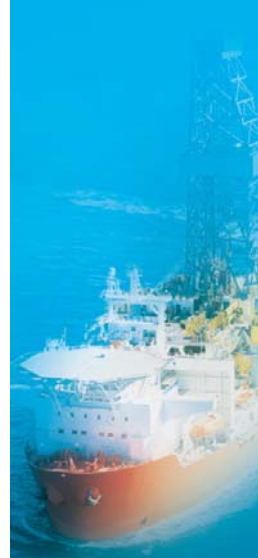


Fred. Olsen Energy ASA

Presentation 3Q 2010
29th of October 2010



AGENDA

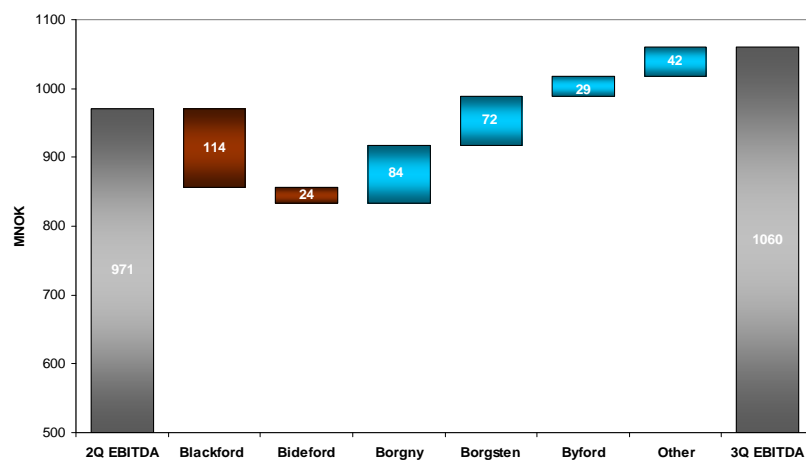
- **FINANCIAL RESULT 3Q 2010**
- MARKETS
- OPERATIONS
- SUMMARY AND OUTLOOK

Income Statement – Key Figures

(NOK mill)	3Q 2010	2Q 2010
Operating revenues	1 623	1 581
Recharged income	34	53
Total revenues	1 657	1 634
Operating costs	(565)	(612)
Recharged expenses	(32)	(51)
Total operating expenses	(597)	(663)
Oper. result before depr. (EBITDA)	1 060	971
Depreciation	(338)	(317)
Operating result (EBIT)	722	654
Net financial items	48	(135)
Result before tax	770	519
Estimated tax	(25)	(11)
Net result	745	508

3

EBITDA Comparison 3Q vs. 2Q 2010



4

Financial Items Breakdown

(NOK mill)	3Q 2010	2Q 2010
Interest income	3	4
Gains on financial instruments	24	2
Financial income	27	6
Interest expenses	(24)	(21)
Losses on financial instruments	(54)	(88)
Other financial expenses	(6)	(5)
Financial expenses	(84)	(114)
Net foreign currency gain/(loss)	105	(27)
Net financial items	48	(135)

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Offshore Drilling Segment

(NOK mill)	3Q 2010	2Q 2010
Operating revenues	1 611	1 575
Recharged income	34	53
Total revenues	1 645	1 628
Operating costs	(541)	(594)
Recharged expenses	(32)	(51)
Total operating expenses	(573)	(645)
Oper. result before depr. (EBITDA)	1 072	983
Depreciation	(336)	(316)
Operating result (EBIT)	736	667

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Engineering & Fabrication Segment

(NOK mill)	3Q 2010	2Q 2010
Operating revenues	12	6
Operating costs	(24)	(17)
Oper. result before depr. (EBITDA)	(12)	(11)
Depreciation	(2)	(2)
Operating result (EBIT)	(14)	(13)

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Consolidated Balance Sheet

(NOK mill)	3Q 2010	2Q 2010
Intangible assets	99	99
Property, plant & equipment	10 328	11 629
Other non-current assets	53	57
Total non-current assets	10 480	11 785
Other current assets	1 888	2 154
Cash and cash equivalents	792	1 228
Total current assets	2 680	3 382
Total assets	13 160	15 167
Equity	6 539	7 216
Non-current interest bearing debt	4 234	5 423
Other non-current liabilities	376	371
Total non-current liabilities	4 610	5 794
Current liabilities	726	728
Current interest bearing debt	1 285	1 429
Total current liabilities	2 011	2 157
Total equity and liabilities	13 160	15 167

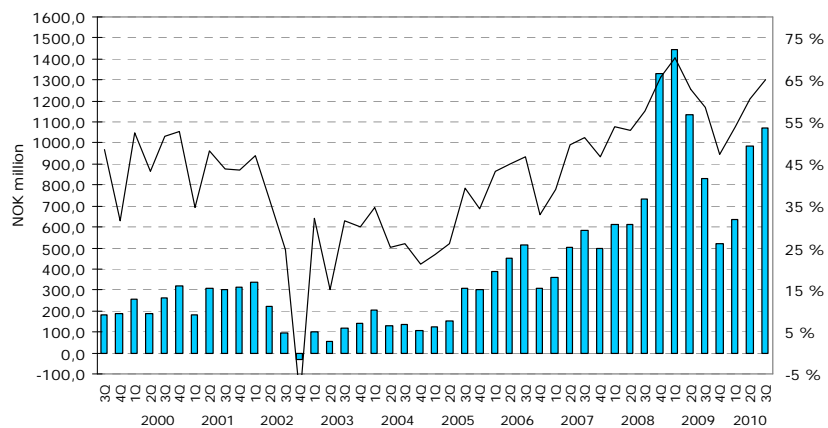
8

Consolidated Cash Flow

(NOK mill)	3Q 2010	2Q 2010
Profit before income taxes	770	519
Depreciation and impairment	338	317
Interest expense	24	21
Gain on sale of assets	-	(3)
Changes in working capital	198	(191)
Unrealized loss financial instruments	8	57
Cash generated from operations	1 338	720
Interest paid	(23)	(21)
Taxes paid	(22)	(8)
Net cash flow from operating activities	1 293	691
Net investment in fixed assets	(161)	(492)
Cash flow used in investment activities	(161)	(492)
Repayment of loans	(642)	-
Dividend paid	(663)	-
Cash flow from financing activities	(1 305)	-
Foreign currency	(263)	157
Net change in cash and cash equivalents	(173)	199
Cash at beginning of period	1 228	872
Cash at end of period	792	1 228

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Offshore drilling EBITDA and margin



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Fleet status as per 29 October 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	Mozambique	Anadarko	April '10- April '13	532 000	1Q 2015
Blackford Dolphin	SS / Aker H-3	7 000	Brazil	Reliance Sublet to Maersk	July '09- Desember '11	395 000	3Q 2013
Midwater floaters Norway							
Bideford Dolphin	SS / Aker H-3	1 500	Norway	Statoil Statoil Statoil	Until January '11 January '11 - January '14 January '14 - January '15	NOK 2,71mill. NOK 850' + USD 243' Option	2Q 2014
Borgland Dolphin	SS / Aker H-3	1 500	Norway	Consortium*	January '10 - January '14	NOK 850' + USD 379'	4Q 2014
Bredford Dolphin	SS / Aker H-3	1 500	Norway	RWE Dea Lundin Lundin	October '10 - November '10 Jan/February-May/June '11 2x 1 well	373 000 330 000/340 000 Option	2Q 2012
Midwater floaters UK - Brazil							
Borgsten Dolphin	SS / Aker H-3	1 500	UK	-	Idle	-	1Q 2015
Borgny Dolphin	SS / Aker H-3	2 300	Brazil	Petrobras	Until September '13	233 000	4Q 2014
Byford Dolphin	SS / Aker H-3	1 500	UK	BP	April '10 - April '13	324 000	1Q 2015
Accommodation floater							
Borgholm Dolphin	Acc. / Aker H-3		UK	- BP BP	Idle 1Q '11-4Q '11 4Q '11-1Q '12	- 203 000 Option	4Q 2012

Participants in the consortium:

* BP, Bridge, Discover, EON, Nexen, OMV, Rocksource, Wintershall

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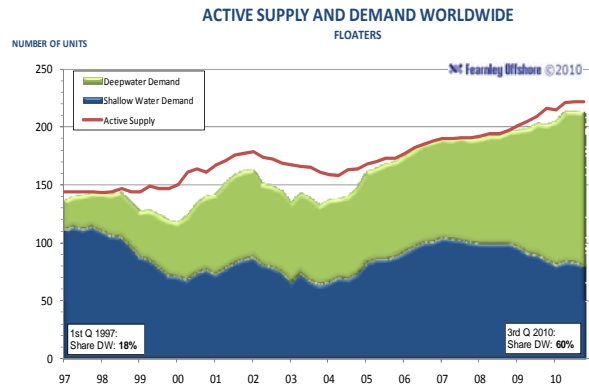
AGENDA

- FINANCIAL RESULT
- MARKETS
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Global market outlook – floating units

- Further growth in global energy demand
- Sustainable oil price development
- Stable activity in the mid-water segment
- Continued growth in the deepwater segment

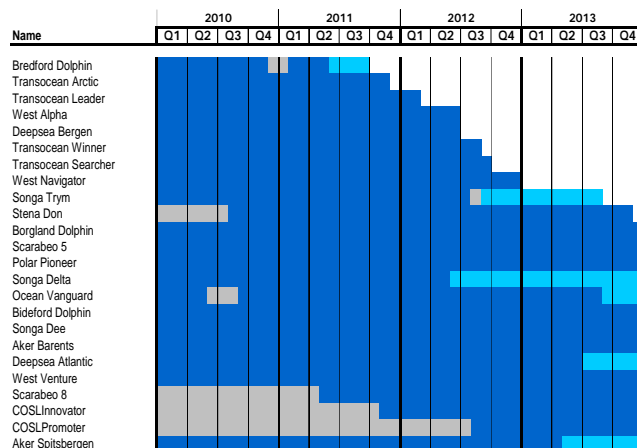


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Norwegian floater market

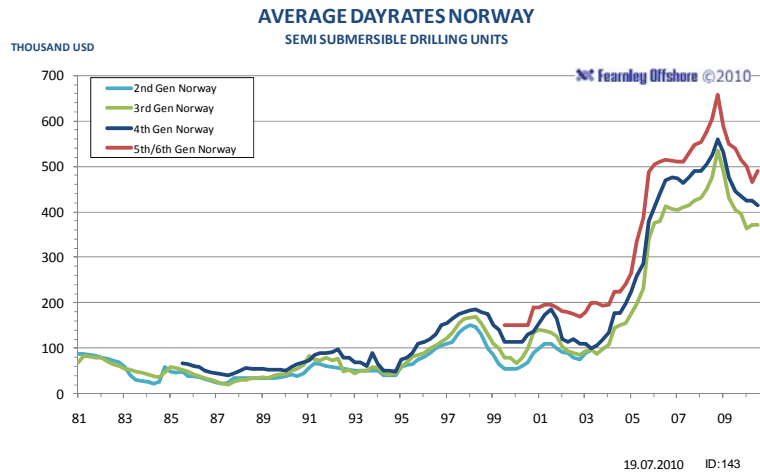
- Short term exploration well demand
- New projects emerging towards end of 2011
 - stand alone developments
 - satellite projects
 - infield/Improved Oil Recovery projects
- Bredford Dolphin targeting these demands



Source: DNB NOR/ODS Petrodata

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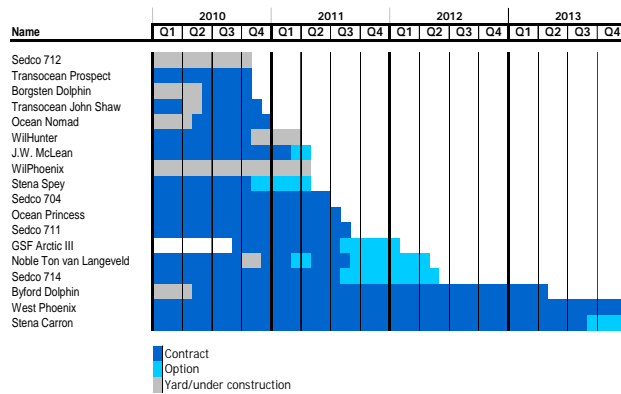
Average dayrates Norway



15

UK floater market

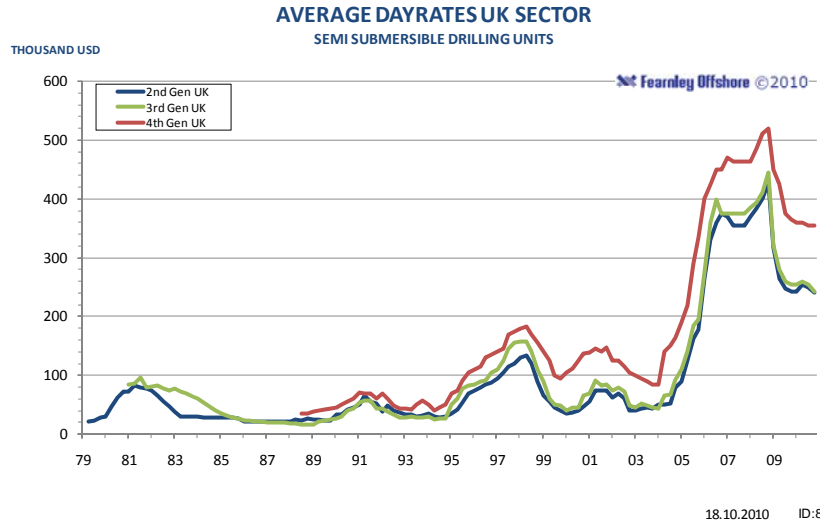
- Low demand expected in winter season 2010/2011
- New projects emerging in first half 2011, both exploration wells and development projects
- Borgsten Dolphin targeting these demands



Source: DNB NOR/ODS Petrodata

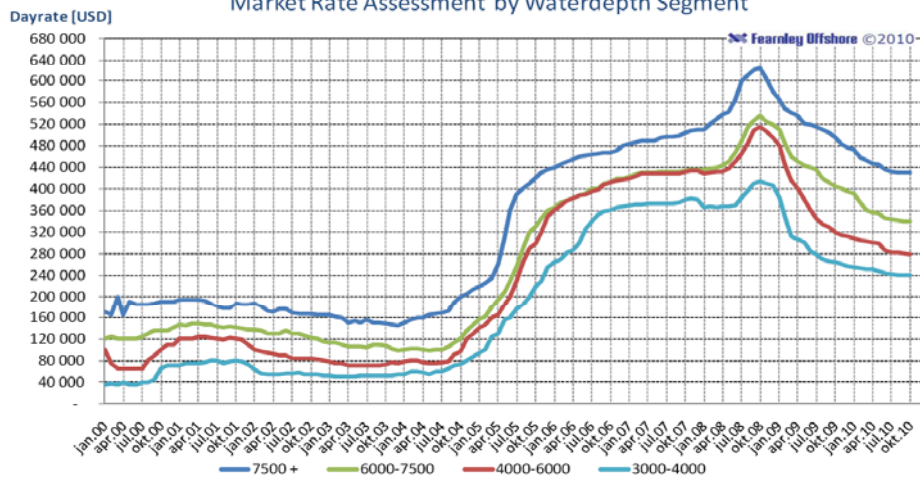
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Average dayrates UK

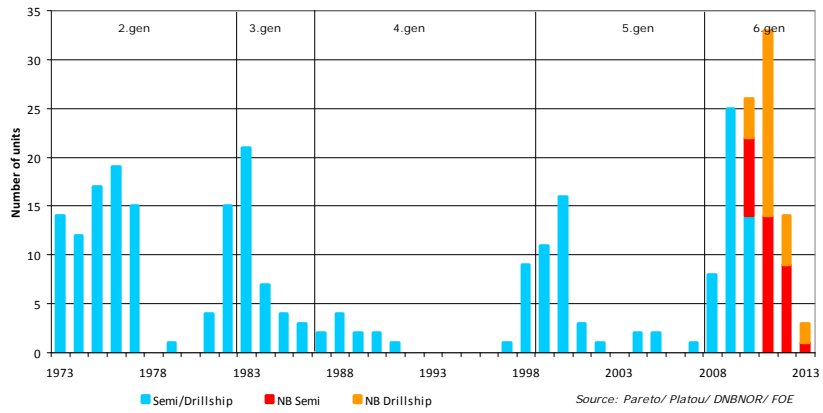


Worldwide Deepwater Drilling Units

Market Rate Assessment by Waterdepth Segment



Global floater fleet and newbuilds



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AGENDA

- FINANCIAL RESULT
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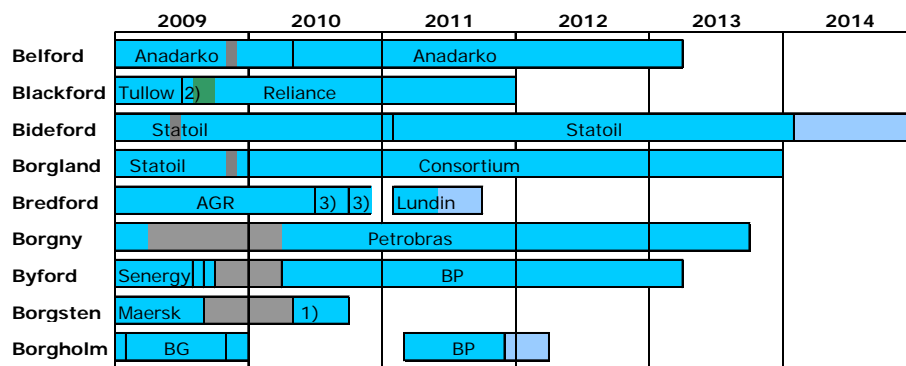
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Fred. Olsen Energy operating worldwide



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Contract schedule as per 29 October 2010



1) Hurricane Exploration PLC

3) RWE Dea Norge AS

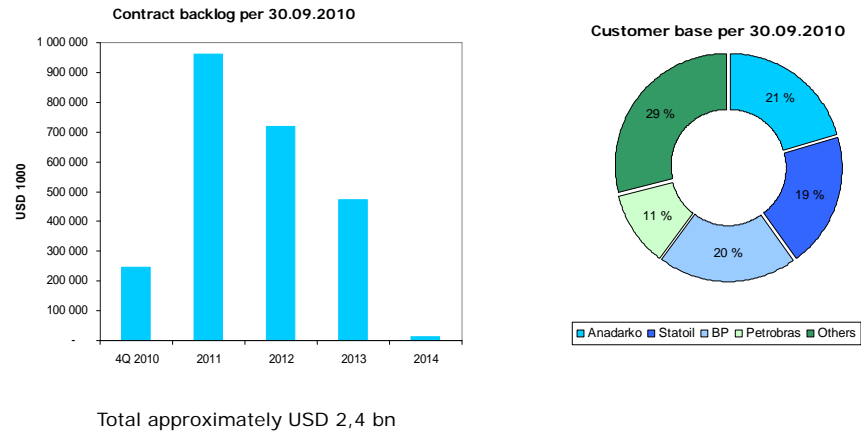
2) Vitol Upstream Ghana Ltd.

Upgrade Yard / Class renewal survey Mobilisation Option

Average contract length end quarter: 23 months

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Contract backlog and customers as per 30 September 2010



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Deepwater – Africa/Brazil

Belford Dolphin

- Continued operation under a three-year drilling contract with Anadarko expiring April 2013
- Currently in Mozambique
- Completed five-year class renewal survey in November 2009



Blackford Dolphin

- Three-year contract with Reliance Industries Ltd.
- Sublet to Maersk for operations offshore Brazil, started operating end of October
- During the transit to Brasil, the unit stopped in South Africa for intermediate survey, preparations and modifications. The yard stay was completed within the scheduled month
- Next five-year class renewal survey in 3Q13



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Norway

Bideford Dolphin

- Operating for Statoil under a three-year drilling contract offshore Norway expiring January 2011
- New three-year drilling contract from January 2011 with Statoil
 - One year option to be exercised within 15 November 2010
- Five-year class renewal survey completed July 2009



Borgland Dolphin

- Continued operation under a four-year drilling contract with a consortium of eight oil companies, managed by RMN (Rig Management Norway), expiring January 2014
- Five-year class renewal survey completed in December 2009



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Norway / United Kingdom

Bredford Dolphin

- Completed the first one-well contract with RWE DEA end of September and proceeded directly with the second one-well contract with RWE DEA. Estimated to end by end of November
- Entered into a two-well contract with Lundin Norway AS with start up in January or February 2011
 - Option to extend the contract with two more wells to be exercised within 1st of December 2010



Borgholm Dolphin

- Accommodation unit with 600 bed capacity. Class renewal survey completed in January 2008
- New nine-months contract with BP Exploration with start up in 1Q 2011 plus options for totally four months
- The unit is currently in Invergordon carrying out preparations for the contract



United Kingdom (cont.)

Byford Dolphin

- Continued operation under a three-year drilling contract with BP Exploration expiring April 2013
- Five-year class renewal survey and upgrade completed in April 2010



Borgsten Dolphin

- Completed a two-well contract with Hurricane Exploration PLC mid October 2010
- The unit is currently available for new assignments
- Five-year class renewal survey completed in May 2010



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Brazil

Borgny Dolphin

- Operating under a five-year drilling contract with Petrobras in Brazil, expiring September 2013
- Completed five-year class renewal survey and upgrade in April 2010, followed by final acceptance test in May 2010



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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
- Challenging market situation in 3Q and into 4Q 2010
- Secured a contract for construction of two substations for Siemens to be initiated by year-end 2010
- Next windfarm project scheduled to be initiated year-end 2010



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Summary and outlook

- Financial:
 - Revenues were 1 657 million
 - EBITDA was 1 060 million
 - Profit before tax was 770 million
- Operational:
 - Borgsten Dolphin completed the contract with Hurricane
 - Blackford completed one month yard stay in South Africa and commenced operations in Brazil for Maersk in October
- Market:
 - New two-well contract for Bredford Dolphin for start up in 2011
 - Average contract duration approximately 23 months per end of quarter
 - Borgsten Dolphin available for new assignments and targeting shorter term contracts going into 2011
 - Bredford targeting both shorter term and longer term assignments

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