ISSUES

At the Annual General Meeting (AGM) in May, the dividend payment of NOK 10 in ordinary dividend and an extraordinary dividend of NOK 10 per share was approved. The payment of dividend took place on the 20th June 2013, with a total amount of approximately NOK 1,325 million.

The Board of Directors was authorized by the AGM to increase the share capital of up to 6,669,422 shares by issuing new shares or by raising loans with the right to subscribe new shares or a combination of these means, however only in such a way that the aggregated number of new shares will not exceed 6,669,422 shares. Furthermore, the Board of Directors was authorized to purchase up to 6,669,422 shares of the Company's own shares.

MARKET AND PROSPECTS

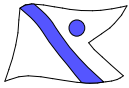
During the 1st half of 2013 the tendering activity has been relatively stable, with highest activity in the ultra deepwater segment. This has globally materialized in several new contracts within the ultra deepwater segments with high dayrates and satisfactory duration, while the activity has been mixed in the deep and mid-water segment.

The global market outlook remains positive for floating units, supported by increasing long-term demand for oil and sustainable oil prices. Continued growth is expected in the ultra deepwater segment, where the strongest driver will be development of proven resources. A stable activity is foreseen in the mid-water segments.

Oslo, 10th July 2013

The Board of Directors

Fred. Olsen Energy ASA



Fred. Olsen Energy ASA

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 2013 and for the first half-year 2013 including condensed consolidated comparative figures as at 30 June 2012 and for the first half-year 2012 (“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 2013 and as at 30 June 2012 and of the results of the Group’s operations and cash flows for the first half-year 2013 and the first half-year 2012.

Oslo, 10 July 2013
Fred. Olsen Energy ASA

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

Condensed Financial Statements in accordance with IFRS

GROUP INCOME STATEMENT

Unaudited

(NOK mill)	Note	2Q 2013	1Q 2013	2Q 2012	Jan-June 2013	Jan-June 2012	Year 2012 *
Operating revenues		1 711,9	1 535,8	1 709,4	3 247,7	3 239,7	6 637,4
Recharged income		75,9	55,3	32,2	131,2	108,3	239,4
Total revenues		1 787,8	1 591,1	1 741,6	3 378,9	3 348,0	6 876,8
Operating costs		(780,2)	(746,5)	(771,0)	(1 526,7)	(1 457,9)	(3 115,2)
Recharged expenses		(73,0)	(53,3)	(28,5)	(126,3)	(104,0)	(228,1)
Total operating expenses		(853,2)	(799,8)	(799,5)	(1 653,0)	(1 561,9)	(3 343,3)
Oper. profit before depr. (EBITDA)		934,6	791,3	942,1	1 725,9	1 786,1	3 533,5
Depreciation and amortisation	6	(354,0)	(344,7)	(326,4)	(698,7)	(664,7)	(1 350,7)
Operating profit (EBIT)		580,6	446,6	615,7	1 027,2	1 121,4	2 182,8
Net financial (expense)/income	8	(7,6)	22,8	11,8	15,2	(98,5)	(276,1)
Profit before income taxes		573,0	469,4	627,5	1 042,4	1 022,9	1 906,7
Income tax expense		(22,7)	(24,9)	(12,6)	(47,6)	(39,1)	(82,8)
Profit for the period		550,3	444,5	614,9	994,8	983,8	1 823,9
Attributable to:							
Shareholders		550,1	444,4	614,5	994,5	983,3	1 821,9
Non-controlling interests		0,2	0,1	0,4	0,3	0,5	2,0
Profit for the period		550,3	444,5	614,9	994,8	983,8	1 823,9

EPS :

Basic earnings per share	8,3	6,7	9,3	15,0	14,8	27,5
Diluted earnings per share	8,3	6,7	9,3	15,0	14,8	27,5

Outstanding shares

Average number of ordinary shares, basic	66,3	66,3	66,3	66,3	66,3	66,3
Average number of ordinary shares, diluted	66,3	66,3	66,3	66,3	66,3	66,3

GROUP STATEMENT OF COMPREHENSIVE INCOME

Unaudited

	2Q 2013	1Q 2013	2Q 2012 *	Jan-June 2013	Jan-June 2012 *	Year 2012 *
Profit for the period	550,3	444,5	614,9	994,8	983,8	1 823,9
Actuarial gains/(losses) on defined benefit pension plans	-	-	-	-	-	(32,9)
Income tax relating to components of other comprehensive income	-	-	-	-	-	6,5
Exchange differences on translation of foreign operations	288,5	328,6	381,3	617,1	19,9	(583,1)
Total comprehensive income for the period	838,8	773,1	996,2	1 611,9	1 003,7	1 214,4
Attributable to:						
Shareholders	838,6	773,0	995,7	1 611,6	1 003,2	1 212,9
Non-controlling interests	0,2	0,1	0,5	0,3	0,5	1,5
Total comprehensive income for the period	838,8	773,1	996,2	1 611,9	1 003,7	1 214,4

* Restated. Certain employee benefits do not correspond to the interim condensed consolidated financial statements for 2012, see note 3 and 9 for details.



Fred. Olsen Energy ASA

Condensed Financial Statements in accordance with IFRS

STATEMENT OF FINANCIAL POSITION

Unaudited

(NOK mill)

		30 June 13	31 Mar 13	30 June 12	31 Dec 12
				* restated	* restated
Intangible assets		98,6	98,6	98,6	98,6
Property, plant & equipment	6	14 095,6	13 494,6	11 835,3	12 684,5
Other non-current assets		159,7	157,2	155,1	158,4
Total non-current assets		14 353,9	13 750,4	12 089,0	12 941,5
Inventories		538,2	501,0	503,4	431,0
Trade and other receivables		1 382,2	1 187,8	1 466,2	964,5
Other current assets		187,3	208,1	123,6	188,8
Cash and cash equivalents		1 101,4	1 395,9	1 111,1	1 386,8
Total current assets		3 209,1	3 292,8	3 204,3	2 971,1
Total assets		17 563,0	17 043,2	15 293,3	15 912,6
Share capital		1 333,9	1 333,9	1 333,9	1 333,9
Other equity		6 558,2	7 044,7	6 060,9	6 271,6
Non-controlling interests		-	-	-	-
Total Equity		7 892,1	8 378,6	7 394,8	7 605,5
Non-current interest-bearing loans and borrowings	5	4 720,0	4 050,5	5 231,4	4 196,9
Other non-current liabilities		682,8	683,9	707,8	691,1
Total non-current liabilities		5 402,8	4 734,4	5 939,2	4 888,0
Current interest-bearing loans and borrowings	5	790,9	764,3	490,6	730,3
Other current liabilities	6	3 477,2	3 165,9	1 468,7	2 688,8
Total current liabilities		4 268,1	3 930,2	1 959,3	3 419,1
Total equity and liabilities		17 563,0	17 043,2	15 293,3	15 912,6

GROUP STATEMENT OF CHANGES IN EQUITY

Unaudited

(NOK mill)

	Share capital	Share premium	Translation reserves	Reserve for own shares	Retained earnings	Total	Non-contr. interests	Total equity
Jan - June 2012								
Balance at 1 January 2012	1 333,9	548,1	(350,3)	(8,6)	6 193,3	7 716,4	-	7 716,4
Total comprehensive income	-	-	19,9	-	983,8	1 003,7	-	1 003,7
Dividend	-	-	-	-	(1 325,3)	(1 325,3)	-	(1 325,3)
Balance at 30 June 2012	1 333,9	548,1	(330,4)	(8,6)	5 851,8	7 394,8	-	7 394,8
Year 2012								
Balance at 1 January 2012	1 333,9	548,1	(350,3)	(8,6)	6 193,3	7 716,4	-	7 716,4
Total comprehensive income	-	-	(583,1)	-	1 797,5	1 214,4	-	1 214,4
Dividend	-	-	-	-	(1 325,3)	(1 325,3)	-	(1 325,3)
Balance at 31 Dec 2012	1 333,9	548,1	(933,4)	(8,6)	6 665,5	7 605,5	-	7 605,5
Jan - June 2013								
Total comprehensive income	-	-	617,1	-	994,8	1 611,9	-	1 611,9
Dividend	-	-	-	-	(1 325,3)	(1 325,3)	-	(1 325,3)
Balance at 30 June 2013	1 333,9	548,1	(316,3)	(8,6)	6 335,0	7 892,1	-	7 892,1

* Opening balance 1 January 2012 and comprehensive income are restated concerning certain employee benefits, see note 3 and 9 for details.



Fred. Olsen Energy ASA

Condensed Financial Statements in accordance with IFRS

CONSOLIDATED STATEMENT OF CASH FLOWS

Unaudited (NOK mill)	Note	Jan-June 2013	Jan-June 2012	Year 2012
Cash flows from operating activities				
Profit before income tax		1 042,4	1 022,9	1 906,7
<i>Adjustment for:</i>				
Depreciation and amortisation		698,7	664,7	1 350,7
Interest expense	8	57,7	58,2	135,4
Gain/(loss) on sales of fixed assets		0,6	-	4,9
Changes in working capital		(349,8)	(3,7)	524,1
Unrealised loss/(gain) financial instruments		(35,3)	(20,6)	(46,2)
Cash generated from operations		1 414,3	1 721,5	3 875,6
Interest paid		(108,3)	(79,0)	(203,4)
Taxes paid		(40,4)	(34,8)	(91,2)
Net cash from operating activities		1 265,6	1 607,7	3 581,0
Cash flows from investing activities				
Net investment in fixed assets		(576,3)	(1 501,4)	(2 551,0)
Proceeds from sale of equipment		1,9	-	5,8
Net cash used to investing activities		(574,4)	(1 501,4)	(2 545,2)
Cash flows from financing activities				
Borrowing of interest bearing debt		678,5	4 487,5	4 487,5
Repayments of interest bearing debt	5	(404,7)	(4 350,3)	(4 855,3)
Dividend paid		(1 325,3)	(1 325,3)	(1 325,3)
Net cash from financing activities		(1 051,5)	(1 188,1)	(1 693,1)
Foreign currency		74,9	9,3	(139,5)
Net change in cash and cash equivalents		(360,3)	(1 081,8)	(657,3)
Cash and cash equivalents at the beg. of period		1 386,8	2 183,6	2 183,6
Cash and cash equiv. at the end of period		1 101,4	1 111,1	1 386,8



Fred. Olsen Energy ASA

Condensed Financial Statements in accordance with IFRS

Notes

1. Segment information

(NOK mill)	Offshore Drilling *	Engineering & Fabrication	Eliminations	FOE Group
2Q 2013				
Revenues from external customers	1 735,9	51,9	-	1 787,8
Inter-segment revenues	-	-	-	-
Total revenues	1 735,9	51,9	-	1 787,8
Operating costs	(806,2)	(47,0)	-	(853,2)
Oper. profit before depr. (EBITDA)	929,7	4,9	-	934,6
Depreciation and amortisation	(351,5)	(2,5)	-	(354,0)
Operating profit (EBIT)	578,2	2,4	-	580,6
1Q 2013				
Revenues from external customers	1 546,8	44,3	-	1 591,1
Inter-segment revenues	-	-	-	-
Total revenues	1 546,8	44,3	-	1 591,1
Operating costs	(757,9)	(41,9)	-	(799,8)
Oper. profit before depr. (EBITDA)	788,9	2,4	-	791,3
Depreciation and amortisation	(342,4)	(2,3)	-	(344,7)
Operating profit (EBIT)	446,5	0,1	-	446,6
2Q 2012				
Revenues from external customers	1 640,5	101,1	-	1 741,6
Inter-segment revenues	-	-	-	-
Total revenues	1 640,5	101,1	-	1 741,6
Operating costs	(704,6)	(94,9)	-	(799,5)
Oper. profit before depr. (EBITDA)	935,9	6,2	-	942,1
Depreciation and amortisation	(324,4)	(2,0)	-	(326,4)
Operating profit (EBIT)	611,5	4,2	-	615,7
Jan-June 2013				
Revenues from external customers	3 282,7	96,2	-	3 378,9
Inter-segment revenues	-	-	-	-
Total revenues	3 282,7	96,2	-	3 378,9
Operating costs	(1 564,1)	(88,9)	-	(1 653,0)
Oper. profit before depr. (EBITDA)	1 718,6	7,3	-	1 725,9
Depreciation and amortisation	(693,9)	(4,8)	-	(698,7)
Impairment	-	-	-	-
Operating profit (EBIT)	1 024,7	2,5	-	1 027,2
Jan-June 2012				
Revenues from external customers	3 180,4	167,6	-	3 348,0
Inter-segment revenues	-	-	-	-
Total revenues	3 180,4	167,6	-	3 348,0
Operating costs	(1 402,6)	(159,3)	-	(1 561,9)
Oper. profit before depr. (EBITDA)	1 777,8	8,3	-	1 786,1
Depreciation and amortisation	(660,8)	(3,9)	-	(664,7)
Operating profit (EBIT)	1 117,0	4,4	-	1 121,4
Year 2012				
Revenues from external customers	6 485,1	391,7	-	6 876,8
Inter-segment revenues	-	-	-	-
Total revenues	6 485,1	391,7	-	6 876,8
Operating costs	(2 982,0)	(361,3)	-	(3 343,3)
Oper. profit before depr. (EBITDA)	3 503,1	30,4	-	3 533,5
Depreciation and amortisation	(1 343,0)	(7,7)	-	(1 350,7)
Operating profit (EBIT)	2 160,1	22,7	-	2 182,8

* Includes Fred. Olsen Energy ASA



Fred. Olsen Energy ASA

Condensed Financial Statements in accordance with IFRS

(NOK mill)	Offshore Drilling *	Engineering & Fabrication	Eliminations	FOE Group
30 June 13				
Segment assets	17 212,9	350,1	-	17 563,0
Segment liabilities	9 314,9	356,0	-	9 670,9
30 June 12				
Segment assets	14 898,3	449,3	(54,3)	15 293,3
Segment liabilities	7 454,1	498,7	(54,3)	7 898,5
31 Dec 12				
Segment assets	15 625,1	341,8	(54,3)	15 912,6
Segment liabilities	7 955,7	351,4	-	8 307,1

* Includes Fred. Olsen Energy ASA

2. Introduction

The consolidated interim financial statements for 2nd Quarter 2013 ended 30 June 2013, 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 2012.

The consolidated financial statements of the Group for the year ended 31 December 2012 are available upon request from the Company's office in Oslo or at www.fredolsen-energy.com.

These consolidated interim financial statements were approved by the Board of Directors on 10 July 2013.

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 2012 except IAS 19 Employee Benefits (IAS 19R). The Group applied IAS 19 (Revised 2011) for the first time as of 1 January 2013.

IAS 19R changed the measurement principles of expected return on plan assets and removed the accounting policy choice for recognition of actuarial gains and losses using the corridor method. Actuarial gains and losses are recognized in other comprehensive income correspondingly affecting the net benefit liability or asset in the statement of financial position. The effect of the adoption of IAS 19R is explained in Note 10.

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.

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 2012.



Fred. Olsen Energy ASA

Condensed Financial Statements in accordance with IFRS

5. Interest-bearing loans and borrowings

The Group has repaid USD 70.6 million of the new facility during 1st half year 2013. The Group has borrowed USD 115 million in June 2013. Per 30 June 2013 USD 215 million is undrawn and available under the credit facility for general corporate purposes.

6. Property, plant and equipment

(NOK mill)	Rigs and drillship	Machinery and equipment	Plant, building and land	Total
Cost				
Balance at 1 January 2013	18 840,4	466,5	111,9	19 418,8
Acquisitions	1 060,9	42,1	0,8	1 103,8
Disposals	(22,6)	(0,5)	0,0	(23,1)
Movements in foreign currency	1 562,0	8,6	3,2	1 573,8
Balance at 30 June 2013	21 440,7	516,7	115,9	22 073,3
Depreciation				
Balance at 1 January 2013	6 301,5	371,2	61,6	6 734,3
Depreciation	684,3	13,6	0,6	698,5
Disposals	(21,2)	(0,4)	0,0	(21,6)
Movements in foreign currency	557,2	7,5	1,8	566,5
Balance at 30 June 2013	7 521,8	391,9	64,0	7 977,7
Carrying amounts				
At 1 January 2013	12 538,9	95,3	50,3	12 684,5
At 30 June 2013	13 918,9	124,8	51,9	14 095,6

The drillship under construction, Bolette Dolphin, is included as acquisition above with \$94 million based on percent of completion. The total accrued cost related to Bolette Dolphin per 30 June 2013 is \$371 million recorded under other current liabilities.

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 51.9% (adjusted for own shares) 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 2012.

8. Financial expenses

Net financial income per 30 June 2013 include NOK 47 million of unrealised gain related to changes in fair value of interest rate contracts and NOK 12 million of unrealised loss on currency contracts. Interest cost of NOK 53 million is capitalized to Bolette Dolphin and Bollsta Dolphin under construction.

9. Dividend

The Annual General Meeting in May 2013 approved the Board's proposal of an ordinary dividend payment of NOK 10 and an extraordinary dividend payment of NOK 10 per share for the year 2012. The payment was made in June 2013 and amounted to NOK 1 325.3 million.



Fred. Olsen Energy ASA

Condensed Financial Statements in accordance with IFRS

10. Employee benefits

IAS 19R has been applied retrospectively from 1 January 2012. The impact for the Group is summarized below:

(NOK mill)

Changes in Statement of Financial Position:

	31.12.2012	30.06.2012
Pension assets	0,6	-2,9
Employee benefit liability	-391,4	-365,6
Deferred tax assets	100,1	96,3
Net decrease in retained earnings	-290,7	-272,2
Translation reserves	3,5	-0,5
Retained earnings	-285,6	-279,1
Non-controlling interests	-8,6	7,4
Net decrease in retained earnings	-290,7	-272,2

Changes in Group Income Statement and Comprehensive income:

	Year 2012	2Q 2012	Jan-June 2012
Decrease in pension cost	5,3	-	-
Tax	-1,5	-	-
Profit for the period	3,8	-	-
Actuarial losses on defined benefit pension plans	-32,9	-	-
Income tax related to components of other comprehensive income	6,5	-	-
Exchange differenses on translation of foreign operations	3,6	-2,1	-0,5
Total comprehensive income for the period	-19,0	-2,1	-0,5