Aker Kværner O&G Group AS

4th Quarter and preliminary annual results 2005
13 February 2006

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Improved results and record-high order intake

- **Profits improved significantly**
  - EBITDA 4Q05 of NOK 591 million compared to NOK 324 million in 4Q04
  - EBITDA for 2005 of NOK 1 650 million (5.9% margin) compared to NOK 1 089 million (4.8% margin) in 2004
  - Net profit of NOK 1 116 million in 2005
- **Record-high order intake of NOK 15.9 billion**
  - NOK 40.5 billion in order backlog
- **Main markets are strong**
- **Board of Directors to propose NOK 550 million in group contributions/dividends**

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Income statement consolidated[1]

(in NOK million)	4Q04	1Q05	2Q05	3Q05	4Q05	2004	2005
Operating revenues	6 179	5 597	6 832	7 015	8 733	22 658	28 177
EBITDA	324	301	337	421	591[2]	1 089	1 650[2]
Depreciation	-58	-53	-55	-64	-84	-225	-256
EBIT	266	248	282	357	507	864	1 394
Financial items	-119	-52	-24	-27	-63	-285	-166
Foreign exchange[3]	-	-45	-73	-10	-152	-	-280
Profit aft. fin. items	147	151	185	320	292	579	948
Tax	-113	-45	-54	-98	365	-202	168
Net profit	34	106	131	222	657	377	1 116

[1] Previous quarters in 2005 are restated for IAS 39 effects
[2] Inclusive sales gain on Aker Kværner Industrielt Vedlikehold AS of NOK 80 million
[3] Foreign exchange on disqualified hedging instruments

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Income statement consolidated

(in NOK million)	4Q04	1Q05	2Q05	3Q05	4Q05	2004	2005
Operating revenues	6 179	5 597	6 832	7 015	8 733	22 658	28 177
EBITDA	324	301	337	421	591	1 089	1 650
EBITDA specified							
Field Development	149	123	135	161	213	409	632
MMO	48	56	54	89	91	229	290
Subsea and P&T	130	110	143	177	224	490	654
Unallocated corporate costs	-3	12	5	-6	63	-39	74

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Cashflow

(in NOK million)	4Q04	1Q05	2Q05	3Q05	4Q05	2004	2005
Net c/f from oper. act.	1 540	-442	257	540	3 210	1 371	3 565
Net c/f from investing act.	-362	-119	-70	-106	7	-479	-288
Net c/f from financial activities	-313	-415	-	-	1	-594	-414
Translation adjustment	27	-12	13	-	-35	16	-34
Net +/- in cash and bank deposits	892	-988	200	434	3 183	314	2 829
Cash and bank dep. as at start of period	1 575	2 467	1 479	1 679	2 113	2 153	2 467
Cash and bank dep. as at end of period	2 467	1 479	1 679	2 113	5 296	2 467	5 296

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Assets

(in NOK million)	4Q04	1Q05	2Q05	3Q05	4Q05
Property, plant and equipment	1 044	1 049	1 085	1 145	1 143
Other fixed assets	3 795	3 802	3 769	3 700	3 990
Financial assets (long-term)	150	180	179	179	137
I B receivables (long-term)	48	90	90	87	87
I B receivables (short-term)	-	-	390	387	388
Other current assets	6 210	6 666	7 767	6 874	8 658
Cash & bank deposits	2 467	1 479	1 679	2 113	5 296
Total assets	13 714	13 266	14 959	14 485	19 699

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Debt and equity

(in NOK million)	4Q04	1Q05	2Q05	3Q05	4Q05
Shareholder's equity	3 663	3 849	4 013	4 229	4 902
Minority interests	48	57	62	61	65
Non I B liabilities (long-term)	1 147	1 167	1 463	1 473	1 229
Interest bearing debt	2 435	2 134	2 057	2 044	2 105
Group contributions	80	-	-	-	-
Non I B liabilities (short-term)	6 341	6 059	7 364	6 678	11 398
Total liabilities and shareholder's equity	13 714	13 266	14 959	14 485	19 699
Total net current operating assets	-86	636	412	206	-2 680
Net interest bearing items	80	-565	102	543	3 666
Equity	3 711	3 906	4 075	4 290	4 967
Equity ratio in %	27.0	29.4	27.2	29.6	25.2

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Currency hedging – financial consequences

- Established group policy and practice is to hedge all foreign exchange exposures in projects economically upon contract awards
- According to new interpretation of hedging practises to meet the formal IAS 39 requirements, we do not qualify for hedge accounting in 2005
  - Consequently, fair value changes of hedges will be recognised in P&L
  - Accounts are restated for all quarters in 2005 to reflect these changes
- The main hedging positions at the end of 2005 amounted to:
  - Forward sales of USD 1 190 million
  - Forward purchase of EURO 235 million
- Consequenses for 2005 accounts:
  - NOK 280 booked as finance costs in 2005
  - NOK 12 million negative EBITDA effect
- Hedge accounting (IAS 39) is implemented for the most material foreign currency positions from February 2006 covering 70-80% of the portfolio
  - The reversal of the non cash currency loss reported end of 2005 of NOK 182 million is expected to have a positive EBITDA and finance income effect over the coming years

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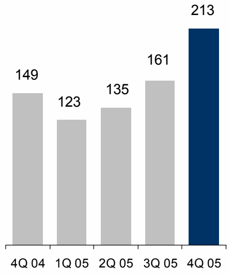
Field Development

- Highlights
  - High activity and good progress on major projects
  - Record-high order intake and backlog
  - Drilling rig contract awarded by Aker Drilling
  - Semi submersible contract awarded by Chevron/Kerr-McGee
- Market outlook
  - Positive development in the Russian and Caspian Sea markets
  - Several new onshore and offshore development prospects in Norway and Russia
  - Tender and study activity in the LNG terminal market still high
  - Growing market for oil and gas activities in Arctic regions

EBITDA
(in NOK million)



(in NOK million)	4Q04	1Q05	2Q05	3Q05	4Q05	2004	2005
Operating revenues	2 731	2 317	2 557	2 476	3 270	9 646	10 620
EBITDA	149	123	135	161	213	409	632
Order intake	4 650	2 624	6 775	1 145	8 516	13 955	19 060
Order backlog	11 565	11 967	16 248	14 904	20 265	11 565	20 265

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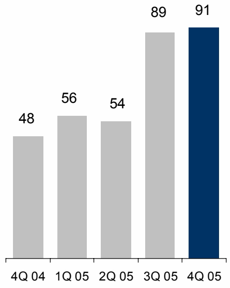
Maintenance, Modifications and Operations

- Highlights
  - Increased operating revenues and EBITDA result
  - High activity on the Snøhvit and Ormen Lange projects
  - Maintenance and modification contract for the Draugen platform and Ormen Lange plant awarded by Shell
  - Frame agreements for Statoil on Mongstad secured
- Market outlook
  - Increased activity expected in the decommissioning market
  - Growth internationally to be prioritised

EBITDA
(in NOK million)



(in NOK million)	4Q04	1Q05	2Q05	3Q05	4Q05	2004	2005
Operating revenues	1 572	1 383	1 731	2 083	2 255	6 327	7 452
EBITDA	48	56	54	89	91	229	290
Order intake	2 624	1 353	3 000	1 410	4 112	7 859	9 875
Order backlog	9 765	9 764	11 023	10 314	12 061	9 765	12 061

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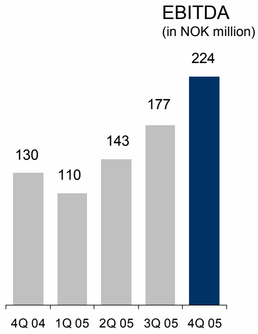
Subsea, Products & Technologies

- Highlights
  - Operational and financial performance developed positively
  - Investment in world-class manufacturing centre in Malaysia
  - Aker H6*e* drilling equipment contract awarded
  - Contract with Jurong Shipyard for delivery of advanced deepwater drilling systems
- Market outlook
  - Major subsea projects expected in many regions
  - Significant subsea service potential
  - A sustainable strong market outlook for drilling equipment, well service activities and marine operations



(in NOK million)	4Q04	1Q05	2Q05	3Q05	4Q05	2004	2005
Operating revenues	2 337	1 887	2 524	2 446	2 997	7 630	9 854
EBITDA	130	110	143	177	224	490	654
Order intake	2 321	2 157	3 847	3 856	5 585	8 332	15 445
Order backlog	5 462	5 791	7 178	8 576	11 269	5 462	11 269

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Oil & Gas – market perspective

Near Term
- Tender activities for concrete GBS and LNG regas terminal solutions continue
- Many prospects for on- and offshore developments in Norway and Russia, but timing uncertain
- High activity within subsea and drilling
- Tight labour market

Long Term
- Energy demand and field depletion secure CapEx levels
- Increasing importance of national oil companies – and local content
- Growing focus on harsh/arctic climate areas

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Additional information

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Net current operating assets

(in NOK million)	4Q04	1Q05	2Q05	3Q05	4Q05
Field Development	-697	-529	-879	-1 035	-3 911
MMO	-86	129	231	182	7
Subsea and P&T	653	807	1 069	1 167	1 454
Other	44	229	-9	- 108	-230
Total net current operating assets	-86	636	412	206	-2 680

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Order intake

(in NOK million)	4Q04	1Q05	2Q05	3Q05	4Q05	2004	2005
Field Development	4 650	2 624	6 775	1 145	8 516	13 955	19 060
MMO	2 624	1 353	3 000	1 410	4 112	7 859	9 875
Subsea and P&T	2 321	2 157	3 847	3 856	5 585	8 332	15 445
Other	-539	37	-191	88	-2 312	-949	-2 378
Total	9 056	6 171	13 431	6 499	15 901	29 197	42 002

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Order backlog

(in NOK million)	4Q04	1Q05	2Q05	3Q05	4Q05
Field Development	11 565	11 967	16 248	14 904	20 265
MMO	9 765	9 764	11 023	10 314	12 061
Subsea and P&T	5 462	5 791	7 178	8 576	11 269
Other	-518	-494	-721	-600	-3 114
Total	26 274	27 028	33 728	33 194	40 481

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Field Development

(in NOK million)	4Q04	1Q05	2Q05	3Q05	4Q05	2004	2005
Operating revenues	2 731	2 317	2 557	2 476	3 270	9 646	10 620
EBITDA	149	123	135	161	213	409	632
EBIT	134	109	121	147	198	346	575
Order intake	4 650	2 624	6 775	1 145	8 516	13 955	19 060
Order backlog	11 565	11 967	16 248	14 904	20 265	11 565	20 265
Employees	4 566	4 496	4 393	4 203	4 039	4 566	4 039

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Maintenance, Modifications and Operations

(in NOK million)	4Q04	1Q05	2Q05	3Q05	4Q05	2004	2005
Operating revenues	1 572	1 383	1 731	2 083	2 255	6 327	7 452
EBITDA	48	56	54	89	91	229	290
EBIT	46	52	52	87	86	222	277
Order intake	2 624	1 353	3 000	1 410	4 112	7 859	9 875
Order backlog	9 765	9 764	11 023	10 314	12 061	9 765	12 061
Employees	4 867	4 926	5 083	5 131	4 705	4 867	4 705

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Subsea, Products & Technologies

(in NOK million)	4Q04	1Q05	2Q05	3Q05	4Q05	2004	2005
Operating revenues	2 337	1 887	2 524	2 446	2 997	7 630	9 854
EBITDA	130	110	143	177	224	490	654
EBIT	99	82	111	138	172	369	503
Order intake	2 321	2 157	3 847	3 856	5 585	8 332	15 445
Order backlog	5 462	5 791	7 178	8 576	11 269	5 462	11 269
Employees	3 411	3 049	3 376	3 482	3 586	3 411	3 586

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Other and eliminations

(in NOK million)	4Q04	1Q05	2Q05	3Q05	4Q05	2004	2005
Operating revenues	-461	10	20	10	211	-945	251
EBITDA	-4	12	5	-6	63	-39	74
EBIT	-15	5	-2	-15	51	-74	39
Order intake	-539	37	-191	88	-2 312	-949	-2 378
Order backlog	-518	-494	-721	-600	-3 114	-518	-3 114
Employees	696	733	731	738	745	696	745

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Employees

	4Q04	1Q05	2Q05	3Q05	4Q05
Field Development	4 566	4 496	4 393	4 203	4 039
MMO	4 867	4 926	5 083	5 131	4 705
Subsea and P&T	3 411	3 049	3 376	3 482	3 586
Other	696	733	731	738	745
Total number of employees	13 540	13 204	13 583	13 554	13 075
Employees in Norway	10 034	9 981	10 147	10 308	9 822

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- In the first quarter 2004 Kværner ASA announced a three-way reorganisation of the group, which has resulted in the formation of Aker Kvaerner, a focused industrial group with activities within the oil, gas, energy and process industries. The figures in this report are prepared as if the restructuring and refinancing were completed before 1 January 2002.

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