



# Bridge over troubled waters

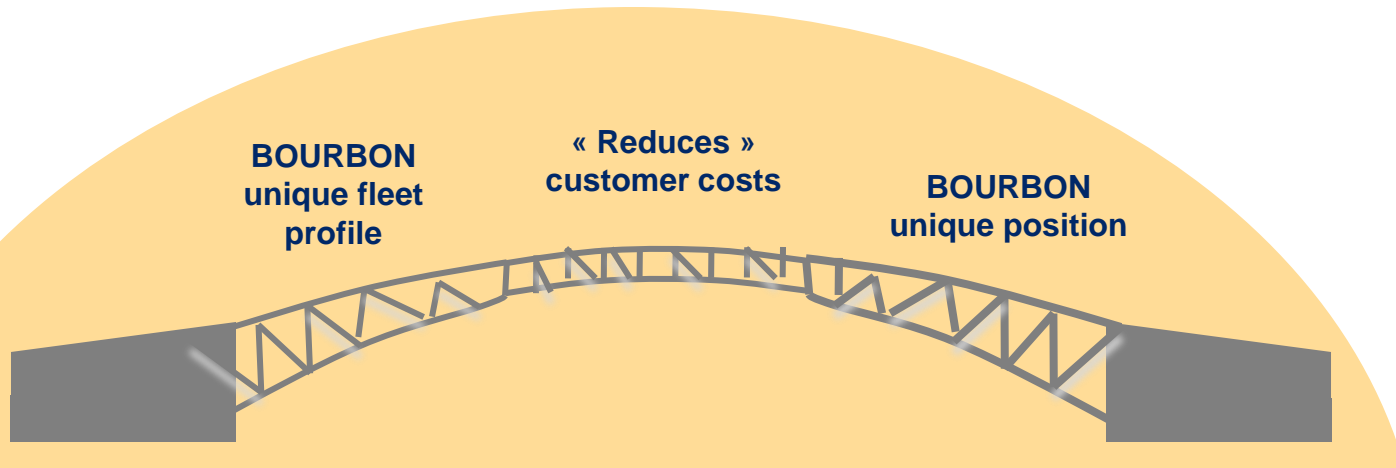
December 3rd, 2009

*Jacques de Chateauvieux*  
BOURBON CEO





# Bridge over troubled waters



Oil offshore  
High demand cycle  
2005-2008

✓ World economy recession

✓ Oil prices uncertainty 2009-2010

-Increase oil demand  
•End consumer  
•Depletion rate

-Simultaneous oil  
companies demand  
upturn

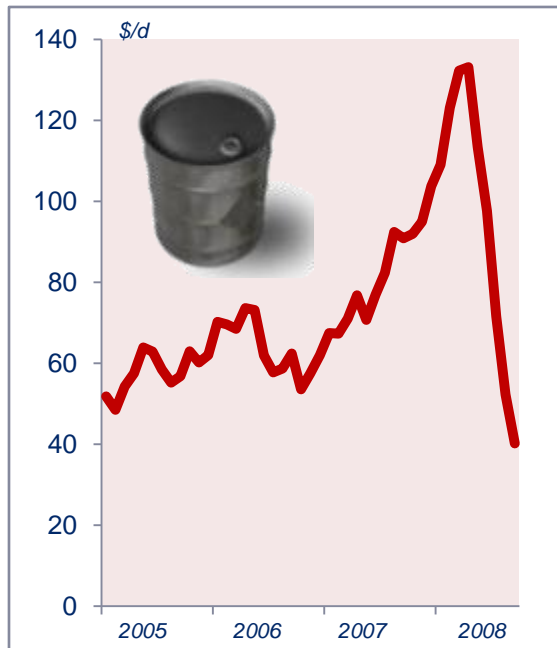




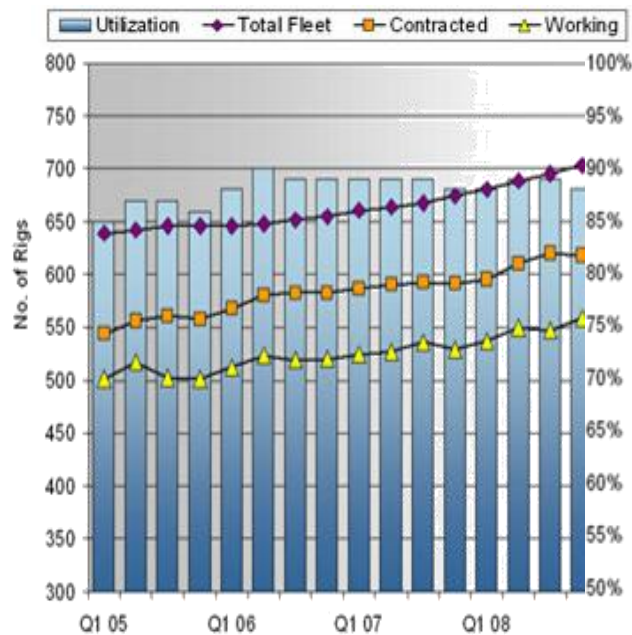
# Oil offshore high demand cycle

- Four years of offshore booming market

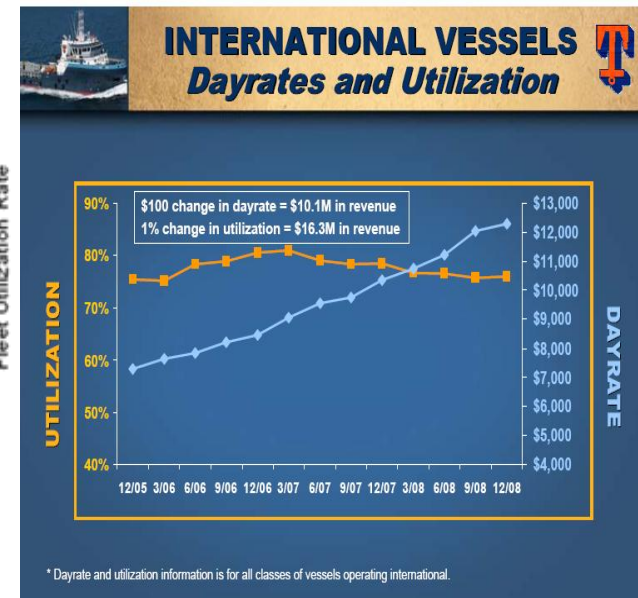
Oil price  
2005-2008



Worldwide offshore rig count & utilization rate  
Quarterly average 2005-2008



Tidewater  
2005-2008



Source : EIA

Source : ODS Petrodate

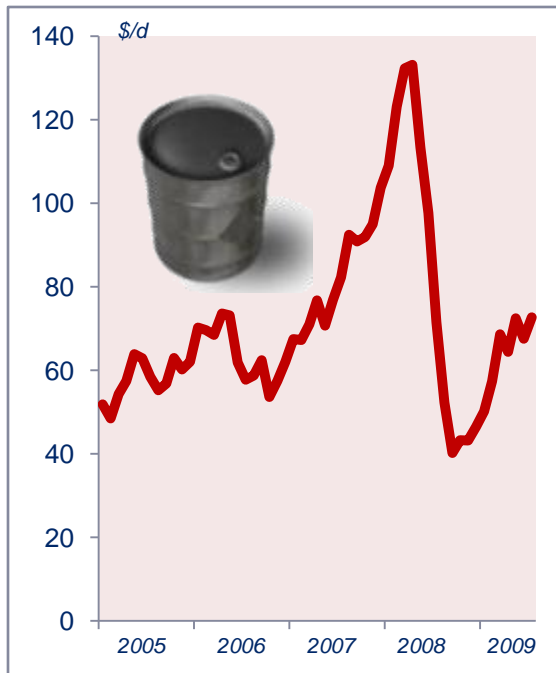
Source : Tidewater presentation



# Oil offshore high demand cycle

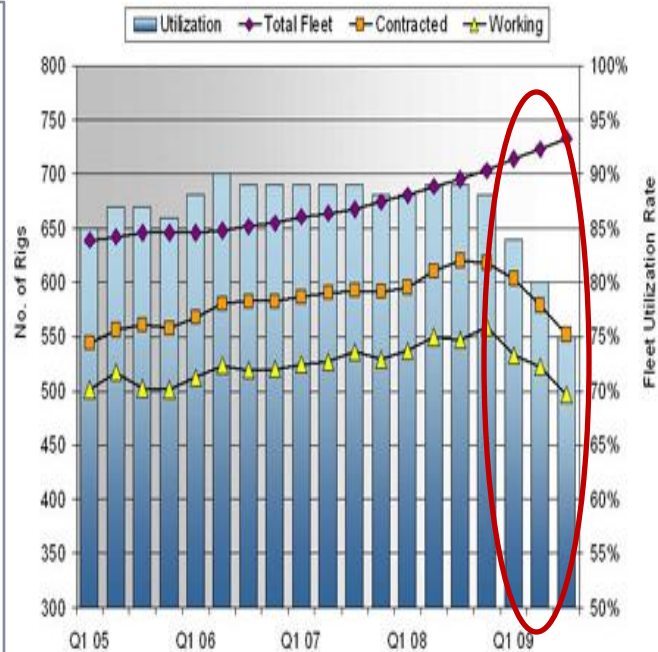
## ■ Impact of uncertainty on OSV market

**Oil price  
2005-2009**



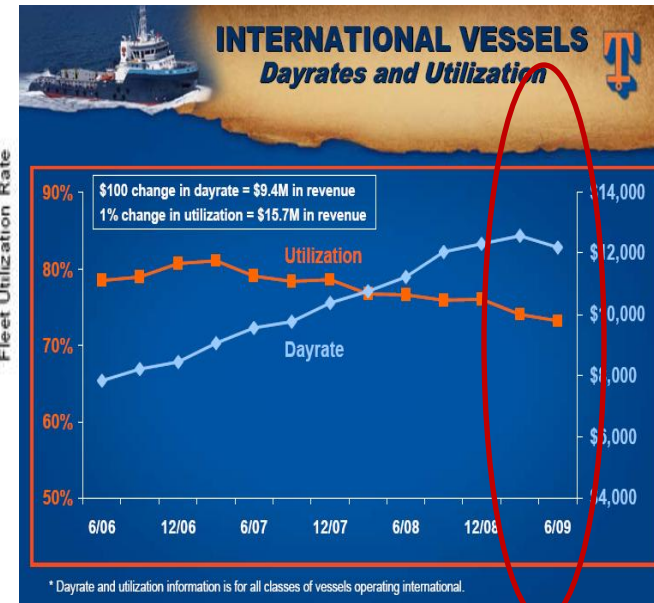
Source : EIA

**Worldwide offshore rig count & utilization rate  
Quarterly average 2005-2009**



Source : ODS Petrodate

**Tidewater  
2006-2009**



Source : Tidewater presentation





## Economy recession and oil price uncertainty

- Following financial crisis, world economies entered into a significant recession
- Oil price upturn seen as unstable and unpredictable by oil companies and end users
- Financing restrictions impacted spending for independent and National Oil companies whereas International companies took advantage of prevailing market conditions to push suppliers price down
- OSV market took delivery of the new building program decided in 2007 and 2008, creating overcapacity especially in the bigger vessel segments

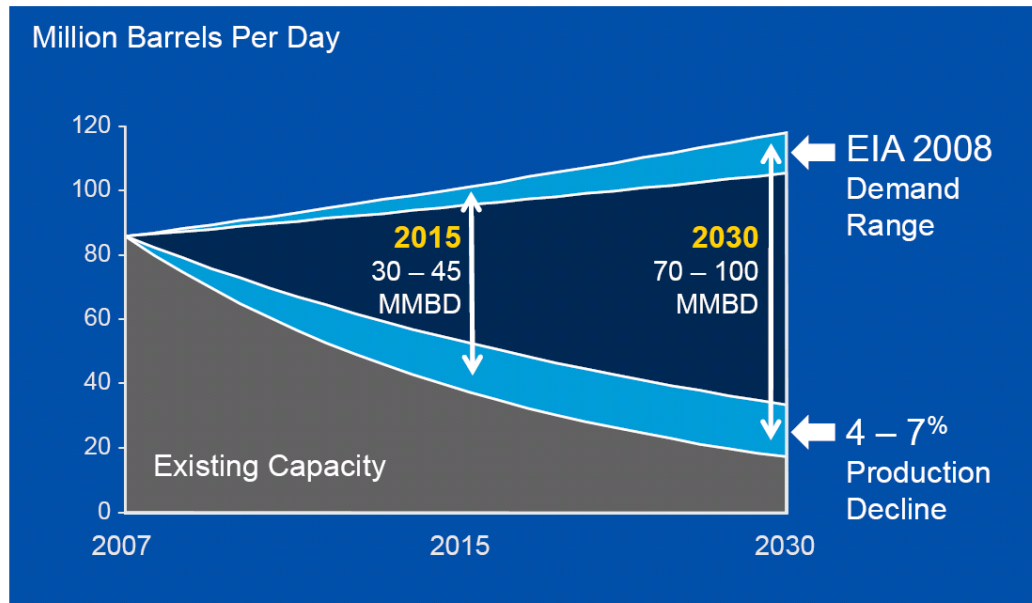




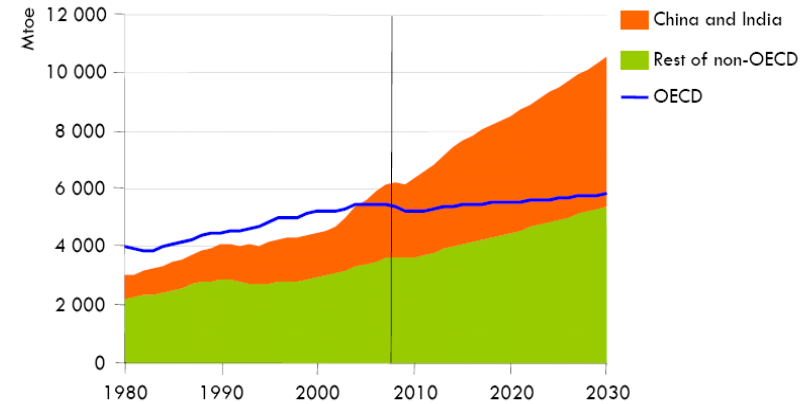
# Oil and gas demand set to grow

- Oil and Gas demand set to grow, due to:
  - Increasing final consumption, especially in emerging markets (China, India,...)
  - Production decline of existing fields

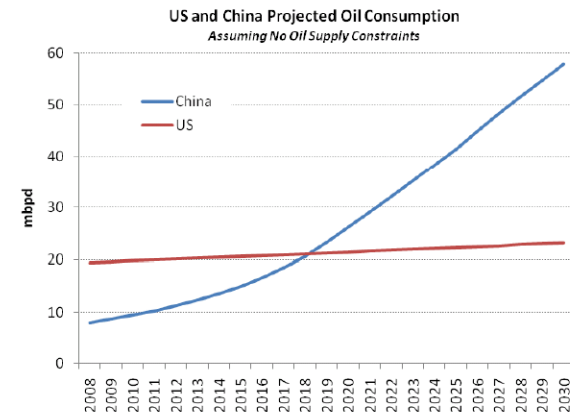
## Long-Term Oil Supply Challenge



Source : Chevron presentation – Nov 2009



Source : IEA-OECD – nov 2009



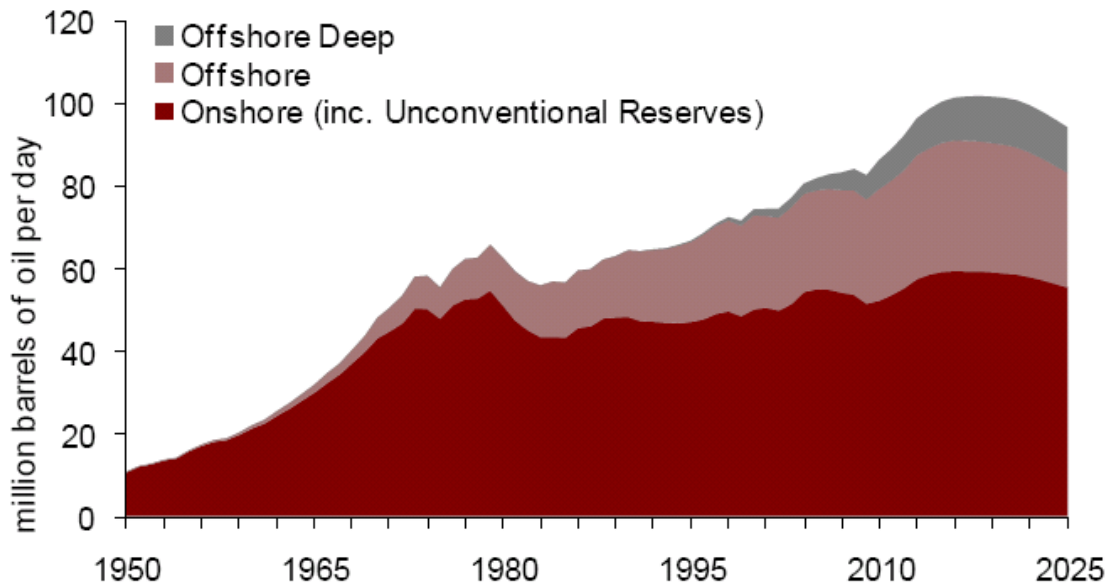
Source : Douglas-Westwood presentation – nov 2009





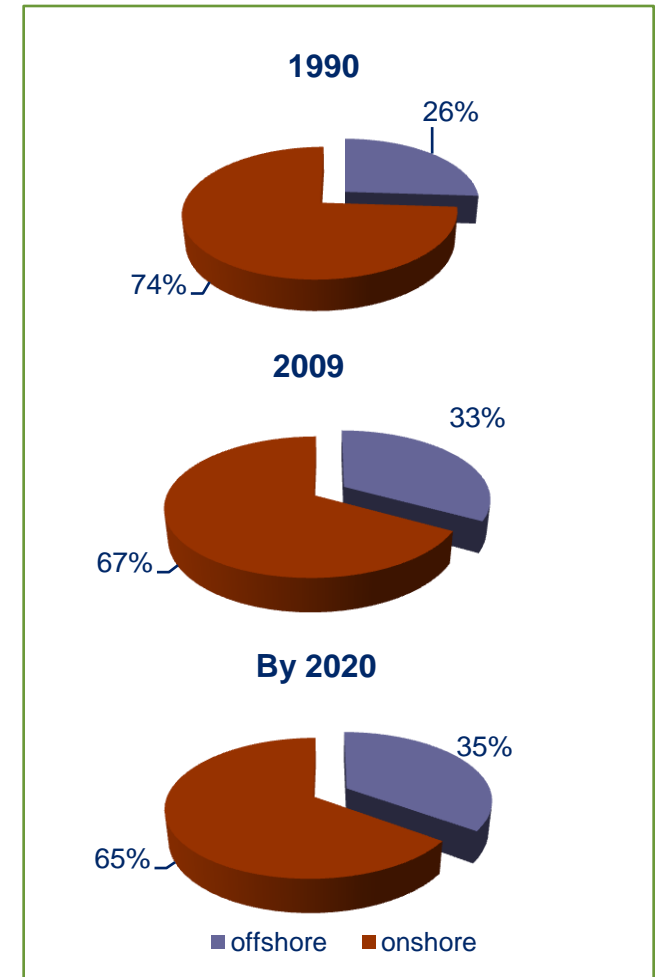
# The bulk of production increase still coming from offshore fields

**Global oil production 1950-2025**



Source : Energyfiles, Douglas-Westwood presentation -2009

**Offshore oil part of global output**

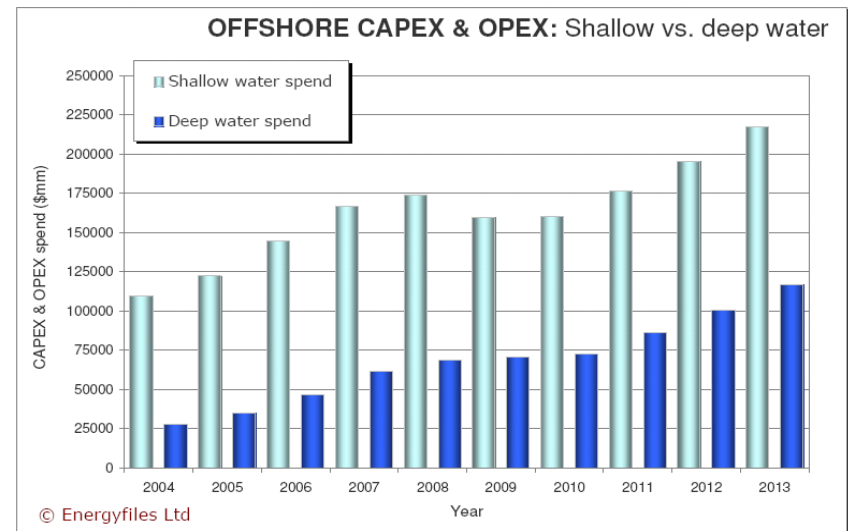
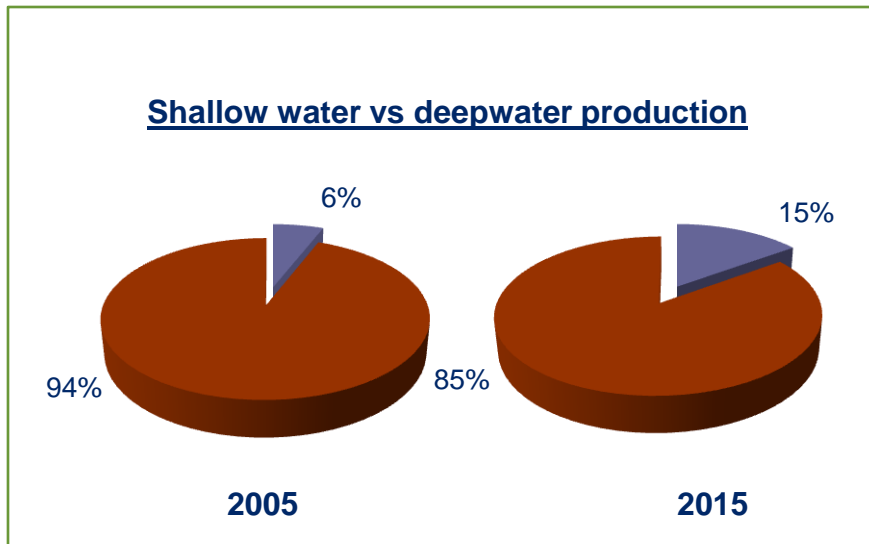


Source : Energyfiles, Douglas-Westwood presentation -2009



# Offshore oil production

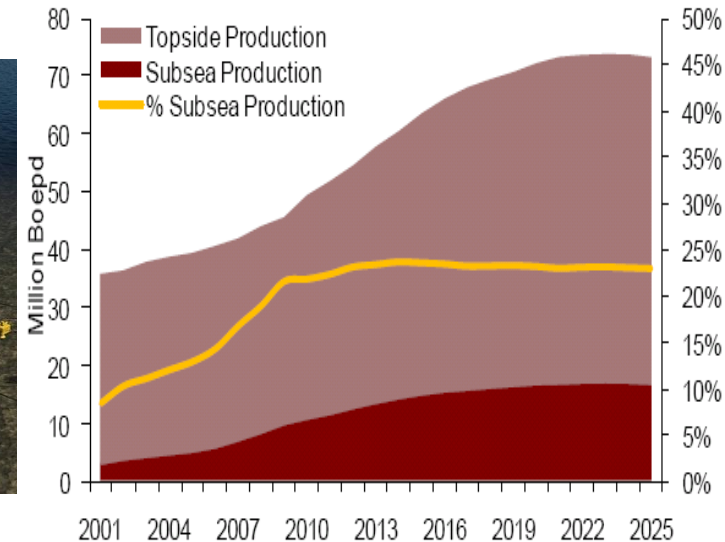
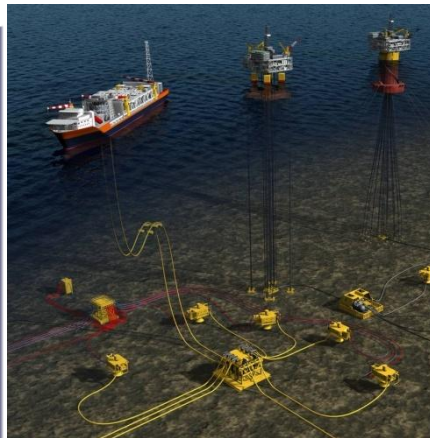
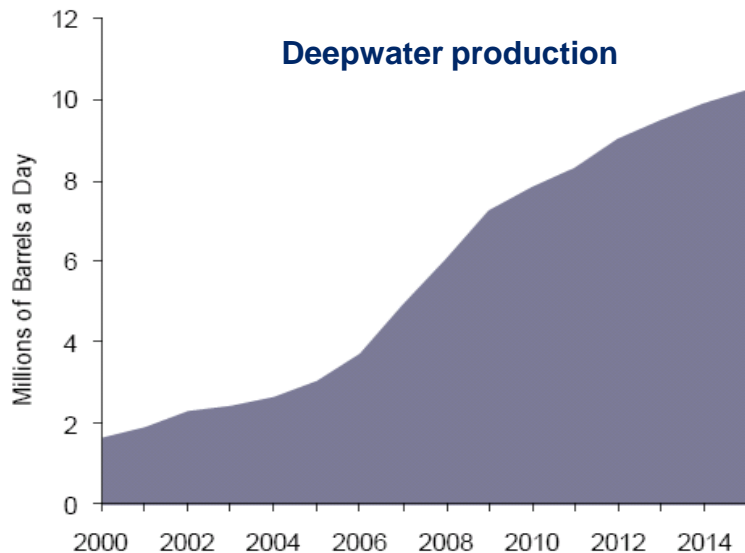
- Shallow water offshore fields still account for the largest share of production and spending but with little growth
- Deep water production is the growing segment, with total spending representing 50% of shallow water in 2012





# Offshore oil production

- Growing deepwater market benefits largely from exploration and development capex
- However, deepwater growing production generates fast growing business, especially in subsea operations



Source: 'The World Offshore Oil and Gas Production and Spend Forecast 2009-2013'

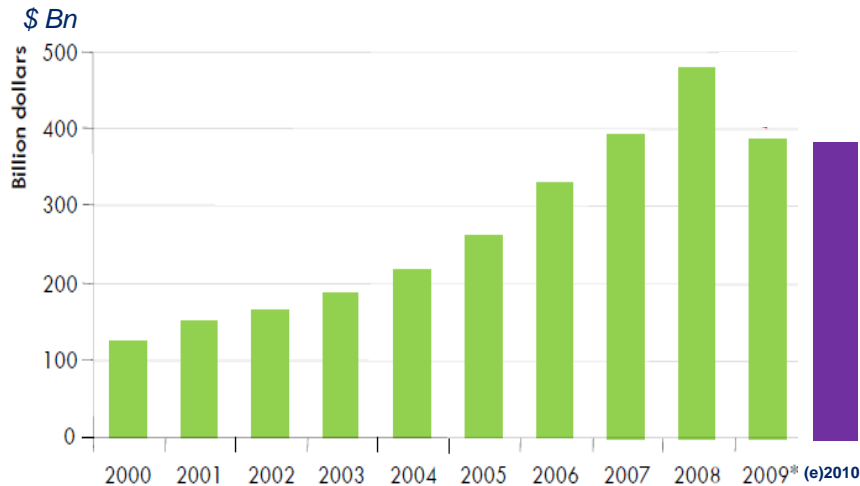




# Offshore oil production

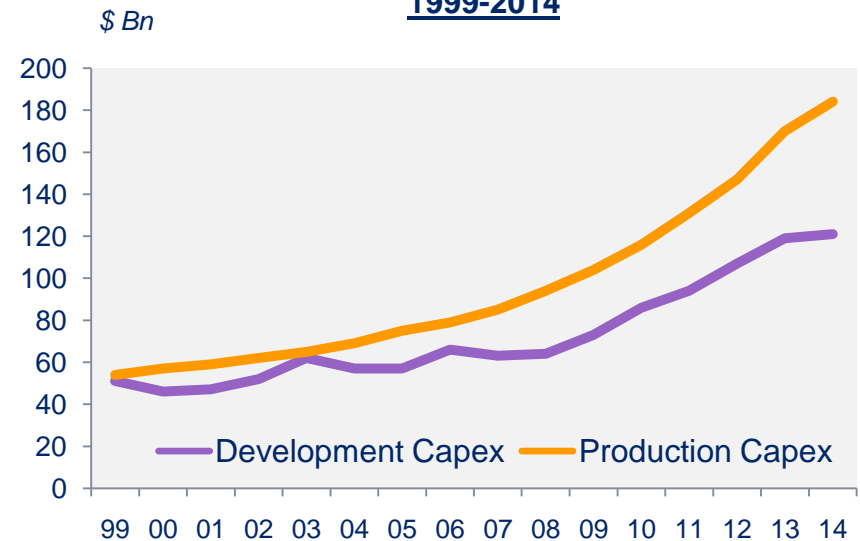
- Oil prices cycles drive oil company expenditures in Exploration and Development, and to a lesser extent in fields in Production

Worldwide E&P Capex



Source: OECD/IEA, IFP 09

Development Capex vs Production capex  
1999-2014



Source : Infield System, DVB Research

- From a supplier point of view, the impact of cycles in capex from oil companies is amplified because of lag time in capacity adjustments to sudden surge in demand





# BOURBON unique fleet profile

**FIRST STEP:** growing market share in deepwater segment  
**2000-2007**



Low **Complexity of activity** High

<b>Stage in life cycle</b>	<b>Exploration/ Development</b>	<b>1</b> <b>Growth in deepwater offshore</b>  <b>AHTS and PSV</b> As of 2000
	<b>Production/ Maintenance</b>	

	2002	2007	2012
<b>Supply Deep</b>	<b>27</b>	<b>49</b>	<b>73</b>



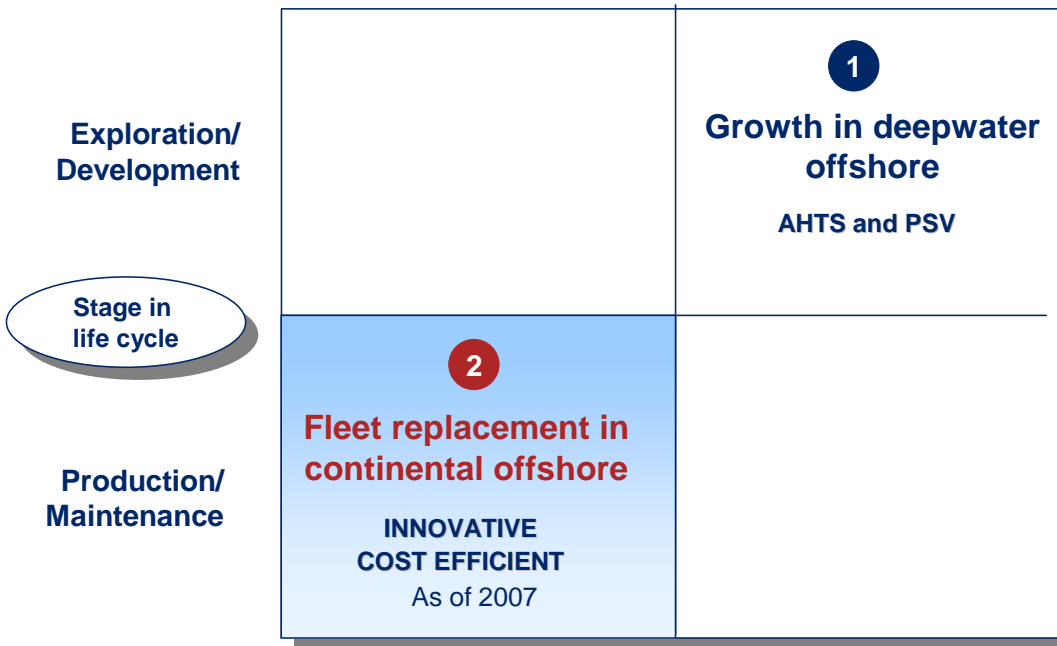


# BOURBON unique fleet profile

SECOND STEP: growing by substitution in shallow water market  
2008-2012



Low **Complexity of activity** High



	2002	2007	2012
<b>Supply Deep</b>	27	49	73
<b>Supply Shallow</b>	28	21	100





# BOURBON unique fleet profile

THIRD STEP:  
2008-2012

growth in deep offshore production  
through Subsea activity



Low Complexity  
of activity High

Stage in  
life cycle

Exploration/  
Development

Production/  
Maintenance

	1 <b>Growth in deepwater offshore</b> AHTS and PSV ↓
2 <b>Fleet replacement in continental offshore</b>  INNOVATIVE COST EFFICIENT	3 <b>Subsea Activity</b>  IMR VESSELS ROV OPERATOR MANAGEMENT

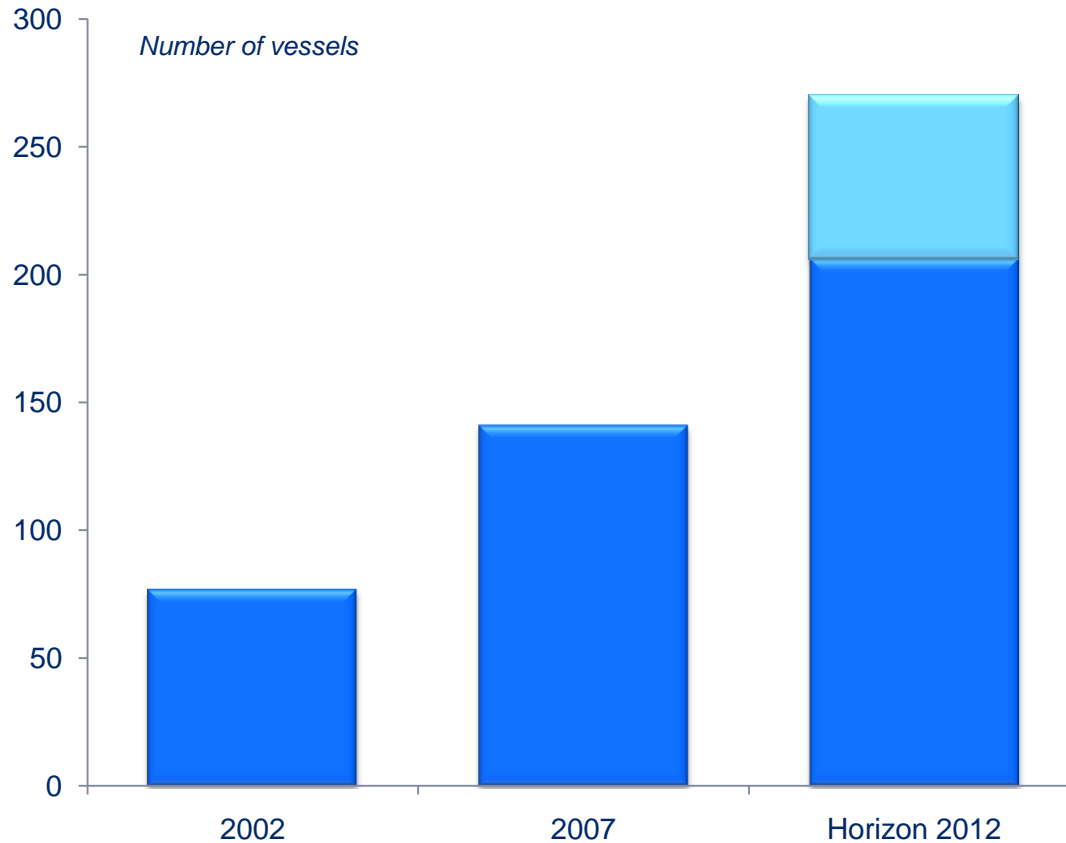
	2002	2007	2012
<b>Supply Deep</b>	27	49	73
<b>Supply Shallow</b>	28	21	100
<b>IMR</b>	0	11	27





# BOURBON unique fleet profile

- Crew boats: a safe and economical alternative to helicopters





# BOURBON unique fleet profile

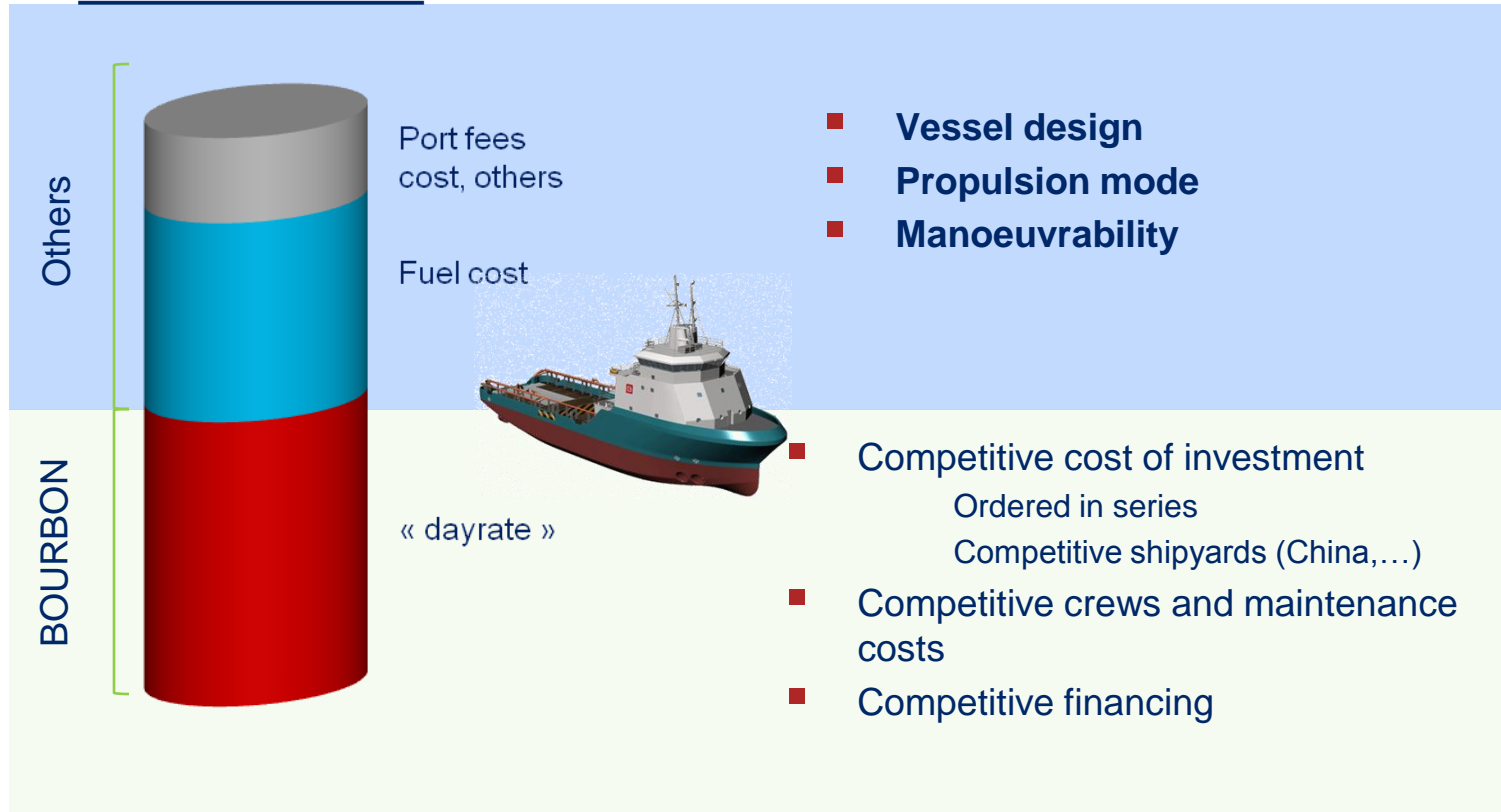
As of June 30, 2009		Vessels in operation	Average age	Vessels on order	TOTAL
<b>MARINE SERVICES</b>					
Deepwater supply vessels		59	5,9	14	73
Continental supply vessels		42	5,9	54	96
Salvage tugs		5	19,3	-	5
Total Supply vessels		106	6,0	68	174
Crew boats		206	5,9	46	252
Total Marine Services		312	5,9	114	426
<b>SUBSEA SERVICES</b>					
IMR vessels		14	3,3	13	27
ROV		10	3,4	2	12
<b>TOTAL OFFSHORE</b>		<b>326</b>	<b>5,8</b>	<b>127</b>	<b>453</b>
VESSLS ROV		10	3,4	2	12





# BOURBON invests to reduce customers costs

## All-in vessels costs



Innovative and cost efficient vessels to reduce overall costs to customers





# BOURBON invests to reduce customers costs

## Bourbon Liberty series

### ■ Direct savings for logistic costs

- Diesel electric → Reduced fuel consumption
- Engine room on deck → Increased cargo capacity
- DPII in series → Time saving for operations
- Big series → Higher availability

### ■ Competitive day rates

- Scale effect on investment costs
- Competitive shipyards (China...)
- Competitive trained crews
- Maintenance optimisation
- Standardisation

### ■ Safest Operations

### ■ 76 Bourbon Liberty 100 & 200

→ **28 already in operation**





# BOURBON invests to reduce customers costs

## CREW BOATS

- **Crew boats: a safe and economical alternative to helicopters**
  - For long distance port to field personnel transport and light equipment transport
  - For inter-field passenger shuttle
- **Application in West Africa, Middle East, Far East, Trinidad, Brazil.....**



**VS**



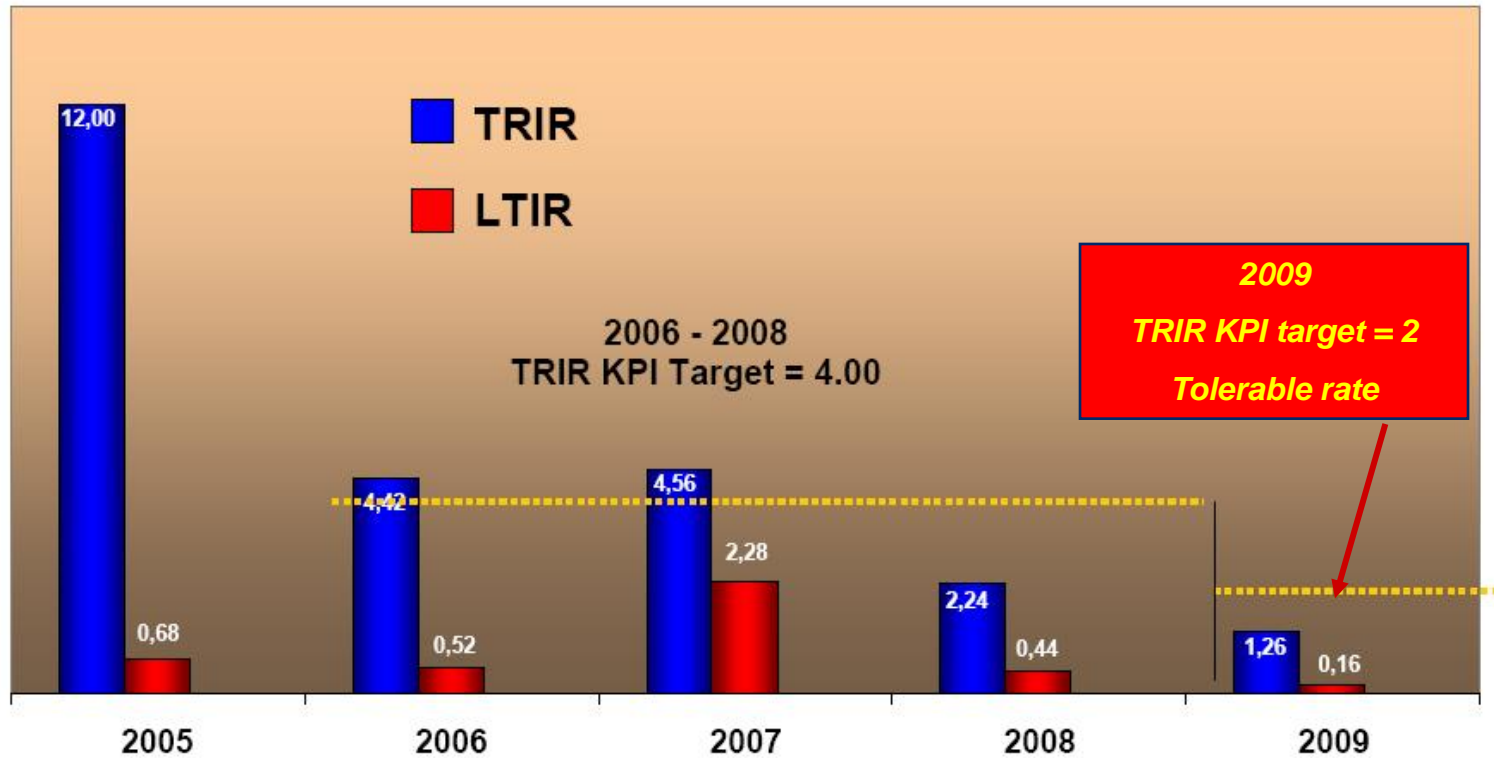
- 206 under operation
- 46 under construction

- **50% cost saving on crew change duties**





- Strong safety performances



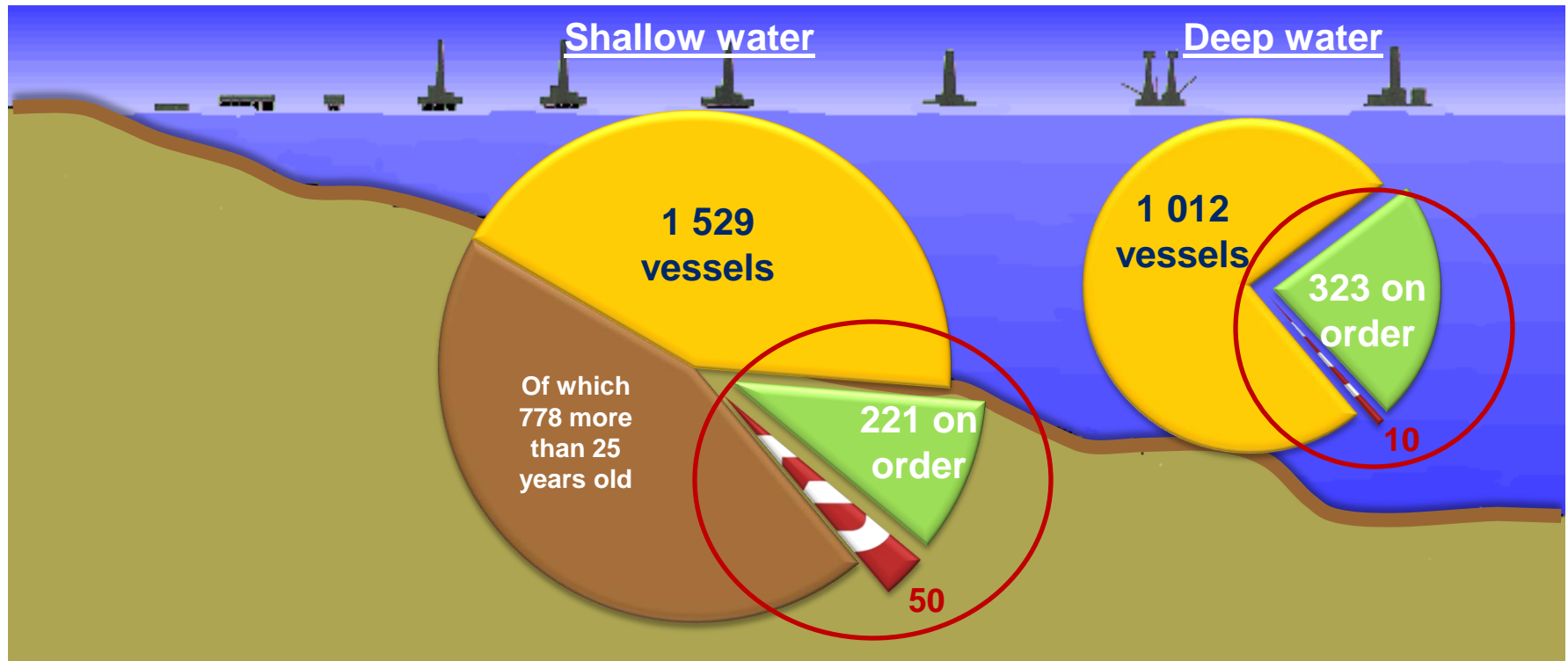
As of September 30, 2009





# BOURBON unique position

- Newbuilding strategy focused on substitution market



Data at 09/30/2009 source: ODS Petrodata, BOURBON

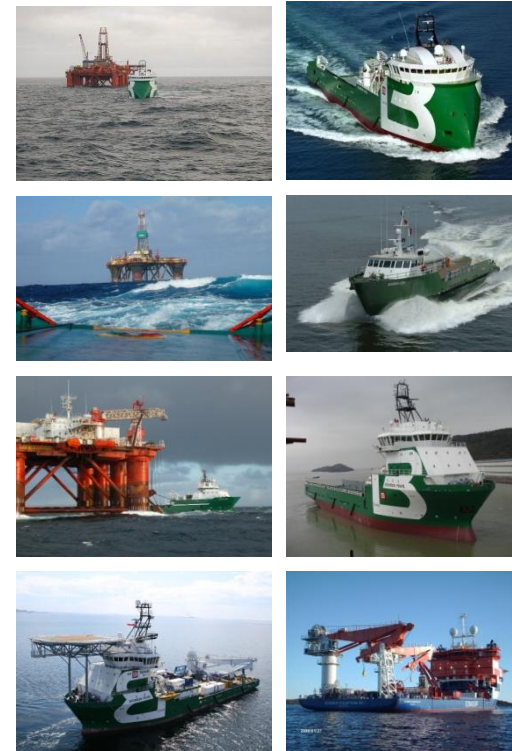
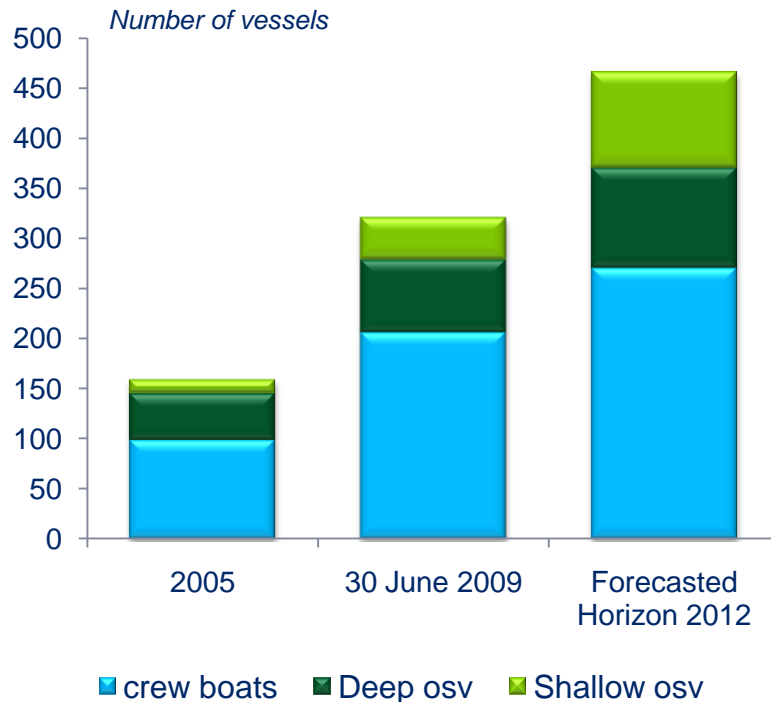
*Existing fleet average age*  
= 18 years

*Existing fleet average age*  
= 8 years



# BOURBON unique position

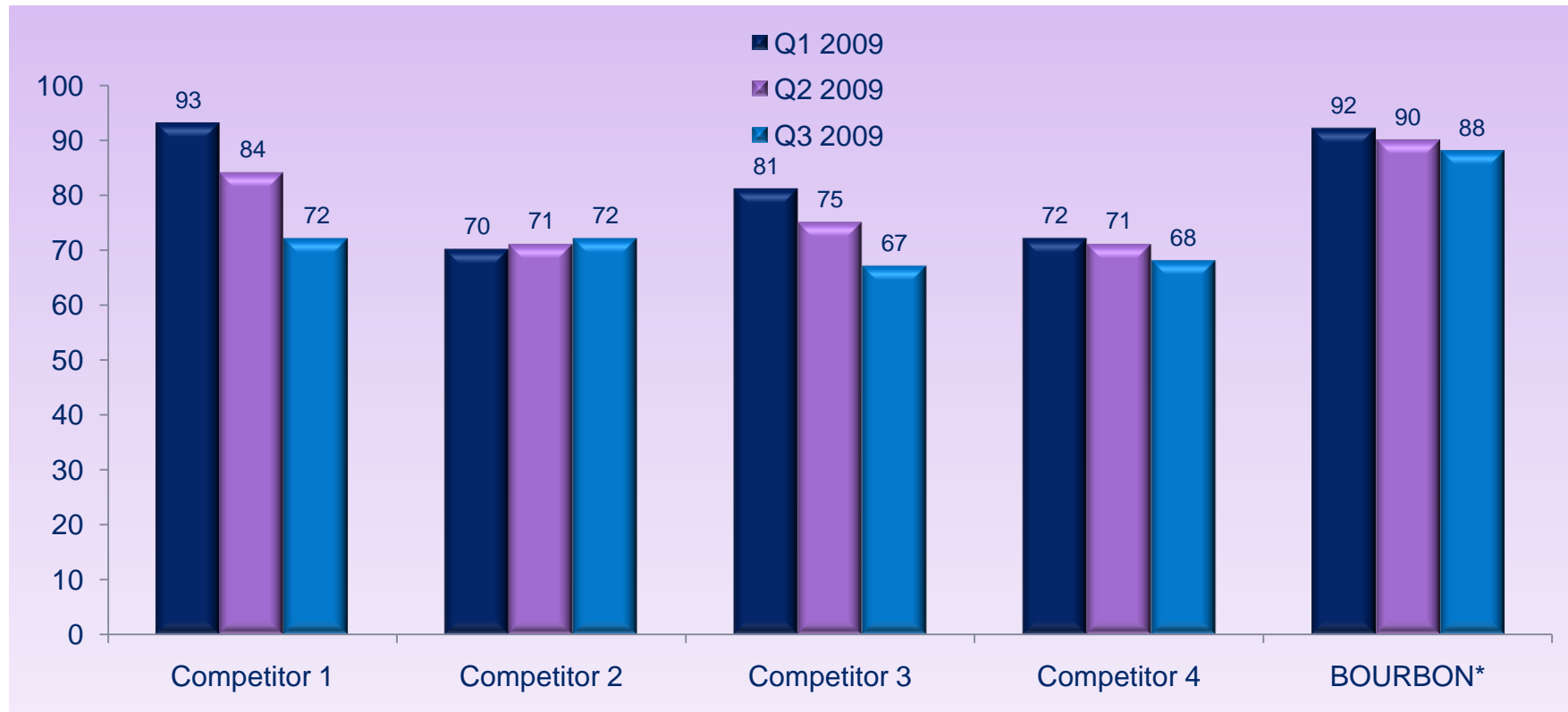
- BOURBON strategy in new built vessels provides a positive answer to the market situation today and positions the company in an unrivalled position for the future upturn in demand





# BOURBON unique position

- Utilization rate reflects fleet age, technology profile and exposition to « spot markets ».



Fleet average age 7 years

8 years

16 years

19 years

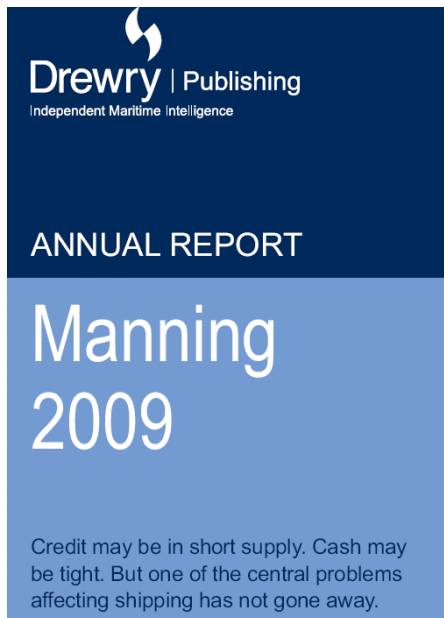
6 years





# BOURBON unique position

- In a business environment where availability of qualified human resources remains an issue



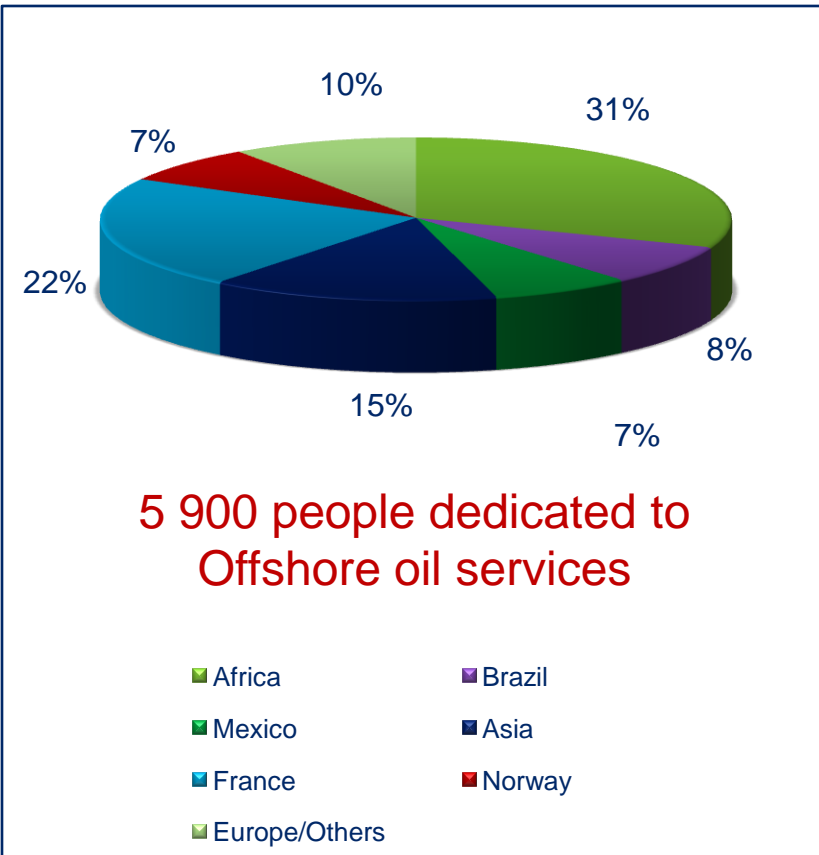
Looking to the longer term and based on falling rates in certain sectors, newbuild cancellations and increased scrapping, we put the **officer shortfall in 2013 at 42,700**. This means pressure on wages and poaching of experienced personnel could be a constant feature of maritime employment for the foreseeable future. The need for fleet owners and managers to structure loyalty-building, remuneration packages – at a time when belts are having to be tightened – is as strong as ever. Cutting back on training and personnel development could be storing up a more serious problem for later.





# BOURBON unique position

- Attractive offshore fleet serviced by international crews



- Standardization of fleet allows for innovative training

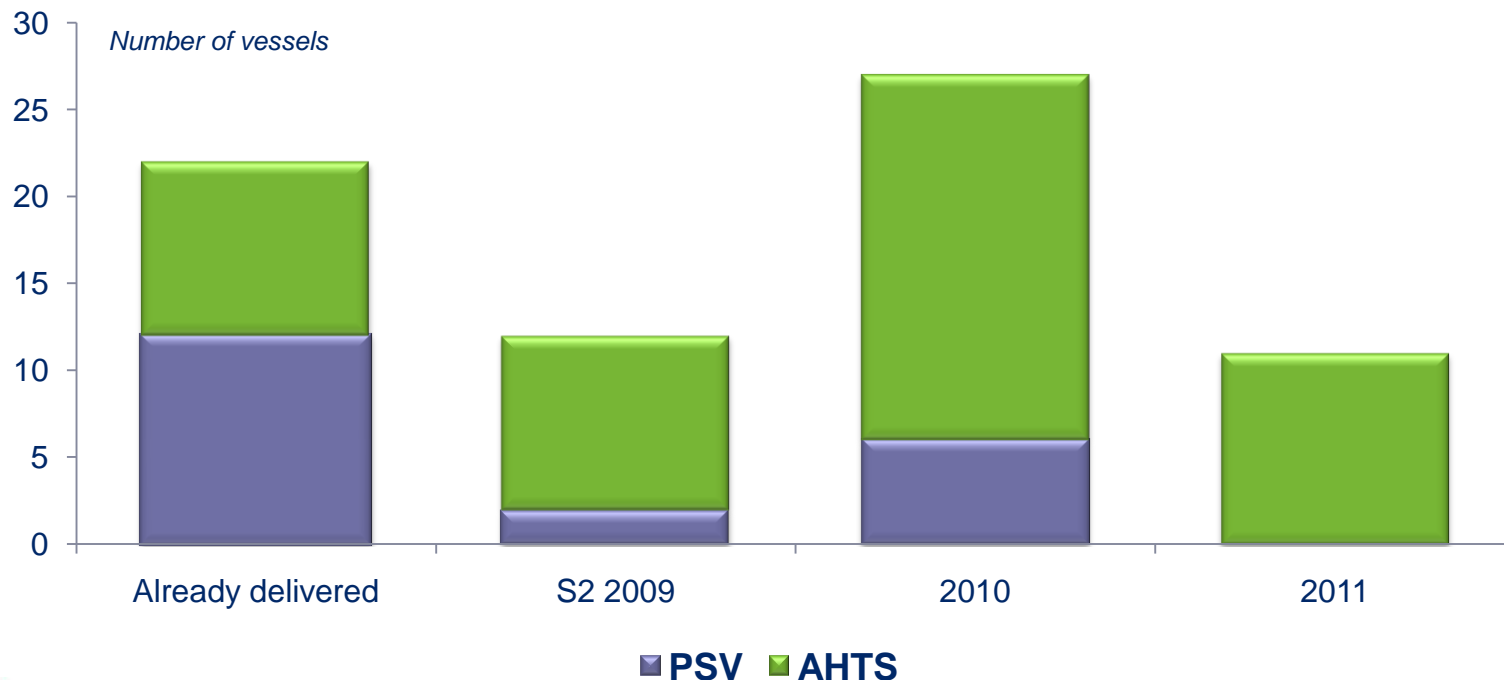




## BOURBON unique position

- A new building strategy of innovative and cost efficient vessels being delivered on time and ready for market upturn

### Example: Bourbon Liberty series (as of June 30th, 2009)





- EBITDA generation well protected by:
  - Contract coverage: 70% of supply vessels fleet as of September 30th 2009, but declining
  - Foreign exchange hedging protecting Offshore EBITDA (1.27\$/€ for 2009)
- Favorable impact of low level of interest rate
- Positive contribution of Bulk division to BOURBON financial performances
- New building program properly financed with 400 million euros undrawn loans as of September 30th, 2009





# BOURBON

## Bridge over troubled waters

- Market is expected to upturn in 2010, as oil demand follows improved economic situation and faces decline in production of existing fields
- BOURBON fleet profile made of innovative and cost efficient vessels:
  - Reduces cost of logistics for customers
  - Secures higher utilization rates
  - Attracts skilled people
- BOURBON is well positioned to benefit from expected market growth:
  - With high quality existing fleet and timely delivered new building program
  - Providing the full range of vessels to demanding customers worldwide
  - With high level of safety and standards of operation
- BOURBON has secured appropriate financing and maintains its objectives at Horizon 2012





# Bridge over troubled waters

BOURBON: resilient in a poor market, best fitted for the upturn





*This document may contain non-historical information which constitutes provisional estimated financial data concerning the financial position, results and strategy of BOURBON. These projections are based on assumptions that may prove to be incorrect and depend on risk factors that include, without being limited to: foreign exchange fluctuations, fluctuations in oil and natural gas prices, changes in the investment policies of the oil companies in the exploration and production sector, the growth in competing fleets, which saturate the market, the impossibility of predicting specific client demands, political instability in certain operating zones, ecological considerations and general economic conditions.*

*BOURBON assumes no responsibility for updating provisional data on the basis of new information in light of future events or for any other reason.*





BOURBON