

Presentation of 1st quarter 2006

Oslo, 27 April 2006



Agenda

- § **The quarter in brief**
- § **Financial result for 1st quarter 2006**
- § **Business divisions – status, strategy and outlook**
- § **Summary**





Q1 2006 in brief

- § Best ever first quarter
- § Conversion projects according to plan
- § Two important contract awards in the North Sea
- § Management of Offshore Support Services transferred to Singapore
- § The board of directors has proposed to distribute a dividend of NOK 5.50 per share for the year 2005



M/T Apollo at Keppel Shipyard



Profit and loss account

(Unaudited figures in USD million)	Q1 06	Q4 05	Q1 05	2005
Operating revenues	75.1	75.4	64.9	295.3
Operating expenses	(31.7)	(41.3)	(33.7)	(144.4)
Operating profit before depreciation	43.4	34.1	31.2	150.9
Depreciation	(11.8)	(11.7)	(12.3)	(47.3)
Operating profit	31.6	22.4	18.9	103.6
Interest income	1.4	1.2	0.7	4.3
Interest expenses	(5.1)	(4.9)	(3.8)	(17.6)
Other financial items	4.2	(2.2)	2.2	(2.6)
Net financial items	0.5	(5.9)	(0.9)	(15.9)
Profit before taxes	32.1	16.5	18.0	87.7
Taxes	(1.4)	(114.8)	(3.7)	(122.8)
Net profit from continuing operations	30.7	(98.3)	14.3	(35.1)
Net profit from discontinued operations	0.0	0.0	0.4	81.5
Net profit	30.7	(98.3)	14.7	46.4
EPS (USD)	0.90	(2.89)	0.43	1.36
EPS diluted (USD)	0.90	(2.88)	0.43	1.36



Offshore Support Services

(Unaudited figures in USD million)	Q1 06	Q4 05	Q1 05	2005
Operating revenues	51.5	49.5	38.5	186.7
Operating expenses	(19.7)	(28.2)	(20.1)	(86.5)
EBITDA	31.8	21.3	18.4	100.2
Depreciation	(8.4)	(7.7)	(7.8)	(30.6)
EBIT	23.4	13.6	10.6	69.6
Total assets	743.6	458.3	431.9	458.3
Employees	102	118	121	118



Floating Production

(Unaudited figures in USD million)	Q1 06	Q4 05	Q1 05	2005
Operating revenues	23.4	25.7	26.7	108.3
Operating expenses	(10.6)	(11.8)	(13.1)	(54.0)
EBITDA	12.8	13.9	13.6	54.3
Depreciation	(3.3)	(4.0)	(4.4)	(16.4)
EBIT	9.5	9.9	9.2	37.9
Total assets	566.3	418.2	381.9	418.2
Employees	490	487	469	487



Balance sheet

(Unaudited figures in USD million)	31.03.06	31.12.05	31.03.05
Goodwill	128.3	128.3	128.3
Rigs	355.4	360.9	373.0
Ships	354.6	203.8	183.3
Other fixed assets	8.3	8.2	10.2
Total fixed assets	846.6	701.2	694.8
Cash and deposits	218.8	303.6	146.1
Other current assets	57.8	55.9	44.9
Total current assets	276.6	359.5	191.0
Assets discontinued operations	0.0	0.0	100.4
Total assets	1 123.2	1 060.7	986.2
Share capital	44.8	44.8	44.7
Other equity	420.5	390.2	419.7
Total equity	465.3	435.0	464.4
Interest-free long-term liabilities	120.9	117.6	4.8
Interest-bearing long-term debt	347.3	363.0	385.9
Total long-term liabilities	468.2	480.6	390.7
Dividends payable	0.0	30.2	0.0
Other interest-free current liabilities	152.9	87.0	54.6
Current portion of long-term debt	36.8	27.9	19.6
Total current liabilities	189.7	145.1	74.2
Liabilities discontinued operations	0.0	0.0	56.9
Total equity and liabilities	1 123.2	1 060.7	986.2



Cash flow

(Unaudited figures in USD million)	Q1 06	Q4 05	Q1 05	2005
Net cash flow from operating activities	111.2	33.2	31.8	146.7
Net cash flow from investing activities	(157.2)	(14.0)	(5.2)	(45.6)
Net cash flow from financing activities	(38.8)	0.8	(0.3)	(35.7)
Net cash flow from continuing operations	(84.8)	20.0	26.3	65.4
Net cash flow from discontinued operations	0.0	0.0	(1.8)	116.6
Cash and deposits at beginning of period	303.6	283.6	121.6	121.6
Cash and deposits at end of period	218.8	303.6	146.1	303.6



Key figures

	Q1 06	Q4 05	Q1 05	2005
Operating margin	42.1 %	29.7 %	29.1 %	35.1 %
Equity ratio	41.4 %	41.0 %	47.1 %	41.0 %
Return on equity	27.3 %	-78.6 %	12.9 %	10.5 %
Return on capital employed	15.5 %	12.2 %	9.8 %	13.1 %
Net interest bearing debt (USD million)	165.3	87.3	259.4	87.3



Shareholders at 20 April 2006

SHAREHOLDERS	No. of shares	Ownership
State Street Bank & Trust (nom.)	3 964 237	11.6 %
Morgan Stanley & Co (nom.)	2 560 839	7.5 %
Folketrygdfondet	2 167 127	6.4 %
Brown Brothers Harriman	1 570 746	4.6 %
JP Morgan Chase Bank	1 528 062	4.5 %
Morgan Stanley & Co	1 111 595	3.3 %
Societe Generale Bank & Trust	800 000	2.3 %
RBC Dexia (nom.)	780 670	2.3 %
Odin	734 290	2.2 %
JP Morgan Chase Bank (nom.)	707 393	2.1 %
Total 10 largest shareholders	15 924 959	46.7 %
No of shares:	34 116 885	Foreign ownership: 73.7 %



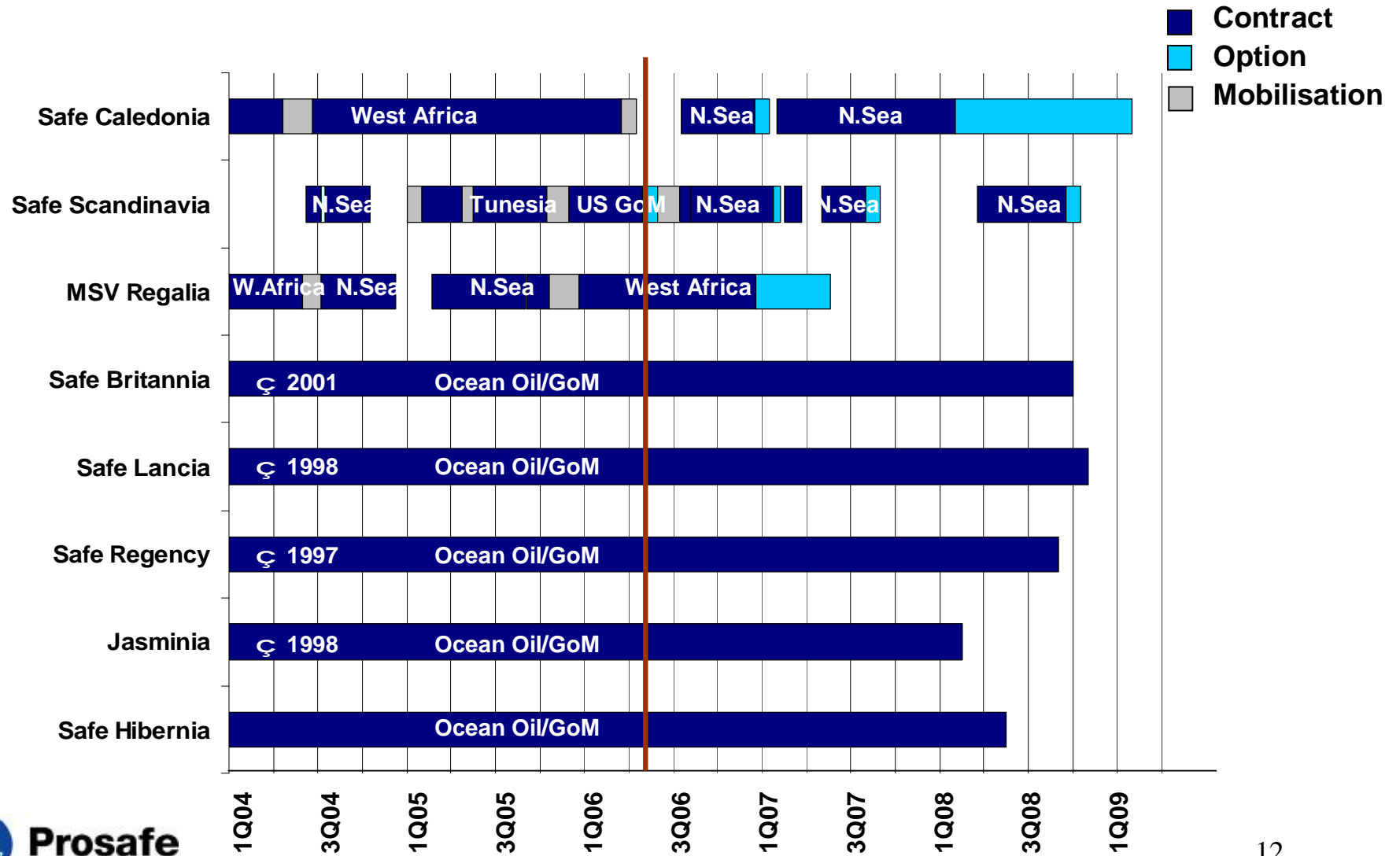
Offshore Support Services – status

- § 100 per cent rig utilisation
- § 2 strong contracts for Statoil and Total
- § Dayrates improved on all recently awarded contracts
- § The entire management established in Singapore





Offshore Support Services – contract status

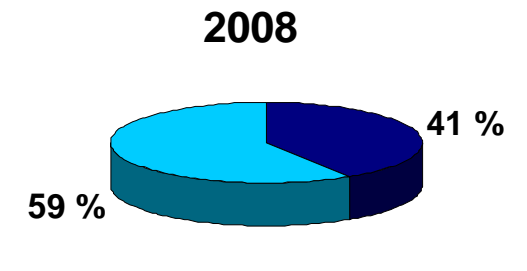
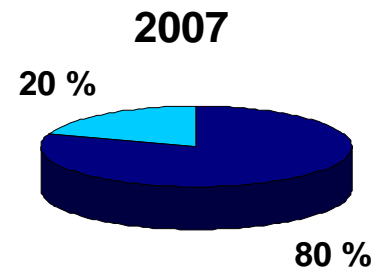
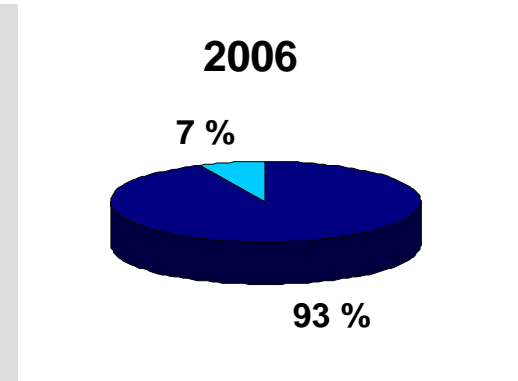
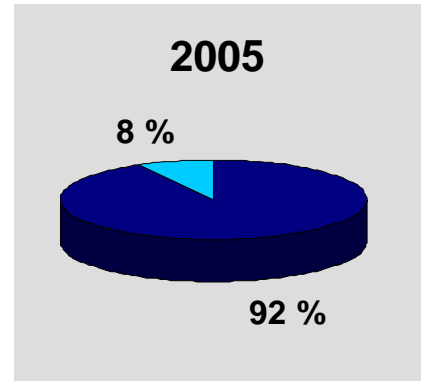




Offshore Support Services - rig utilisation



Safe Scandinavia



Available units will benefit from increasing dayrates



Offshore Support Services – strategy and outlook

Strategic focus:

- § Maintain our position as the world's largest owner and operator of high-end accommodation and service rigs



MSV Regalia

Medium term outlook:

- § Regalia, our most valuable and versatile vessel available from 2007 and onwards
- § Safe Scandinavia available in parts of 2007/2008



Floating Production – status

- § Conversion projects are progressing as planned
- § Engineering capacity significantly increased
- § Available hull
- § Capacity to start at least one new project in 2006

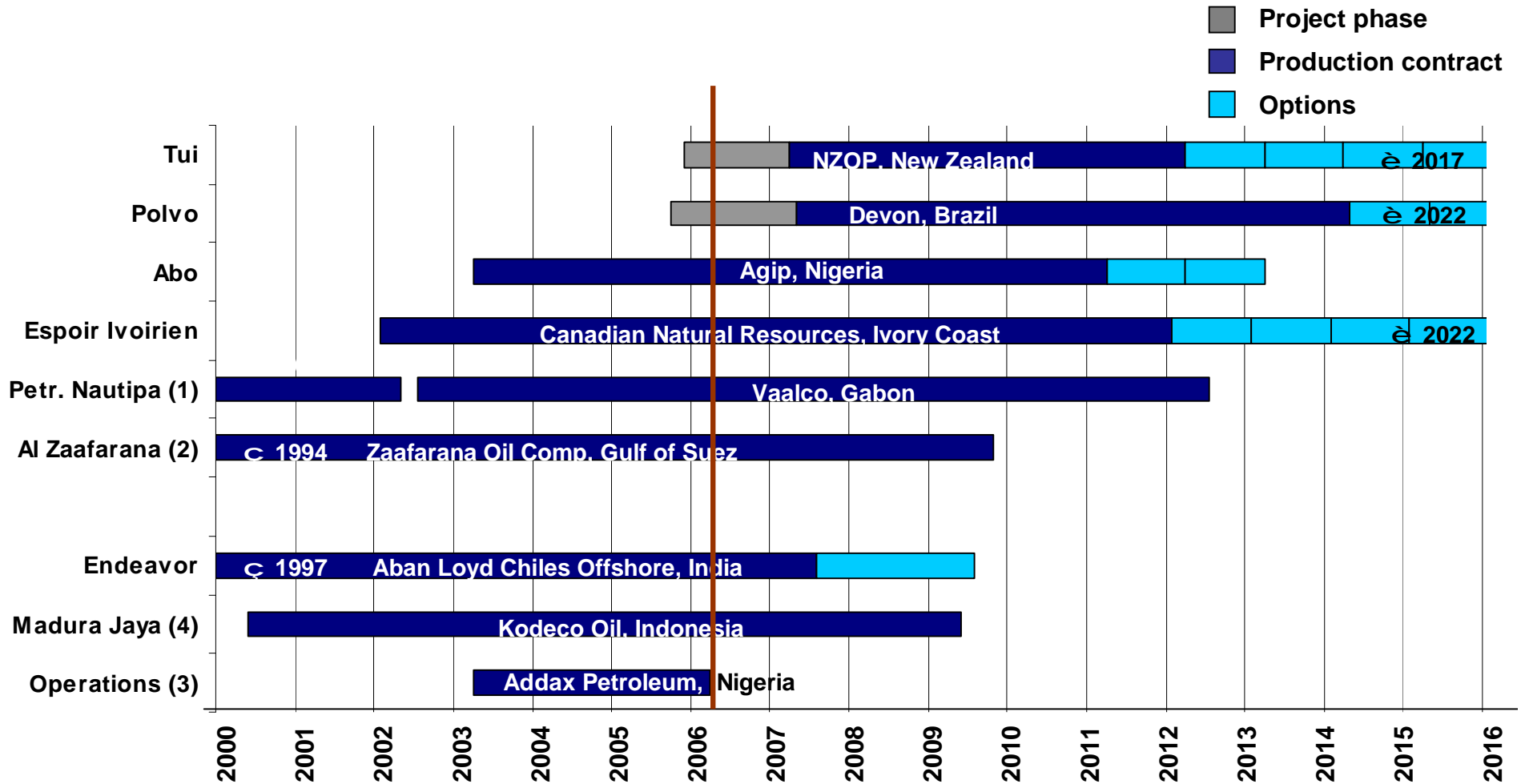


Abo FPSO

A leading position in the FPSO market outside the North Sea



Floating Production - contract status



(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



Status - Polvo

- § VLCC with storage capacity of 1.6 mill barrels
- § Prosafe turret and swivel with deepwater capacity
- § Vessel at Keppel Shipyard
- § All major equipment ordered
- § Tanks and hull cleaned and tested
- § Project progressing as planned
- § Estimated time of start-up: Q2 2007



M/T Apollo

On time and on budget



Status - Tui

- § Suezmax with storage capacity of 0.8 mill barrels
- § Prosafe turret and swivel with deepwater capacity
- § Vessel at Keppel Shipyard
- § All major equipment ordered
- § Tanks and hull cleaned and tested
- § Project progressing as planned
- § Estimated time of start-up: Q2 2007

On time and on budget





Floating Production - operational strength

- § High uptime on FPSOs confirms quality of designs and operational competence
 - ú < 1 day total downtime in 2004
 - ú < 1 day total downtime in 2005
- § Technology support through own engineering organisation
 - ú Direct access to designers and engineering team
 - ú Continuous improvement



**Strong operational performance
creates future success**

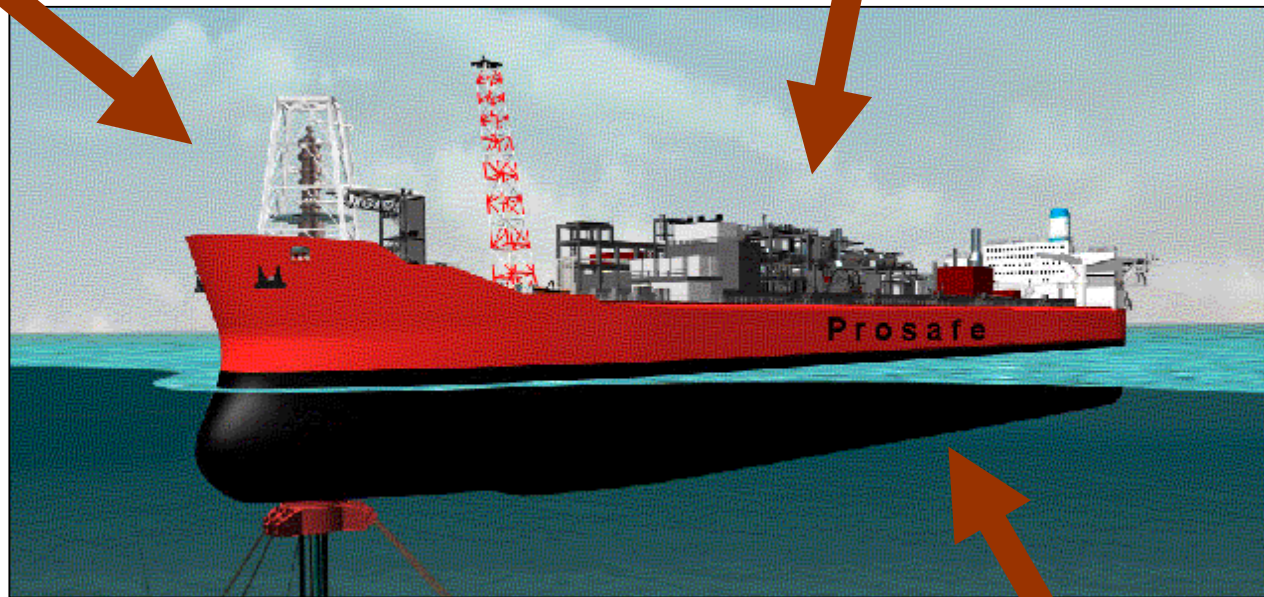


Floating Production – strong Singapore FPSO cluster

Turret/Swivel are Prosafe
designs fabricated in
Singapore

Process facilities are
engineered and fabricated in
Singapore

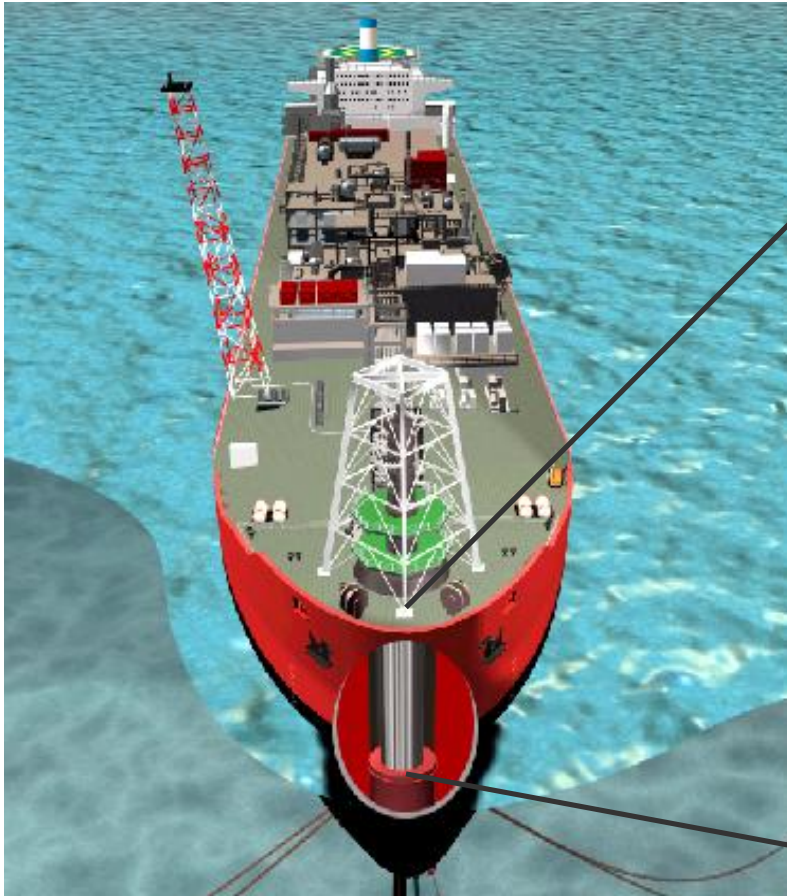
FPSO layout is
designed and
engineered by
Prosafe in
Singapore



Hull repair and life extension are executed in Singapore



Floating Production - turret/swivel technology



Proprietary technology increases competitiveness and operational support



Floating Production – strong market outlook

- § All time high project activity
 - ú 10 projects awarded in 2005
- § Approximately 10 awards expected in 2006
 - ú New projects will need to be served by new (converted) FPSOs
- § The current high drilling activity is a strong indicator for high field development activity in 2007 - 2010
 - ú FPSOs are a unique field development concept for remote regions and deep water

Strong basis for future growth



Floating Production – strategy and outlook

- § Positioned as one of the leading suppliers and operators of high quality FPSOs outside the North Sea
- § Strong competitive edge based on in-house technology and project experience
- § Capacity to commence at least a third FPSO conversion in 2006
 - ú Available hull
 - ú Available engineering capacity
 - ú Available funding
- § A solid market will support strong growth



FPSO Espoir Ivoirien



Summary and outlook

- § Solid financial performance
- § Financial performance is set to be strong the next 2 - 3 years based on current order backlog and market outlook
- § Available service rigs in 2007/2008
- § Projects on time and on budget
- § Well positioned to take part in the growing FPSO market



FPSO Petroléo Nautipa



Prosafef

**A focused oil service company
with strong positions in a growing market**