



FLOATEL
INTERNATIONAL

Floatel International Ltd.

**The next generation floatels for
world-wide operations**

**Company presentation
8 November 2010**



Floatel Superior at Bayu Undan, June 2010



Floatel Reliance, delivered 29 October 2010

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The Floatel business case

Company strategy

- ❑ Focus on offshore accommodation services in the installation and maintenance markets
- ❑ Established to provide new assets in a market with an ageing fleet
- ❑ Competing against a dominant player by providing superior equipment

Proven business model

- ❑ Two newbuild accommodation semis, both delivered ahead of schedule and on budget
- ❑ Contracts secured with major, reputable operators
- ❑ Proven operational performance straight out of the yard
- ❑ Management with >30 years experience from offshore construction / accommodation services ¹⁾

Ready for growth

- ❑ Applied for listing on Oslo Stock Exchange/Oslo Axess, expected on or about 1 December
- ❑ Funding of Floatel Superior completed at attractive terms
- ❑ Signed USDm 130 loan agreement against 5 year Petrobras contract for Floatel Reliance
- ❑ Seeking to raise new equity of USDm 50 in connection with the listing
- ❑ Ready to take advantage of increased safety/maintenance demand (post Macondo effects) with new assets based on proven performance

Executive summary & company background

- ❑ Founded Sept 2006 by experienced management team and offshore entrepreneur Mr. Erland P. Bassøe to meet increasing market demand for maintenance and safety
- ❑ Floatel Superior is the first purpose built accommodation rig for the North Sea in 25 years
 - Designed for year-around operation on the Norwegian Continental Shelf and equipped with DP3
 - The most capable accommodation semi in the world
 - Recently finalized a 3 month charter contract with ConocoPhillips on the Bayu Undan field, offshore East Timor
 - New contracts secured with Talisman and Statoil in the North Sea
 - Unit is fully funded
- ❑ Floatel Reliance designed for cost effective operations in medium harsh environment, equipped with DP2
 - Delivered 29 October 2010, ~2 months ahead of schedule and on budget
 - 5 year contract secured with Petrobras, starting early January 2011
- ❑ Firm revenue backlog of USDm 370 and value of options USDm 120
- ❑ The Company has raised equity totaling USDm ~215 to date
 - Net i.b. debt estimated at USDm ~340 year-end 2010E (USDm ~40 cash)
- ❑ Loan agreement signed 25 October 2010 for USDm 130 long-term senior bank debt for Floatel Reliance
 - New equity of USDm 50 to complete the capital structure
 - USDm ~32 will be used to fund Reliance, remaining USDm ~18 will be free cash in the Company
- ❑ The group is well positioned to secure additional growth and solid contracts
 - Expected supply squeeze due to growing maintenance and repair backlog
 - Increased offshore activity as a consequence of improved market conditions and higher energy prices
 - Company to actively utilize capital markets to grow its activities

Project cost & funding sources Floatel Superior

- ❑ Floatel Superior is fully funded
- ❑ Unit delivered on budget 18 March 2010, 43 days ahead of schedule from Keppel FELS, Singapore
- ❑ Total all-in cash cost of USDm ~350 (ex. refinancing costs)
- ❑ Average broker valuation of USDm ~345 (1Q 2010)
- ❑ September 2010, the Company restructured its funding of Floatel Superior through a new 2nd lien bond of USDm 75 and new equity of USDm 15
- ❑ USDm 177.6 senior bank debt
 - Maturity: March 2015
 - 5.25% interest (swapped)
 - Amortizes by USDm 8.1 semi-annually, starting September 2012
 - Covenant suspended until June 2012
- ❑ USDm 75 2nd lien bond
 - Maturity: 3Q 2015
 - 13.0% interest
 - No amortization
- ❑ Completed ~3 months contract with ConocoPhillips, Bayu Undan immediately after yard delivery
 - Contract generated free cash flow of USDm ~20
- ❑ Unit currently located at Westcon yard, Norway for preparation of North Sea campaign for Talisman and Statoil

Capex (USDm)	Total
Turnkey construction costs incl. VO	316.3
Delivery costs (incl. OFE & spares)	4.4
Building supervision and G&A	11.5
Net financing costs (incl. fees)	18.0
Refinancing costs (Sep 2010)	4.9
Total capex	355.1

Current capital structure (USDm)	Total
Paid-in equity	117.0
1 st lien bank debt	177.6
2 nd lien bond debt	75.0
Total funding	369.6

Project cost & funding sources Floatel Reliance

- ❑ Delivered on budget 29 October 2010 from Keppel FELS, 63 days ahead of schedule
- ❑ Total all-in cash cost of USDm ~246 (ex. working capital)
- ❑ Recent average broker valuation of USDm ~240
- ❑ Remaining capex of USDm ~162 to be financed through:
 - USDm 130 bank loan
 - USDm ~32 new equity
- ❑ At delivery, Keppel provided a seller's credit of USDm 142.5, which is payable no later than 30 November 2010
 - Seller's credit accrues 12% interest p.a.
- ❑ Loan agreement on USDm 130 bank loan signed with 2 banks
 - Interest: USD Libor + 375bps
 - 8 years profile, 5 years + 3 months term
 - Loan subject to USDm 50 new equity being provided to Floatel Reliance, of which USDm 18.4 already in place (Keppel conversion)

Funding requirement (USDm)	Paid	Remaining	Total
Turnkey construction costs incl. VO (Keppel)	86.2	128.9	215.1
OFE & spares	4.2	1.7	5.9
Building supervision & G&A	1.7	2.4	4.1
Net financing costs (incl. fees) ¹⁾	1.8	19.4	21.2
Working capital	0.5	9.2	9.7
Total uses	94.4	161.6	256.0

Funding sources (USDm)	Paid	Remaining	Total
Paid-in equity	76.0	-	76.0
New equity (cash)	-	31.6	31.6
New equity (in kind, Keppel debt conversion)	18.4	-	18.4
Senior debt bank debt	-	130.0	130.0
Total sources	94.4	161.6	256.0

Available cash at delivery **9.7**

Note:

1) USDm 13.6 of the remaining financing cost is related to the construction financing from Keppel

Proforma shareholders pre IPO

Investor	Beneficial shareholder	Total	%
WIDELUCK ENTERPRISES LIMITED	Keppel Corporation Limited	22,692,023	30.0%
BANK OF NEW YORK MELLON SA/NV	Lehman Brothers Inc (under admin.)	10,241,816	13.5%
BARCLAYS BANK PLC	D.E. Shaw Laminar Portfolios, LLC	9,122,487	12.1%
GOLDMAN SACHS & CO - EQUITY	Wexford Capital LP	8,103,420	10.7%
CENIARTH WALES INTERESTS LP		3,586,283	4.7%
POLGAS LTD		3,194,759	4.2%
DEUTSCHE BANK AG		3,121,641	4.1%
FAIRBANKS, JONATHAN B.		2,380,064	3.1%
FLOATEL INVESTORS LTD	Bassøe & Floatel management	2,278,820	3.0%
WIECO INVEST AS		1,992,425	2.6%
VBI CORPORATION		1,175,671	1.6%
BASS INVEST AS	Erland P. Bassøe	972,344	1.3%
MORGAN STANLEY & CO INC. NEW YORK		918,791	1.2%
RED ROCK INTERESTS LTD.		833,334	1.1%
PICTET & CIE BANQUIERS		666,667	0.9%
RICHARD & SHANNON FAIRBANKS LEGACY	Jonathan B. Fairbanks	623,017	0.8%
16 largest shareholders		71,903,559	95.0%
Other shareholders		3,761,739	5.0%
Total outstanding shares at time of listing		75,665,298	100.0%

Please note:

At the date of this Presentation, the issued and outstanding shares is 151,330,597, divided into 120,408,472 Common Shares, 5,922,125 Preference Shares and 25,000,000 Class II Preference Shares, all with a par value USD 0.01 each. All issued shares are fully paid up. Upon fulfillment of all criteria for Listing and the conditions for the Offering, all Preference Shares and Class II Preference Shares will be converted into Common Shares (1:1). Thereafter two (2) Common Shares with par value USD 0.01 will be combined into one (1) Common Share with par value USD 0.02. At the time of Listing the Company will have one class of shares, being the Common Shares with par value USD 0.02. The currently issued share capital of the Company will at the time of Listing equal 75,665,298 Common Shares with par value USD 0.02 each.

Board of directors at time of listing

One additional Director will be appointed prior to listing

Erland P. Bassøe
Chairman

- ❑ 30 years of industry experience
- ❑ Mr. Bassøe founded Floatel International, Bassøe Offshore, ODS-Petrodata, Chiles Offshore, Hercules Offshore, Scorpion Offshore, Frontier Drilling, FPSOcean, Seajacks International, BassDrill and Bassoe Technology

Jonathan B. Fairbanks
Board member

- ❑ Mr. Fairbanks is Managing Partner of Global Energy Capital. He is a board member of Vortex Ventures, ODS-Petrodata. He was previously president of Bassøe Offshore (USA) Inc, as well as board member of Forum Oilfield Technologies, Chiles Offshore, Hercules Offshore, Scorpion Offshore and Seajacks International. He is a US citizen and resides in Houston, USA

Todd A. Overbergen
Board member

- ❑ Mr. Overbergen is a senior vice president of D.E. Shaw & Co. LP and a director of D.E. Shaw Direct Capital, LLC. Prior to joining D.E. Shaw group, he was a principal of Duke Capital Partners LLC and before that he was a director of Arthur Anderson LLP's global corporate finance practice. He is a US citizen and resides in Houston, USA

Yew Yuen Chow
Board member

- ❑ Mr. Chow is the President of The Americas for Keppel Offshore and Marine with the responsibility of business management, covering the United States, Mexico and Brazil. Mr. Chow is also President of Keppel Offshore and Marine USA Inc. He is a Singapore citizen resides in Houston, USA

Merete Haugli
Board member

- ❑ Ms. Haugli currently holds various directorships, hereunder at RS Platou AS, Acta Holding ASA, Comrod ASA and Folketrygdfondet. She also undertakes consultancy assignments in the areas of personal coaching, HR related matters and corporate governance issues for a variety of clients. Former directorships include Aktiv Kapital ASA, ABG Sundal Collier ASA, Technor ASA, SEB ASA and Formuesforvaltning ASA

Geir Sandvik
Board member

- ❑ Mr. Sandvik is an independent consultant. He is the Chairman of the Board of Hydroenergi AS and board member of Pareto World Wide Offshore AS, Master Marine AS, Beerenberg Corp., Neptune Offshore AS and BassDrill Alpha Ltd. From 1994 to 2006 Sandvik held various management positions with Pareto Securities and has served as CFO at Transocean Offshore

Erland P. Bassøe

– founder of many successful oil service companies



Chiles Offshore

- » Founded by Bassøe in 1997; AMEX listed
- » Constructed five Super 116 ultra premium jackups
- » Acquired by ENSCO International in 2002



Frontier Drilling

- » Founded by Bassøe in 1999; recently sold to Noble
- » Owns and operates three drill ships, one semi and one DP FPSO; a New Technology deepwater Drillship is on order



Hercules Offshore

- » Founded by Bassøe in 2001; NASDAQ listed
- » Today operates largest jackup rig fleet in the U.S. Gulf, largest worldwide lift boat fleet, and largest US Gulf inland barge drilling rig fleet



ODS Petrodata

- » Acquired by Bassøe in 2002; privately held
- » World leader in offshore oil and gas intelligence, providing an independent, authoritative source for market intelligence, data, market research and consulting services



Scorpion Offshore

- » Founded by Bassøe in 2005
- » Sold to Seadrill 2010
- » Operated seven jackups offshore Venezuela, Brazil, Vietnam, and Malaysia and Middle East



Seajacks

- » Founded by Bassøe in 2006
- » Two harsh environment lift boats for windmill installation and oil field services
- » Sold to Riverstone Jan '10 @1.3x constr. cost



Floatel International

- » Founded by Bassøe in 2006; to be listed on Oslo Stock Exchange
- » Two semi-sub. accommodation units (one harsh environment; one benign)



BassDrill

- » Founded by Bassøe in 2007; privately held
- » One newbuild tender barge for workover and light and moderate-depth drilling (delivered Jan 2010)
- » One newbuild tender semi



FPS Ocean

- » Founded by Bassøe in 2005
- » Aimed to convert tanker to DP FPSO
- » Assets currently in liquidation

USDm 370 firm backlog with reputable clients

Floatel Superior

Talisman

- Start-up: Autumn 2010 pending tow out of YME production facility
- Duration: minimum 90 days
- Option: up to commencement of Statoil charter
- Estimated contract value: USDm 18
- Field: Yme, North Sea
- Scope: Accommodation and construction support

Statoil

- Start-up: May 2011
- Firm periods: 5 months 2011 + 6 months 2013, from May
- Options:
 - 2x1 month 2011
 - 5 months + 2x1 months 2012, starting April
 - 2x1 month 2013
 - Option to amend above periods to a continuous period
- Contract value firm periods: USDm 55 (2011) and USDm 61 (2013)
- Fields: Oseberg, North Sea (2011) / Kvitebjørn, North Sea (2013)
- Scope: Accommodation and Construction support

Floatel Reliance

Petrobras

- Start-up: early January 2011
- Duration: 5 years
- Contract value: USDm 236
- Scope: Maintenance and safety support for fixed installations, semis, FSOs and/or FPSOs in Brazil
- Other:
 - USDm 17 mobilization fee
 - Waiting rate – 95% of Charter Rate
 - *Waiting due to Petrobras*
 - *Between locations*
 - *Wheater outside agreed limits*
 - Penalty for late arrival, 30% of day rate
 - About 92% of daily rate payable in USD and the balance payable in Reais

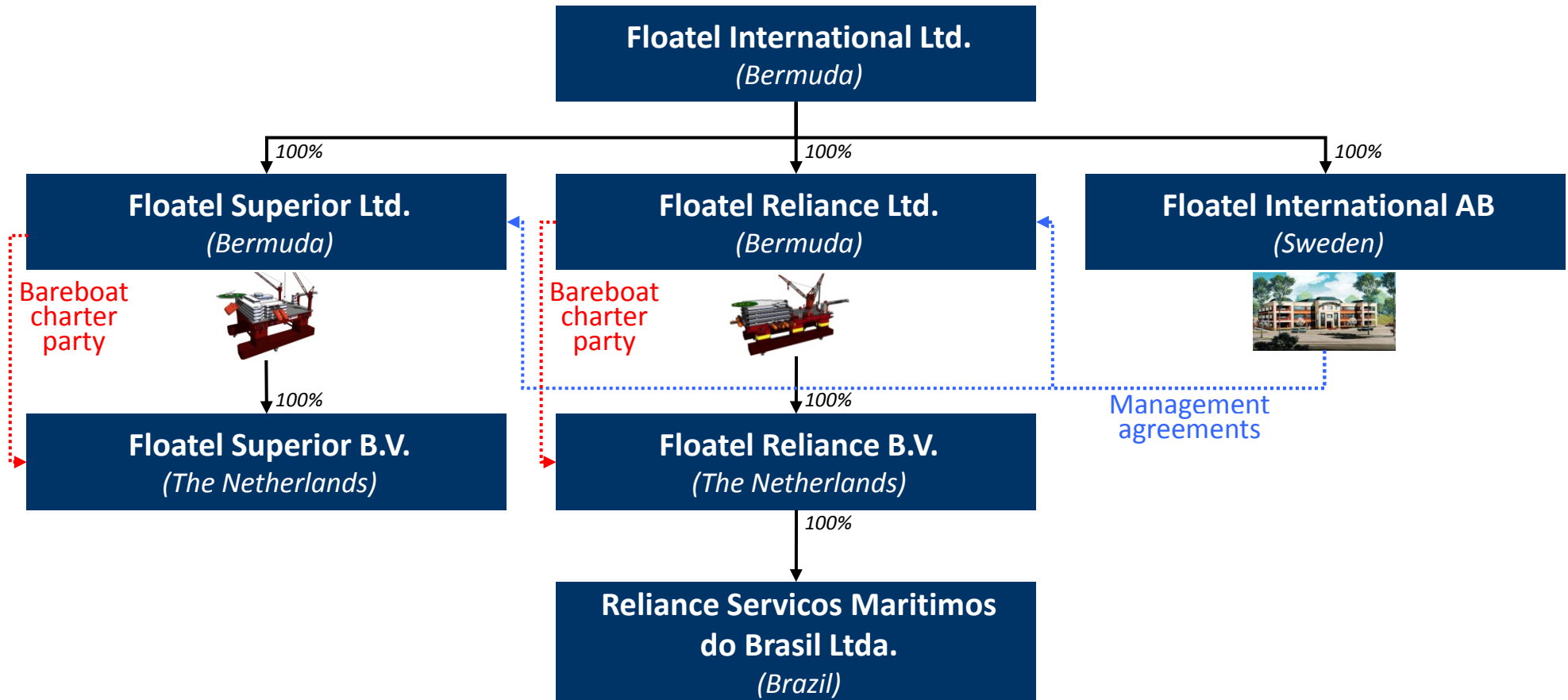
5 year Petrobras contract summary

- ❑ Pre-delivery Acceptance Test successfully performed by Petrobras at the yard end October
- ❑ Final Acceptance Test to be performed by Petrobras upon arrival Brazil
- ❑ Petrobras may terminate for following reasons:
 - Material non-compliance with contract
 - 180 days unjustified delay in start-up
 - Suspension of charter for more than 90 days caused by Floatel
 - Force Majeure for over 90 days
- ❑ Transit voyage to Brazil via South Africa commenced immediately after delivery, expected transit duration is 67 days including 2 days stop over in Cape Town
- ❑ Organisation and local set up established in Macaé, Brazil for preparation of charter
- ❑ Marine crew recruited and training of marine crew ongoing



Floatel Reliance on delivery 29 October 2010

Legal structure & operational set-up



Experienced management team

Peter Jacobsson
CEO

- ❑ 30 years of experience
- ❑ CEO of Consafe Offshore, various management positions at Safe Offshore
- ❑ Management positions at Subsea 7, Halliburton Subsea, Rockwater and GVA

Nils Erik Flink
COO

- ❑ 35 years of experience
- ❑ Operations Manager at Consafe Offshore
- ❑ New Building/Rig Manager at Stena Drilling, senior operational positions at Safe Offshore

Jörgen Bengtsson
CFO

- ❑ 20 years of experience
- ❑ Financial Manager at Consafe Offshore and PNB
- ❑ Management positions within Skanska Group

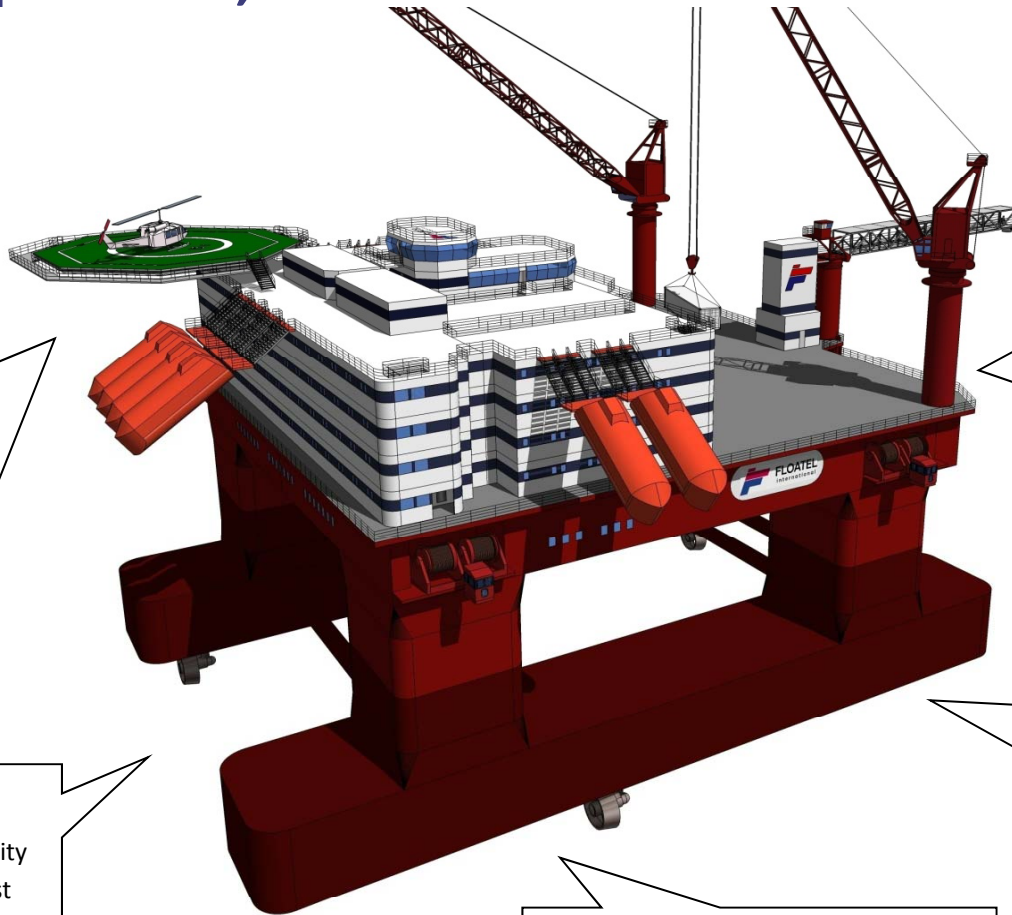
Nils Mårtensson
Technical Manager

- ❑ 30 years of experience
- ❑ Project Manager at Consafe Offshore
- ❑ Project Manager at GVA on several large offshore projects

Oskar Wahl
HSE Manager

- ❑ 8 years of experience in HSE related work in the offshore industry and shipping
- ❑ Safety Manager at Tarntank Rederi AB
- ❑ Design Engineer Stability & Weight Control at GVA

Floatel Superior – state of the art accommodation rig for world-wide operation, incl. North Sea



HSE compliance:

- ▶ Health – strict noise requirements, ample recreation facilities, single bed cabins, small motions in sea to avoid seasickness
- ▶ Safety – free fall life boats, escape chutes, all accommodation fire retardant, system redundancy, DP3, protected gangway access
- ▶ Environment – reduced exhaust emission, lower fuel consumption, clean black and grey water discharge, Biological Treatment Plant

Dual station keeping systems:

- ▶ DP3 with 6 thrusters – allows for deepwater and maximum flexibility
- ▶ Anchor mooring allowing low cost operation

Construction support:

- ▶ Cranes – 2x 50t cranes, access to supply boats both port and starboard as well as good crane reach for client installation
- ▶ Deck load – highest of any floatel
- ▶ Deck area – 2,200m² for storage of goods and material
- ▶ Workshop and Construction facility for client use

Accommodation and services:

- ▶ 440 single bed cabins – 512 beds for UK sector today, can be increased to 600 beds for international use; all cabins with daylight
- ▶ Spacious recreation rooms and other recreation facilities such as gym, sauna, game rooms, library, internet cafe etc.
- ▶ Ample office space for client use

Proven design:

- ▶ GustoMSC – the leading rig designer, has developed the design together with Keppel FELS

Floatel Superior – first purpose built floatel for the Norwegian sector of the North Sea in ~25 years



On location at the Bayu Undan field offshore East Timor for ConocoPhillips



2,200m² deck area



Air-conditioned single bed cabins

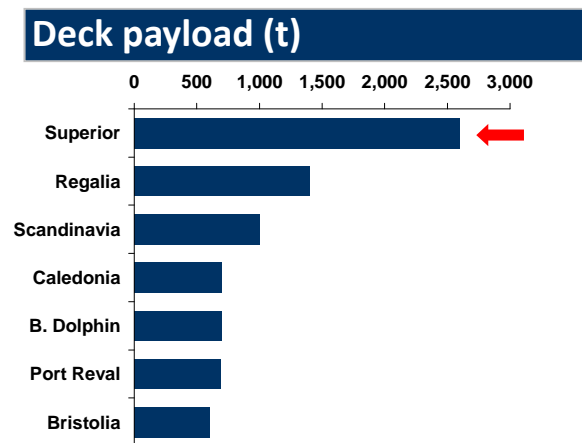
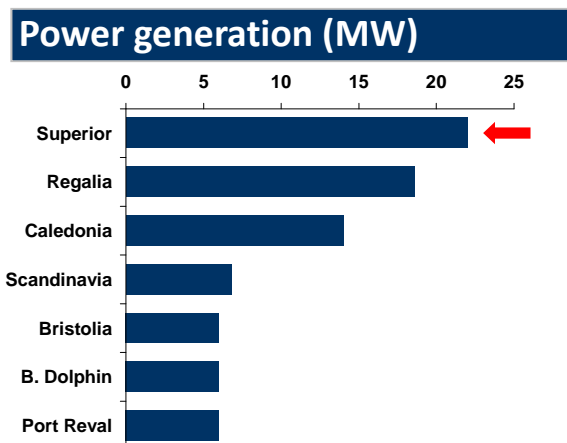
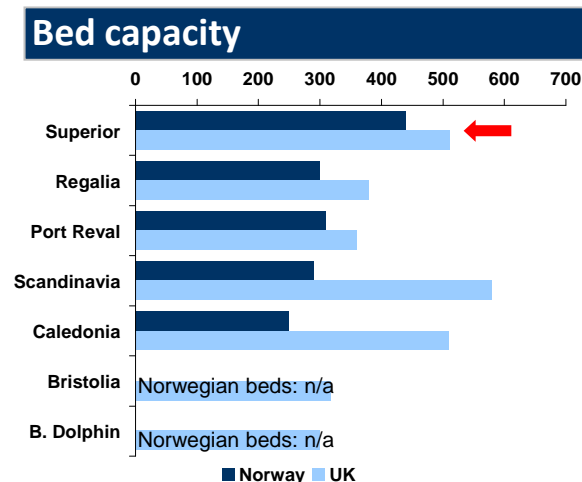
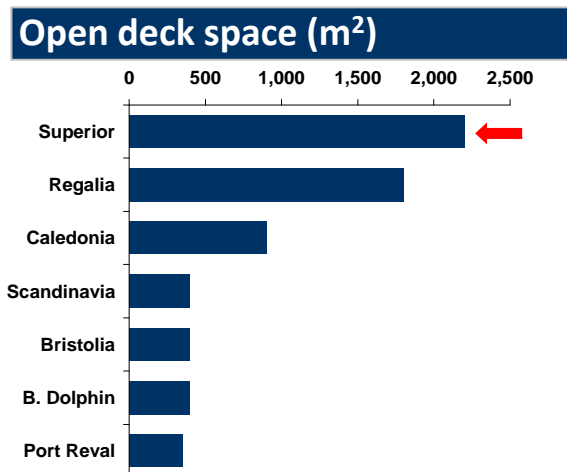


Recreational areas include cinema, internet café, recreation rooms, gymnasium and sauna

Floatel Superior well positioned among competitors

– comparison to existing North Sea fleet (key value drivers)

- ❑ Looking at vessel statistics can be somewhat misleading in terms of judging which units are better/most economical, however we want to show the main differences for illustrative purposes
- ❑ Brand new equipment attracts workers, offers better safety and enables higher utilization
- ❑ Superior with several quantitative advantages, such as:
 - Largest open deck space
 - Highest bed capacity on Norwegian sector
 - Highest power generation
 - Largest deck payload capacity
 - New, high capacity purpose-built accommodation housing up to 440 people in Norway (single bed cabins) and 512 in UK/other
- ❑ Greater fuel savings compared with most peers
 - Mooring system in addition to DP3
 - Regalia only other unit with DP3
- ❑ More than sufficient air gap
 - Superior very suitable for harsh environment



ConocoPhillips – letter of recommendation

“I have no hesitation in recognising Floatel International and the on board team as significant contributors to the milestones achieved, particularly from humble beginnings at the completion of construction activities, to a company that has a sturdy safety culture and an operation that all clients should recognise as a provider of choice. The Floatel Superior has been the foundation for accommodation and logistical support activities, however to over five hundred guests it has been considered home.”

David Power

Marine Coordinator

ConocoPhillips Australasia PTY Ltd.

Floatel Reliance – key spec

- ❑ Medium harsh environment unit
- ❑ 500 bed accommodation capacity
- ❑ 40–50 office work stations for client exclusive use
- ❑ 200% life saving capacity
- ❑ Workshop facilities for construction support
- ❑ Deck area 1,300 m²
- ❑ Deck payload 1,700 metric tonnes
- ❑ Offshore crane support, main crane 120 MT lifting capacity
- ❑ Telescopic gangway 36m, +/- 6m telescopic action
- ❑ DP2 positioning system



Floatel Reliance on delivery 29 October 2010

Vessel capabilities – global accommodation floaters

Vessel	Owner	Norwegian	North Sea	DP3	DP2	Beds	Beds	Beds
		compliant	compliant			Norway	UK	non North Sea
Floatel Superior	Floatel Int.	X	X	X	X	440	512	512
Regalia	Prosafe	X	X	X	X	300	380	380
Caledonia	Prosafe	X	X		X	250	510	550
Scandinavia	Prosafe	X	X			290	580	580
Port Reval	COSL	X	X			310	360	360
Bristolia	Prosafe		Summer only		X		318	610
Britannia	Prosafe		X		X		640	810
Iolair	Cotemar		X		X		270	270
Regency	Prosafe		X		X		600	770
Borgholm Dolphin	Fred Olsen		X				300	560
Floatel Reliance	Floatel Int.		X		X		330	500
Concordia	Prosafe		X		X		230	390
Lancia	Prosafe				X			550
Semi 1	Grupo R				X			230
Semi 2	Grupo R				X			230
Chemul	Pemex				X			450
Jasminia	Prosafe							540
Hibernia	Prosafe							500
Jupiter	Cotemar							550
Astoria	Prosafe							250
Odin Millennium	Etesco							250
Total / average	21	5	12	2	13	318	419	469

- Only 4 vessels compliant with Norwegian regulations in addition to Superior
 - 3 owned by Prosafe (Regalia, Caledonia & Scandinavia)
 - 1 owned by COSL (Port Reval)
- Superior and Regalia (1985) only units with DP3
 - Superior with 440 single cabin beds vs. Regalia's 300

Offshore accommodation market is late cyclical

Why accommodation rig market?

- ❑ Solid demand to come from extending life on producing fields
 - Current oil price levels incentivize oil companies to get more oil out of existing fields
 - Increasing repair and maintenance backlog
- ❑ Increased requirements to come from new installations
 - Several new installations coming on-stream require extensive hook-up and commissioning support
- ❑ Using floatels is faster and cheaper than alternatives
 - Accommodation rigs enable oil companies to bring fields on-stream faster compared to alternative which is to use accommodation quarters on platform or to shuttle workers by helicopter or boat
- ❑ Better suited for offshore activity far from shore and in deep water
 - Increased activity in remote and deep water areas
 - Requires larger units with large deck capacity and powerful DP systems

Offshore activities

- ❑ Development phase (20% of fleet)
 - Installation support
 - Construction support
 - Hook-up and commissioning
- ❑ Production phase (70% of fleet)
 - Maintenance activities
 - Upgrades or modification
 - Emergency or safety-related issues
- ❑ De-commissioning (10% of fleet)
 - Offshore support

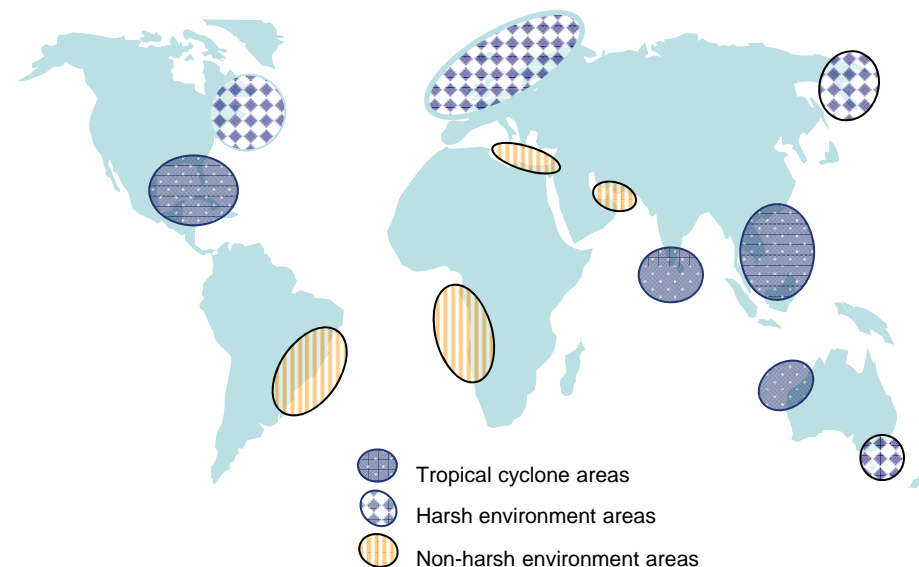
Lifecycle of an offshore oil & gas field:



Focus on harsh environment areas with squeezed capacity

- ❑ Contracts in harsh environment areas are characterized by:
 - Short-medium term fixtures (6 months up to 2–3 years)
 - Significantly higher day rates than in benign areas due to higher specification requirements
- ❑ Floatel Superior’s main target market is North Sea
 - Limited supply of accommodation rigs
 - Blue-chip clients
- ❑ Other harsh environment markets:
 - Canada, Sakhalin (Russia) and Bass Strait (Australia)
- ❑ Of the global acc. fleet of 21 units, only 10 are harsh environment units (including Superior)
 - Demand outstripping supply
 - Concentrated supply, few owners
 - Minimum 1.5 years lead time to convert a drilling semi-submersible rig and 2.5–3 years to build a new accommodation rig
 - No semi accommodation rigs currently under construction

Worldwide accommodation markets

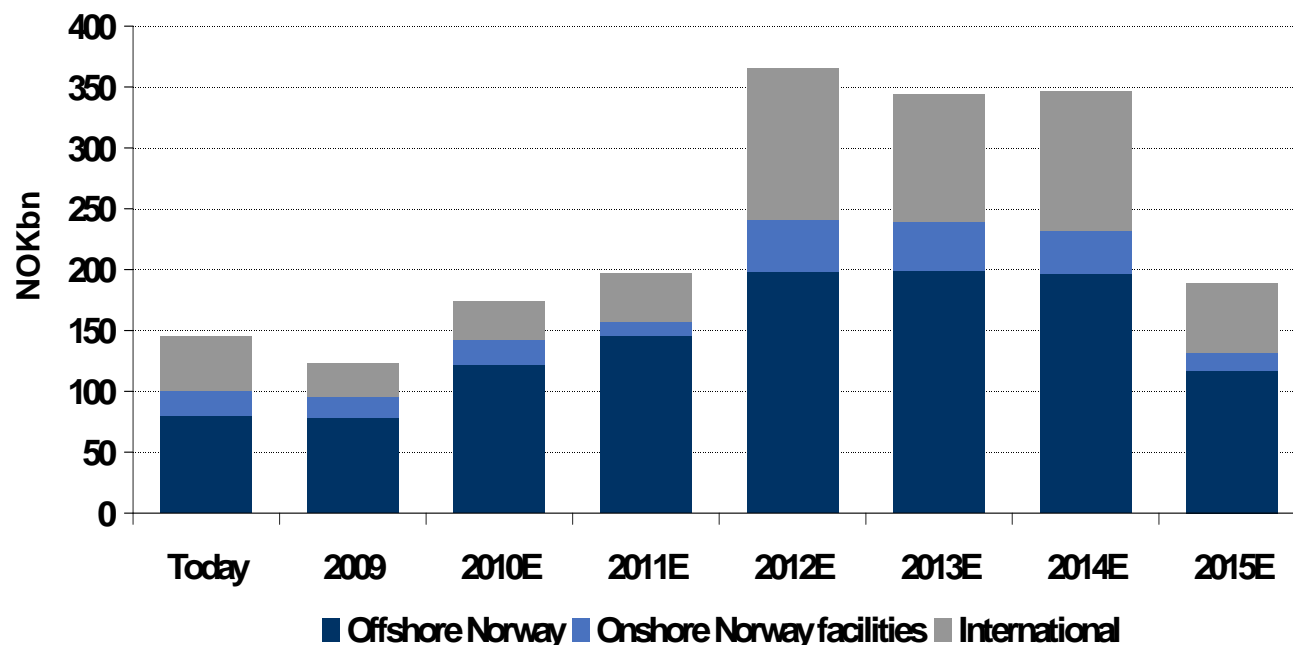


Statoil's spending in Norway exp. to increase ~150% next



2-3 years

- ❑ Statoil's spending on the Norwegian Continental Shelf expected to increase from NOKbn ~80 (USDbn ~13) YE2009 to NOKbn ~200 (USDbn ~33) YE2012E
- ❑ Late June 2010, Statoil awarded their long awaited Maintenance, Modifications and operations (MMO) contracts with a combined value of NOK 24.4bn (48.8bn incl. options). All contracts were for 4 years + 2+2 year options
- ❑ Floatel Superior uniquely positioned to utilize this increasing demand
- ❑ Other oil majors' spending also likely to increase with Statoil's spending



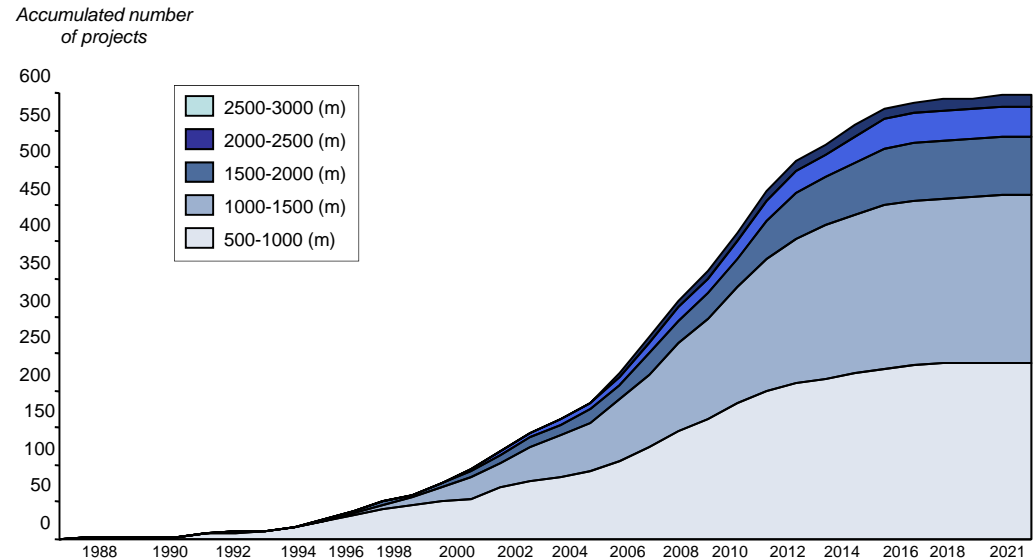
Note that this is not Statoil's actual plan, but an indicative level of spending if all projects turn out to be economical
Source: Pareto Securities Energy Weekly March 2010, origination: Statoil

International accommodation market – strong outlook

- ❑ New installation projects driven by E&P development activity
 - Limited oil and gas supply/demand balance
 - Increasing activity in deepwater/remote areas (with 7-10 year maintenance cycles)
 - Remote fields require accommodation platforms with large deck space
 - Steady growth in fields implies a continued prospective market for accommodation rigs
 - FPSO hook-ups, tie-in of existing fields etc.
- ❑ Growing and ageing offshore installations will require increased need for repair, maintenance and decommissioning
- ❑ Maximizing production and recovery rates to drive modifications of existing installations
- ❑ No new semis on order

➡ Promising day rate outlook

Future oil projects are in deeper and remote waters...



...implying a need which is served by the accommodation rig market

- ❑ High number of berths
- ❑ Welfare and catering facilities
- ❑ Large deck and payload capacity
- ❑ HSE requirement
- ❑ Power generation

Demand drivers & region outlook

Drivers

- HSE requirement more stringent, phasing out older tonnage
- Maintenance, upgrade and repair of existing installations (70-80% of semi-submersible accommodation fleet engaged in this market segment)
- Hook-up and commissioning of new installations
- Tie-in of satellite fields to existing installations making use of existing infrastructure
- Oil and gas price

Outlook

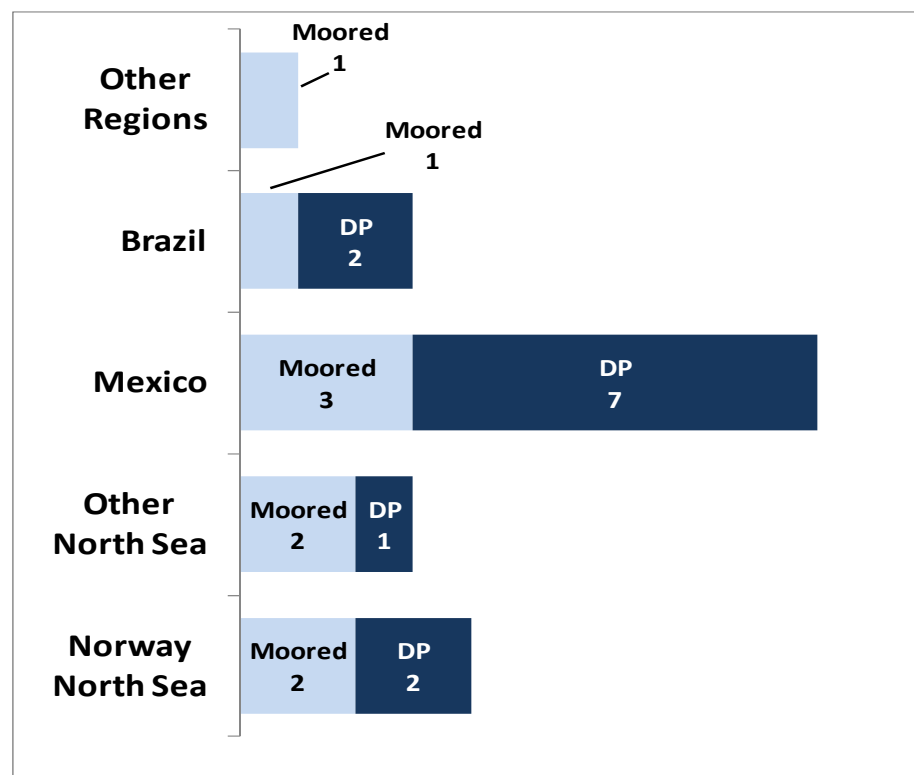
- North Sea – extended life time for fields, increased activity level
- Mexico – maintenance and new development
- Brazil – increasing activity, maintenance and new developments
- West Africa – major development projects in deep water
- Asia/Australia – increasing activity, maintenance and new developments

High activity level – operating fleet

Fleet commitment status as of October 2010

Vessel	Client	Area	2010	2011	2012	2013
<u>Floatel International</u>						
Floatel SUPERIOR	Talisman/Statoil	North Sea (N)	Under Construction	Firm Work	Option	Available
Floatel RELIANCE	Yard/Petrobras	Brazil	Under Construction	Firm Work	Firm Work	Firm Work
<u>Prosafe</u>						
Safe Astoria	Available	Asia/Pacific	Available	Available	Available	Available
Safe Bristolia	Nexen	NS	Available	Available	Available	Available
Safe Britannia	Pemex BB	GOM	Firm Work	Firm Work	Firm Work	PEMEX EXTENSIONS
Safe Caledonia	Total/BG	North Sea (UK)	Firm Work	Firm Work	Option	Available
Safe Concordia	Petrobras	Brazil	Available	Firm Work	Firm Work	Firm Work
Safe Hibernia	Pemex BB	GOM	Firm Work	Firm Work	PEMEX EXTENSIONS	PEMEX EXTENSIONS
Jasminia	Pemex BB	GOM	Firm Work	Option	Option	Option
Safe Lancia	Pemex BB	GOM	Firm Work	Firm Work	Firm Work	PEMEX EXTENSIONS
MSV Regalia	BP	North Sea (N)	Firm Work	Option	Available	Available
Safe Regency	Pemex BB	GOM	Firm Work	Firm Work	Firm Work	PEMEX EXTENSIONS
Safe Scandinavia	Statoil	North Sea (N)	Available	Firm Work	Option	Available
<u>Cotemar</u>						
Jupiter	Pemex	GOM	Firm Work	Firm Work	Firm Work	Firm Work
Iolair	Pemex	GOM	Firm Work	Firm Work	Firm Work	PEMEX EXTENSIONS
<u>Fred Olsen Energy</u>						
Borgholm Dolphin	BP UK	North Sea (UK)	Available	Firm Work	Option	Available
<u>COSL</u>						
Port Reval	CoP	North Sea (N)	Firm Work	Firm Work	Option	Available
<u>KBR/Groupo R (MMM)</u>						
Semi 1	Pemex	GOM	Firm Work	Firm Work	Firm Work	PEMEX EXTENSIONS
Semi 2	Pemex	GOM	Firm Work	Firm Work	Firm Work	PEMEX EXTENSIONS
<u>PEMEX</u>						
Chemul	Yard/Pemex	GOM	Firm Work	Firm Work	Firm Work	Firm Work
<u>Etesco/Mike Mullen</u>						
Odin Millenium	Petrobras	Brazil	Firm Work	Option	Option	Option

Geographical location and positioning system

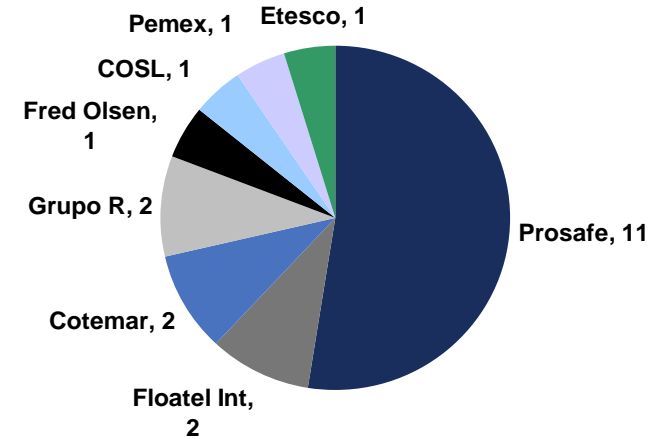


- - UNDER CONSTRUCTION
- - FIRM WORK
- - OPTION
- - AVAILABLE
- - PEMEX EXTENSIONS
(LIKELY EXTENSION, TO BE CONFIRMED)

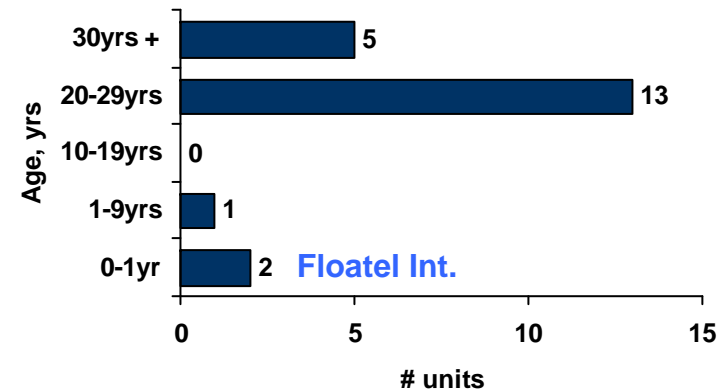
Consolidated ownership and old units

- ❑ Market dominated by Prosafe owning ~52% of the global fleet ¹⁾
- ❑ Floatel International, together with two other players, representing ~29% of the fleet
 - 4 other players have 1 unit each
- ❑ 86% of the global fleet is more than 20 years old
 - Average age of ~25 years
- ❑ Only two units with DP3 (Floatel Superior and Prosafe’s Regalia)
 - Floatel Superior is more capable than Regalia even after Regalia’s recent USDm 200 upgrade

Global players – accommodation semi floaters (21)



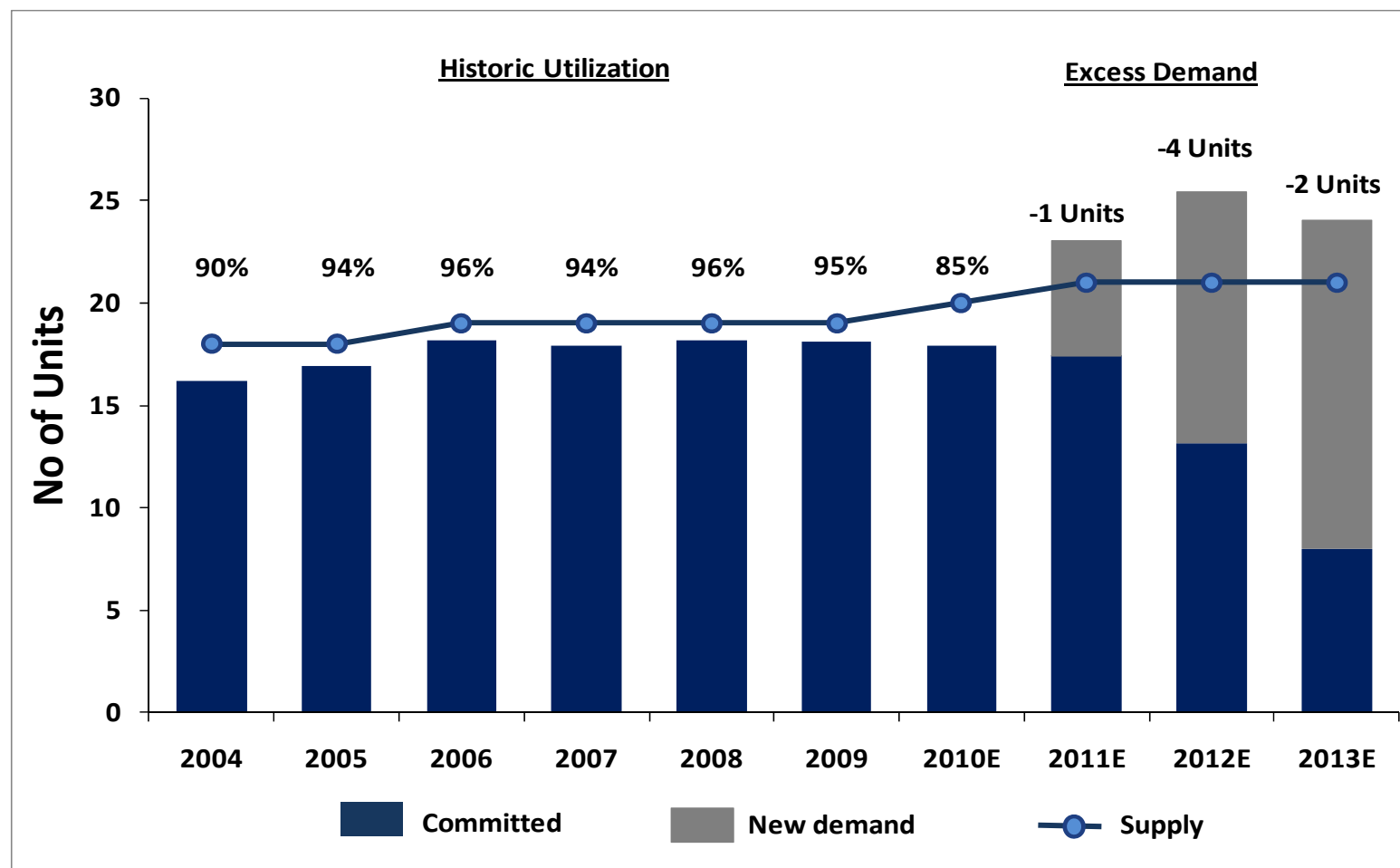
Accommodation fleet age



1) Excl. Safe Esbjerg, an accommodation jackup
Source: First Securities AS, Floatel International Ltd

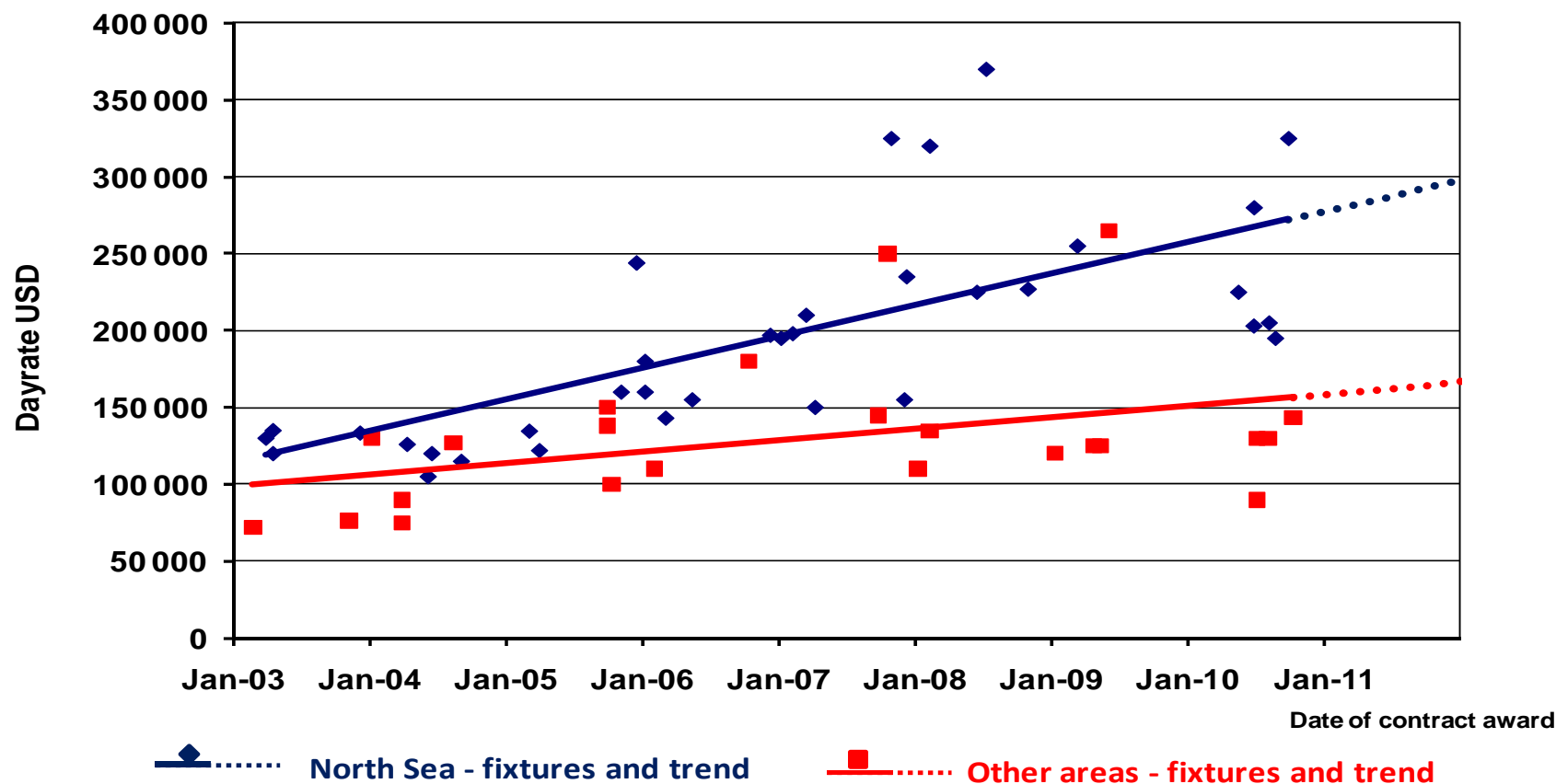
Shortage of accommodation semis expected going forward

Historical utilization and predicted future floatel demand (world wide)



Improving day rates

Floatel rate development North Sea and other areas



Risk factors

- ❑ **A number of risk factors may adversely affect the Company. Below and on the next slide is a brief summary of some of the risk factors prospective investors should consider when determining whether an investment in financial instruments issued by the Company is suitable. Any of the following risks could cause the value of financial instruments issued by the Company to decline, and all or part of an investment being lost. Please note that the risks described below are not exhaustive, and other risks not discussed herein may also adversely affect the Company, its operations and future prospects.**
- ❑ **Oil prices & market risks:** Market risk comprises of oil price risk, country/political risk and competitive position. The demand for accommodation units is sensitive to oil price fluctuations and changes in exploration and production developments/spending. Thus, no assurance can be given as to future market conditions.
- ❑ **Operational risks:** Operational risk comprises of insurance, accidents, requisition etc of the units, project and conversion risk and credit assessment of customers and suppliers. In the event that such risks occur, the financial results may suffer as a consequence. There are risks relating to transport of the Rigs between various exploration and production fields worldwide including damage to the rigs during transport or delays during the transportation. In the case of the Petrobras contract, the relatively short period allowed for mobilization carries a risk of late delivery and consequentially, the Company becoming liable to pay liquidated damages to Petrobras for late delivery.
- ❑ **Acceptance tests:** When commencing charters, the rigs will generally need to comply with certain acceptance criteria. The delivery of Floatel Reliance under the Petrobras contract is subject to the rig's compliance with certain acceptance criteria upon its arrival in Brazil, (such compliance have been pre-tested prior to departure from the shipyard in Singapore). Acceptance tests will generally be performed in connection with delivery under any charter contract, however the results of such tests will become more predictable as the rigs obtain employment track records under various charters.
- ❑ **Upgrades:** The Company may need to make changes to the Rigs in order to comply with regulations and requirements and needs of its customers. . Such changes could result in additional construction costs and additional capital needs for the Group.
- ❑ **Intellectual Property Risks:** There is always an inherent risk of third parties claiming that the technology being utilized in the construction of the Company's Rigs or in its operations infringes third parties' patents or intellectual property rights, and any such claim, if successful, could have a material adverse effect on the Company's results of operation.
- ❑ **Political risks:** Country/political risk, including changes in the legislative and fiscal framework governing the activities of oil companies, involves factors that are relevant when operating globally. In many of the areas where the Company has potential business partners and where the units may be located there may be political instability.
- ❑ **Financial risks:** Financial risk comprises interest rate risk, currency risk and liquidity risk. Fluctuations in such risks may have an impact on the financial results. Risks related to future development and forward-looking statements: The presentation includes "forward-looking" statements. These forward-looking statements involve known and unknown risks.
- ❑ **Economic risk:** The Company is exposed to the economic cycle and macro economical fluctuations, since changes in the general economic situation could affect demand for the Company's accommodations rig, fee levels and the value of Company's assets.
- ❑ **Legal risk:** The Company may be exposed to legal claims from authorities, customers or other third parties.

Risk factors, cont'd

- ❑ Limited operating history: The Company has had a very limited operating history. As a result, investors do not have the benefit of a substantial operating history in assessing the performance and prospects of the Company.
- ❑ Market risk: The demand for the Company's accommodation rig will depend on the conditions in the oil and gas industry, the Company's business will among others depend on the level of capital spending by oil and gas companies, such expenditures tending in the past to follow trends in prices of oil and gas. The prices of oil and gas have fluctuated widely in recent years, and demand for exploration and production has historically been volatile and closely linked to the prices of oil and gas.
- ❑ Asset risk: Even if inspections of the units and their class records may not have revealed deficiencies, there are inherent risks associated with the operation of offshore tonnage, and no assurance can be given that the structure, performance and/or capabilities of the units conform to expectations.
- ❑ Employment risk: Based on discussions with prospective clients and recent market fixtures, the Company believes the assets will be attractive. However, no assurance can be given that the units will be offered employment on attractive terms, failing which the financial condition of the Company will be adversely affected.
- ❑ Liquidity risk: The Company has applied for listing on the Oslo Børs/Oslo Axess and the Offering is conditions upon the Company fulfilling the conditions for listing. The Company cannot ensure that listing of the shares will create a liquid market for trading of the Company's shares.
- ❑ Currency exchange risk: The value of non-US dollar currency denominated contracts will be affected by changes in currency exchange rates or exchange control regulations. Currency exchange rates are determined by forces of supply and demand on the currency exchange markets. These forces are affected by the international balance of payments, economic and financial conditions, government intervention, speculation and other factors. Changes in currency exchange rates relative to the US dollar will affect the US dollar value of the Company's assets and thereby impact upon the Company's total return on such assets. Currency fluctuations relative to the US dollar of an investor's currency of reference may adversely affect the value of an investor's investments.
- ❑ Borrowing and leverage: Borrowings create leverage. To the extent income derived from assets obtained with borrowed funds exceeds the interest and other expenses that the Company will have to pay, the Company's net income will be greater than if borrowing were not used. Conversely, if the income from the assets obtained with borrowed funds is not sufficient to cover the cost of borrowings, the net income of the Company will be less than if borrowing were not used. The Company will borrow only when the directors of the Company believe that such borrowings will benefit the Company after taking into account considerations such as the costs of the borrowing and the likely returns on the assets purchased with the borrowed monies.
- ❑ Concentration: The Company has no restrictions relating to the diversification or concentration of its assets. As the Company's assets are concentrated in a single industry, the Company may be more vulnerable to particular economic, political, regulatory, environmental or other developments than would a company holding a more diversified portfolio of assets and the aggregate return of the Company will be substantially adversely affected by the unfavorable performance of a single asset.
- ❑ Limited management rights: Except as otherwise provided in the constituent instruments of the Company regarding the ability to influence certain key strategic decisions, the holders of the Company's financial instruments generally have a limited right to participate in the management of the Company.

Appendix

P&L summary – Floatel International Group

(USD 1,000)

	YTD - 2010 *	2009	2008	2007
Operating revenues	23,708	495	0	1
Operating expenses	-8,730	-1,698	-1,692	-2,210
Operating profit / (loss) EBITDA	14,978	-1,203	-1,692	-2,209
Depreciation & Amortization	-5,351	-16	-15	-9
Operating profit / (loss) EBIT	9,627	-1,218	-1,707	-2,219
Interest income	14	57	346	1,573
Interest expenses	-8,652	0	0	0
Other financial items	-149	25	80	90
Net financial items	-8,787	82	426	1,663
Income/(loss) before taxes	840	-1,137	-1,281	-556
Taxes	0	-2	-5	-11
Net income/(loss)	840	-1,139	-1,286	-567
Earnings per share, basic (USD)	-0.01	-0.01	-0.02	-0.01
Earnings per share, diluted (USD)	-0.01	-0.01	-0.02	-0.01

* Unaudited, as per end Septmeber 2010

Balance sheet – Floatel International Group

Consolidated Balance Sheets

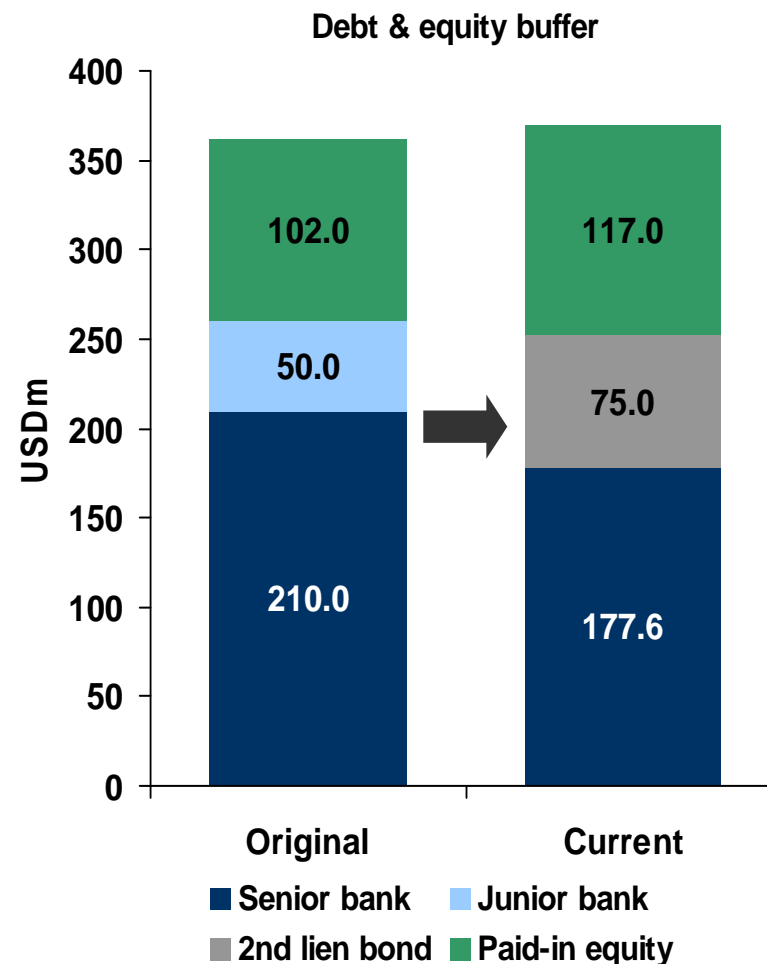
(USD 1,000)

	2010-09-30 *	2009	2008	2007
Vessels	342,535	0	0	0
Vessels under construction	205,124	443,196	195,912	119,146
Other fixed assets	37	43	47	39
Total non-current assets	547,696	443,240	195,959	119,184
Trade receivables	536	120	0	0
Other current receivables	102	133	86	100
Cash and cash equivalents	<u>30,335</u>	<u>19,914</u>	<u>12,582</u>	<u>29,783</u>
Total current assets	30,973	20,167	12,668	29,884
Total assets	<u>578,669</u>	<u>463,407</u>	<u>208,627</u>	<u>149,068</u>
Share capital	1,207	957	898	773
Share premium	191,936	177,249	171,433	146,822
Other reserves	-11,461	-3,551	-8,771	-594
Retained earnings	371	1,509	1,689	0
Net income/(loss) for the period	840	-1,139	-1,286	681
Total shareholders' equity	182,893	175,026	163,964	147,682
Interest-bearing debt	<u>247,747</u>	<u>201,330</u>	<u>35,000</u>	<u>0</u>
Total non-current liabilities	247,747	201,330	35,000	0
Interest-bearing debt	130,598	78,468	0	0
Accounts payables	3,557	138	146	183
Other current liabilities	<u>13,874</u>	<u>8,445</u>	<u>9,518</u>	<u>1,204</u>
Total current liabilities	148,029	87,051	9,663	1,386
Total shareholders' equity and liabilities	<u>578,669</u>	<u>463,407</u>	<u>208,627</u>	<u>149,068</u>

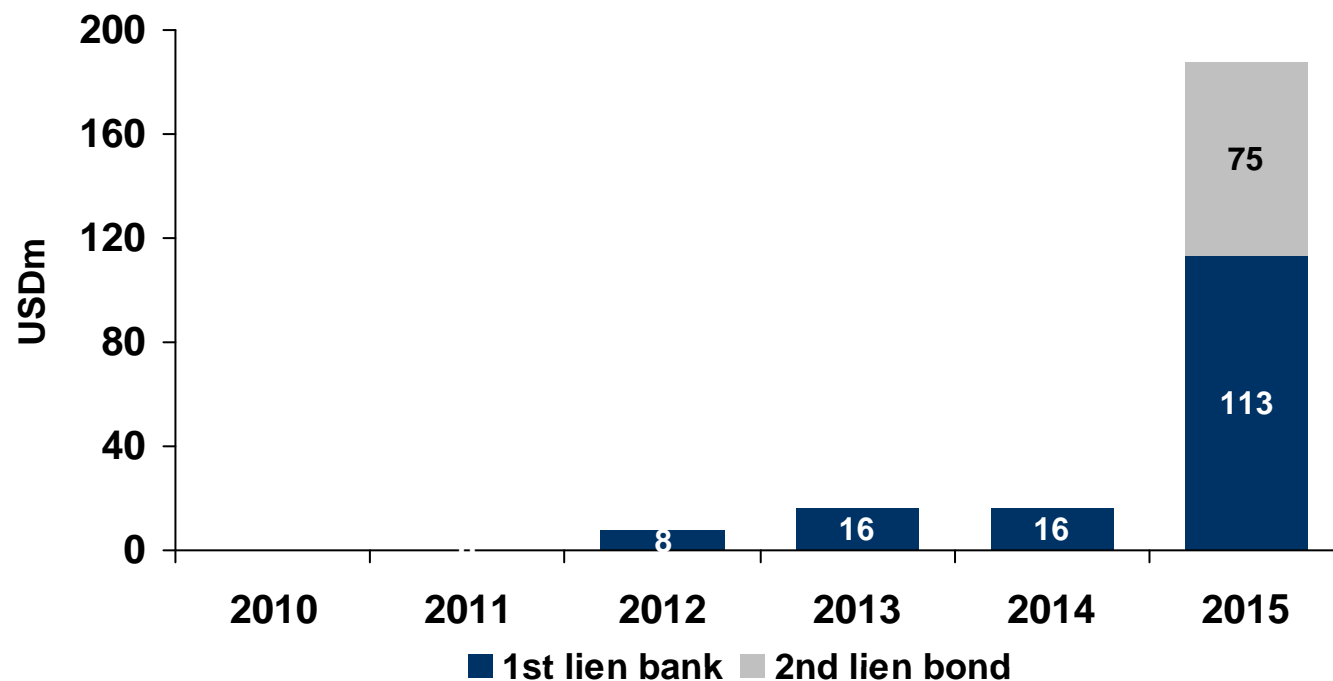
* Unaudited

Recent re-financing of Floatel Superior

- ❑ September 2010, the Company refinanced its bank debt with a new 2nd lien bond of USDm 75 and USDm 15 of equity in order to achieve a suspension of certain covenants and amend amortization profile
 - Total leverage reduced from USDm 260 to USDm 253 after the new bond issue
 - USDm 177.6 remains of the 1st lien bank debt
- ❑ Senior margin fixed at 2.25%
- ❑ No semi annual amortization payable until 18 September 2012
- ❑ Parent Company guarantee – Parent Company to maintain a positive working capital at all times
- ❑ Borrower - the financial covenants Consolidated Interest Coverage Ratio and Debt Service Coverage Ratio suspended until 30 June 2012
 - EBITDA/Interest expenses – min. 2.5x
 - EBITDA/Interest expenses + amortization – min. 1.1x
- ❑ Minimum Liquidity Amount requirement replaced with a Debt Service Reserve Account in which the Borrower at all times shall maintain an amount of debt service and swap costs (if any) to be paid during the next succeeding 6 months
 - 2010 ~USDm 4.8
 - 2012 ~USDm 12.9
- ❑ The requirement for Employment of Vessel waived until 31 March 2012



Debt amortization schedule Floatel Superior



- 1st lien bank debt amortizes by USDm 8.1 semi-annually
 - The mandatory amortization starts September 2012
- Maturity of 1st lien bank debt in March 2015
- Maturity of 2nd lien bond debt in 3Q 2015 after the bank debt

Floatel Reliance – USDm 130 senior secured debt facility

– loan agreement signed 25 October 2010

- Borrower: Floatel Reliance Ltd
- Maturity: 5 years and 3 months from drawdown
- Amortization: 19 equal installments (first after six months) in the amount of USD 4,062,500 with balloon of USD 52,812,500 (8 year profile)
- 1st lien security in vessel, assignment earnings and insurances, pledge bank accounts and shares in borrower, guarantee from Floatel International Ltd and, subject to the consent from Petrobras, assignment of Petrobras contract
- Conditions precedent:
 - USDm 50 in new equity into Floatel Reliance Ltd (USDm ~18 already in place – Keppel debt conversion)
 - Petrobras approving vessel with a preliminary inspection before mobilization to Brazil (already achieved)
 - Petrobras paying USDm 5, first part of mobilization fee
 - Other customary conditions for this kind of financing
- Condition subsequent:
 - Consent from Petrobras for assignment of earnings must be received with 28 February 2011
 - Listing on Oslo Stock Exchange / Oslo Axess or another acceptable stock exchange obtained within 30 June 2011





Floatel Reliance – USDm 130 senior secured debt facility

– loan agreement signed 25 October 2010

- ❑ Financial covenants – Floatel International Ltd (consolidated):
 - Book equity – min. USDm 200
 - Equity ratio – min. 30%
 - Interest Service Coverage (EBITDA/Interest Expense) – min. 2.5 x
- ❑ Financial covenants – Borrower:
 - Interest Service Coverage (EBITDA/Interest Expense) – min. 2.5x
 - Debt Service Coverage (EBITDA/Interest Expense + Amortization) – min. 1.1x
- ❑ Other covenants:
 - Change of Control provision Floatel International Ltd – threshold 33.4%
 - Fair Market Value of vessel – min. 130% of outstanding debt
 - Limitation on engaging in other business activities, indebtedness, consolidation, merger, acquisition & disposal of assets
 - Dividend restrictions
 - Listing to be maintained
 - Cross default with other companies in the Floatel Group
 - Otherwise as customary for this kind of financing

Offshore accommodation concepts

Floatel International's focus

Concept	Vessel type	Operating area	Water depth	Accommodation
	Semi-submersible vessels	Harsh environment	Moored up to 300m, DP unlimited	400–800
	Jackup	Harsh environment	Limited to 85m	200–400
	Drilling rig, semi submersible construction vessels	Harsh environment	Moored up to 300m, DP unlimited	50–120, more if drilling equipment removed
	Monohull vessels, barges	Benign environment	Moored up to 300m, DP unlimited	100–400

Superior and Reliance vs. Prosafe's units

- ❑ Superior is the first purpose built floatel for the Norwegian North Sea in ~25 years
 - Prosafe's Regalia is the most comparable unit in the market (both having DP3), although built in 1985
- ❑ Superior is the only floatel in full compliance with all the latest regulations for the Norwegian Continental Shelf, one of the world's harshest offshore environments
- ❑ Benefits to operators include:
 - Favorable motion characteristics
 - High deck payload capacity
 - Large open deck space
 - Superior one-man cabin accommodation and recreation facilities
 - Ample office space and construction support facilities
- ❑ Prosafe's Concordia is the most similar rig to Reliance
- ❑ Reliance is an enhanced version of Concordia (same design)

Superior vs. Regalia

Vessel name	Floatel Superior	PRS Regalia
Built	2010	1985 / 2009
Length / width	94m / 91m	95m / 91m
Draft	18m	21m
Bed capacity	440 (single cabins)	300 (single cabins)
Displacement	29 MT	21 MT
Open deck area / payload	2,200m ² / 2,600t	1,800m ² / 1,400t
Power generation	22.0 MW	18.6 MW
Positioning system (DP)	DP3	DP3
Positioning system (mooring)	8-point mooring	5-point mooring
Total thruster power	19.2 MW	15.8 MW
Cranes	33 MT @55m; 15MT @60m	100 MT @40m; 10MT @45m ¹⁾

Reliance vs. Concordia

Vessel name	Floatel Reliance	PRS Concordia
Built	2010	2005
Length / width	94m / 57m	100m / 47m
Draft	12m	16m
Bed capacity / cabins	500 / 171	380 / 115
Displacement	18MT	18MT
Open deck area / payload	1,300m ² / 1,500t	1,300m ²
Power generation	14.8 MW	16 MW
Positioning system (DP)	DP2	DP2
Positioning system (mooring)	2-point mooring	4-point mooring
Total thruster power	10.0 MW	10.0 MW
Cranes	30 MT @47m	30 MT @47m

Related party agreements

- ❑ Advisory services agreement with DCV Ventures LLC and Bassøe Offshore AS
 - Scope: advisory services connected with raising debt or equity and potential M&A transactions
 - Fees:
 - Senior debt: 75bps
 - Senior subordinated debt: 75bps
 - Junior subordinated debt: 175bps
 - Equity: 300bps
 - In the event of a transaction not provided by the Company's present lenders or shareholders, the Company shall pay a fee equal to 1.25% of the value of such transaction, in addition the Company shall pay USD 250,000 prior to the term of the agreement
 - Term: 30 September 2011
- ❑ Exclusivity, brokerage and commission agreement with Bassoe Offshore Ltd.
 - Scope: advisory services in connection with marketing of the rigs to Petrobras
 - Fee: 1.0% of the charter hire (excl. mob/demob fee) received from Petrobras
- ❑ Agent agreement between Floatel Reliance B.V. and Bassoe Offshore Brazil
 - Scope: operation and marketing of the rigs in Brazil
 - Fee: BRL 84,150 per month after start of operations
- ❑ Commission Agreement between Keppel FELS and Bassoe Offshore Ltd
 - Scope: facilitating the execution of the Reliance Construction Contract
 - Fee: slightly less than 1% of the contract price under the Reliance Construction Contract