



Presentation of 1st quarter 2005

Oslo, 27 April 2005



Agenda

- § **The quarter in brief**
- § **Financial result for 1st quarter 2005**
- § **Business divisions – status, strategy and outlook**
- § **Summary**



Q1 2005 in brief - financial

- § Strong financial performance
- § New contracts enhancing contract utilisation of the rig fleet to 85% in 2005
- § Contracts for FPSO Petr leo Nautipa and FSO Madura Jaya extended with five years
- § Negative effects of IFRS of approx. 0.7 MUSD

**Strong financial performance
and continuous high future rig utilisation**



Q1 2005 in brief - operational

Floating Production:

- § Strong underlying performance – high uptime
- § Upgrade projects on time and within budget

Offshore Support Services:

- § Strong underlying performance

Drilling Services:

- § Rubicon in operation since mid-March with high uptime and good performance
- § Negative impact from repair of drilling equipment

**Overall good operating performance
and solid contract coverage**



Profit and loss account

(Unaudited figures in USD million)

	Q1 05	Q4 04	Q1 04	2004
Operating revenues	106.8	105.9	107.3	470.3
Operating expenses	(71.3)	(71.4)	(70.3)	(315.7)
Operating profit before depreciation	35.5	34.5	37.0	154.6
Depreciation	(15.9)	(16.3)	(15.5)	(63.4)
Operating profit	19.6	18.2	21.5	91.2
Interest income	0.8	0.6	0.4	1.9
Interest expenses	(3.8)	(4.7)	(4.5)	(18.1)
Other financial items	1.9	5.8	(1.4)	1.4
Net financial items	(1.1)	1.7	(5.5)	(14.8)
Profit before taxes	18.5	19.9	16.0	76.4
Taxes	(3.8)	(1.6)	(2.0)	(6.2)
Net profit	14.7	18.3	14.0	70.2
EPS (USD)	0.43	0.54	0.41	2.06
EPS fully diluted (USD)	0.43	0.54	0.41	2.06



Drilling Services

(Unaudited figures in USD million)	DRILLING SERVICES			
	Q1 05	Q4 04	Q1 04	2004
Operating revenues	41.9	44.4	52.3	212.7
Operating expenses	(37.7)	(40.3)	(47.6)	(193.6)
Operating profit before depreciation	4.2	4.1	4.7	19.1
Depreciation	(3.5)	(3.8)	(2.7)	(12.4)
Operating profit	0.7	0.3	2.0	6.7
Total assets	121.3	148.3	125.4	148.3
Employees	868	871	1 359	871



Floating Production

(Unaudited figures in USD million)	FLOATING PRODUCTION			
	Q1 05	Q4 04	Q1 04	2004
Operating revenues	26.7	23.6	22.0	89.3
Operating expenses	(13.1)	(9.7)	(9.4)	(37.5)
Operating profit before depreciation	13.6	13.9	12.6	51.8
Depreciation	(4.4)	(4.5)	(5.2)	(19.9)
Operating profit	9.2	9.4	7.4	31.9
Total assets	381.9	372.7	380.4	372.7
Employees	469	459	472	459



Offshore Support Services

(Unaudited figures in USD million)	OFFSHORE SUPPORT SERVICES			
	Q1 05	Q4 04	Q1 04	2004
Operating revenues	38.5	38.0	33.1	168.8
Operating expenses	(20.1)	(20.4)	(12.7)	(81.7)
Operating profit before depreciation	18.4	17.6	20.4	87.1
Depreciation	(7.8)	(7.9)	(7.4)	(30.6)
Operating profit	10.6	9.7	13.0	56.5
Total assets	431.9	427.5	424.0	427.5
Employees	121	119	115	119



Balance sheet

(Unaudited figures in USD million)	31.03.05	01.01.05	31.03.04
Goodwill	128.9	128.9	128.9
Rigs	394.0	397.5	405.2
Ships	183.3	187.6	201.4
Other fixed assets	40.8	45.8	35.0
Total fixed assets	747.0	759.8	770.5
Other current assets	93.1	101.9	79.7
Cash and deposits	146.1	121.6	107.5
Total current assets	239.2	223.5	187.2
Total assets	986.2	983.3	957.7
Share capital	44.7	44.7	44.7
Other equity	419.7	405.8	392.3
Total equity	464.4	450.5	437.0
Interest-free long-term liabilities	31.1	35.9	30.3
Interest-bearing long-term liabilities	385.9	392.8	408.7
Total long-term liabilities	417.0	428.7	439.0
Interest-free current liabilities	85.2	86.7	78.3
Interest-bearing current liabilities	19.6	17.4	3.4
Total current liabilities	104.8	104.1	81.7
Total equity and liabilities	986.2	983.3	957.7



Cash flow

(Unaudited figures in USD million)	Q1 05	Q4 04	Q1 04	2004
Net cash flow from operating activities	29.7	62.5	17.8	131.7
Net cash flow from investing activities	(4.9)	(9.6)	7.1	(26.7)
Net cash flow from financing activities	(0.3)	(55.1)	(18.6)	(84.7)
Net change in cash and deposits	24.5	(2.2)	6.3	20.2
Cash and deposits at 01.01	121.6	123.8	101.2	101.2
Cash and deposits at 31.12	146.1	121.6	107.5	121.4



Key figures

	Q1 05	Q4 04	Q1 04	2004
Operating margin	18.4 %	17.2 %	20.0 %	19.4 %
Equity ratio	47.1 %	45.8 %	45.6 %	45.8 %
Return on equity	12.9 %	16.1 %	25.6 %	16.1 %
Return on capital employed	9.6 %	8.9 %	20.7 %	10.9 %
Net interest bearing debt (USD million)	259.4	288.6	304.6	288.6



Shareholders at 20 April 2005

	No. of shares	Ownership
GMO	3 020 293	8.86 %
Brown Brothers Harriman	2 653 050	7.79 %
Skandinaviska Enskilda Banken	1 907 255	5.60 %
Svenska Handelsbanken (nom.)	1 533 080	4.50 %
Odin	1 085 328	3.19 %
State Street Bank & Trust (nom.)	1 298 158	3.81 %
JP Morgan Chase Bank (nom.)	1 165 417	3.42 %
JP Morgan Chase Bank	1 371 632	4.03 %
Storebrand	886 439	2.60 %
Folketrygdfondet	860 900	2.53 %
Total 10 largest shareholders	15 781 552	46.32 %

No. of shares: 34 071 886

Foreign ownership: 62.10 %



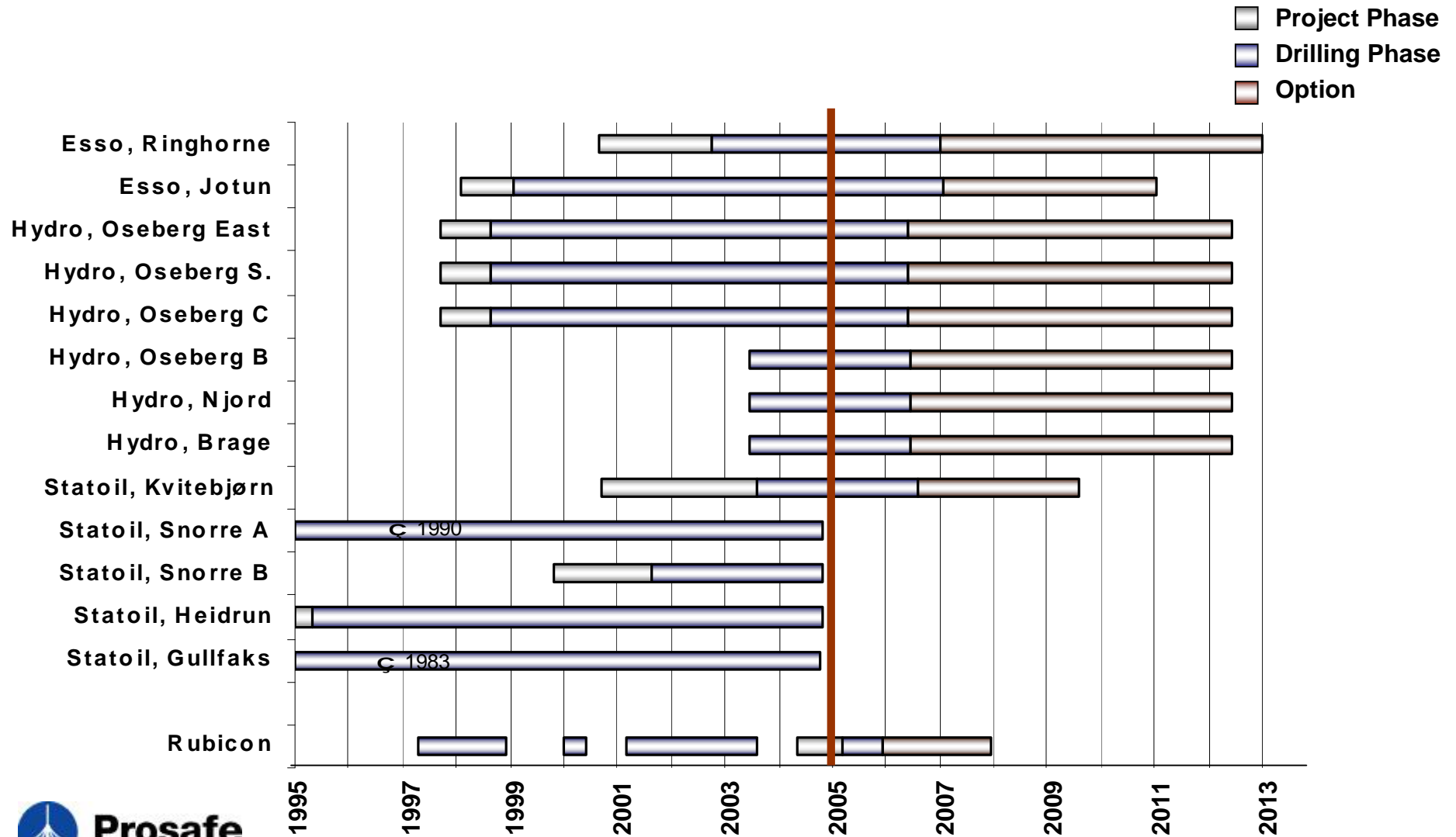
IFRS

- § Net profit for 2004 is USD 70.2 million as per IFRS, vs. reported net profit under NGAAP of USD 65.6 million. Main reasons for difference of USD 4.6 million:
 - ú no goodwill amortisation under IFRS
 - ú higher pension and maintenance costs under IFRS

- § Book equity as at 31.12.2004 is USD 448.6 million as per the IFRS balance sheet, which is USD 14.7 million over the NGAAP equivalent.
 - ú proposed dividends
 - ú goodwill
 - ú pension liabilities



Drilling Services - contract status





Drilling Services – strategy and outlook

- § Focus on safe and cost efficient operations
- § Focus on continuous operations for Rubicon
- § Management of Rig2000
 - ú Effect from 2006
- § Focusing on growing volume from Rental, T&P and other EOR services where margins are attractive
- § Underlying trends are attractive for a drilling company with the right strategy and service mix



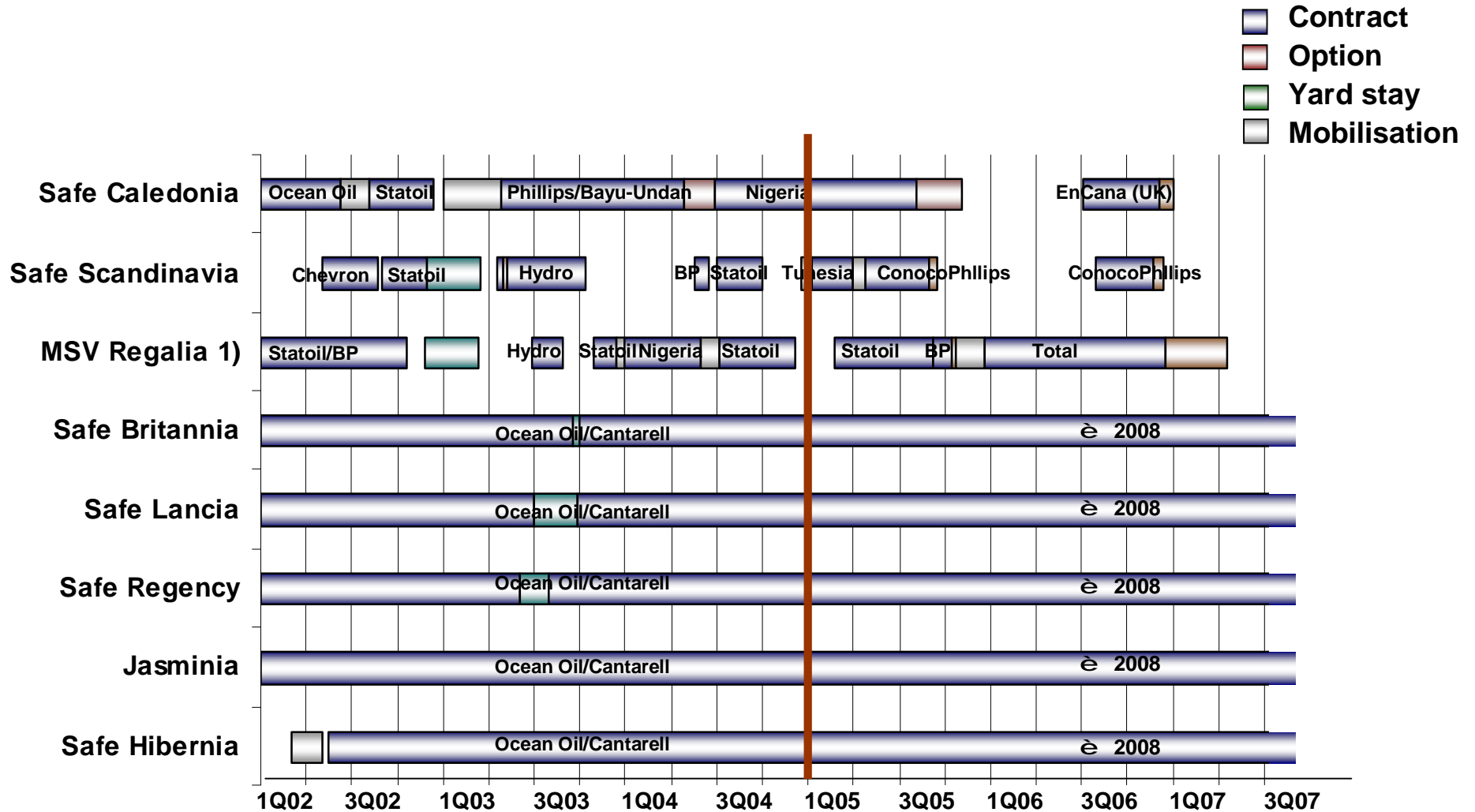
EOR driven spending => providing attractive prospects



Prosafe



Offshore Support Services - contract status



1) Start-up for Total at Girassol will be between 1 Nov and 31 Dec 2005. The start-up window will be narrowed down to 1 month no later than 6 months prior to start up.



Market status



- § Market is improving - new regions and high activity:
 - ú North Sea: LT stable to growing
 - ú West Africa: emerging market
 - ú Mexico: LT stable to growing
 - ú Brazil, SE Asia: emerging markets
- § Contracts awarded already for 2006/2007
- § More DP work, also against FPSOs

**Attractive level of spending and limited supply
provide attractive basis for further contracts**



Offshore Support Services – strategy and outlook

Strategic focus:

- § Maintain the largest and most versatile fleet of high-end accommodation and service rigs globally



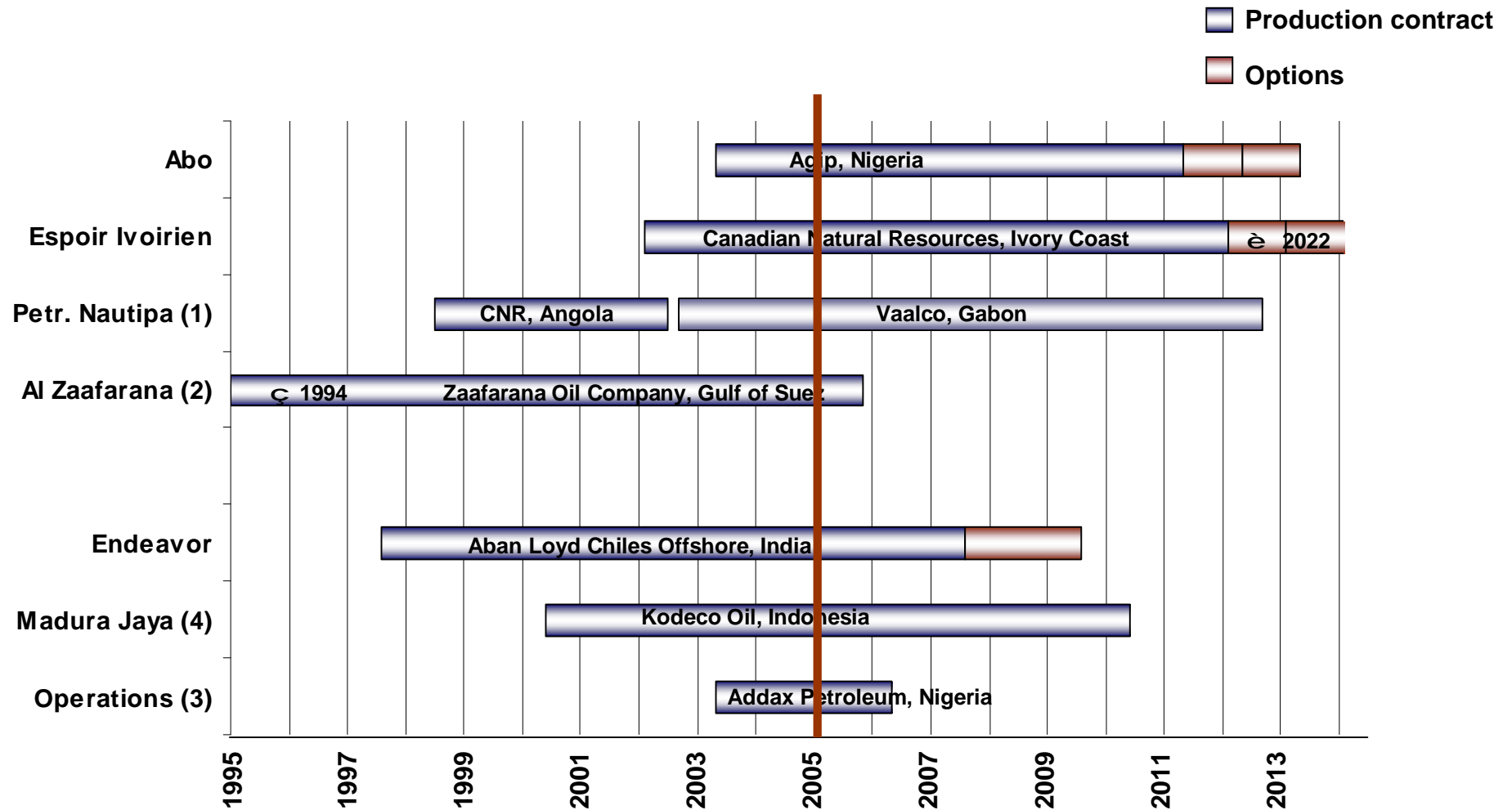
Short-term focus - swing factors 2005:

- § Ensure work for Safe Scandinavia in Q4 2005

Long-term prospects are attractive based on internationalisation, more demand drivers and Prosafe's strong position



Floating Production - contract status



Prosafef

(1) 50% ownership: 5- year term, cancellable from September 2011; (2) Management contract; (3) Production and maintenance of the fixed installations at the OML123 field; (4) 50% ownership



Floating Production – status

- § Good operational performance and high uptime
- § Upgrade of Espoir Ivoirien ongoing – on time and within budget
 - ú Positive effects expected in 2005
- § Anticipate number of expected FPSO contract awards to increase through 2005
- § Low cost base secures good profitability between conversion projects



Solid performance



Floating Production – strategy and outlook

- § Position the company as one of the leading suppliers and operators of high quality FPSOs in the world
- § Strengthen competitive edge based on low cost base and application engineering
- § Focus on West Africa, Southeast Asia and Brazil
- § Committed to winning a contract in 2005



Outlook – summary

- § Oil price and increased spending and rates provide positive indications for activity going forward
- § Financial performance is set to be strong based on current order backlog
 - ú Swing factors are mainly Safe Scandinavia and timing of new FPSO contract
- § Strong cash-flow generation
- § Solid market positions
- § Clear strategy direction