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Marine Accurate Well ASA – MARACC
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Marine Accurate Well

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1. Introduction
2. Market Opportunity
3. Project Overview
4. Company Overview
5. Next Steps and Concluding Remarks

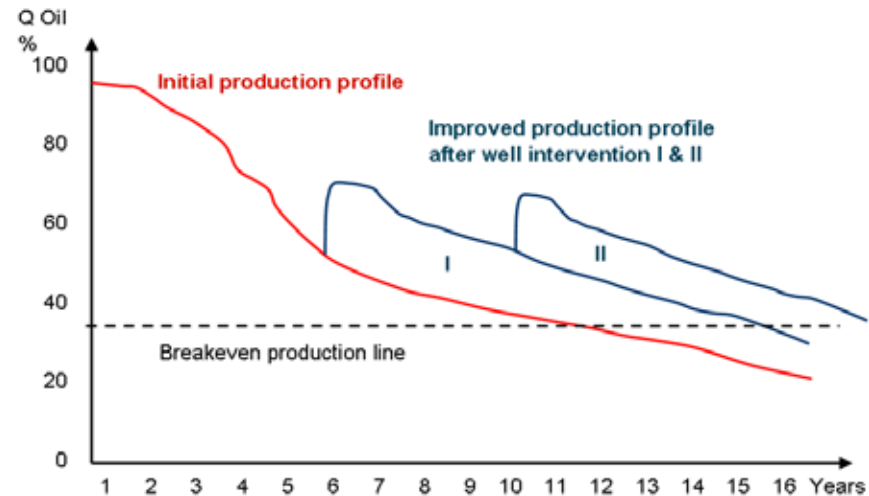


- Founded in 2006
- Largest Owner: Island Offshore (37%)
- Building a first-of-its-kind purpose built heavy well intervention unit **Island Innovator**
 - Turnkey contract with COSCO for delivery of a fully equipped semi
 - Top-side equipment contracts with National and Nymo
 - Drilling equipment from Cameron and VetcoGray
 - Delivery in Q3 2010
- Island Innovator will be prepared for full size drilling to 750meters water depth
- Island Offshore to manage the vessel, as well as providing project management and supervision during construction
- USD 180 mill raised in initial capital in February 2007
 - NOK 385 mill (~USD 60 mill) equity issue at NOK 25 per share
 - USD 120 mill secured bond issue
- USD 80 mill raised in convertible bond issue in July 2007
- USD 30 mill to be raised in subordinated convertible bond issue September 2008
- Bank financing to be explored after contract is awarded
- OTC listed in April 2007

Typical well intervention activities

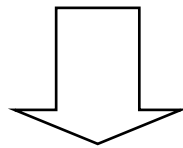
- **Logging:** Obtaining valuable reservoir data
- **Re-perforation:** Opening production zones
- **Mechanical work:** Change-outs of valves, plugs, etc
- **Coiled tubing:** Targeted chemical injection
- **Fracking:** High pressure fluid pumping and injection to obtain improved reservoir flow
- **Circulation:** Fluid injection to circulate out solids
- **Side-track drilling (TTRD):** Instant access to isolated oil accumulation

Value proposition to oil companies

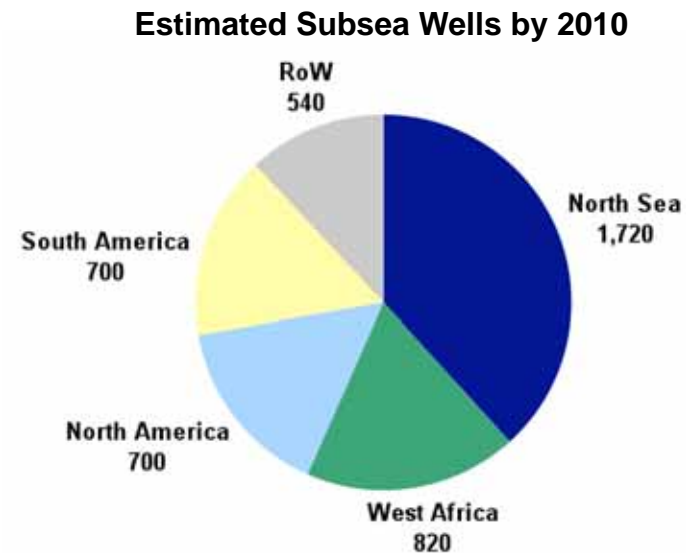
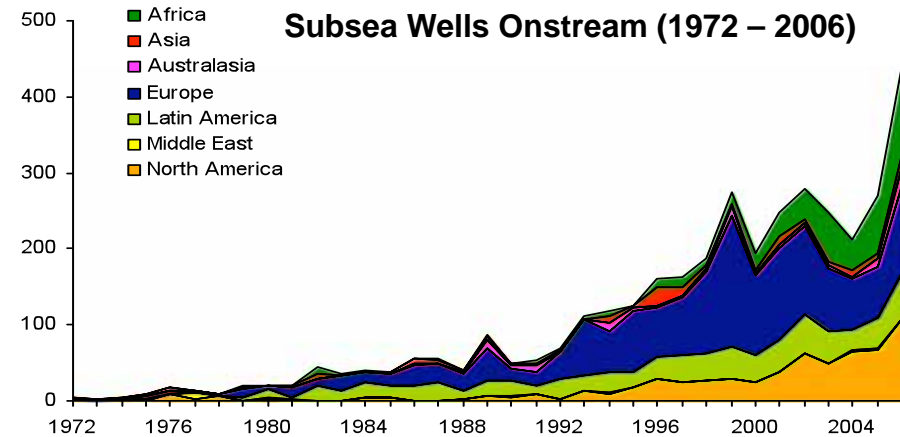


- Immediately improving production
- Project economics based on spot price
- Very low marginal lifting cost (limited or no new infrastructure required)





- Number of subsea wells growing rapidly
 - Oil companies moving to deeper waters
 - Increased use of subsea tie-back solutions
- Complexity of reservoirs increasing
- Recovery rates for subsea wells significantly lower compared to platform wells
- New technologies becoming available at affordable rates
- Combine with drilling and completion services



Demand for subsea well intervention set to increase substantially going forward



Source: Infield Systems and Douglas-Westwood

Light Well Intervention	Medium Well Intervention	Heavy Well Intervention	Conventional Drilling
 <ul style="list-style-type: none"> ▪ Riserless well intervention - wireline ▪ Objectives: Reservoir information gathering, logging, re-perforation, zonal isolation and valve/plug setting /removal 	 <ul style="list-style-type: none"> ▪ Coiled Tubing (CT) with small bore riser ▪ Objectives: Chemical injection, circulation, sand removal and push force, X-mas tree change-out 	 <ul style="list-style-type: none"> ▪ Heavy CT operations, Through-Tubing Rotary Drilling (TTRD) ▪ Objectives: Perform heavy well maintenance and drilling of short side-tracks, Xmas tree change-out ▪ Deepwater capabilities - 2000 m max water depth 	 <ul style="list-style-type: none"> ▪ Objectives: New drainage through exploration, development drilling and well completion ▪ No deepwater drilling - 750 m max water depth

depth

Fast change of modus from drilling to intervention and effective intervention is key feature of Island Innovator

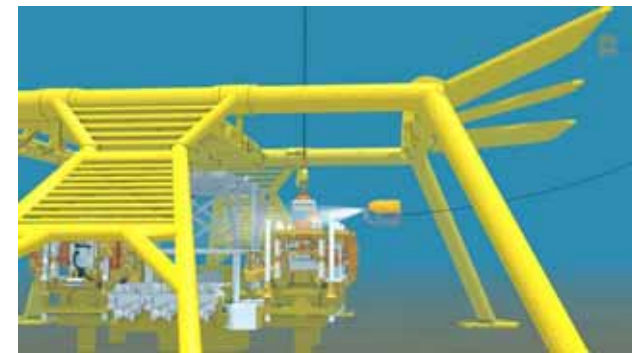
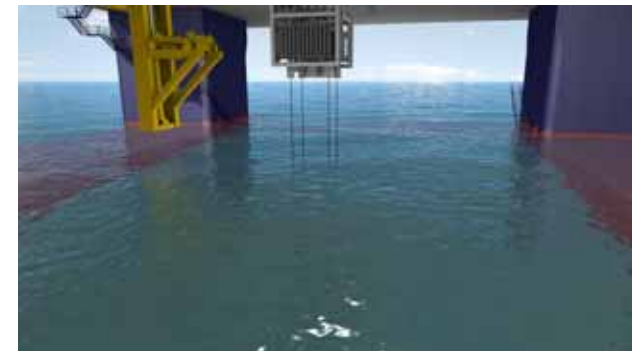
Through-Tubing Rotary Drilling (TTRD)



- Drilling of short side-tracks in existing wells (up to 2,000 metres)
 - Instant access to isolated oil accumulation of 1–10 mmbbl in the proximity of existing fields
- Low cost drainage solution for smaller reservoir pockets
- Required to maintain plateau production and achieve drainage goals on several fields
- Prospects already identified in Norwegian waters estimated to require >2,000 rig days
- Pay-back time for oil companies in weeks / months
- Maracc has entered into exclusive agreement with Halliburton to offer integrated services for heavy well intervention services



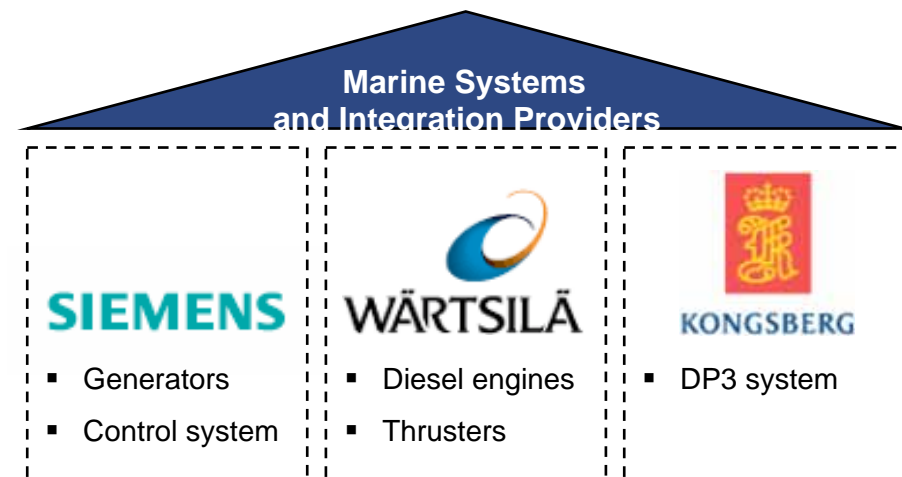
- First-of-its-kind heavy well intervention and drilling unit targeted for North Sea operations
- Light and medium well intervention units not capable of handling all intervention needs
- Purpose build unit offering significant efficiency gains and safety advantages compared conventional drilling rigs
 - CT operations can be performed with 30% less time
 - Operational modus (TTRD, drilling, CT, WL) can be changed in **one hour** vs. ~24 hrs for conventional drilling rigs
 - No lifting operations required in the derrick area for normal operations
- Conventional mooring in addition to DP3 allowing for low cost mooring in shallow waters



- Attractive project economics with all-in delivered cost of **USD 540 million**
 - Rates for similar rigs running at usd 450.000 - 550.000 per day
 - Payback at 5-7 years

- Potential for long-term contract confirmed through marketing to date
 - Tendered 3-5 years drilling contract to StatoilHydro, award in October 2008
 - Petrobras to issue inquiry for long term Well Intervention contract by end of 2008
 - Statoil to issue inquiry for Cat. B Heavy Well Intervention rig in 2009
 - In discussions with other North Sea operators

- Turnkey contract for a state-of-the-art fully equipped semi-submersible vessel
- Based on the GM4000 design
- Fully equipped to NCS specifications
- North Sea operability of >99%
- DP3 and conventional mooring system
- Self-propelled at 10 – 12 knots
- Engineering work well progressed and according to schedule
 - Steel cutting to commence by year end

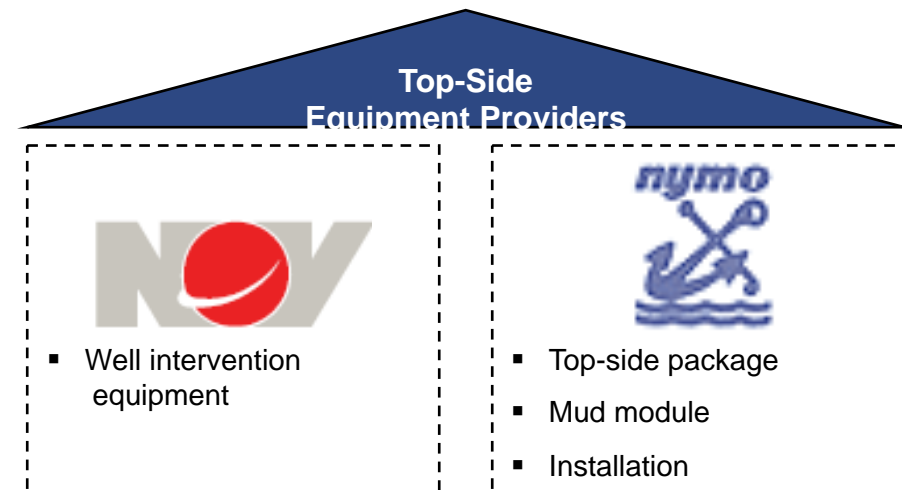
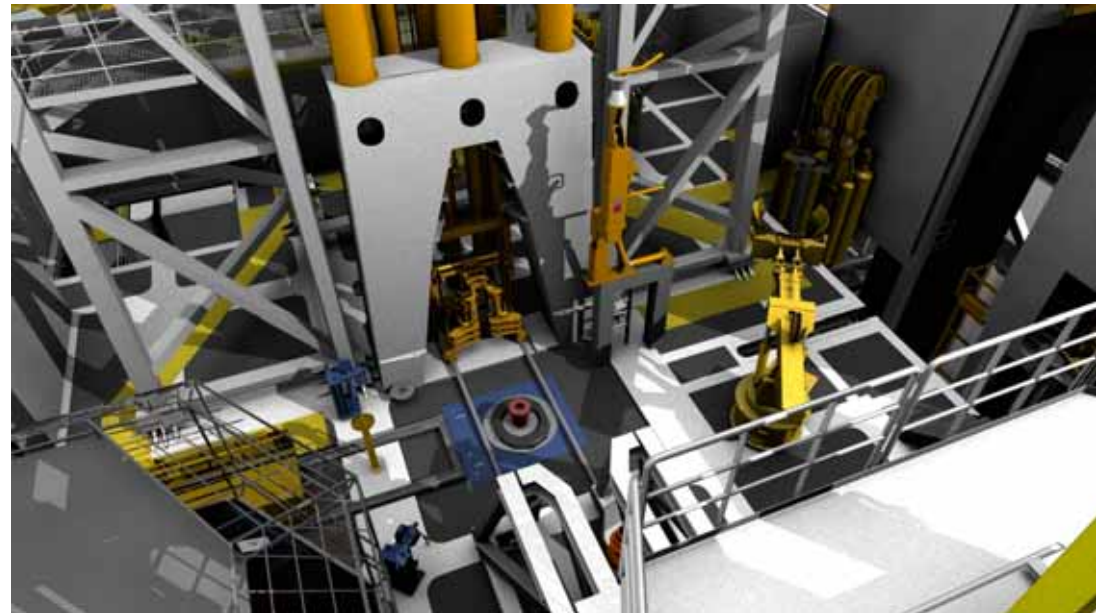


- Fabrication of pontoons and columns at the COSCSO Zhoushan yard well underway
 - Blocks 50% complete
- Pontoons to be assembled by end of year and shipped to Qidong (mating site) in Mar-09
- Fabrication of deck box at the COSCO Nantong yard 3-4 months behind schedule
- Mating to take place in October 2009 at Quidong Site
- Delivery from yard 10th May 2010

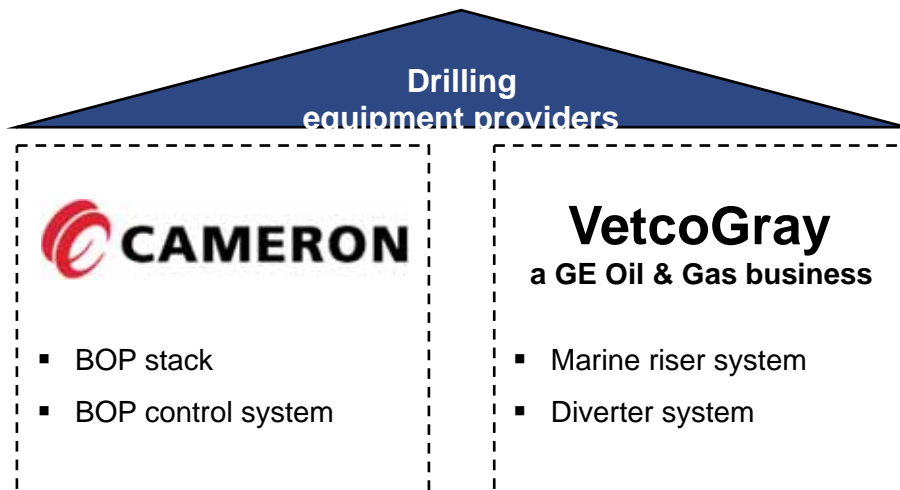
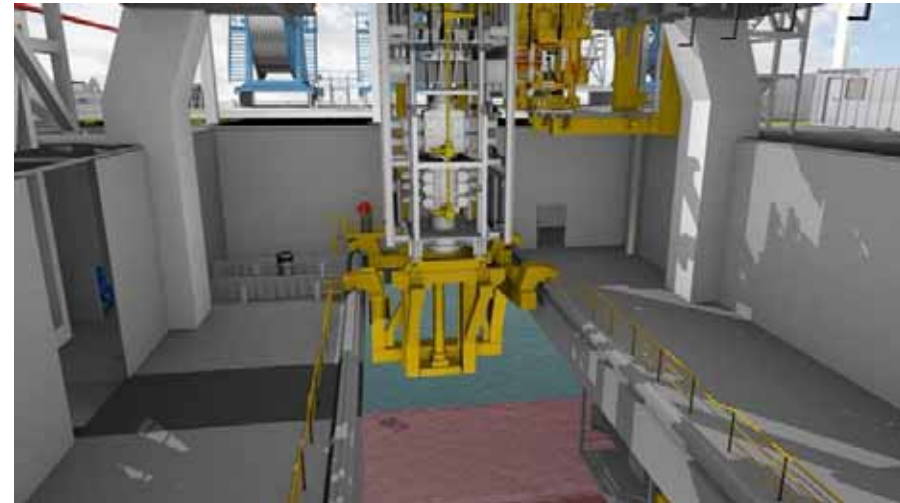


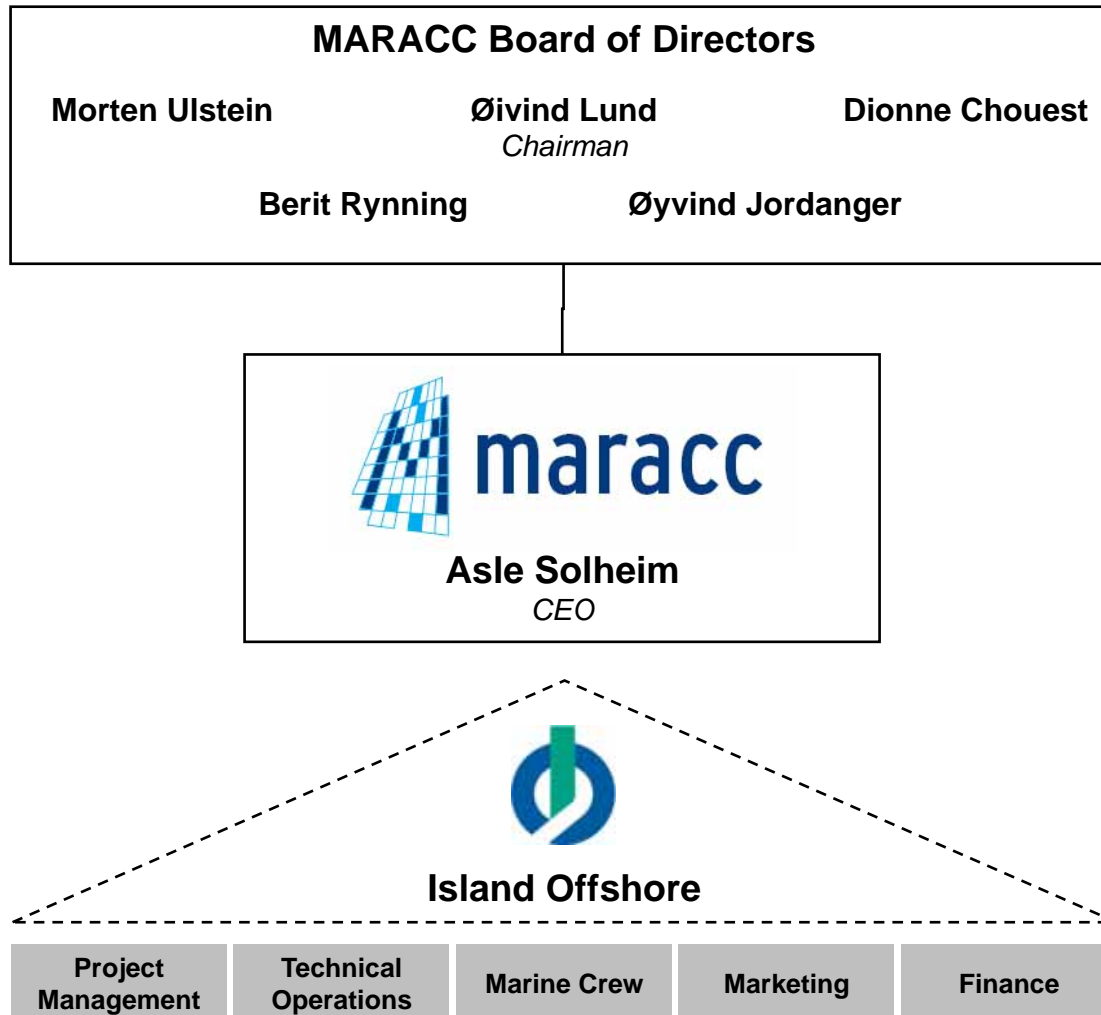
All photos taken June 2008

- First-of-its-kind purpose built top-side for well intervention operations
- National Oilwell Varco to deliver well intervention equipment
- Nymo to deliver top-side package
- Wison Heavy Industries to deliver mud module
- 650 tonnes hook load capacity
- 165 tonnes deck crane capacity (subsea active heave compensated)



- Full-size BOP and riser adding drilling capabilities
 - Enhancing operational flexibility
 - Strengthening potential for long-term contracts
 - Increasing applicable dayrate potential
- Cameron to deliver:
 - 18-3/4" - 15K, 5 cavity BOP stack
 - Conventional direct hydraulic control system for 750m water depth
- VetcoGray to deliver:
 - Standard MR6 marine drilling riser










- Øivind Lund retained as chairman of the board
 - Ex CEO of ABB in Norway
 - Chairman of Yara and deputy
- Asle Solheim retained as CEO
 - >20 years of relevant experience including MD of ABB Offshore Systems UK
 - Since 2005, involved in developing subsea riserless well intervention solutions with FMC and Island Offshore
- Island Offshore full service provider to MARACC on commercial terms
 - Construction supervision
 - Management and marketing

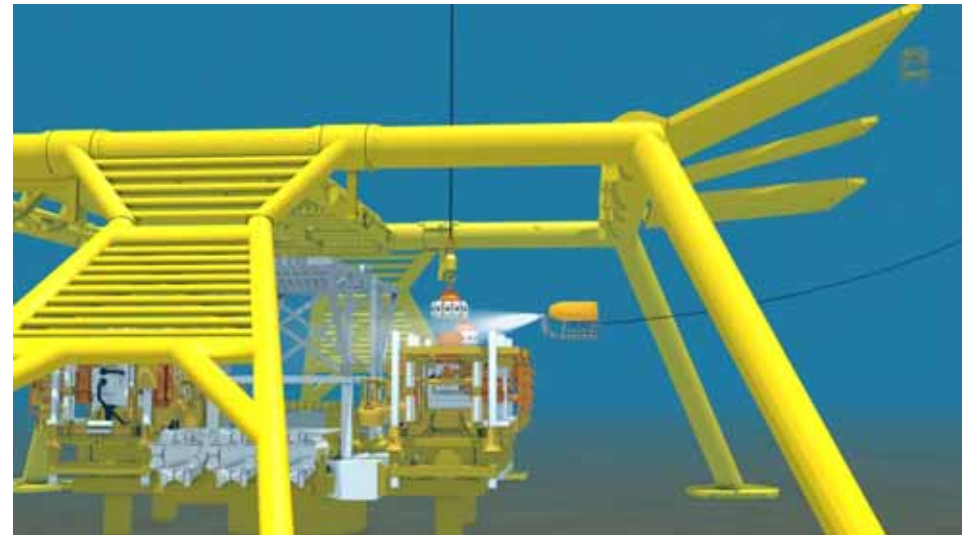
Company overview

- Leading provider of vessels and services to the offshore oil industry in the North Sea
 - Some 20 vessels under management including 5 well intervention units
- Strategic co-operation with US based Edison Chouest Offshore in the Gulf of Mexico and South America
- RiserLess Well Intervention (RLWI) alliance with FMC and Aker Solutions established in 2004
 - RLWI operations successfully performed for Statoil (~60 wells), Chevron (1 well) and Nexen (2 wells)

Well intervention fleet

Vessel	Delivery	Comments
Island Frontier 	May 2004	StatoilHydro Fixed contract: 2006 – 2007 Fixed contract:: 2008 – 2009
Island Wellserver 	May 2008	StatoilHydro Fixed contract: 2008 – 2011 + 3 year option
Island Constructor 	Jul 2008	BP Fixed contract: 2008 – 2010 + 2 x 1 year option
Island Innovator 	Q3 2010	Currently being marketed Key markets: North Sea, GoM, West Africa and Brazil
Island TBN 	Q2 2011	

- Currently 17.6 mill shares outstanding and some 40 shareholders on register
- Convertible bond issue convertible into a total of 13.8 mill new shares
- New Convertible bond issue convertible into 6.67 million shares
- 2.0 mill non-transferable warrants outstanding in addition to issued capital
 - Held by project founders
 - Exercisable within 3 years (end of February 2010)
 - Subscription price per share of NOK 25 in year 1; NOK 30 in year 2; and NOK 36 in year 3
- Articles of association providing for mandatory offer obligation triggered at 40%



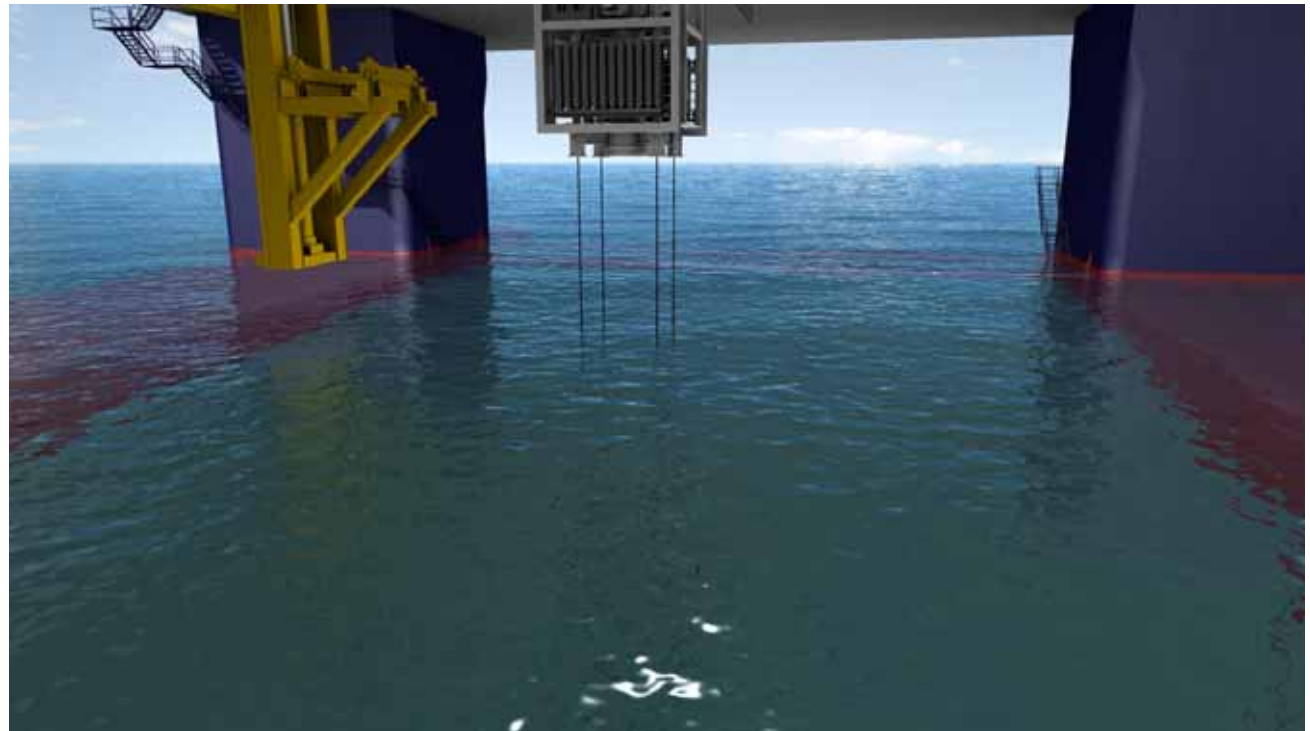
20 largest shareholders



SHAREHOLDERS	SHARES
Island Offshore V AS	6 647 957
JCE Group AV	2 066 000
Morgan Stanley & Co Intl PLC	1 270 000
Trond Mohn	1 260 000
Euroclear Bank S.A./N.V. ('Ba')	1 200 000
Skagen Vekst	971 000
Cheyne Global Catalyst	715 343
Island Offshore Management AS	560 000
Alpha Marine Services L.L.C	532 000
Innovative Design Solutions AS	506 664
Mancorp AS	506 664
Barclays Bank PLC	504 000

SHAREHOLDERS	SHARES
Behrman Associates L.L.C	224 000
Sneingen AS	200 000
Timetall Holding AS	80 000
Sigve Skadsem	50 000
Jonny Brudevoll	42 000
Inger M Kristensen AS	40 000
Skagen Vekst III	40 000
Jordanger Invest AS	30 536
Total 20 largest shareholders	17 446 1641
Other shareholders	93 836
Total shares	17 640 000

- Secure long-term contract in 2008
- Deliver the rig to specification and on schedule
- Consider Rig 2 if commercially attractive
- 1st Option with Cosco valid until end of 2008.
- Listing on Oslo Stock Exchange / Oslo Axess when appropriate



Subsea well intervention – the next offshore super-cycle

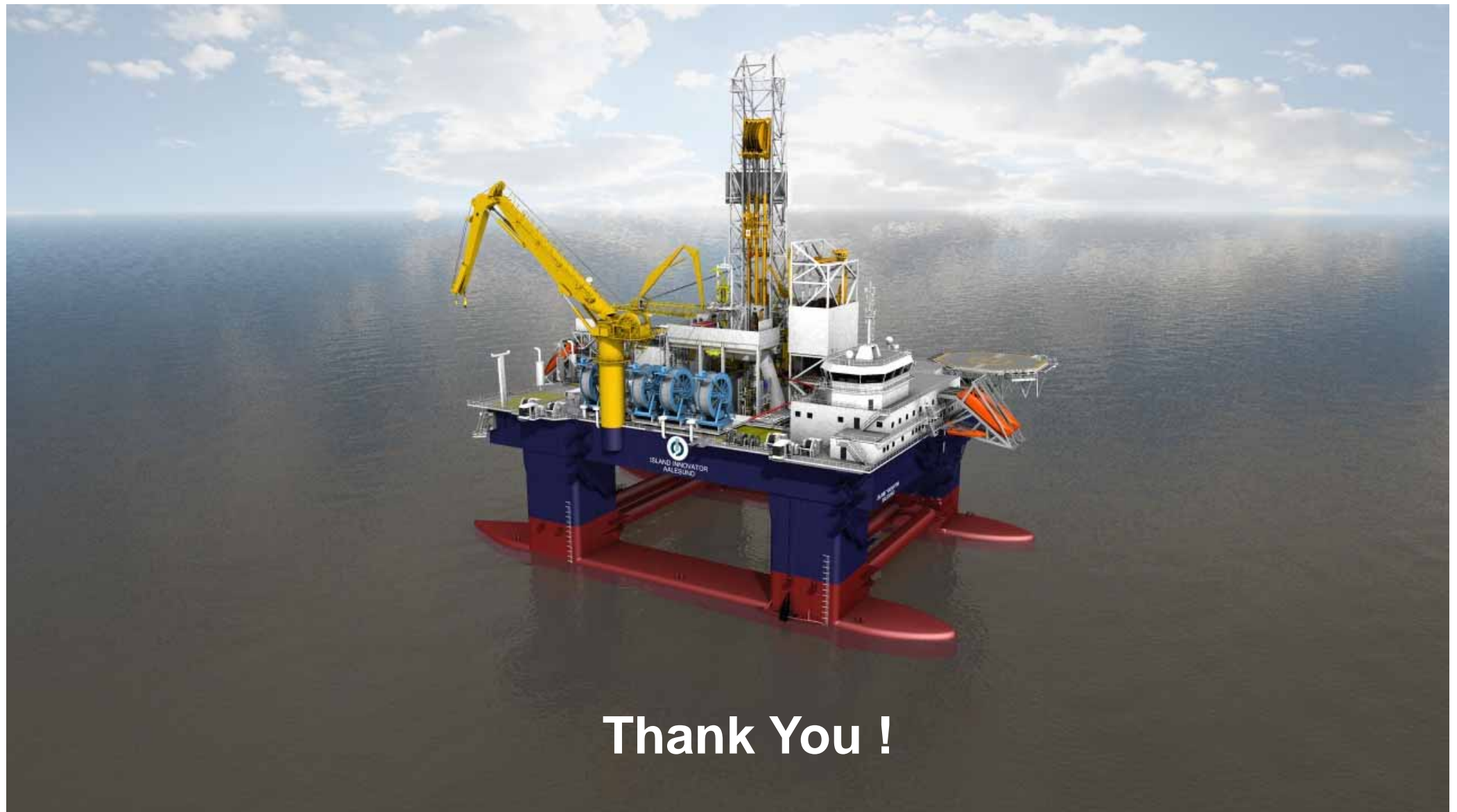
- Number of subsea wells expected to increase substantially
- Need to increase subsea oil recovery driving demand for well intervention
- Increased deployment of subsea wells opening up for long-term contracts

Purpose built unit tailored for the opportunity

- First-of-its-kind dedicated heavy well intervention unit targeting North Sea operations capable of handling all well intervention needs and drilling
- GM4000 fully equipped semi based on proven design
- State-of-the-art purpose built top-side from National and Nymo

Project backed by industry pioneer

- Island Offshore to market and manage the vessel, as well as providing project management and supervision during construction
- Island Offshore with unrivalled track-record having performed more than 60 light well intervention operations for Statoil, Chevron and Nexen



Thank You !