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SOLSTAD OFFSHORE ASA

9.Nov 2009

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1. Highlights etc
2. Finance
3. Vessels and market
4. Summary



1. HIGHLIGHTS

- **3Q 2009**
 - Freight revenues: NOK 702 mill
 - EBITDA: NOK 363 mill (52 % margin)
- **Per 30.9.2009**
 - Freight revenues: NOK 1.970 mill
 - EBITDA: NOK 994 mill (50 % margin)
- **Contract overview**
 - 63% coverage (68 incl. options) for 4Q 2009
 - 53% coverage (65% incl. options) for 2010
 - Order reserves next 5 year:
 - about NOK 5,2 billions
 - about NOK 7,4 billions including options



1. HIGHLIGHTS - cont

- **Rem Offshore ASA - division**
 - Figures from division of Rem Offshore ASA included from 13th April 2009 (date of agreement)
 - One time gain (including results up to 13th April 2009) booked as:
 - NOK 135 mill on P & L (other financial income)
 - NOK 111 mill as equity transaction
 - Actual division/transfer of management of vessels (8 including 1 under construction) closed in September 2009

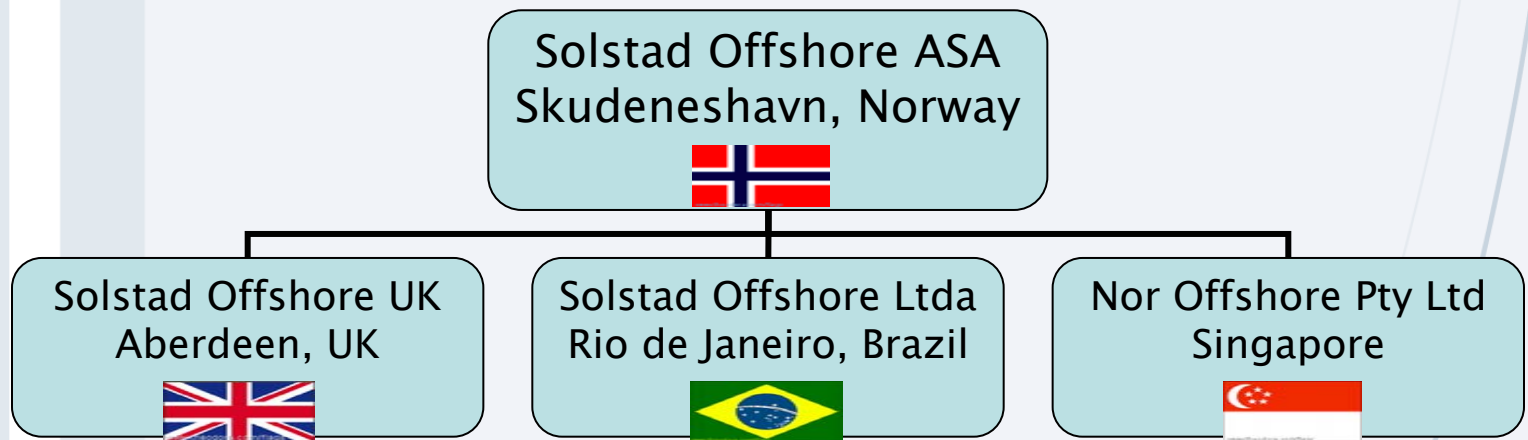


1. HIGHLIGHTS - cont

- **DeepWell AS (DW)**
 - DW is a well intervention company offering high technology based wireline services
 - Main office on Karmøy
 - Solstad holds about 40% of the shares
 - Contract with StatoilHydro awarded for Statfjord A+B+C, Snorre A+B and Sleipner A+B
 - Gross value of firm period (3 years) is about NOK 400 mill - further options for 2+2 years
 - Will expand staff and well intervention equipment
- **Solstad Offshore Ltda**
 - New company (100% owned) with focus on marketing and operation in Brazil
 - Staff of 10 in administration in new offices in Rio.



STRUCTURE





2. FINANCE

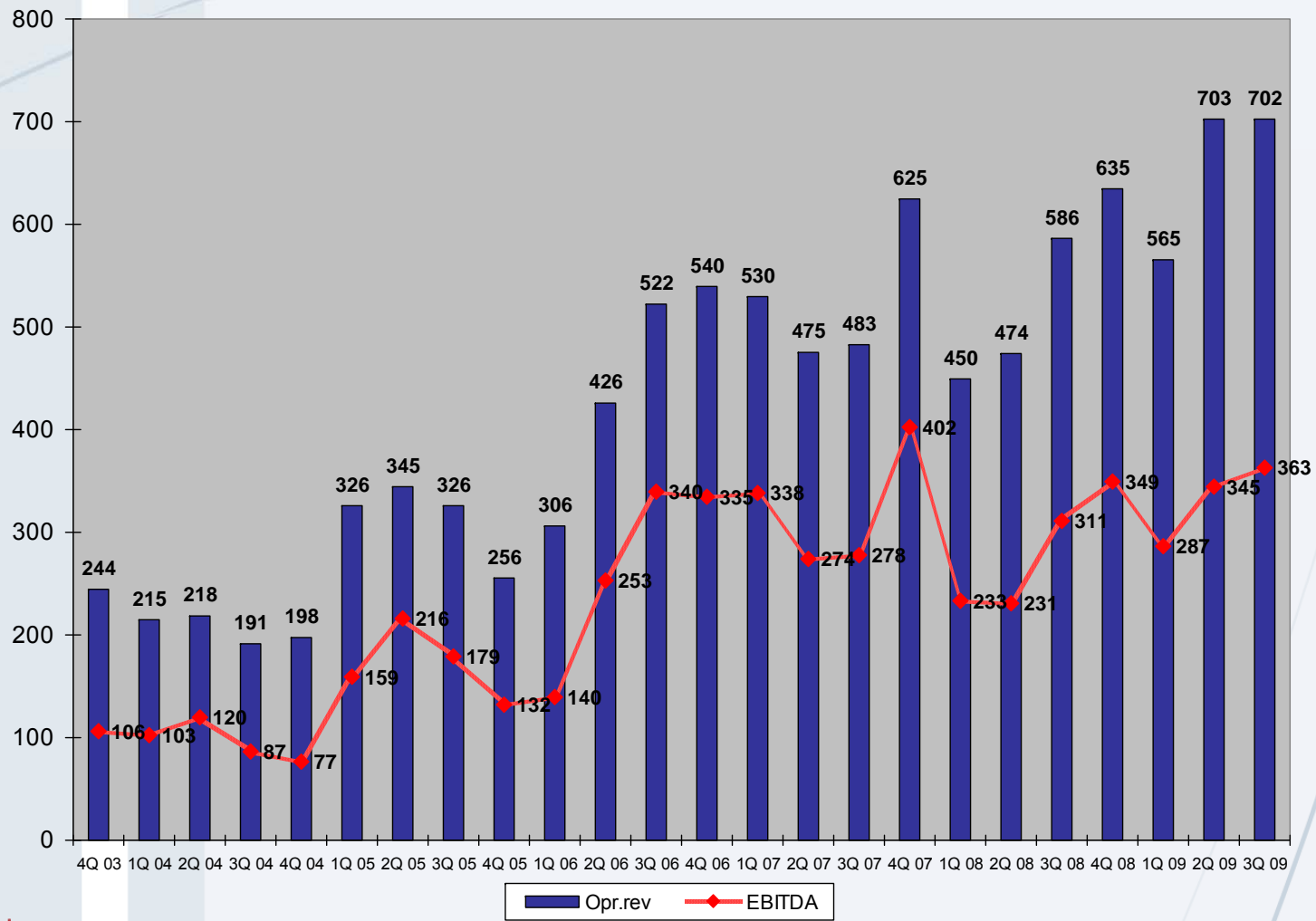
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OPERATING REVENUE AND EBITDA

(Excl. gain on sale of asset) (MNOK)





PROFIT AND LOSS ACCOUNTS

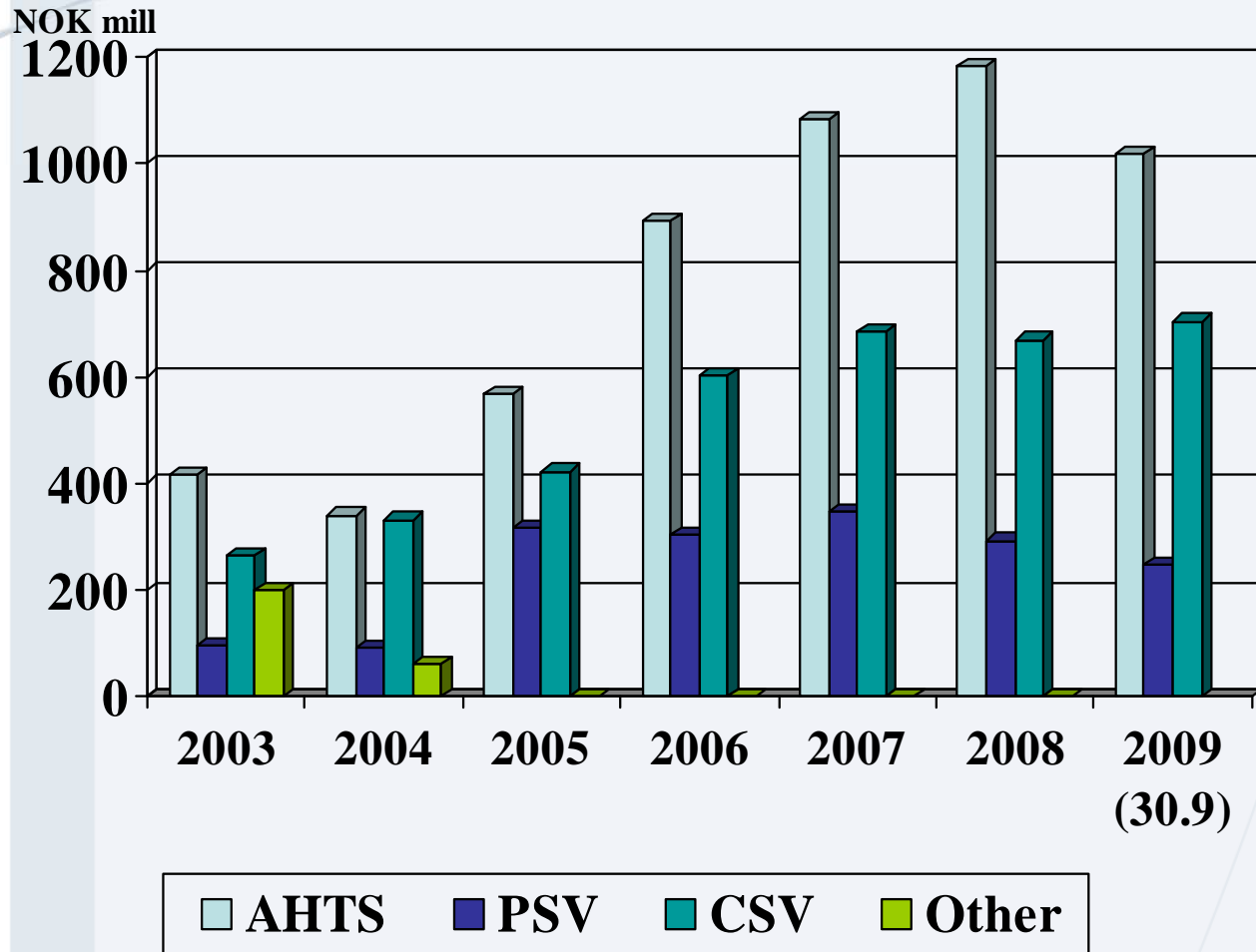
(mill NOK)	3Q 2009	3Q 2008	1.1-30.09 2009	1.1-30.09 2008	Total 2008
Total operating income	702	586	1 970	1 510	2 209
Operating expenses (1)	-339	-167	-978	-667	-932
Result from acc.comp	0	1	2	40	41
Ord. Depreciation	-168	-122	-466	-361	-521
Operating profit	195	297	529	523	797
Net agio	138	-81	228	-94	-238
Other fin. items ⁽²⁾	78	-126	245	-506	-703
Result before taxes	410	90	1 002	-77	-144
Taxes	-5	1	-15	9	171
Result after taxes	405	91	987	-68	27
				0	
Herof minority share	29	12	29	11	-19

1) 3Q 2008 incl net reversal of provision of NOK 108,0 mill.

2) 3Q/per 30.9.2009 incl gain on sale of shares (REM) of NOK 135 mill and on forward FX/interest agreements (marked to marked) of NOK 271 mill



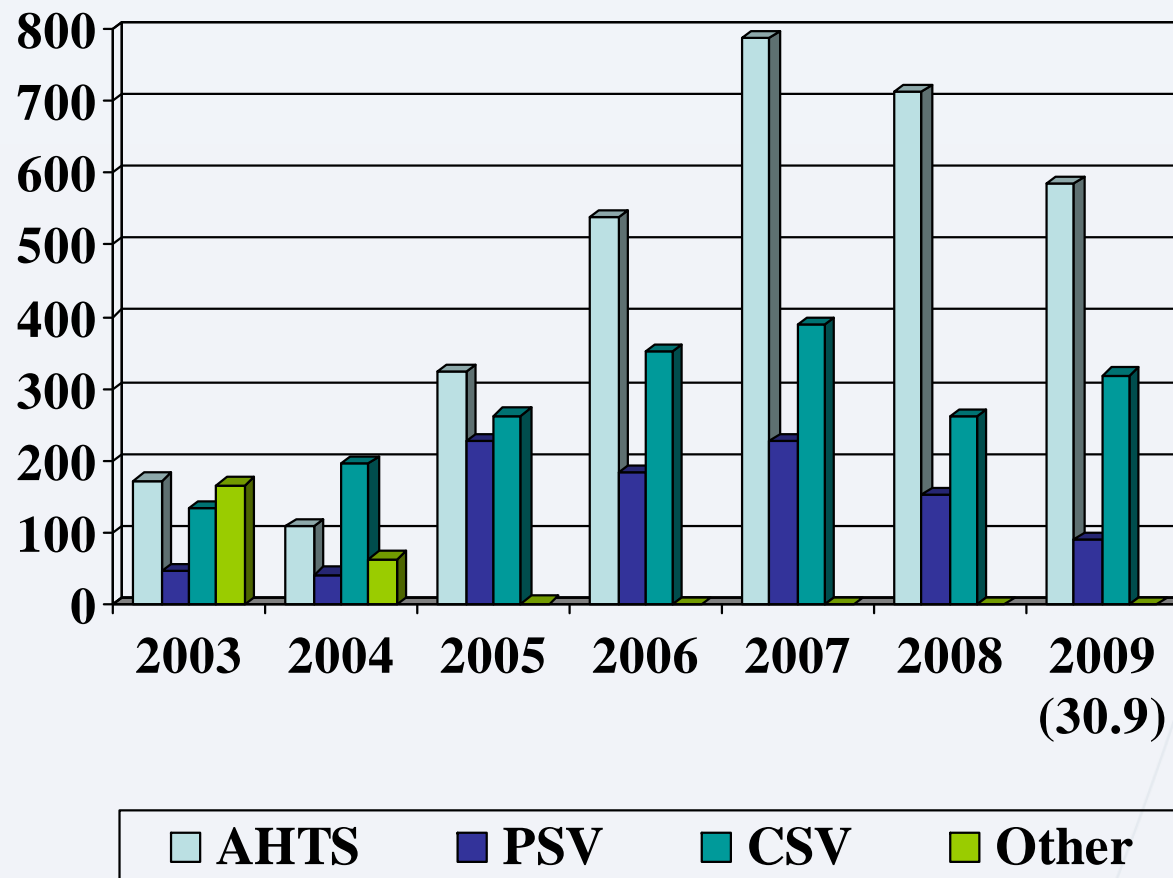
VESSEL INCOME BY SEGMENT





VESSEL EBITDA BY SEGMENT

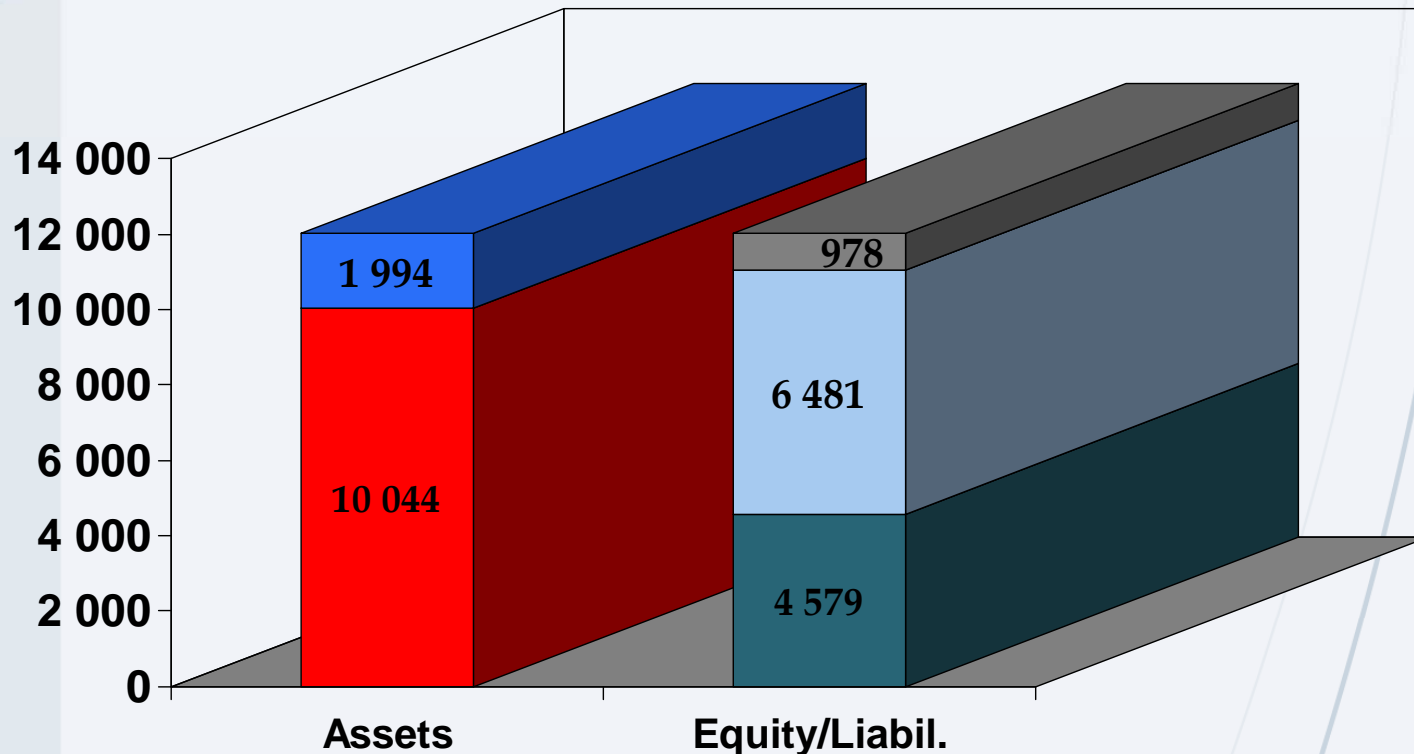
NOK mill





BALANCE PER 30.09.2009

NOK mill



■ Assets ■ Current assets ■ Equity ■ Long-term debt ■ Current liabilities



3. VESSELS & THE MARKET

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Solstad's market position

- High spot exposure in 4q-09 & 1q-10.
 - All segments
- Spot exposure will be reduced from 2q -10, when several long term contracts will start.
- Increasing bidding activity
- Still possible to do long-term contracts at reasonable levels.



Construction Service Vessels (CSV)

CSV Fleet: 13 vessels in operation

3 New buildings



Seven



Installer



Flower



Subsea



Mermaid



Clipper



Cutter



Pioneer



Progress



Tonjer



Clough



Fortress



Commander



STX del. 7/2010



STX
del. 4/2011



Bergen Yards
del. 10/2010



Contract Coverage (CSV)

Vessel	Activity	2009	2010	2011	2012
Normand Tbn 1	Delivery 03/2011	[Blue bar covering 2009 and 2010]			
Normand Tbn 2	Delivery 09/2010	[Blue bar covering 2009 and 2010]			
Normand Tbn 3	Delivery 07/2010	[Blue bar covering 2009 and 2010]			
Normand Subsea	04/2014 + opt	[Blue bar in 2009]	[Red bar covering 2010, 2011, and 2012]		
Normand Seven	09/2015 + opt	[Red bar covering 2009, 2010, 2011, and 2012]			
Normand Installer	200 days/8 years + opt	[Red bar in 2009]	[Red bar in 2010]	[Red bar in 2011]	[Red bar in 2012]
Normand Flower	04/2010	[Red bar covering 2009 and 2010]			
Normand Mermaid	11/2009	[Red bar in 2009]			
Normand Cutter	05/2013 + opt	[Red bar covering 2009, 2010, 2011, and 2012]			
Normand Clipper	06/2010 + opt	[Red bar covering 2009 and 2010]		[Red bar in 2011]	
Normand Pioneer	150 days/year + opt	[Red bar in 2009]	[Red bar in 2010]	[Red bar in 2011]	
Normand Progress	06/2011 + opt	[Red bar covering 2009, 2010, and 2011]			[Red bar in 2012]
Normand Tonjer	03/2011 + opt	[Red bar covering 2009 and 2010]		[Red bar in 2011]	
Normand Clough	11/2013 + opt	[Red bar covering 2009, 2010, 2011, and 2012]			
Normand Commander	06/2011 + opt	[Red bar covering 2009, 2010, and 2011]			[Red bar in 2012]
Normand Fortress	12/2009 + opt	[Red bar in 2009]	[Red bar in 2010]	[Red bar in 2011]	



Anchorhandling/Tug/Supply (AHTS)

AHTS Fleet: 13 vessels

2 New buildings



Atlantic



Ferking



Mariner



Borg



Ivan



Mjolne



Draupne



Jarl



Neptun



Drott



Master



Skarven



Balder (TBN Titan)



**VS 490 Ulstein Verft
del. 4/2010**



**AH 12 STX/Brattvåg
del. 4/2010**



Contract Coverage (AHTS)

Vessel	Activity	2009	2010	2011	2012	
Normand TBN 1	Delivery 03/2010	[Red bar]				
Normand TBN 2	Delivery 03/2010	[Red bar]				
Normand Ferking	09/2012 + opt	[Red bar]				[White bar]
Normand Master	Spot					
Normand Mariner	Spot					
Normand Ivan	02/2011 + opt	[Red bar]		[White bar]		
Normand Borg	04/2010	[Red bar]				
Normand Atlantic	02/2011 + opt	[Red bar]		[White bar]		
Normand Neptun	10/2011	[Red bar]	[Red bar]	[Red bar]		
Normand Mjolne	03/2011 + opt	[Red bar]		[White bar]	[White bar]	
Normand Draupne	10/2009	[Red bar]	<i>Lay up</i>			
Normand Jarl	08/2010 + opt	[Red bar]	[Red bar]	[White bar]		
Normand Skarven	12/2009 + opt	[Red bar]	[White bar]			
Normand Drott	07/2013 + opt	[Red bar]				
Normand Titan	12/2011	[Red bar]				



Plattform Supply Vessels (PSV)

PSV Fleet: 8 Vessels



Aurora



Carrier



Flipper



Skipper



Vester



Corona



Trym



Vibrant



Contract Coverage (PSV)

Vessel	Activity	2009	2010	2011	2012
Normand Aurora	09/2012 + opt	█ SPOT █			
Normand Skipper	04/2010 + opt	█			
Normand Flipper	02/2012 + opt	█ SPOT █			
Normand Vester	05/2010 + opt	█			
Normand Carrier	02/2012 + opt	█ SPOT █			
Normand Corona	02/2012 + opt	█ SPOT █			
Normand Trym	Spot Market				
Normand Vibran	Spot Market				



NOR Offshore, Singapore.





Contract Coverage (NOR Offshore)

Vessel	Activity	2009	2010	2011	2012
Nor Valiant	10/2009				
Nor Australis	08/2016				
Nor Chief	01/2010 + opt				
Nor Sky	04/2010 + opt				
Nor Spring	Spot				
Nor Captain	11/2009 + opt				
Nor Tigerfish	05/2012				
Nor Sun	Spot				
Nor Star	06/2010 + opt				
Nor Supporter	07/2011 + opt				
Tbn NorCe Endeavour	Delivery 03/2010				



Spot to term

- N. Carrier → Saipem 2 years from 1.4.2010
- N. Corona → Saipem 2 years from 1.4.2010
- N. Flipper → Saipem 2 years from 1.4.2010
- N. Aurora → Saipem 2 years from 1.4.2010
- N. Neptun → EDT app.2 years from 1.1.2010



Term to spot

- N. Mermaid, Long term Acergy → Lay up
- N. Draupne, Long term Statoil → Lay up
- N. Corona, Long term BG → spot → Long term Saipem
- N. Pioneer, Season Technip → spot → season Technip.



New contracts



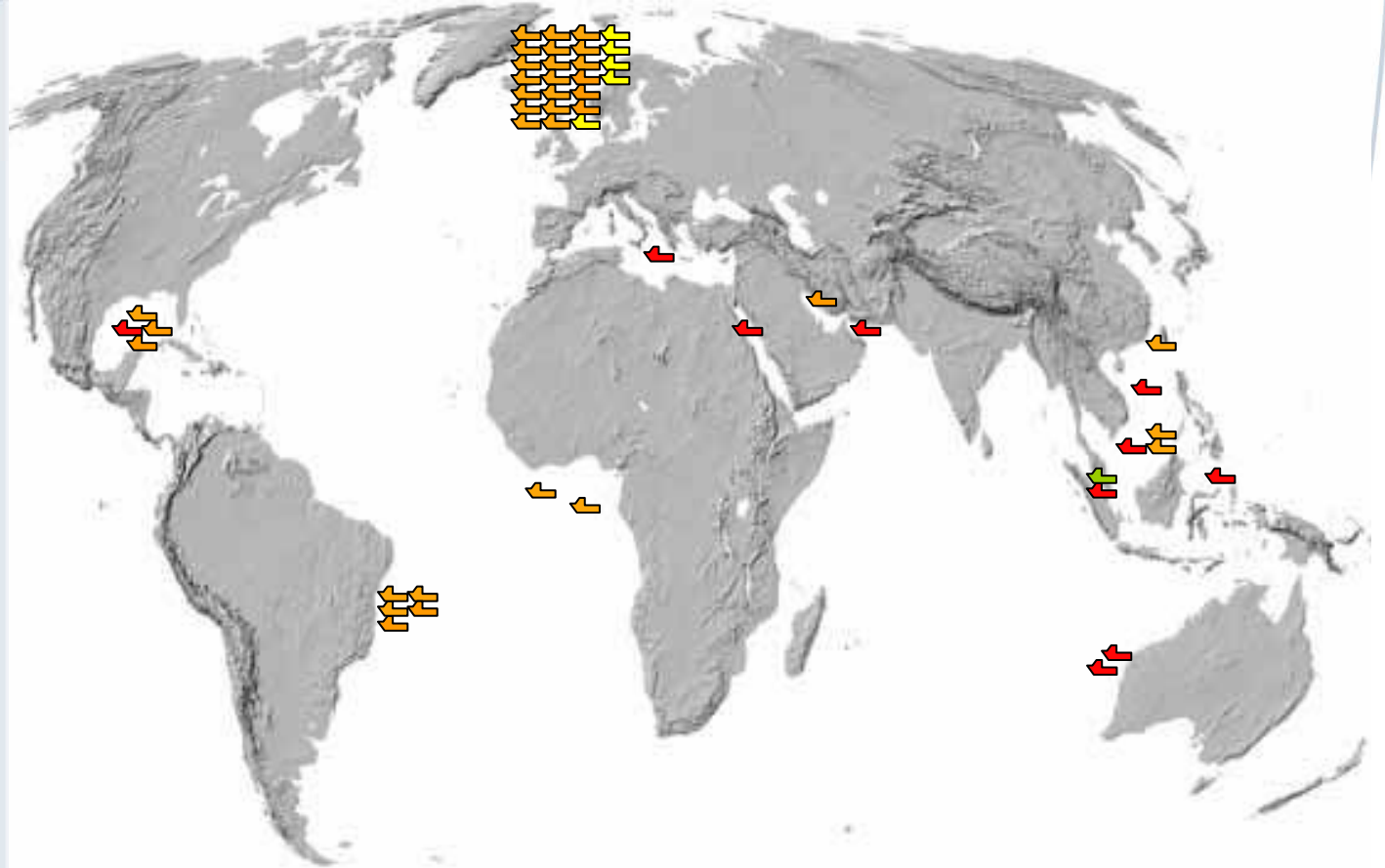
- **Normand Titan, extended 2 years to Petrobras, Brazil.**
- **Normand Borg, extended 5 months to Petrobras, Brazil.**
- **Nor Valiant, 6 + 3 months opt. Gupco, Egypt**
- **Normand Jarl, 6 months + opt. SAL, China**
- **Normand Vester, ext. 6 months + opt. Halliburton, North Sea.**

Total value: app. Nok 290 mill.

Expect to be awarded more medium/long-term contracts in near future



The Solstad Offshore Fleet



↘ Solstad Shipping – 34 vessels
↖ Nor Offshore – 10 vessels

↘ Under construction – 5 vessels
↖ Under construction – 1 vessels



4. SUMMARY

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Market – regions.

- International market.
 - Activity is picking up in some regions
 - Deepwater areas has stable, high activity
 - Asia, slowly picking up again.
- North Sea market.
 - Supply side, too high.
 - Still many new vessels to be delivered.
 - Rigs in lay-up, negative effect on spot-market.
 - Positive to see that rig owners are more optimistic for the MW segment.



Short term outlook

- Challenging market.
 - Weak spot-market.
 - Lay-up.
 - Cost saving initiatives
- 2 next quarters will be weak.
 - Thereafter recovery will slowly begin.
- More important than ever to deliver quality operations.



Long-term outlook

- Stable oilprice on current level should give higher activity.
 - Higher confidence
 - E&P budgets
- Increased bidding activity – positive sign.
- Contract awards in subsea segment are picking up.
 - will mainly give offshore activity in 2011 and onwards.
- We believe the remaining of 2009 and 2010 will be weak, but combination of new subsea contract awards and new rigs entering the market, may give a new up-turn in 2011



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Thank you for your attention!

