

Fred. Olsen Energy ASA

Report for the 2nd quarter 2014 and the 1st half year 2014

Figures in USD

FRED. OLSEN ENERGY ASA (FOE) REPORTS AN OPERATING PROFIT BEFORE DEPRECIATION (EBITDA) OF USD 107 MILLION FOR THE 2nd QUARTER 2014 AND USD 209 MILLION FOR THE FIRST HALF YEAR 2014

HIGHLIGHTS FOR THE 2nd QUARTER 2014

- Revenues were 273 million
- EBITDA was 107 million
- Operating profit (EBIT) was 19 million
- Profit before tax was 16 million
- Earnings per share were 0.10

- Established new USD 2 billion bank credit facility
- Successful start-up of the newbuild Bolette Dolphin

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Figures in USD

FINANCIAL INFORMATION (1st quarter 2014 and 1st half year 2013 in brackets)

Operating revenues in the quarter were 273 million (278 million), a decrease of 5 million compared with the previous quarter. The revenues for offshore drilling division were 265 million, compared to 267 million previous quarter. The decrease in revenues within the offshore drilling division is mainly due to Bideford Dolphin being at yard for most of the quarter partly offset by start-up for Bolette Dolphin in the quarter. Revenues within the engineering and fabrication division were 24 million (48 million), of which 16 million (38 million) were related to intra-group activities.

Operating costs were 167 million (176 million), a decrease of 9 million compared with previous quarter. Operating costs within the offshore drilling division decreased by 6 million. Operating costs within the engineering and fabrication division were 19 million (44 million), of which 9 million (32 million) were related to intra-group activities.

Operating profit before depreciation (EBITDA) was 107 million (102 million). EBITDA for the half year was 209 million (301 million).

Depreciation amounted to 88 million (63 million). The increase is due to full depreciation of Bolette Dolphin and extraordinary depreciation for Blackford Dolphin and Borgholm Dolphin in connection with replacement of equipment at the yard stays. For the half year it amounted to 150 million (122 million).

Operating profit after depreciation (EBIT) was 19 million (39 million). EBIT for the half year was 58 million (179 million).

Net financial expenses were 2 million (15 million). Capitalized interest expenses related to the newbuild in the quarter amounted to 2 million (3 million). Net financial expenses for the half year were 17 million (1 million).

Profit before tax was 16 million (25 million). Profit before tax for the half year was 41 million (178 million).

Net profit, including an estimated tax charge of 9 million (1 million), was 7 million (24 million). Net profit for the half year, including an estimated tax charge of 10 million (8 million), was 31 million (170 million).

Basic earnings per share were 0.10 (0.35).

Basic earnings per share for the half year were 0.45 (2.56).

OPERATIONS

Drilling Division

The offshore fleet of Fred. Olsen Energy ASA with subsidiaries (the Group) consists of three ultra-deepwater/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 one ultra-deepwater harsh environment semi-submersible under construction, with expected delivery in 3Q 2015.

Norway

Bideford Dolphin continued operations under a three-year drilling contract for Statoil ASA in the quarter. The operator has an option for a two year contract extension. The rig arrived at the Coast Center Base yard (CCB) 21st April to undertake its Class Renewal Survey (CRS). As a part of the CRS work on the BOP, the BOP body was treated with too high temperature by the supplier. The consequence of the overheating was a condemnation of the BOP body. The supplier has identified a new replacement BOP body which is estimated to be delivered in the second half of July. The rig is estimated to be back in operations late July and total cost for the CRS and upgrade is estimated to USD 110 million.

Borgland Dolphin completed a four-year drilling contract with a consortium of oil companies in April and commenced an 18 well drilling contract, estimated to 3.5 years, with a Rig Management Norway AS managed consortium of four oil companies. The unit will undertake its five-year CRS in 4Q 2014.

Bredford Dolphin continued operations under a drilling program for an AGR coordinated group of four oil companies at the Norwegian Continental Shelf, estimated to be completed 3rd quarter 2015. The unit completed its five-year CRS in 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 CRS 1Q 2015.

Blackford Dolphin completed its five-year CRS and upgrades at Harland & Wolff in June. The previously announced one-well contract with Capricorn Ireland Ltd was terminated, since the rig was not able to meet the start-up window for the contract. Following acceptance testing, the unit went on a one-well contract with MPX 1st July, which will be followed, in direct continuation, by a nine-month contract with Nexen for operations in UK. The Nexen contract will be followed by a 572 days contract with Chevron for operations in UK. Chevron has an option to extend the contract for a further period of between 300 and 700 days. Total cost for the CRS and upgrade was USD 210 million.

Borgny Dolphin completed operations under the Petrobras contract in June. The rig will be exported from Brasil in July and will be de-mobilized to Invergordon, Scotland.

Byford Dolphin continued under a three year contract with BP Exploration Operating Co. Ltd. The contract is estimated to expire 2Q 2016, with an option for a three-year contract extension. The unit will undertake its five-year CRS in 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, with options for contract extension of two six month periods. The unit completed its five-year CRS and upgrades to a TSV in February 2013.

Borgholm Dolphin recommenced its operations for Shell U.K. Ltd late June, after completion of the anchoring system repair. The unit will work approximately 2 months under the Shell contract. A nine months accommodation contract with BG will follow with estimated commencement late September 2014. Borgholm is scheduled to undertake a planned yard stay of one month to increase the height of the pedestal before the BG contract. The unit completed its five-year CRS in March 2013. The total cost for the two yard-stays in first half 2014 were USD 25 million.

The ultra-deepwater drillship Bolette Dolphin was delivered from Hyundai Heavy Industries in Korea in February 2014. The unit commenced its four-year drilling contract with Anadarko Petroleum Corporation in May. The unit is currently drilling two wells in Liberia.

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 in 3Q 2015 and commence a five-year drilling contract with Chevron North Sea Limited.

Engineering and Fabrication

The Harland & Wolff shipyard continued its core activities within engineering, ship repair and shipbuilding. In the quarter H&W continued the E.ON contract for fabrication of a substation foundation jacket and the CRS and upgrade of Blackford Dolphin.

MATERIAL EVENTS

In June 2014 Fred. Olsen Energy ASA signed a new six year bank credit facility of up to USD 2,000 million. The credit facility will be used to prepay existing bank loans, to full-finance the newbuild Bollsta Dolphin and for general corporate purposes. The facility is provided by a group of international banks and GIEK/Eksportkreditt.

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 2013.

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 were approved. The payment of dividend took place on the 20th June 2014, 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

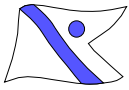
Since the second half of 2013 and into 2014 the tendering and fixture activity has been low. This has led to reduction in dayrate levels and at the same time the lead-time and contract length have become shorter. The number of units in lay-up has also grown due to low activity.

With reduced E&P spending growth and operators re-assessing their worldwide project portfolio, combined with new builds entering the markets, the demand and supply imbalance is expected to increase further through 2014 and into 2015. The consequence being pressure on day rates, shorter contract durations, and increased number of lay-ups, in general affecting all market segments. However, the long term view remains positive supported by increasing long-term demand for oil and gas at sustainable price levels.

Oslo, 10th July 2014

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 2014 and for the first half-year 2014 including condensed consolidated comparative figures as at 30 June 2013 and for the first half-year 2013 (“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 2014 and as at 30 June 2013 and of the results of the Group’s operations and cash flows for the first half-year 2014 and the first half-year 2013.

Oslo, 10 July 2014
Fred. Olsen Energy ASA

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



Fred. Olsen Energy ASA

Condensed Financial Statements in accordance with IFRS

GROUP INCOME STATEMENT

Unaudited

(USD mill)	Note	2Q 2014	1Q 2014	2Q 2013	Jan-June 2014	Jan-June 2013	Year 2013
Operating revenues		256,8	259,2	293,7	516,0	566,5	1 148,6
Recharged income		16,5	18,6	13,0	35,1	22,8	45,8
Total revenues		273,3	277,8	306,7	551,1	589,3	1 194,4
Operating costs		(150,5)	(157,7)	(133,9)	(308,2)	(266,3)	(578,1)
Recharged expenses		(16,2)	(18,1)	(12,6)	(34,3)	(22,1)	(43,7)
Total operating expenses		(166,7)	(175,8)	(146,5)	(342,5)	(288,4)	(621,8)
Oper. profit before depr. (EBITDA)		106,6	102,0	160,2	208,6	300,9	572,6
Depreciation and amortisation	6	(87,8)	(62,6)	(60,7)	(150,4)	(121,9)	(242,3)
Operating profit (EBIT)		18,8	39,4	99,5	58,2	179,0	330,3
Net financial (expense)/income	8	(2,5)	(14,9)	0,5	(17,4)	(0,8)	(12,2)
Profit before income taxes		16,3	24,5	100,0	40,8	178,2	318,1
Income tax expense		(9,3)	(1,0)	(3,9)	(10,3)	(8,3)	(18,0)
Profit for the period		7,0	23,5	96,1	30,5	169,9	300,1
Attributable to:							
Shareholders		6,7	23,2	96,1	29,9	169,9	300,8
Non-controlling interests		0,3	0,3	-	0,6	-	(0,7)
Profit for the period		7,0	23,5	96,1	30,5	169,9	300,1

EPS :

Basic earnings per share	0,10	0,35	1,45	0,45	2,56	4,54
Diluted earnings per share	0,10	0,35	1,45	0,45	2,56	4,54

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 2014	1Q 2014	2Q 2013	Jan-June 2014	Jan-June 2013	Year 2013
Profit for the period	7,0	23,5	96,1	30,5	169,9	300,1
Actuarial gains/(losses) on defined benefit pension plans	-	-	-	-	-	(0,6)
Income tax relating to components of other comprehensive income	-	-	-	-	-	(1,1)
Exchange differences on translation of foreign operations	(1,9)	(0,2)	1,8	(2,1)	0,1	(0,8)
Total comprehensive income for the period	5,1	23,3	97,9	28,4	170,0	297,6
Attributable to:						
Shareholders	4,8	23,0	97,9	27,8	170,0	297,7
Non-controlling interests	0,3	0,3	-	0,6	-	(0,1)
Total comprehensive income for the period	5,1	23,3	97,9	28,4	170,0	297,6



Fred. Olsen Energy ASA

Condensed Financial Statements in accordance with IFRS

STATEMENT OF FINANCIAL POSITION

Unaudited

(USD mill)

		30 Jun 14	31 Mar 14	30 June 13	31 Dec 13
Intangible assets		16,0	16,5	16,4	16,2
Property, plant & equipment	6	2 822,8	2 595,9	2 338,3	2 476,2
Other non-current assets		27,1	27,4	26,5	27,0
Total non-current assets		2 865,9	2 639,8	2 381,2	2 519,4
Inventories		110,0	109,0	89,3	103,0
Trade and other receivables		163,5	178,5	229,4	189,6
Other current assets		35,8	38,2	31,0	31,7
Cash and cash equivalents		226,1	398,7	182,7	222,1
Total current assets		535,4	724,4	532,4	546,4
Total assets		3 401,3	3 364,2	2 913,6	3 065,8
Share capital		193,3	193,3	193,3	193,3
Other equity		1 049,0	1 266,9	1 116,0	1 243,6
Non-controlling interests		0,4	-	-	-
Total Equity	9	1 242,7	1 460,2	1 309,3	1 436,9
Non-current interest-bearing loans and borrowings	5	1 300,2	1 191,4	783,0	662,2
Other non-current liabilities		133,9	130,6	113,3	124,6
Total non-current liabilities		1 434,1	1 322,0	896,3	786,8
Current interest-bearing loans and borrowings	5	176,4	176,4	131,2	131,2
Other current liabilities	6	548,1	405,6	576,8	710,9
Total current liabilities		724,5	582,0	708,0	842,1
Total equity and liabilities		3 401,3	3 364,2	2 913,6	3 065,8

GROUP STATEMENT OF CHANGES IN EQUITY

Unaudited

(USD mill)

	Share capital	Share premium	Translation reserves	Reserve for own shares	Retained earnings	Total	Non-contr. interests	Total equity
Jan - June 2013								
Balance at 1 January 2013	193,3	83,5	15,8	(1,2)	1 074,9	1 366,3	-	1 366,3
Total comprehensive income	-	-	0,1	-	169,9	170,0	-	170,0
Dividend	-	-	-	-	(227,0)	(227,0)	-	(227,0)
Balance at 30 June 2013	193,3	83,5	15,9	(1,2)	1 017,8	1 309,3	-	1 309,3
Year 2013								
Balance at 1 January 2013	193,3	83,5	15,8	(1,2)	1 074,9	1 366,3	-	1 366,3
Total comprehensive income	-	-	(0,8)	-	298,4	297,6	-	297,6
Dividend	-	-	-	-	(227,0)	(227,0)	-	(227,0)
Balance at 31 Dec 2013	193,3	83,5	15,0	(1,2)	1 146,3	1 436,9	-	1 436,9
Jan - June 2014								
Total comprehensive income	-	-	(2,1)	-	30,1	28,0	0,4	28,4
Dividend	-	-	-	-	(222,6)	(222,6)	-	(222,6)
Balance at 30 June 2014	193,3	83,5	12,9	(1,2)	953,8	1 242,3	0,4	1 242,7



Fred. Olsen Energy ASA

Condensed Financial Statements in accordance with IFRS

CONSOLIDATED STATEMENT OF CASH FLOWS

Unaudited (USD mill)	Note	Jan-June 2014	Jan-June 2013	Year 2013
Cash flows from operating activities				
Profit before income tax		40,8	178,2	318,1
<i>Adjustment for:</i>				
Depreciation and amortisation		150,4	121,9	242,3
Interest expense	8	20,6	10,1	19,5
Gain/(loss) on sales of fixed assets		-	(0,1)	(0,6)
Changes in working capital		39,5	(35,3)	(5,1)
Unrealised loss/(gain) financial instruments/debt		(6,0)	(25,4)	(32,4)
Cash generated from operations		245,3	249,4	541,8
Interest paid		(24,0)	(19,3)	(38,1)
Taxes paid		(6,5)	(7,2)	(15,2)
Net cash from operating activities		214,8	222,9	488,5
Cash flows from investing activities				
Net investment in fixed assets		(676,4)	(104,8)	(212,4)
Proceeds from sale of equipment		-	0,3	1,1
Net cash used to investing activities		(676,4)	(104,5)	(211,3)
Cash flows from financing activities				
Borrowing of interest bearing debt		783,6	115,0	115,0
Repayments of interest bearing debt	5	(94,4)	(70,6)	(191,2)
Dividend paid	9	(222,6)	(227,0)	(227,0)
Net cash from financing activities		466,6	(182,6)	(303,2)
Foreign currency		(1,0)	(2,2)	(1,0)
Net change in cash and cash equivalents		5,0	(64,2)	(26,0)
Cash and cash equivalents at the beg. of period		222,1	249,1	249,1
Cash and cash equiv. at the end of period		226,1	182,7	222,1



Fred. Olsen Energy ASA

Condensed Financial Statements in accordance with IFRS

Notes

1. Segment information

(USD mill)	Offshore Drilling *	Engineering & Fabrication	Eliminations	FOE Group
2Q 2014				
Revenues from external customers	265,5	7,8	-	273,3
Inter-segment revenues	-	15,9	(15,9)	-
Total revenues	265,5	23,7	(15,9)	273,3
Operating costs	(157,1)	(18,7)	9,1	(166,7)
Oper. profit before depr. (EBITDA)	108,4	5,0	(6,8)	106,6
Depreciation and amortisation	(87,2)	(0,6)	-	(87,8)
Operating profit (EBIT)	21,2	4,4	(6,8)	18,8
1Q 2014				
Revenues from external customers	267,1	10,7	-	277,8
Inter-segment revenues	-	37,7	(37,7)	-
Total revenues	267,1	48,4	(37,7)	277,8
Operating costs	(163,3)	(44,3)	31,8	(175,8)
Oper. profit before depr. (EBITDA)	103,8	4,1	(5,9)	102,0
Depreciation and amortisation	(62,1)	(0,5)	-	(62,6)
Operating profit (EBIT)	41,7	3,6	(5,9)	39,4
2Q 2013				
Revenues from external customers	297,8	8,9	-	306,7
Inter-segment revenues	-	-	-	-
Total revenues	297,8	8,9	-	306,7
Operating costs	(138,4)	(8,1)	-	(146,5)
Oper. profit before depr. (EBITDA)	159,4	0,8	-	160,2
Depreciation and amortisation	(60,3)	(0,4)	-	(60,7)
Operating profit (EBIT)	99,1	0,4	-	99,5
Jan-June 2014				
Revenues from external customers	532,6	18,5	-	551,1
Inter-segment revenues	-	53,6	(53,6)	-
Total revenues	532,6	72,1	(53,6)	551,1
Operating costs	(320,4)	(63,0)	40,9	(342,5)
Oper. profit before depr. (EBITDA)	212,2	9,1	(12,7)	208,6
Depreciation and amortisation	(149,3)	(1,1)	-	(150,4)
Operating profit (EBIT)	62,9	8,0	(12,7)	58,2
Jan-June 2013				
Revenues from external customers	572,5	16,8	-	589,3
Inter-segment revenues	-	-	-	-
Total revenues	572,5	16,8	-	589,3
Operating costs	(272,9)	(15,5)	-	(288,4)
Oper. profit before depr. (EBITDA)	299,6	1,3	-	300,9
Depreciation and amortisation	(121,1)	(0,8)	-	(121,9)
Operating profit (EBIT)	178,5	0,5	-	179,0
Year 2013				
Revenues from external customers	1 152,5	41,9	-	1 194,4
Inter-segment revenues	-	8,8	(8,8)	-
Total revenues	1 152,5	50,7	(8,8)	1 194,4
Operating costs	(572,8)	(57,8)	8,8	(621,8)
Oper. profit before depr. (EBITDA)	579,7	(7,1)	-	572,6
Depreciation and amortisation	(240,7)	(1,6)	-	(242,3)
Operating profit (EBIT)	339,0	(8,7)	-	330,3

* Includes Fred. Olsen Energy ASA



Fred. Olsen Energy ASA

Condensed Financial Statements in accordance with IFRS

(USD mill)	Offshore Drilling *	Engineering & Fabrication	Eliminations	FOE Group
30 Jun 14				
Segment assets	3 322,9	78,4	-	3 401,3
Segment liabilities	2 085,3	73,3	-	2 158,6
30 June 13				
Segment assets	2 855,6	58,1	(0,1)	2 913,6
Segment liabilities	1 545,4	59,0	(0,1)	1 604,3
31 Dec 13				
Segment assets	3 007,3	62,1	(3,6)	3 065,8
Segment liabilities	1 567,3	65,2	(3,6)	1 628,9

* Includes Fred. Olsen Energy ASA

2. Introduction

The consolidated interim financial statements for 2nd Quarter 2014 ended 30 June 2014, comprise Fred. Olsen Energy ASA and its subsidiaries (together referred to as the "Group").

The Group has changed its reporting currency and Fred. Olsen Energy ASA its functional currency from Norwegian Krone to US Dollar, effective from 1st January 2014. The comparative numbers are presented as if USD had always been the Group's presentation currency.

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 2013.

The consolidated financial statements of the Group for the year ended 31 December 2013 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 10th July 2014.

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 2013.

IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12, Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures are effective from 1 January 2014. Given the nature of the Group's structure and investments activities, the adoption of these standards and amendments have not had any impact on the consolidated financial statements.

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 2013.

5. Interest-bearing loans and borrowings

The Group has repaid USD 94.4 million of the credit facility as per 30 June 2014. The Group has borrowed USD 783.6 million during 1st half year 2014, including a new bond loan of NOK 1 100 million. The bond was raised in the Norwegian bond market at a coupon of 3 months libor + 3.0%, with maturity in February 2019.

At the end of second quarter, Fred. Olsen Energy ASA signed a new six year bank credit facility of up to USD 2 000 million. The credit facility will be used to repay existing bank loan in Q3, full-finance the newbuild Bollsta Dolphin and for general corporate purposes.

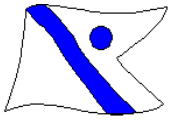
6. Property, plant and equipment

(USD mill)	Rigs and drillship	Machinery and equipment	Plant, building and land	Total
Cost				
Balance at 1 January 2014	3 789,5	99,1	21,0	3 909,6
Acquisitions	493,3	3,3	0,0	496,6
Disposals	(17,0)	(0,5)	0,0	(17,5)
Movements in foreign currency	0,0	1,8	0,2	2,0
Balance at 30 June 2014	4 265,8	103,7	21,2	4 390,7
Depreciation				
Balance at 1 January 2014	1 351,1	71,3	11,0	1 433,4
Depreciation	146,8	3,5	0,1	150,4
Disposals	(17,1)	(0,4)	0,0	(17,5)
Movements in foreign currency	0,0	1,5	0,1	1,6
Balance at 30 June 2014	1 480,8	75,9	11,2	1 567,9
Carrying amounts				
At 1 January 2014	2 438,4	27,8	10,0	2 476,2
At 30 June 2014	2 785,0	27,8	10,0	2 822,8

Bollsta Dolphin, under construction, is included as acquisition above with USD 130 million based on percent of completion. The total accrued cost related to Bollsta Dolphin per 30 June 2014 is USD 214 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% 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 2013.



Fred. Olsen Energy ASA

Condensed Financial Statements in accordance with IFRS

8. Financial expenses

Interest cost of USD 5.2 million is capitalized to Bolette Dolphin (until delivery) and Bollsta Dolphin under construction.

9. Dividend

The Annual General Meeting in May 2014 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 2013. The payment was made in June 2014 and amounted to NOK 1 325.3 million (USD 222.6 million).