

CMD 2013 - Kongsberg Oil & Gas Technologies

President & EVP Pål Helsing



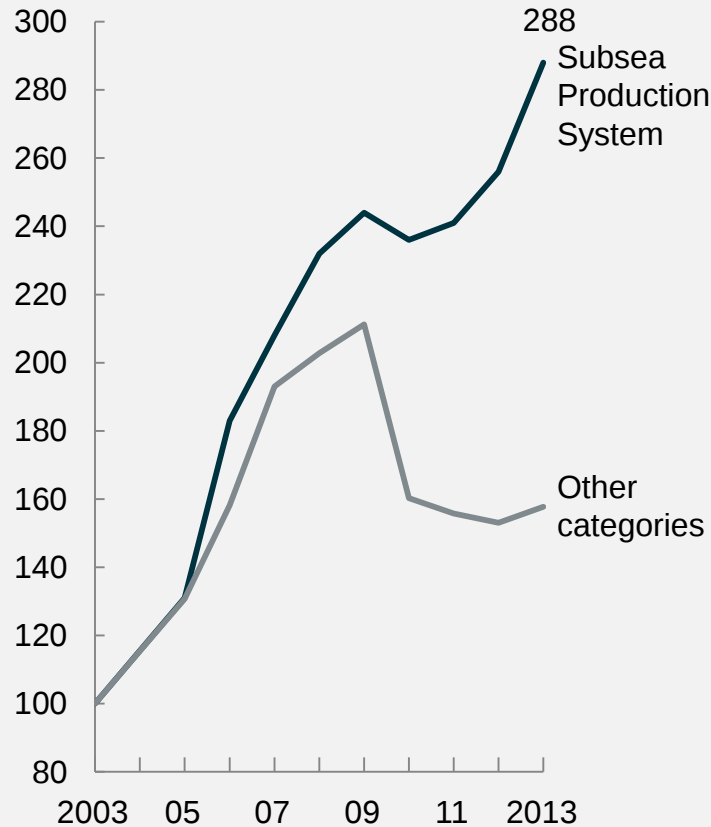
KONGSBERG

Fundamental cost and efficiency challenges in the O&G industry

Example from the Norwegian Continental Shelf

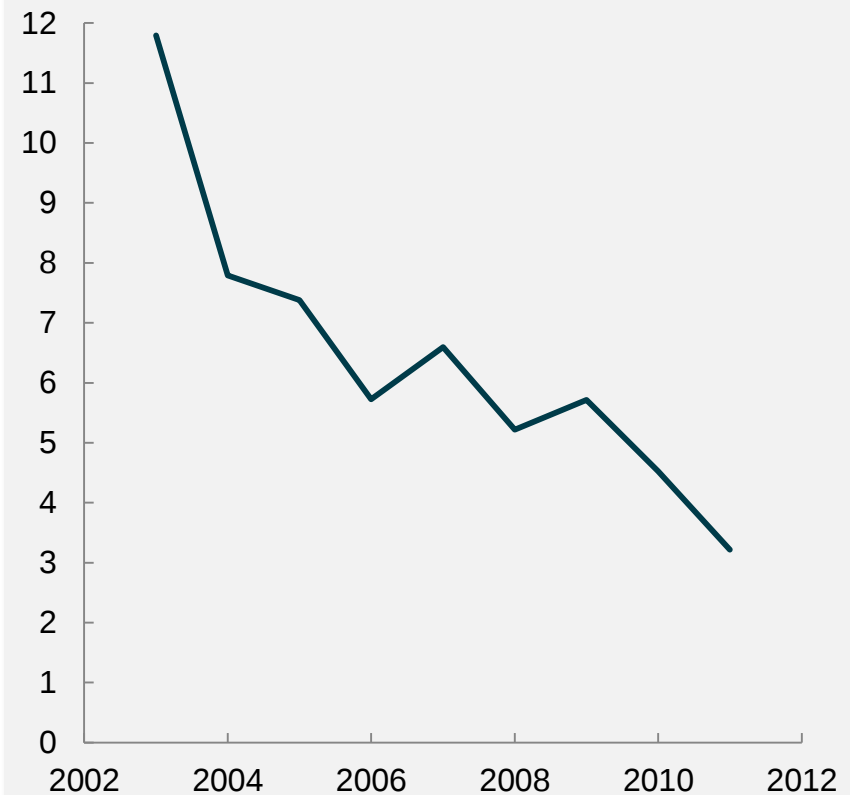
Subsea tie-back costs

Cost inflation index



Development wells per rig year

Avg no of wells drilled per full rig year, all rig types





KONGSBERG

THE INTEGRATED EDGE

HARDWARE, SOFTWARE AND SERVICES IN ONE INTEGRATED WHOLE

By integrating best-in-class hardware with real-time process and decision-making support software alongside engineering and service capabilities, we create optimal solution performance.



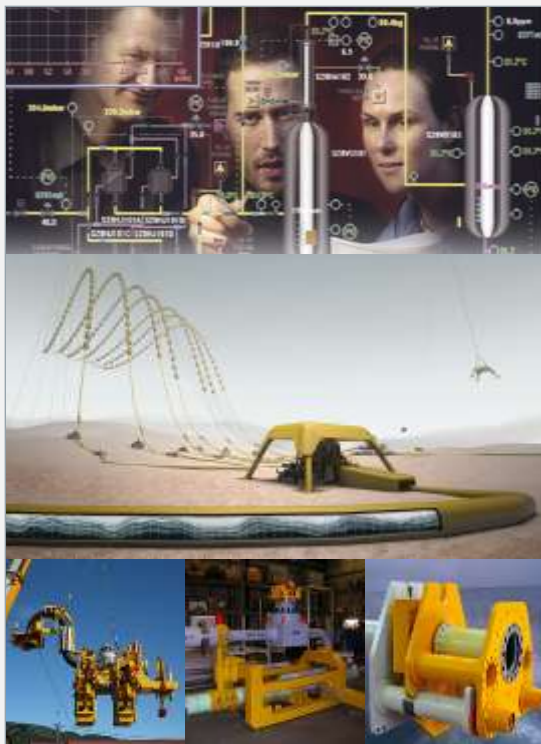
SOLUTION INTEGRATION

SOFTWARE INTEGRATION

SERVICE INTEGRATION

Kongsberg Oil & Gas Technologies

Subsea



- Revenue 772* MNOK
- 748* employees
- 18 offices in 8 countries

* YTD Q3 2013 figures

Drilling



- Subsea products, Software and Solutions
- Drilling Software and Solutions

Providing market-leading products and services

Divisions

Main offerings

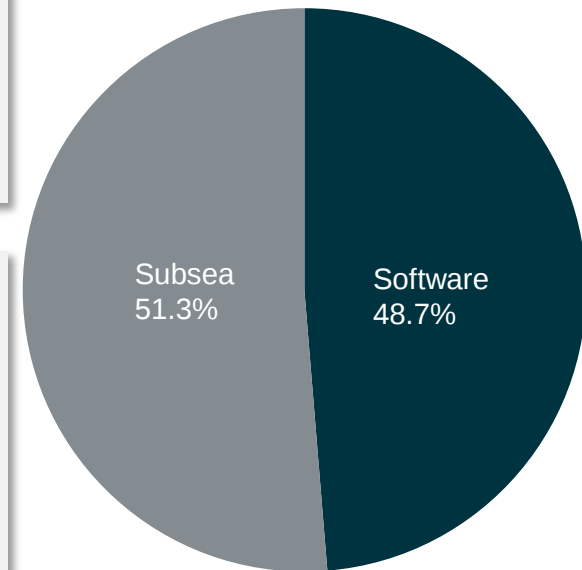
Software and services

- Software for Safe and Efficient Drilling Operations
- Flow Modeling Software
- Environmental Monitoring Solutions
- Drilling Rig Management Solutions

Subsea

- Concept Engineering and Solution Design
- EPC Projects
- Subsea Products
- Products and Services for Operational Support

Share of KOGT revenues



Offering complete solutions

Strategy

- Leveraging KONGSBERG technology base and oil & gas domain expertise
- Developing industry leading technologies together with technology leading Oil Companies
- Delivering technologies into services and solutions
- Engineering close to all major hubs
- 24/7 world wide service and support

Resulting in:

- Cost effective field development and efficient operations for our customers
- Close customer relations
- Global market channels for our products

**Robust and growing positions
in a consolidated market**



LedaFlow™

SiteCom Well Advisor®

SiteCom®

Subsea Storage Unit

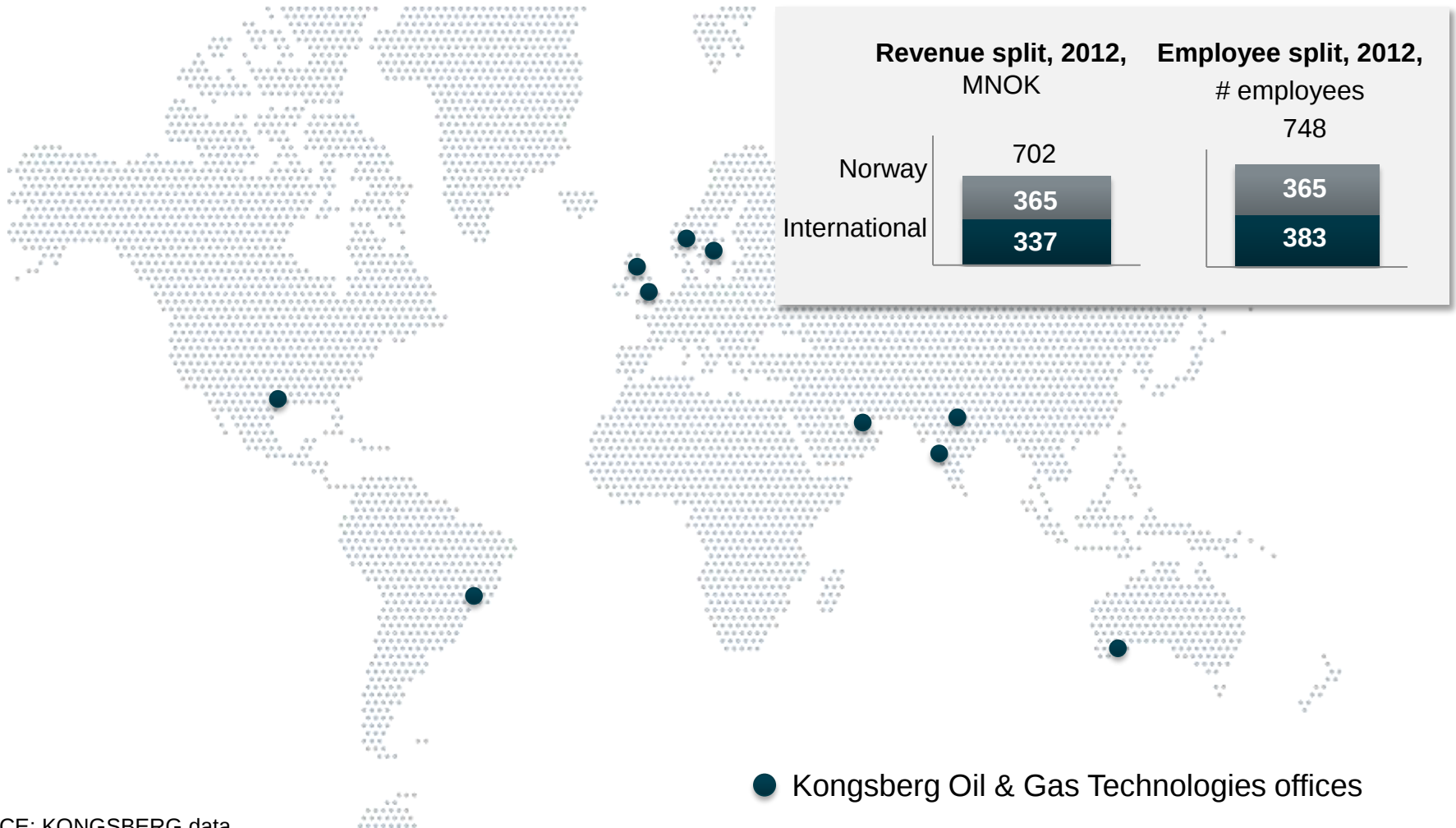
K-spice®

Rig Manager®



A global business system ensuring access to key markets

North Sea, Gulf of Mexico, Brazil and Australia



● Kongsberg Oil & Gas Technologies offices

Supporting the overall ambition of the Group

Current status

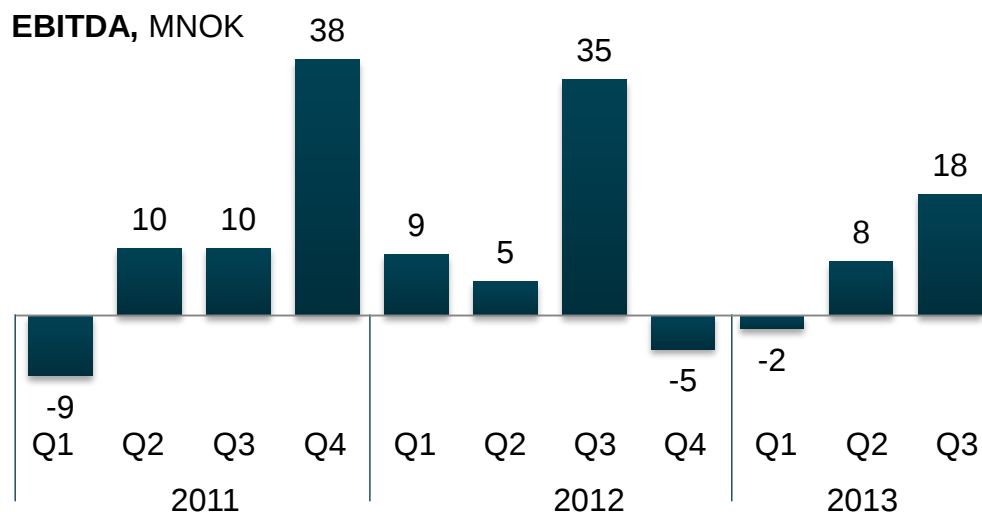
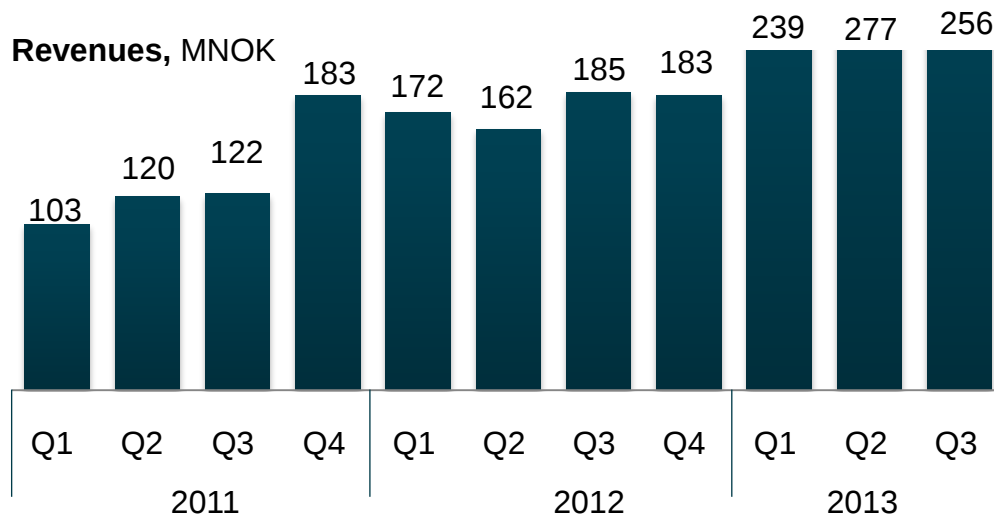
- **Revenue of MNOK 772** YTD Q3 2013 compared to 519 YTD Q3 2012 (+49%)
- **EBITDA of MNOK 24** YTD Q3 2013 compared to 49 YTD Q3 2012 (-51%)
- **Q3 2013 order backlog of MNOK 855**, up from 293 at year-end 2012
- **Book to bill YTD 2013 of 1.55**

Recent news and developments

- Advali acquisition
- Nemo acquisition
- Established in Brazil
- Strengthening customer base for key software solutions
- Award of Statoil Polarled



Supporting the overall ambition of the Group



Highlights

- Acquisition of ApplyNemo
- Backlog within Subsea increased from 132 MNOK to 622 NOK
- Backlog within Software and Services increase from 155mNOK to 230 mNOK

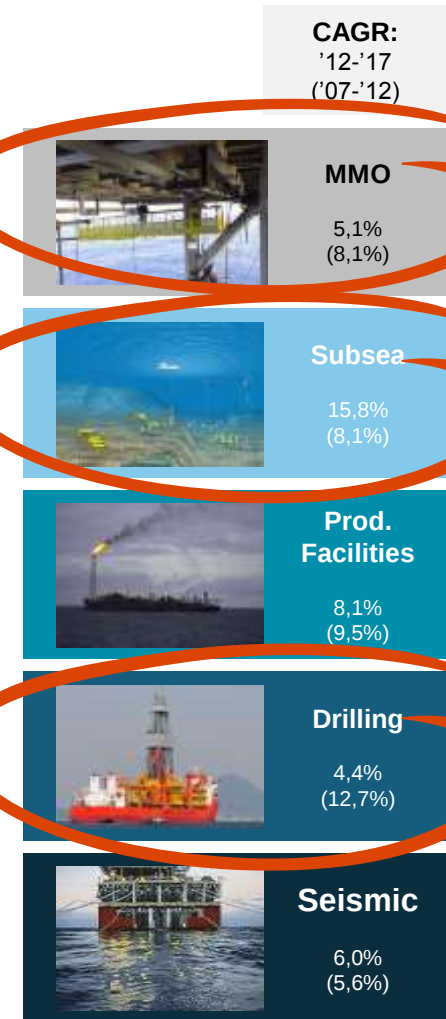
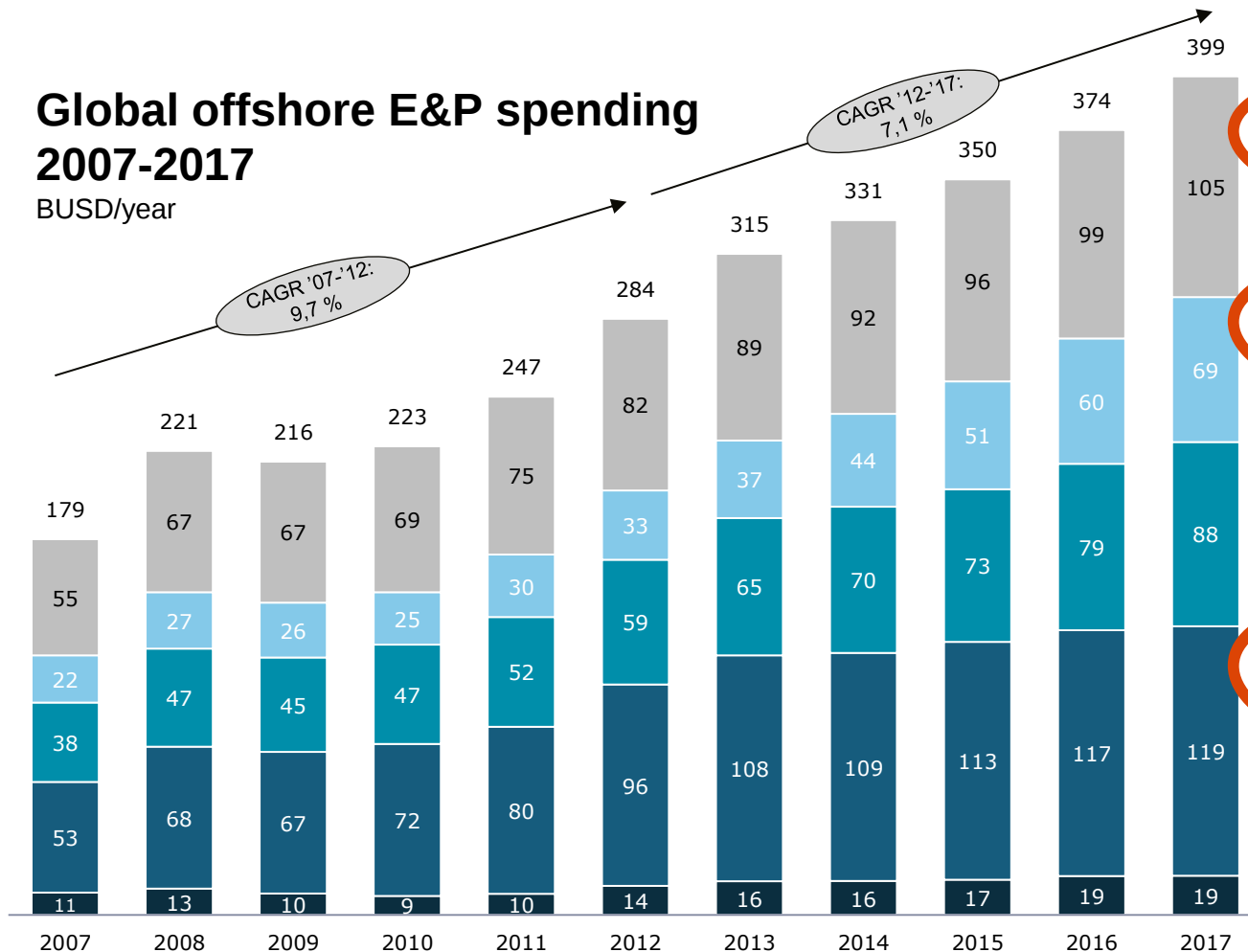
Key EBITDA drivers last year

- Achieving critical mass in all segments
- Optimized operation
- Commercializing products
 - Increased subsea product sale (Thor)
 - Increased software product sale (SiteCom, LedaFlow, RiserManager and RigManager)

Global offshore E&P spending - expected growth 7% annually toward 2017

Global offshore E&P spending 2007-2017

BUSD/year



Source: Rystad: INTSOK Annual Report 2014-2017

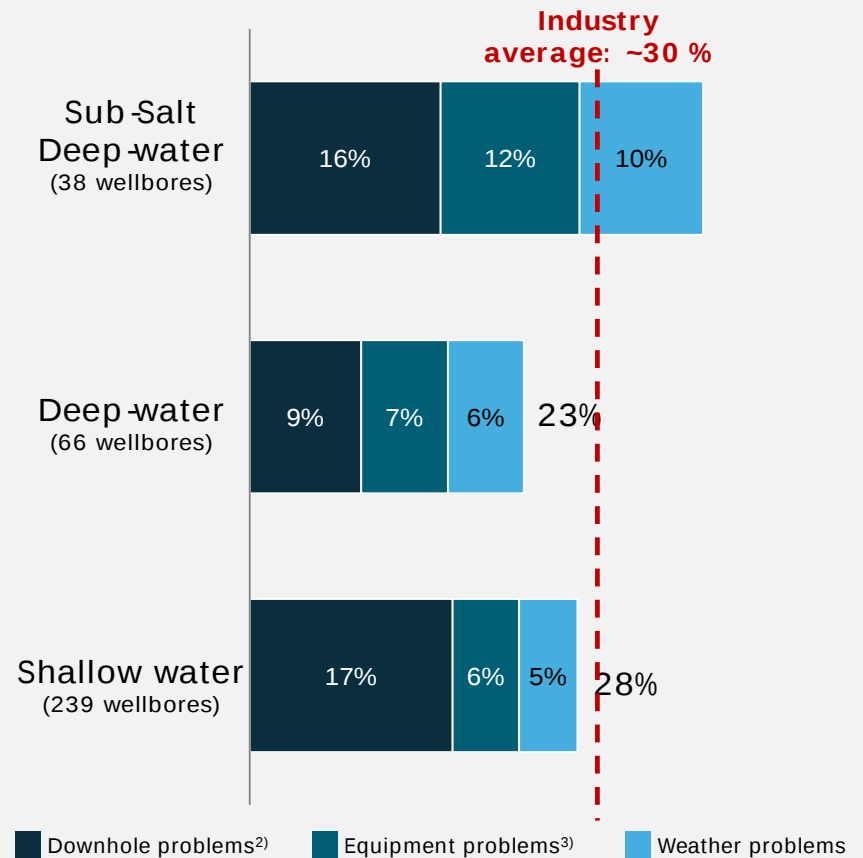
Solutions for efficient and reliable drilling operations

KONGSBERG - The Integrated Edge

- The industry has so far not been able to address the significant cost of NPT
- KONGSBERG is well positioned through our software solutions: SiteCom, Well Advisor, RiserManager and RigManager program suites
- Clients include BP, Statoil, Chevron, CNOOC, Petronas and a high number of rig owners
- Large potential for upselling more advanced decision support software

Our market: “waste” within drilling spend

Non Productive Time (NPT) within drilling



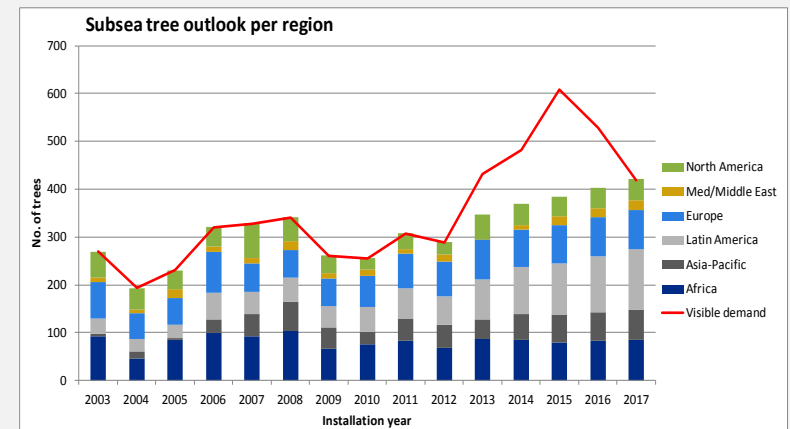
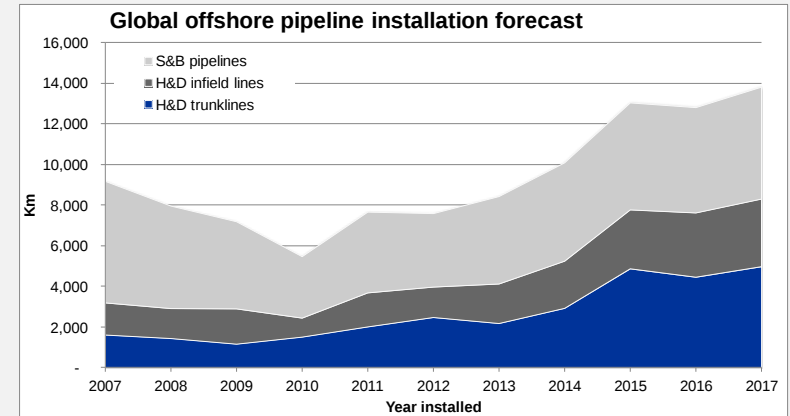


Steady growth within subsea

KONGSBERG - The Integrated Edge

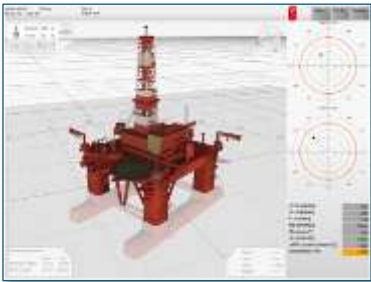
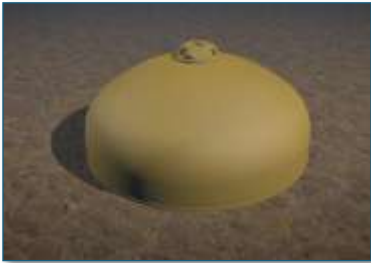
- Increasing number of subsea wells and pipeline length
- Development of smaller and remote fields calls for new fit for purpose solutions and contracting models
- KONGSBERG has enabling technologies to reduce development cost
- KONGSBERG has got the know-how to integrate with 3rd party contractors
- KONGSBERG is providing
The Integrated Edge

Steady growth within the Subsea market



Source: IHS Global Limited

Continuing to broaden product and service range through innovation



Recent innovations

Subsea Storage Unit

- Solution for storage of utilities or produced liquids under water

Subsea monitoring solutions

- Equipment integrity monitoring solutions
- Flow metering solutions
- Pipeline pigging solutions

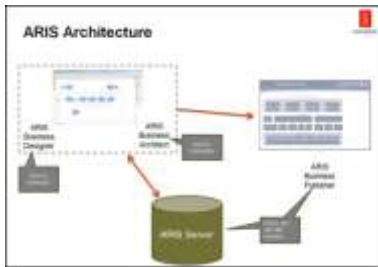
Well Advisor

- Drilling decision support consoles for efficient and reliable drilling operations

Impact

- Reduced CAPEX and OPEX, increased field design flexibility
- Reduced CAPEX and OPEX
- Reduced NPT, increase safety

Continuously improvements through tailored improvement programs



Recent innovations

- Refine our project execution models for EPC projects
- Software development
- Sourcing and manufacturing strategy
- Enhancing our India engineering operation for software development, engineering services and global customer support
- Continued high focus on Opex cost throughout the whole organization

Impact

- Reduced project cost
- Reduced development/ project cost
- Reduced project cost

The strategy is built on securing existing market positions and broadening into new markets

Where we are today

Drilling

- Strong niche product
- Robust global customer base
- Ongoing product development in partnership with major IOC's

Subsea

- Strong position engineering in Norway and increasing international footprint
- Well positioned for EPC projects in Norway
- Ongoing product development in partnership with major IOC's

Where we want to go

Drilling

- Consolidating our leading position
- Adding value to our installed base through new add-on products
- Strengthening our position within solutions for Drill Rig Management

Subsea

- Increase our international footprint
- Adding products to our offering
- Increased footprint towards fields in operation (Brown fields)

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