

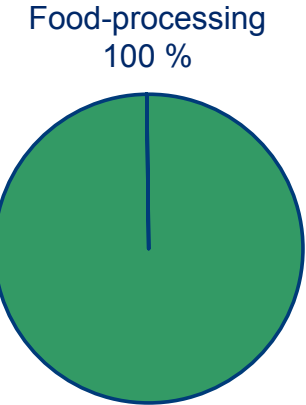
BOURBON HORIZON 2010



28 February 2006

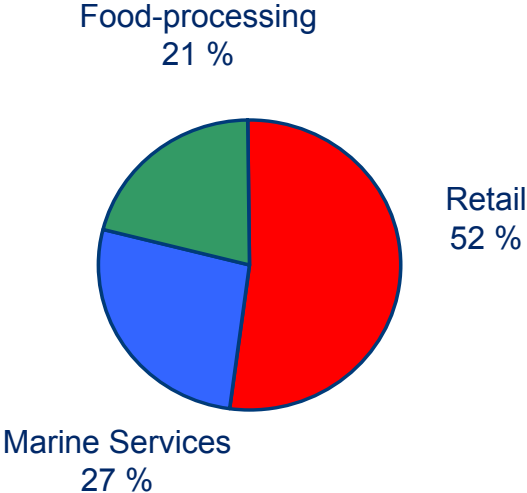
BOURBON 1989-2005

Reunion Sugar Producer



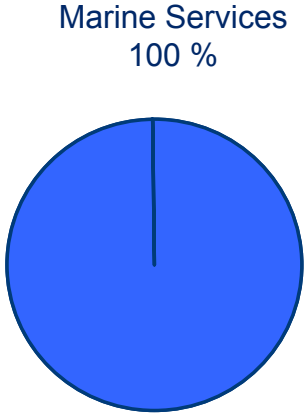
1989

Conglomerat of 3 businesses



2000

Pure Player in Marine Services

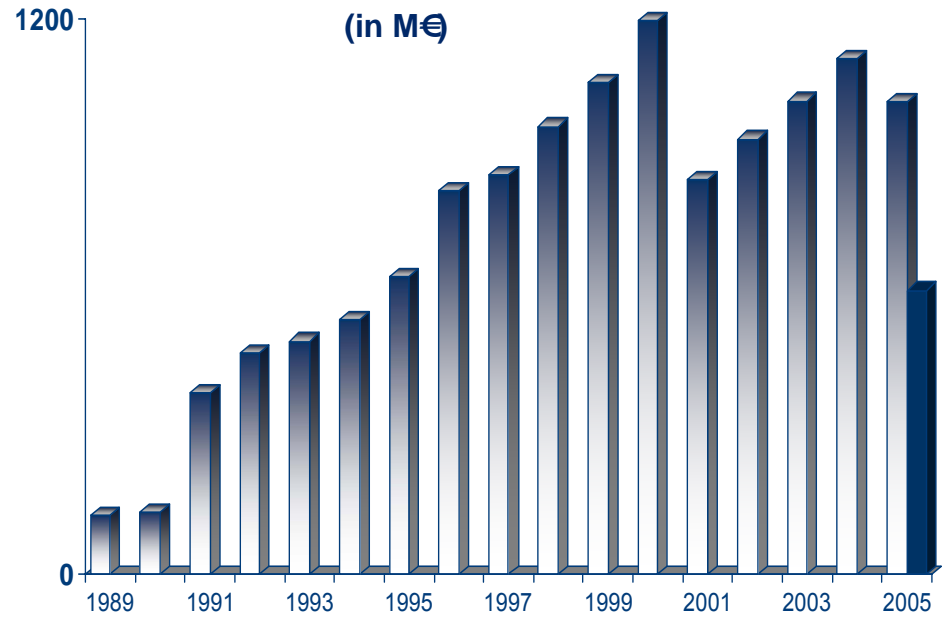


2005

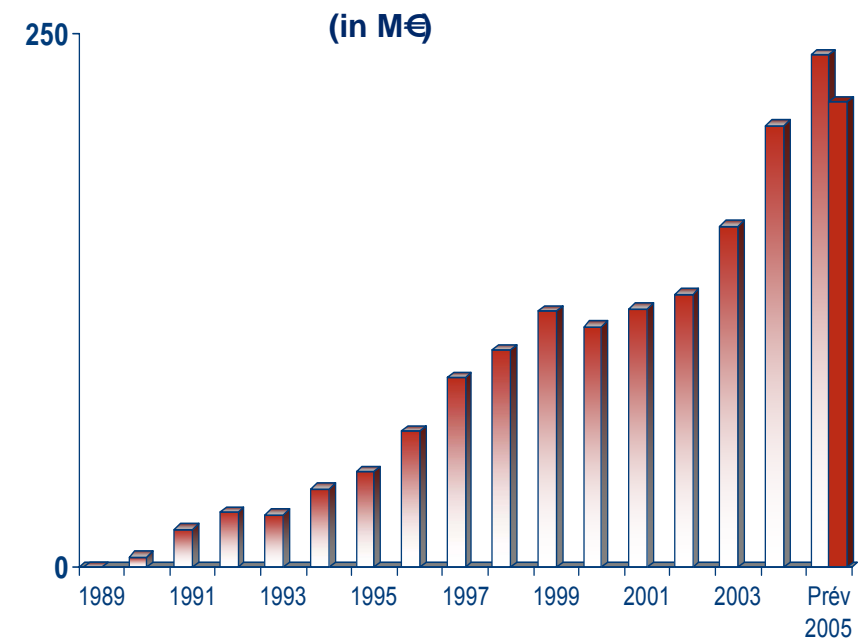


Creation of a three activities conglomerate and focus on marine services

TURNOVER 1989-2005



CASH FLOW 1989-2005





MARINE SERVICES PLAN 2003-2007 (5 years)

■ **Turnover** (average per annum)

- Offshore
- Towage & Salvage
- Bulk Transport

■ **Operating ratios in 2007**

- EBITDA / Turnover
- EBIT / Turnover

■ **Investments (5 years – M€)**

2003-2007

+ 15%

+ 25%

+ 3 %

+ 3%

37 %

24 %

1 200

Prio Plan
2002-2006

+ 8,5 %

+ 20%

+ 3 %

+ 3%

30 %

15 %

600



EXECUTION OF THE 2003-2007 PLAN

- The new "BOURBON " identity is that of a marine services company operating in offshore oil and gas services, towage and bulk shipping
- By the end of 2006, most of the plan will have been achieved
 - Focus on marine services and transfer of retail to Casino
 - Commissioning of vessels under the 1.4 million euro investment plan
 - Self financing of growth
- BOURBON is a multinational and multicultural team of qualified, responsible, motivated and supportive women and men
- The 2003-2007 plan is creating value



EXECUTION OF THE 2003-2007 PLAN



BOURBON

 Bourbon Offshore

 Les Abeilles

 Setaf Saget

 Les Abeilles
International

Offshore
Division

Towage & Salvage
Division

Bulk
Division



EXECUTION OF THE 2003-2007 PLAN

Fleet growth 2002-2006



■ Offshore



+ 53 supply
+ 39 crewboats



■ Towage
■ Salvage



+ 4 tugs
+ 2 sea going tugs



■ Bulk



+ 3 bulk carriers



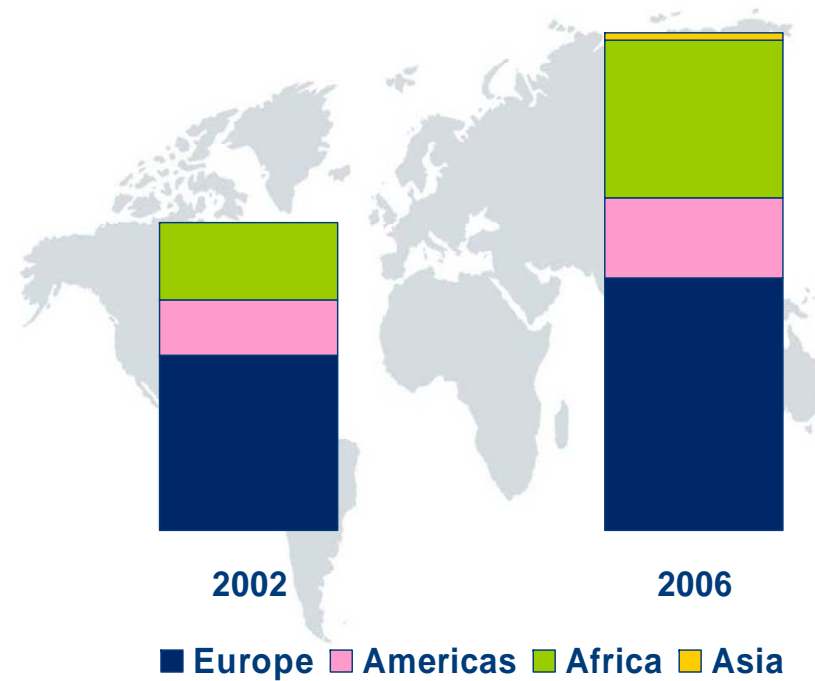
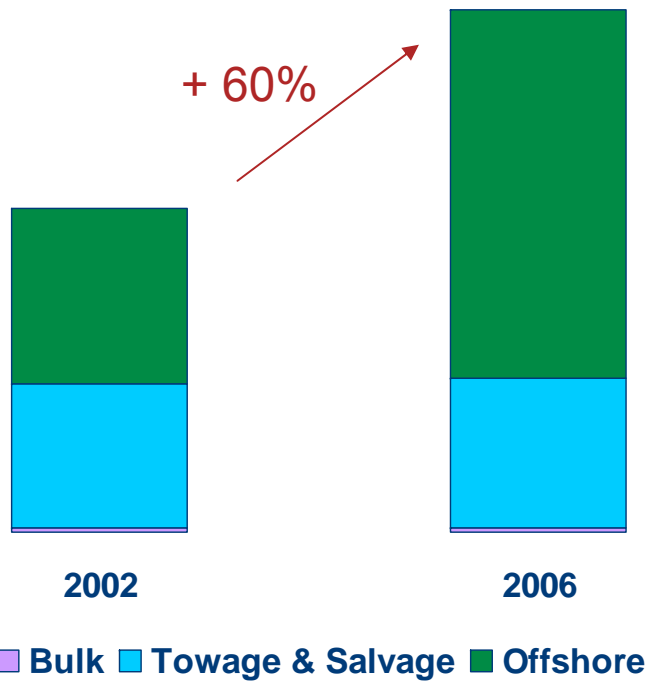
EXECUTION OF THE 2003-2007 PLAN

Manpower development

■ Division breakdown



■ Geographical breakdown

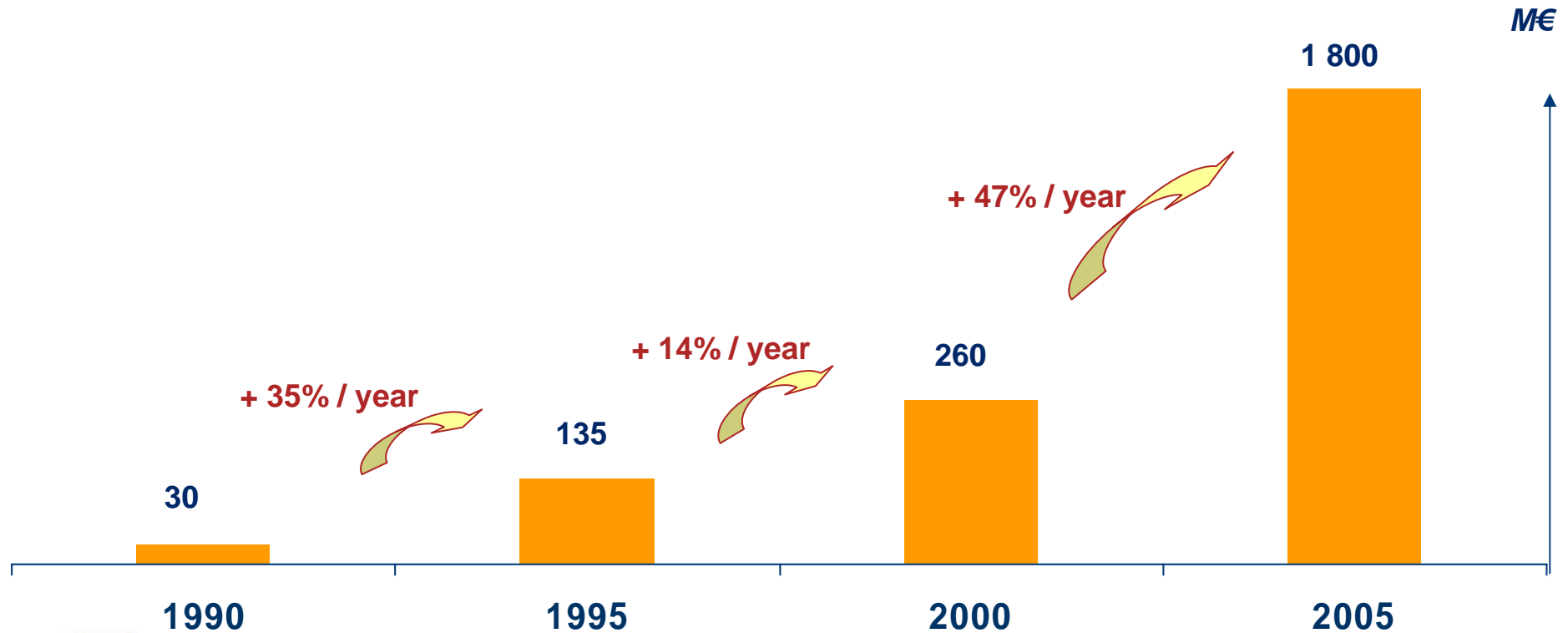




EXECUTION OF THE 2003-2007 PLAN

Increase in market capitalization

- ◀ Building up a 3 branches conglomerate
- ✂ Organic growth
- ▶◀ Focusing on marine services ▶





BOURBON Horizon 2010

- FOCUS ON OUR THREE MARINE SERVICES ACTIVITIES
- INVEST to maintain growth momentum :
 - In the high growth Offshore Division
 - In the moderate growth Towage & Salvage and Bulk businesses
- Maintain an appropriate SELF FINANCING STRATEGY and increase overall pay out
- Make of our worldwide STAFF THE BEST ASSET of the company



BOURBON Horizon 2010

▪ **Turnover** (average per annum)

- Offshore
- Towage & Salvage
- Bulk

▪ **Operating ratios in 2010**

- EBITDA / Turnover
- EBIT / Turnover
- EBITDA/average capital engaged by 2010

▪ **Investments (4 years – M€)**

2007-2010

+ 12 %

+ 20 %

+ 4 %

+ 5 %

40 %

24 %

16 %

1 450

Prior plan

2003-2007

+ 15 %

+ 25 %

+ 3 %

+ 3 %

37 %

24 %

-

1 200



BOURBON Horizon 2010

Use of funds

Source of funds

	<i>Millions €</i>		<i>Millions €</i>
▪ Investments	1 450	▪ Sale of assets	200
– <i>Offshore</i>	1 230		
– <i>Towage & Bulk</i>	220	▪ Net Debt	210
▪ Dividends	180	▪ Cash flow from operations	1 220
TOTAL	1 630		1 630

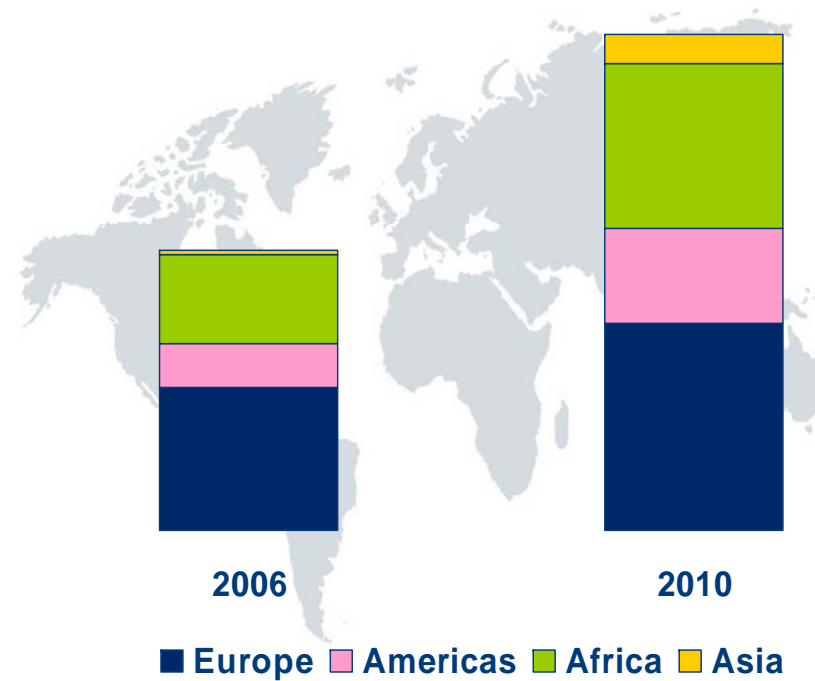
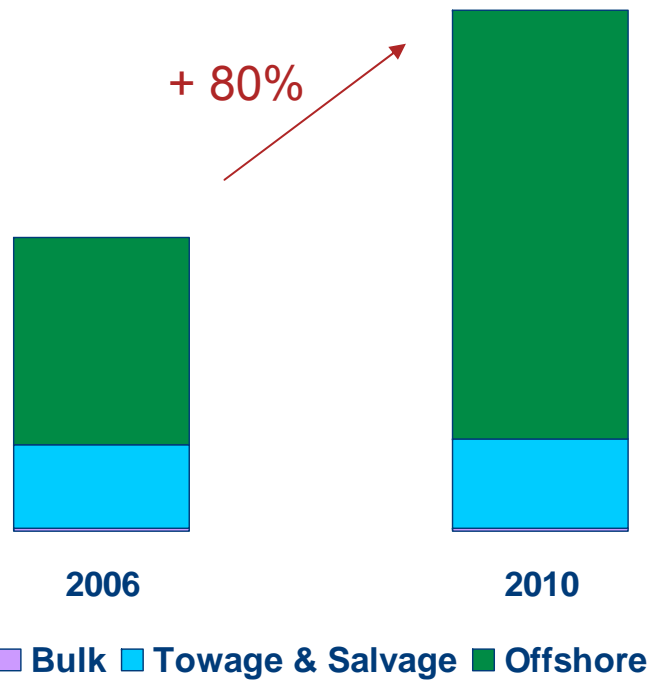


Manpower development

■ Division breakdown



■ Geographical breakdown



HORIZON 2010 Towage & Salvage Division





Horizon 2010 Towage & Salvage Division

B Les Abeilles is active in three segments



■ Harbour towage



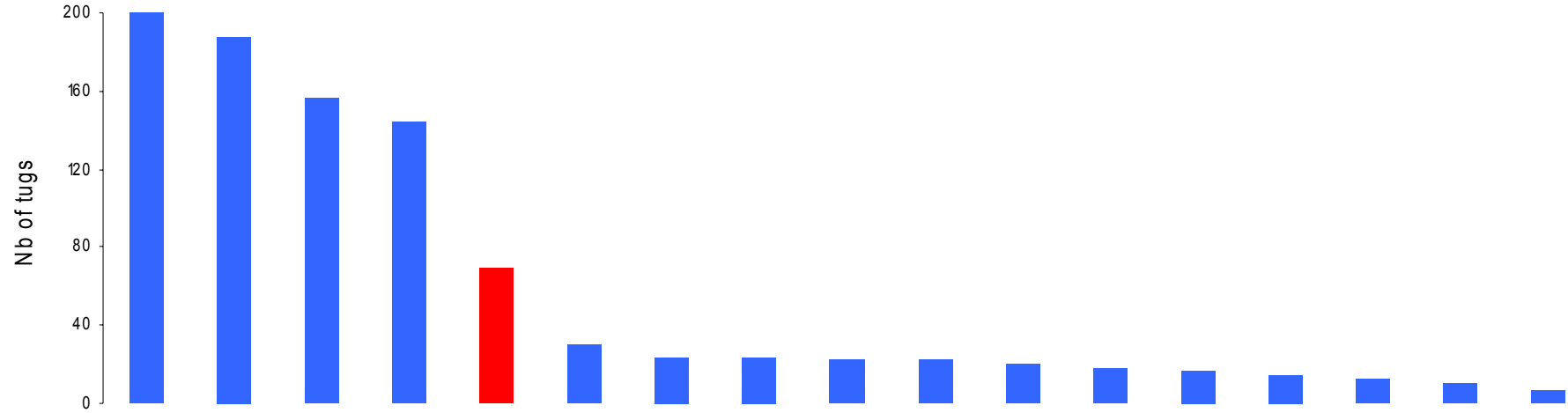
■ Terminal Towage



■ Coastal environment



Horizon 2010 Towage & Salvage Division



Harbour Towage	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Terminal Towage	X	X	X	X	X	X	X	X									
Coastal Environment	X	X	X		X	X	X		X								

						Alfons Hakans	Bugsier	Busker og derging	Antwerp Port Authority	Fairplay	Multtraship	Kotug	AIMS	Ibaizabal	Remolcadores	Rimorchiatori Riuniti	Rimorchiatori Napoletani	Tripmare
---	---	---	---	---	---	---------------	---------	-------------------	------------------------	----------	-------------	-------	------	-----------	--------------	-----------------------	--------------------------	----------



Horizon 2010 Towage & Salvage Division

OUR STRATEGY

- Moderate growth target for a profitable division

- Investment plan (100 millions €)
 - Replace Carangue and build 5 harbour tugs
 - Get started our setting up and grow our market share in Morocco
 - Win one tender on Terminal towage (4 new tugs)

Horizon 2010 – Bulk Division



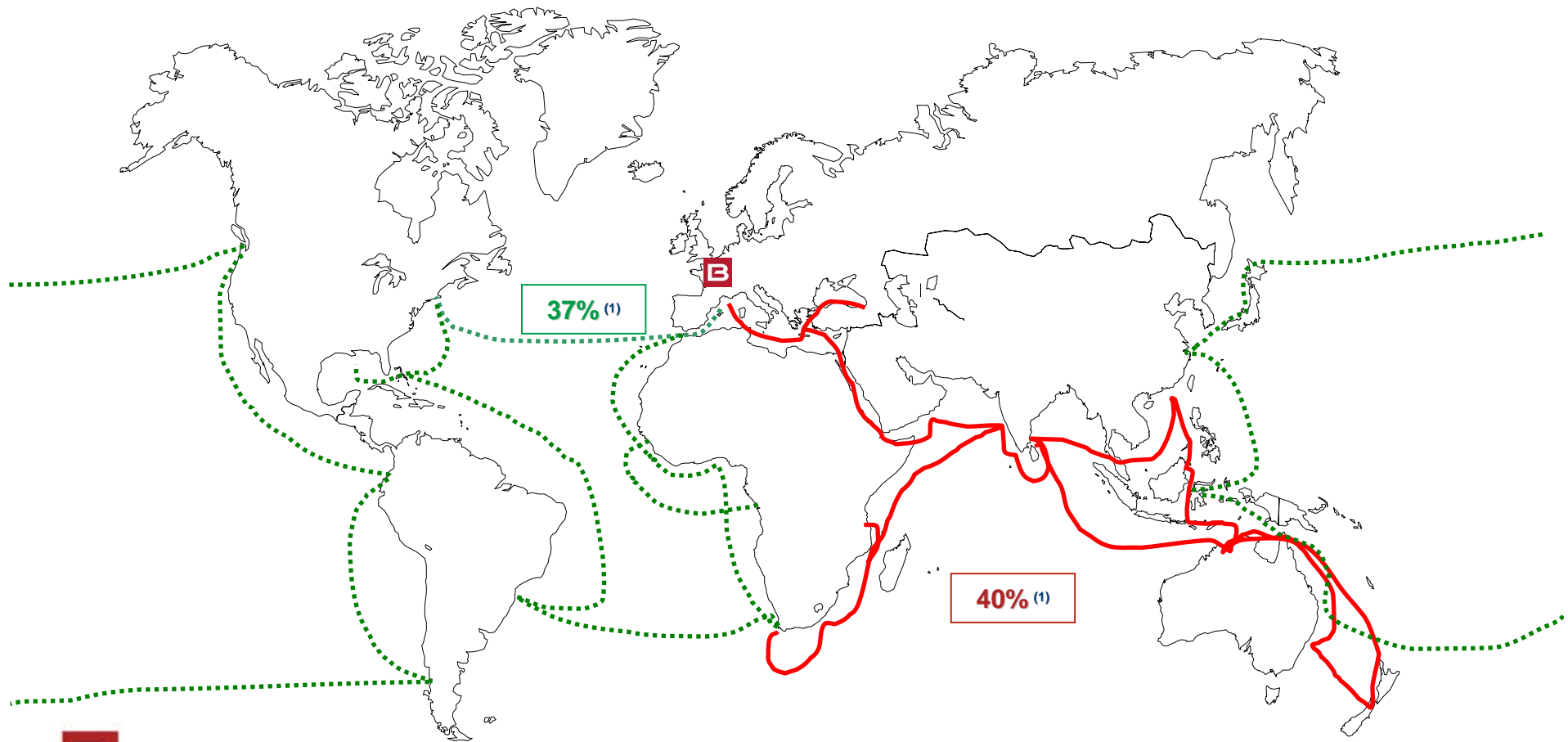
Horizon 2010 - Bulk Division

- **B** Setaf Saget focuses on the transport of:
 - Cement related products, primarily in the Atlantic and the Indian Ocean
 - Coal, grains and any other solid raw material in the Indian Ocean and the Far East
 - Any cargo that complements the top two cargo materials
- The success of **B** Setaf Saget is based on a fleet of new vessels (6 bulk carriers with an average age of 3 years) and on long-term charter agreements
- The quality of the controlled fleet has generated new markets, like coal in the Indian Ocean, and optimized return cargoes



Horizon 2010 – Bulk Division Main markets

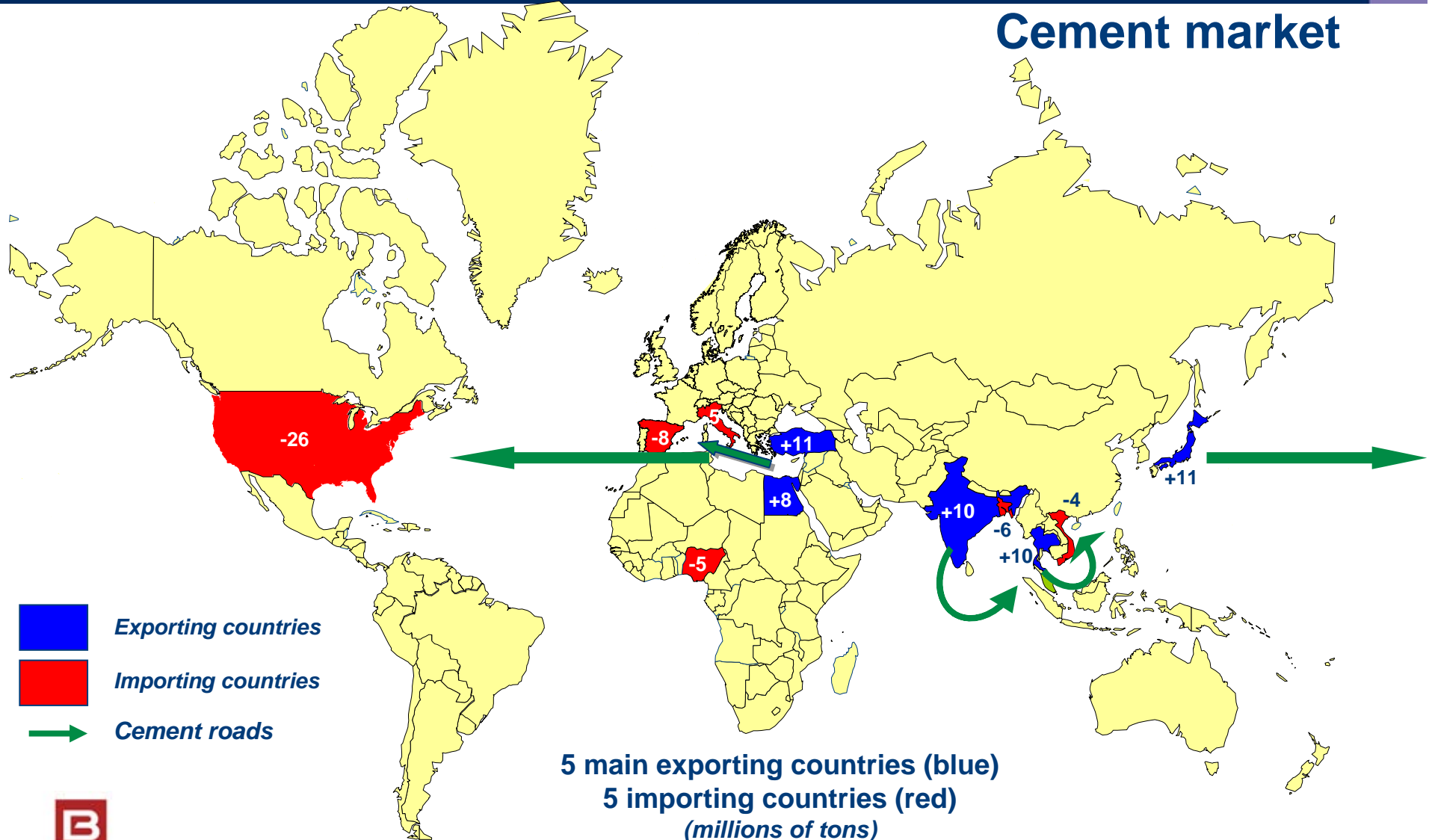
- Routes based on cement business
- Routes based on coal, cereales and manure business





Horizon 2010 – Bulk Division Main markets

Cement market

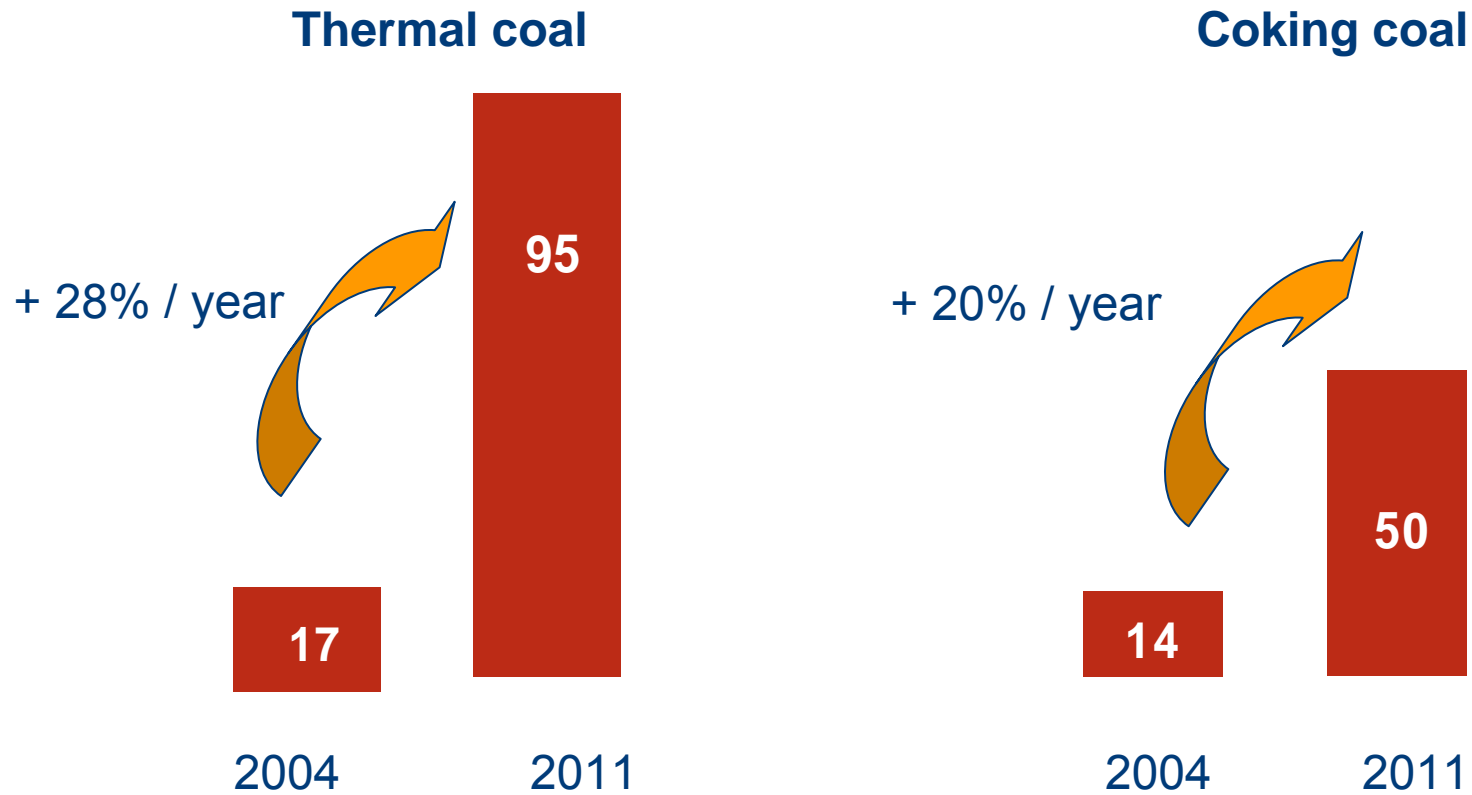




Horizon 2010 – Bulk Division Main markets

Indian coal importations

Millions of tons

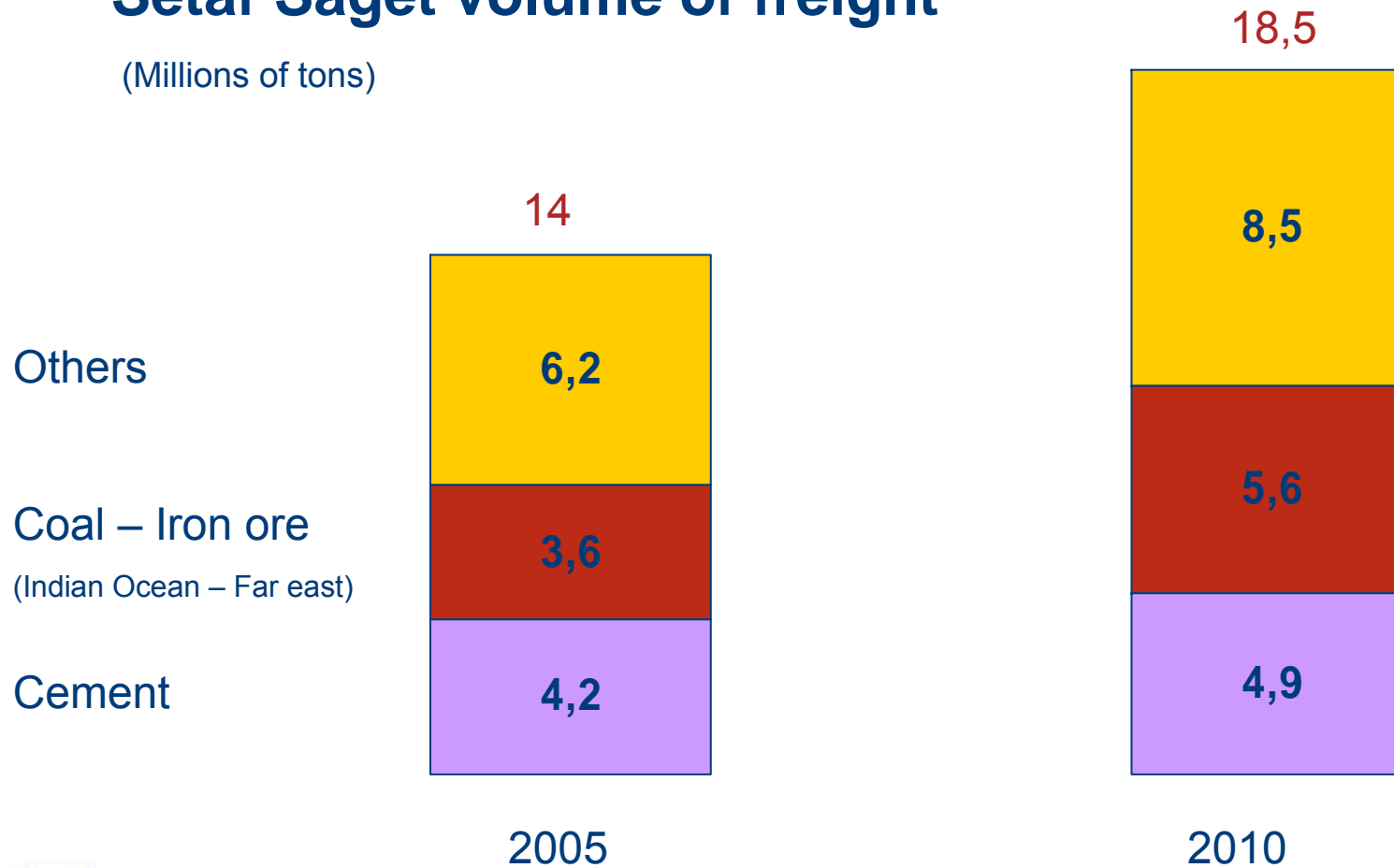




Horizon 2010 – Bulk Division Main markets

■ Setaf Saget volume of freight

(Millions of tons)





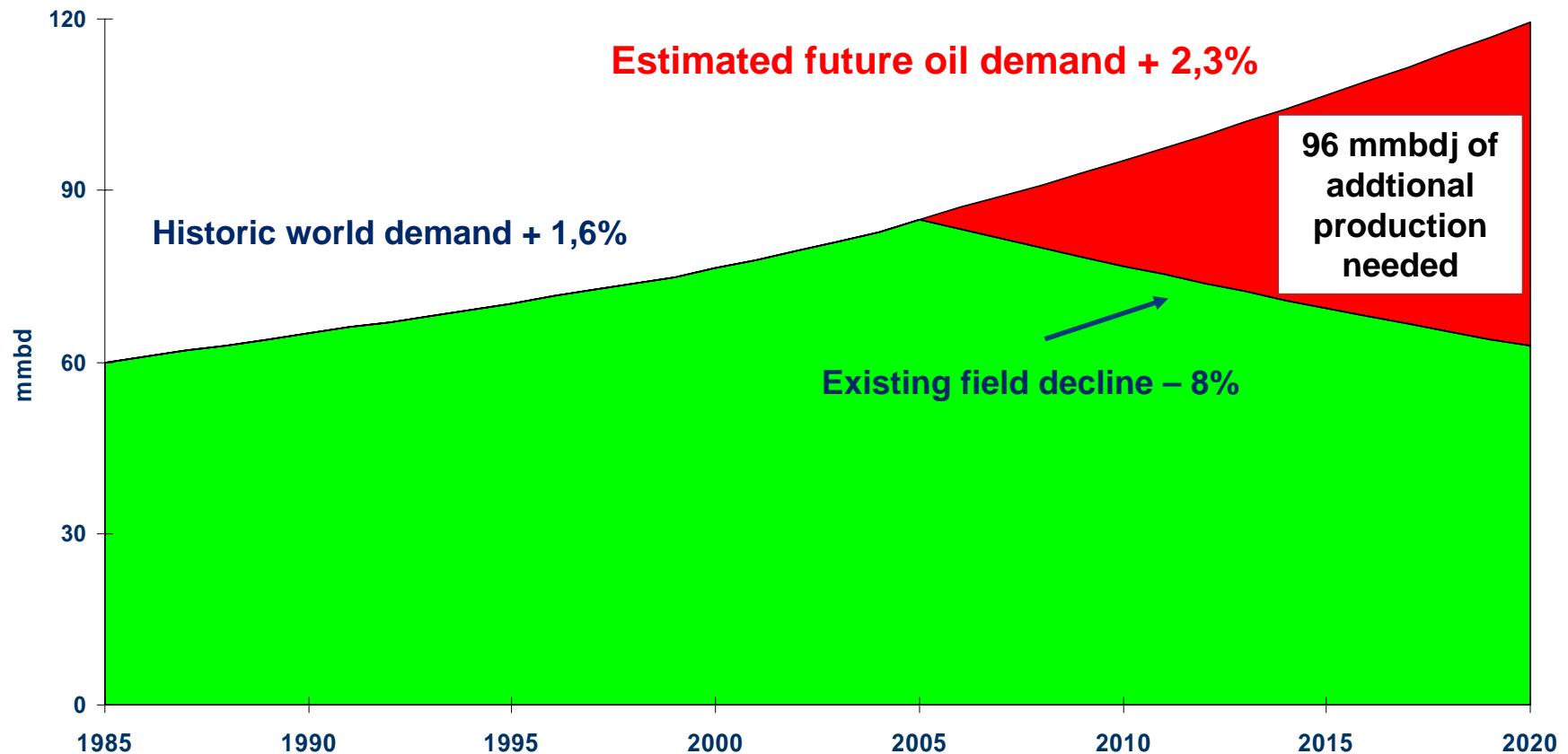
Horizon 2010 – Bulk Division

- Investment plan of 120 millions euros
 - New design of a high-performance handymax
 - Build 5 new vessels
- Grow market share in the coal import market to India as well as the iron ore export market out of India using our new fleet
- **B** Setaf Saget develops a marine logistics service in bulk products for industrial groups under long-term contracts

Horizon 2010 – Offshore Division

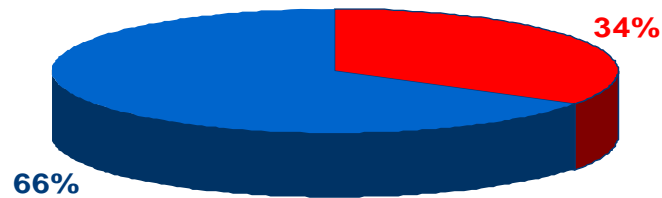


Horizon 2010 – Offshore Division World oil demand

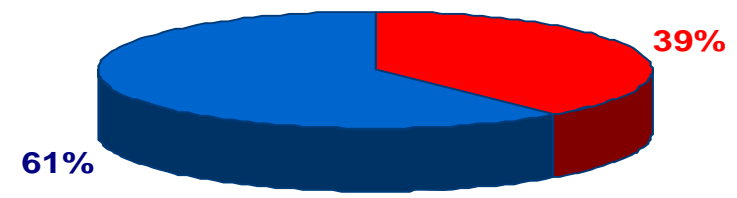


Horizon 2010 – Offshore Division World oil demand

Offshore % of worldwide oil production (offshore and onshore)

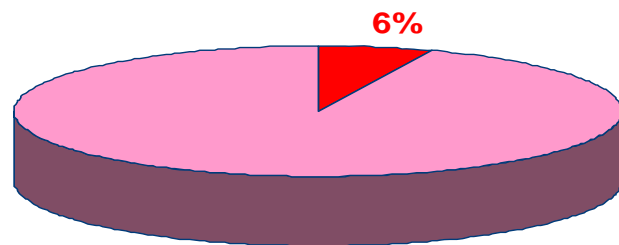


2005



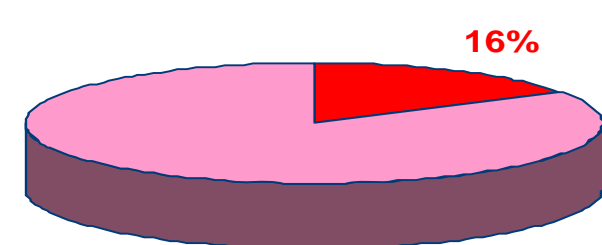
2010

Deepwater % of worldwide oil production



94%

2005

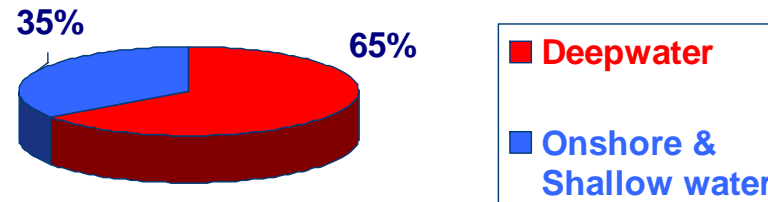


84%

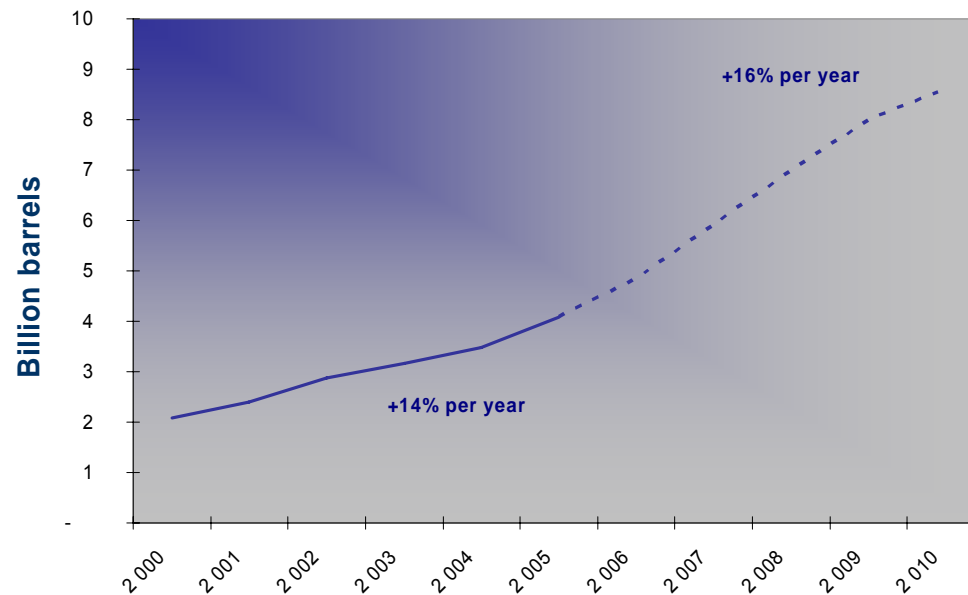
2010

Horizon 2010 – Offshore Division World oil demand

- 65% of oil and gas discovered in 2002-2003 come from Deepwater

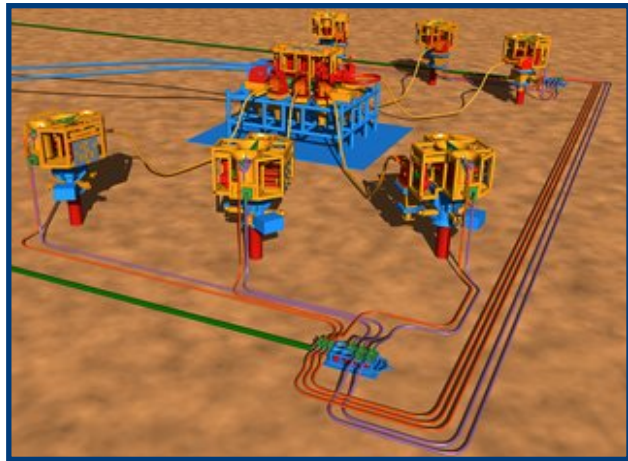


- Deepwater oil production will grow by 16% per year from 2006

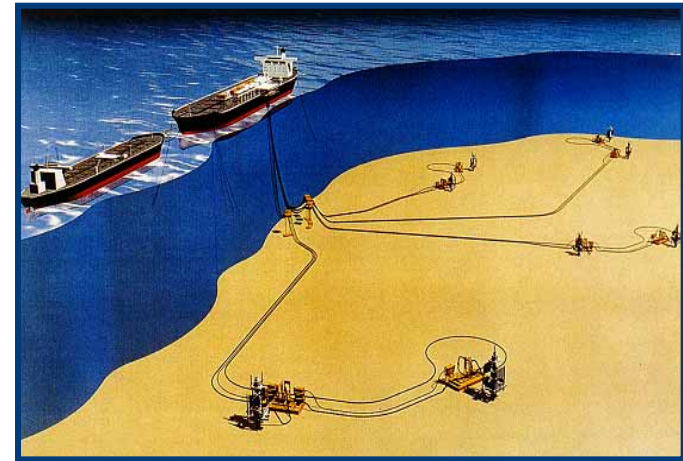




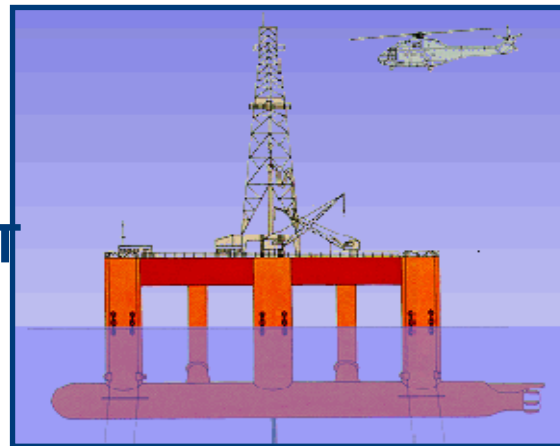
Horizon 2010 – Offshore Division Deepwater vessels market growth



DRILL RIGS



**SUBSEA DEVELOPMENT
& COMPLETION**



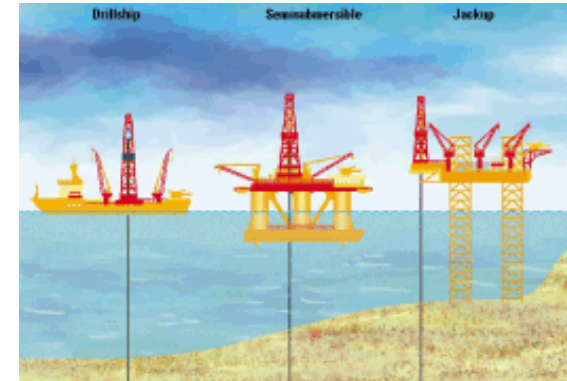
**STORAGE PRODUCTION
UNITS**



Horizon 2010 – Offshore Division

Deepwater vessels market growth

- **Drilling rigs**



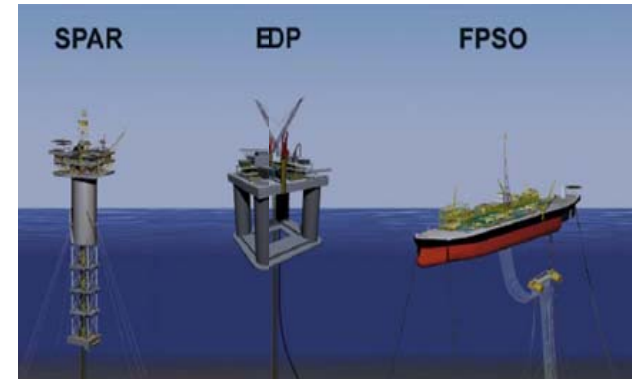
	Utilization rate 2 nd semester 2005	Utilization rate forecast 1 ^{er} semester 2006	Units under construction
Jack-ups in operation Upgrade jack-ups	95,26%	About 100%	41 36
Semis and Drillships	92,58%	95,10%	11



Horizon 2010 – Offshore Division Deepwater vessels market growth

■ Floating production units

- FPSOs
- Spars
- TLPs

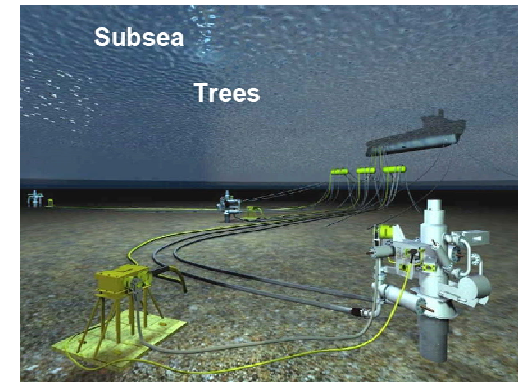


	2000-2004	2005-2009	Rates of increase over the period
Production units installed	69	110	<u>59,42%</u>
Average per year	13,8	22	



Horizon 2010 – Offshore Division Deepwater vessels market growth

- **Subsea well completion**



	1999-2003	2004-2008	Rates of increase over the period
Subsea installations	1 240	2 121	<u>71,05%</u>
Average per year	248	424	



Horizon 2010 – Offshore Division Deepwater vessels market growth

Positive factors

- Deepwater oil and gas activity will definitely grow in the next 5 years
- Safety is driving the industry. Oil companies will not take the risk of underestimating their need of vessels
- Maintenance of sophisticated equipment, both subsea and surface, will require more vessels
- More special products needed offshore
- Crew boat trend vs helicopter

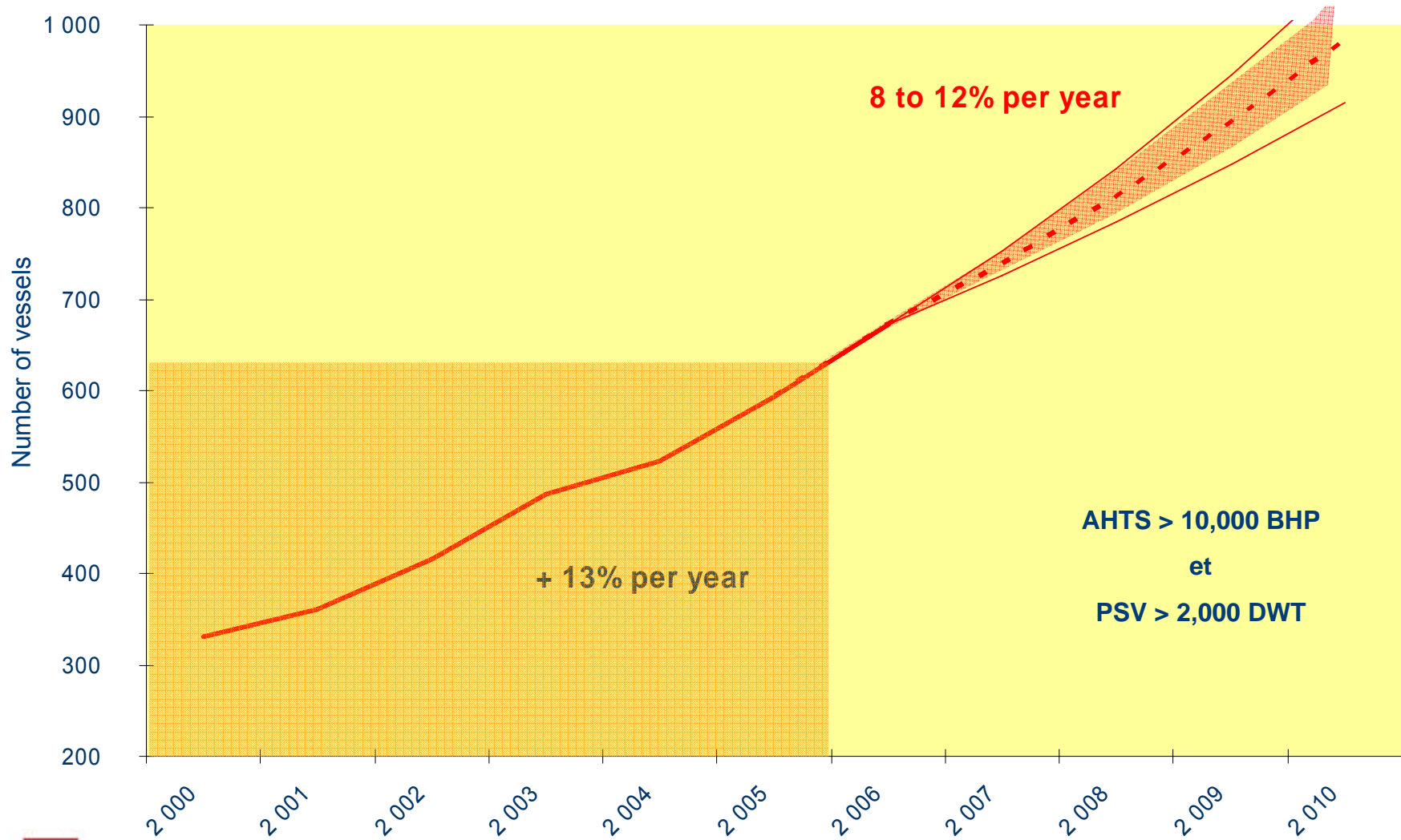
Negative factors

- Instability of oil price fluctuation
- Political instability, regional crisis
- Sharing of vessels by oil companies
- Lack of drilling rigs





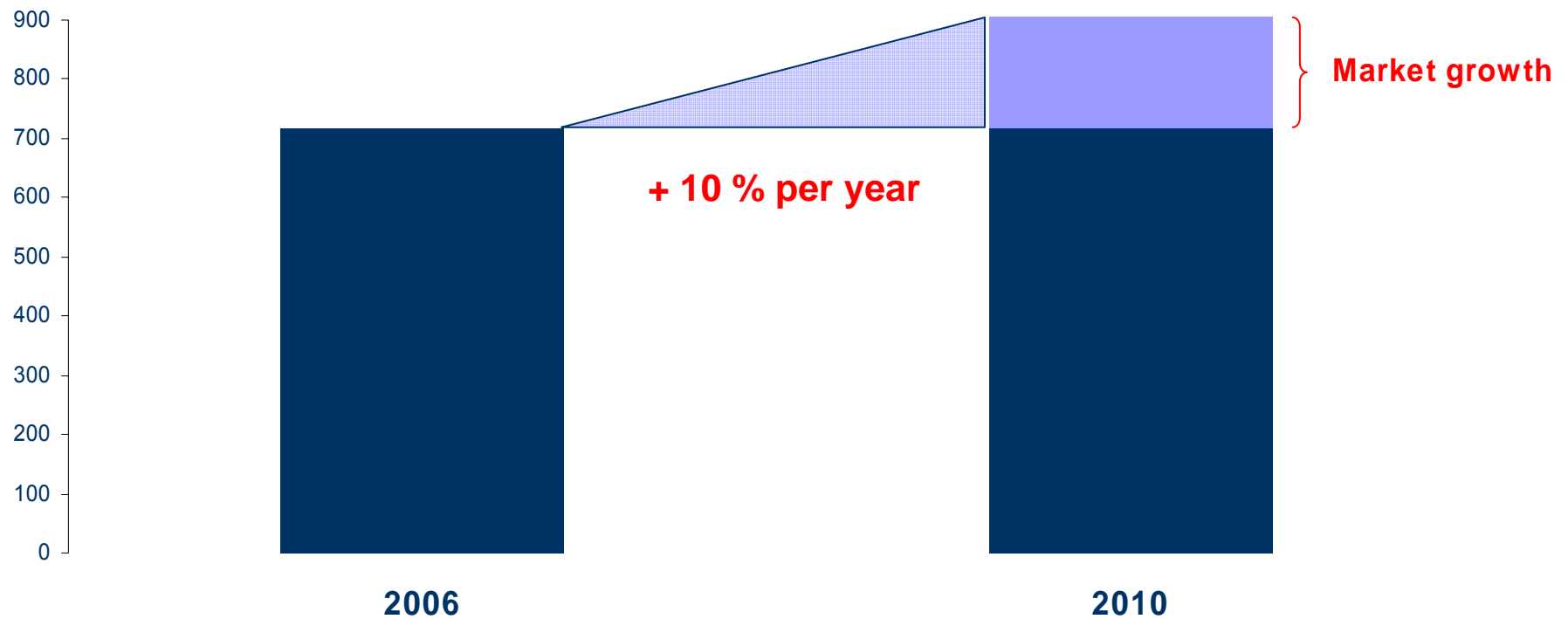
Horizon 2010 – Offshore Division Deepwater vessels market growth





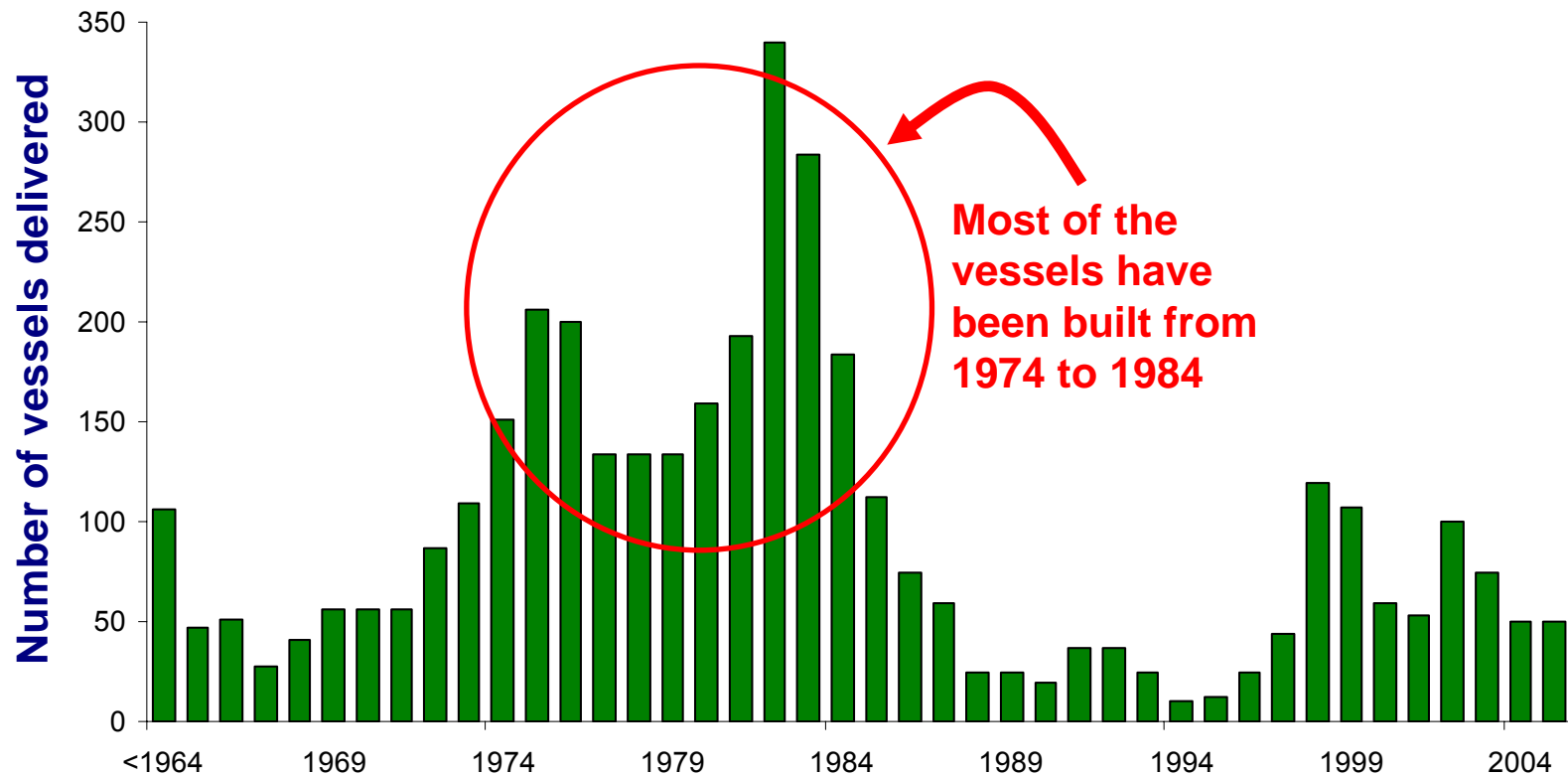
Horizon 2010 – Offshore Division Deepwater vessels market growth

Deepwater market number of vessels
AHTS & PSV



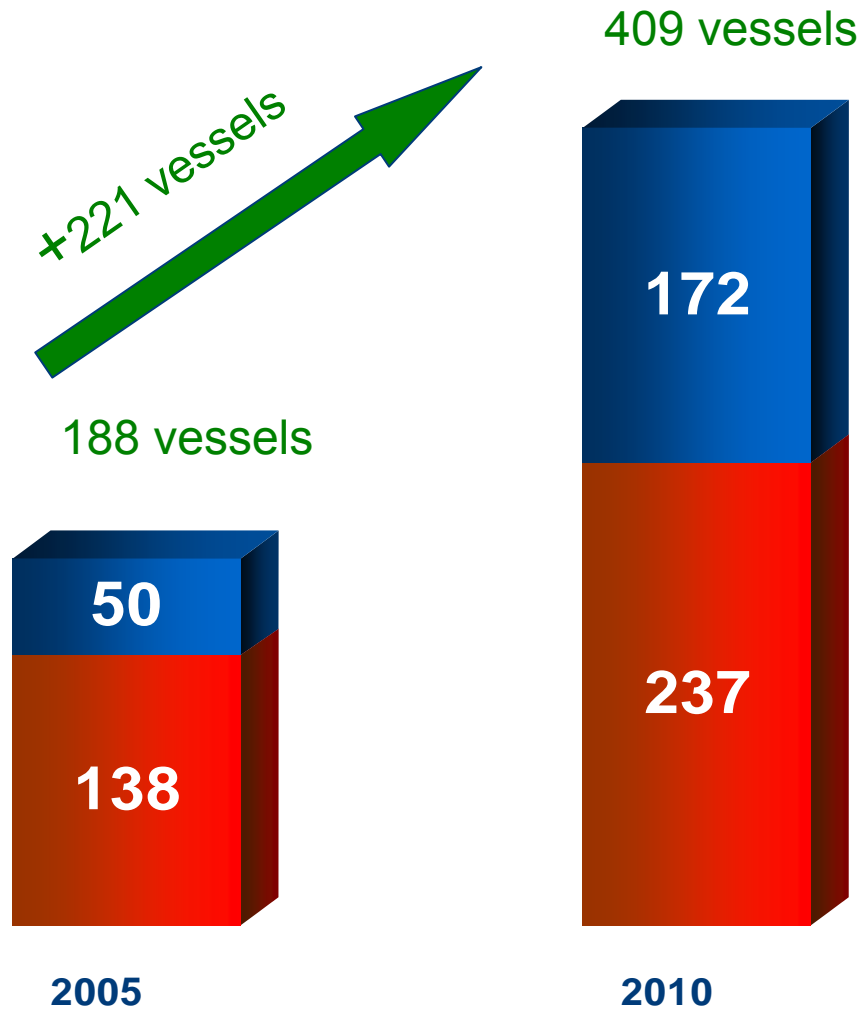
Horizon 2010 – Offshore Division Shallow water vessels market growth

Offshore supply deliveries since 1964





Horizon 2010 – Offshore Division Shallow water vessels market growth



**Large market
increase of
vessels over 30
years old**



Horizon 2010 – Offshore Division

Shallow water vessels market growth

- 1,75 vessel required by jack-up

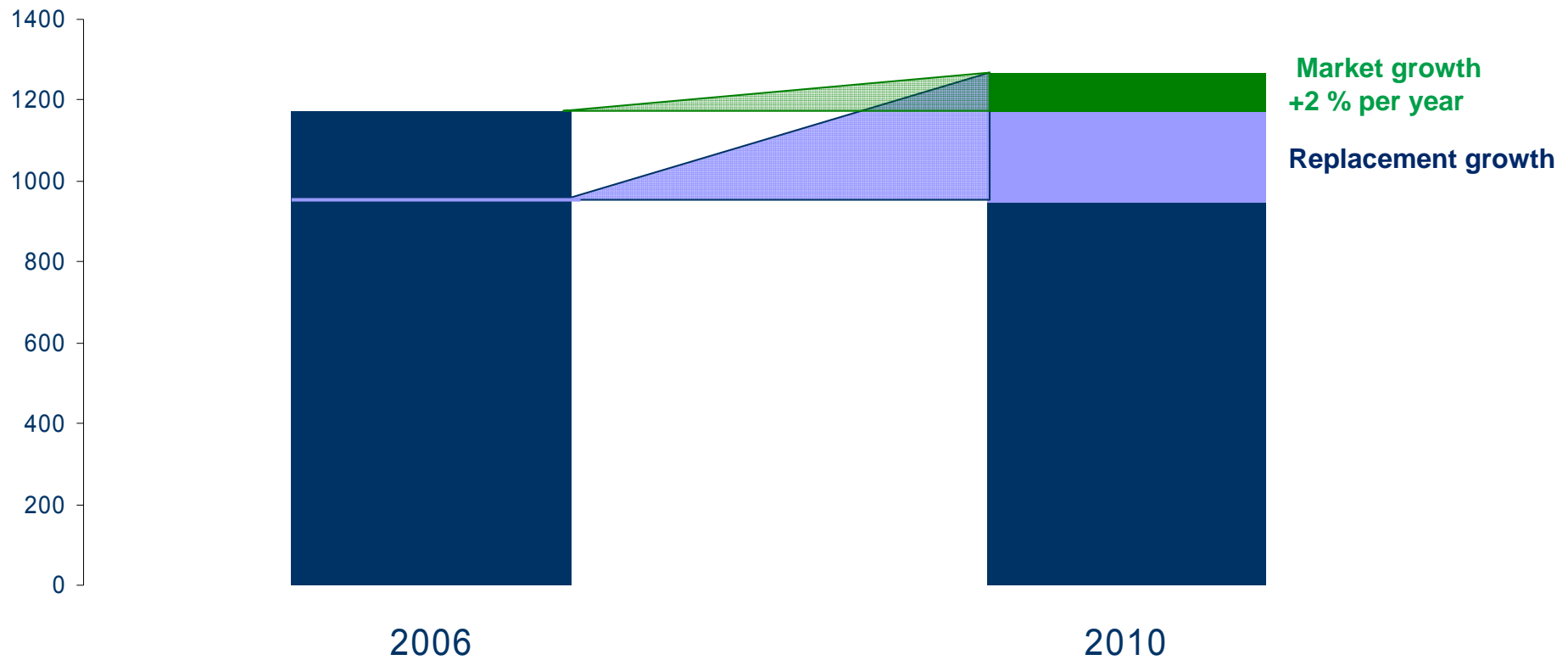
- 77 Jack-ups to enter into service in 2006-2007
 - 41 new built
 - 36 stacked back into service (after repair and upgrade)

- Demand for shallow water vessels will increase in 2006 and accelerate in 2007



Horizon 2010 – Offshore Division Shallow water vessels market growth

Shallow market number of vessels
AHTS & PSV





OUR STRATEGY

**Build up LEADERSHIP ON MODERN OFFSHORE
by servicing the demanding customers worldwide
with a full range of new generation, innovative and
efficient vessels**



Horizon 2010 – Offshore Division

OUR STRATEGY

- Provide innovative and cost effective new generation vessels → New market segmentation
- Service the most demanding customers → Target Group
- Offer a full range of modern offshore vessels → MPSV, PSV, AHTS
FSIV, Crewboats, Tugs
- Become clients
« *PREFERRED COMPANY* » → Market leader



Bourbon Offshore Strategy

New market segmentation

- Deepwater market introduced new generation vessels to the offshore industry :
 - Bigger capacity, power and winch size
 - Very high maneuverability (DP II)
 - Low consumption in station keeping (Diesel Electric)
 - Clean and comfort design trends
- Safety requirements become the same for all the products (crewboats to MPSV) and all segments (deep and shallow water)
- Demanding customers introduce age consideration and get used to new generation vessels



Bourbon Offshore Strategy

New market segmentation

- Competitors are thinking the same way
- Age profile of existing fleet and new technologies introduced for deepwater suggest that 1995 has been the turning point
- New requirements now apply to the full range of vessels used



New market segmentation Tidewater view



VS - 486
John P Laborde



175' Fast Supply Vessel
Bonnette Tide



VS - 480
Miss Jane Tide



UT-755
Carline Tide



207' Bollinger PSV
Lousteau Tide



UT-745
Russell Tide



THE NEW FACE OF TIDEWATER

TIDEWATER



New market segmentation

Seacor view

Evolution of Vessel Requirements

	Early 70's	80's	90's	Future
Drilling	Dominated by Jackups	Semi's go deeper, get bigger	Drive to deep water	Harsh environments
Water Depth	< 500'	Up to 1,000'	5,000'	>10,000'

Impact on Vessel Requirements

Drivers	Delivery	Delivery of prepared materials in larger quantities	Vessel controllability, station - keeping, size, efficiency	
Cargo Needs	Limited requirements Bulk on deck Fuel and water under deck No liquid mud	Liquid mud mixed ashore and placed in tanks Bulk systems go under deck, deliver in quantity	Much larger capacities of liquid mud needed Methanol carriage increase due to deep water production Multiple grades of liquid mud	
Personnel	All personnel taken by boat Virtually no cargo on crew boats	Helicopters begin to be used for passengers	Comfort and safety of passengers High speed More passengers by helicopters Fast cargo combines with crew boats	
Mooring	Minimal assist needs	Mooring systems increase in complexity and water depth Horsepower and winch size increase		Larger, more powerful Requirements to carry synthetic rope for moorings
Travel Distance	50 miles offshore	Generally less than 150 miles offshore		150 miles offshore

New market segmentation Gulfmark view

Modern Fleet = Competitive Advantage



- **Specialized/Technologically Advanced Vessels**
- **Highly Efficient Vessels with Multiple Uses**
- **Dependable Vessels Maximize Customer Profits**
- **Minimum Downtime, Maximum Flexibility with Dry Docking**
- **Younger Vessels More Likely to be Employed in Downturns**



- **Premium Day Rates**
- **High Utilization Rates**
- **Extended Term Charters**
- **Minimum Required Capital Expenditures**
- **Maximum Profitability**



Bourbon Offshore Strategy

New market segmentation

New generation vessels for deepwater operations



PX 105 Bourbon Mistral et Bourbon Monsoon



MPSV Athena



PSV GPA 670 Bourbon Hermès

BOURBON is the leading provider of new generation deepwater vessels : AHTS, PSV, MPSV



Bourbon Offshore Strategy

New market segmentation

New generation of AHTS in shallow water

New design developed by BOURBON vs competitors

	New generation AHTS GPA 254	Traditional AHTS	Traditional 1 st generation
Length	58 m	57 m	52 m
DWT	1400 T	1400 T	900 T
Bollard pull	80 T	67 T	60 T
Liquid mud	4000 BBL / 660 m ³	BBL / 200 m ³	NIL
Drive system	Diesel electric	Direct	Direct
Propeller system	Azimuth	Controllable pitch propellers	Controllable pitch propellers
Bow thruster	2 x 750 HP	1 x 700 HP	1 x 350 HP
DP	DP 2	NIL	NIL



Bourbon Offshore Strategy

New market segmentation

New generation of PSV in shallow water

New design developed by BOURBON vs competitors

	New generation PSV GPA 654	Traditional PSV	Traditional 1 st generation
Length	58 m	57 m	54 m
DWT	1600 T	1600 T	1000 T
Liquid mud	4000 BBL / 660 m ³	3590 BBL	NIL
Drive system	Diesel electric	Direct	Direct
Propeller system	Azimuth	Controllable pitch propellers	Controllable pitch propellers
Bow thruster	2 x 750 HP	1 X 400 HP	1 X 300 HP
DP	DP 2	DP1	NIL



Bourbon Offshore Strategy

New market segmentation

Innovative and efficient vessels for modern offshore

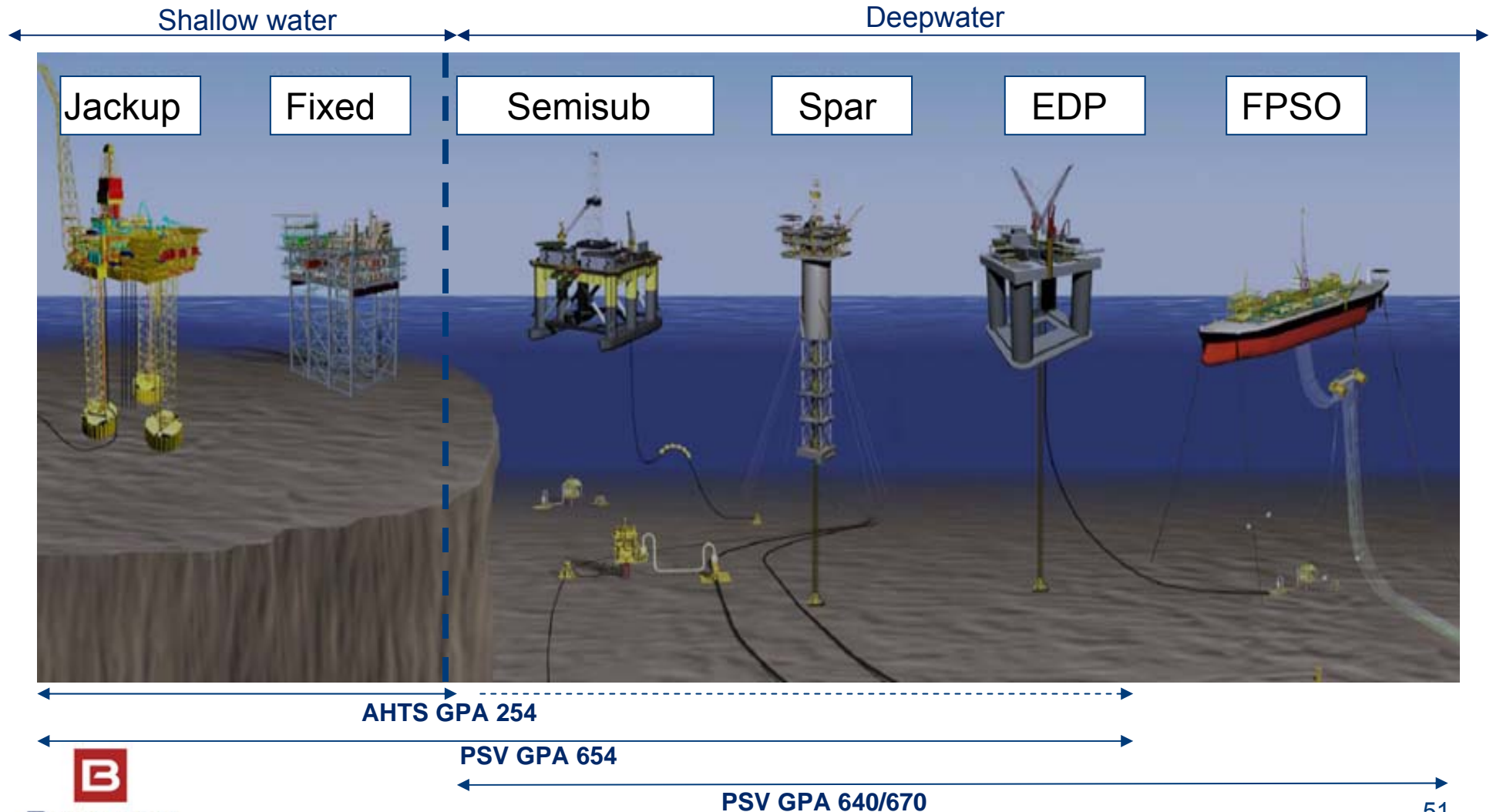




Bourbon Offshore Strategy

New market segmentation

Innovative and efficient vessels for modern offshore





Bourbon Offshore Strategy

New market segmentation

- **MODERN OFFSHORE :** Full range of vessels built since 1995, operating in shallow and deep waters
- **TRADITIONAL OFFSHORE :** Full range of vessels built before 1995 (principally between 1974 and 1984) operating mainly in shallow water

BOURBON : LEADER OF MODERN OFFSHORE

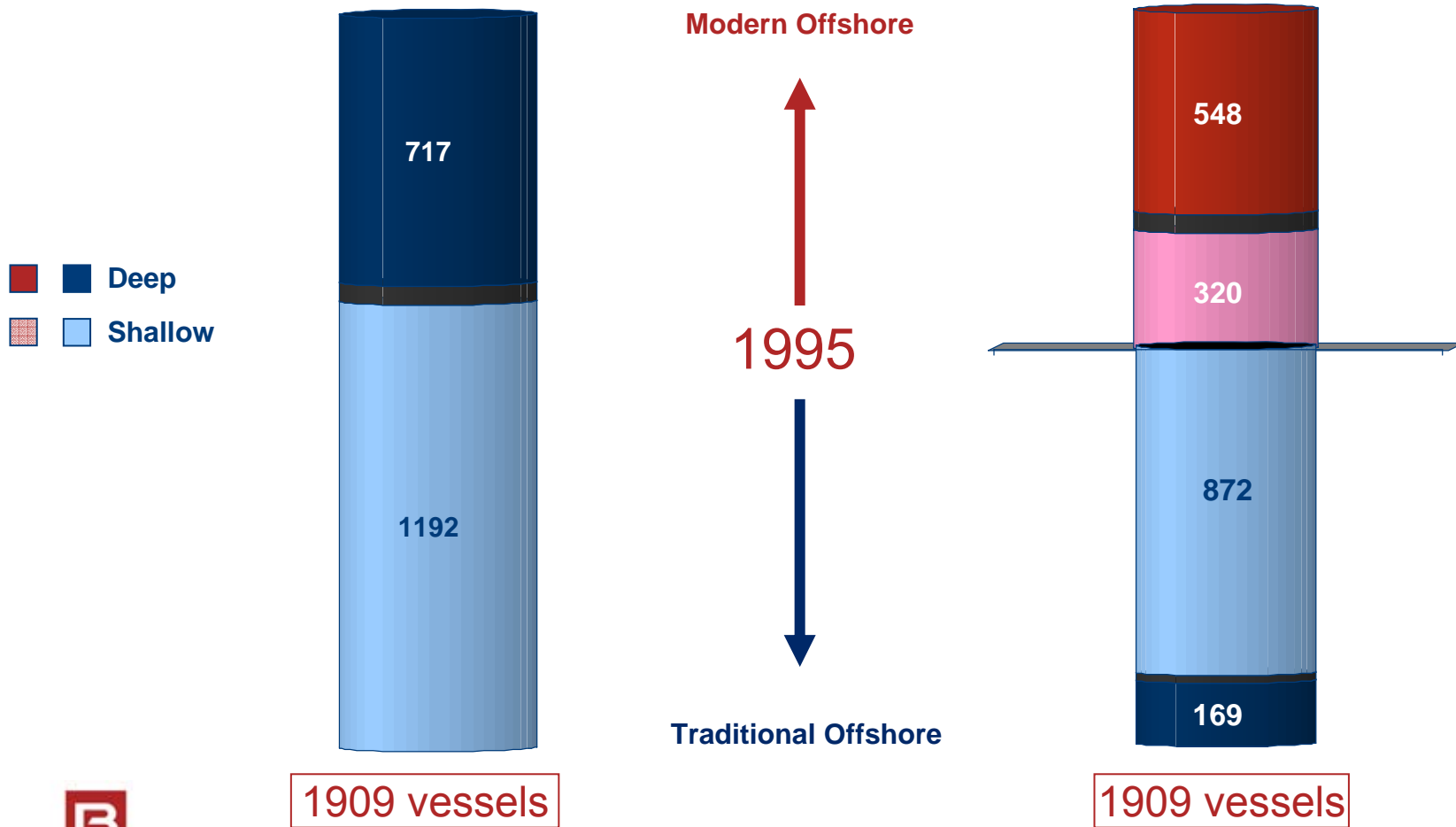


Bourbon Offshore Strategy

New market segmentation

Segmentation : Deep / Shallow

Segmentation : Modern / Traditional





Forecast for new modern offshore MPSV, PSV and AHTS

« MODERN OFFSHORE » SEGMENT

- The number of « modern offshore » vessels working in deepwater offshore should grow 10% a year
- Based on the replacement of the oldest vessels, the number of « modern offshore » vessels working in continental offshore is expected to grow 16% a year
- Overall, the « modern offshore » segment should increase the number of vessels 12% a year

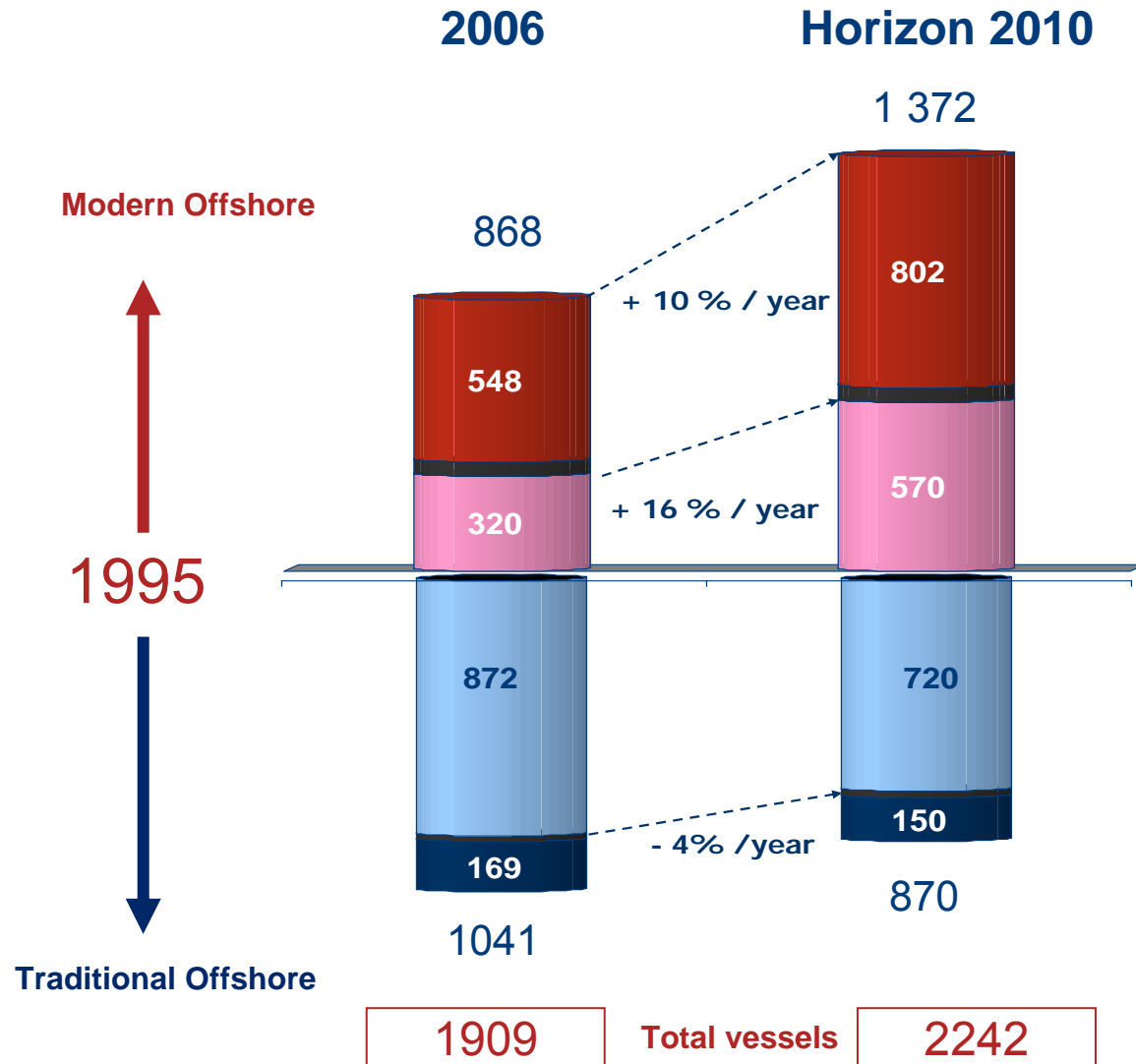


Forecast for new modern offshore MPSV, PSV and AHTS

Basic assumption

- Deepwater market growth (new generation vessels) → 10% per annum
- Shallow water market growth → 2% per annum
- Replacement of the traditional vessels by modern vessels

■ ■ Deep
■ ■ Shallow





Bourbon Offshore strategy













Target customers





Bourbon Offshore strategy

Target customers

			% Turnover Bourbon Offshore
Super Majors	Total		28%
	Exxon		16%
	Shell		4%
	BP		3%
	Chevron		1%
National monopoly	Petrobras		5%
	Pemex		3%
	Petronas		0%
	ONGC		0%
Majors	Statoil		3%
	Agip		3%
	Conoco Phillips		1%
			67%

Bourbon Offshore strategy

A full range of modern vessels



MPSV



AHTS



PSV



FSIV



CREW BOAT

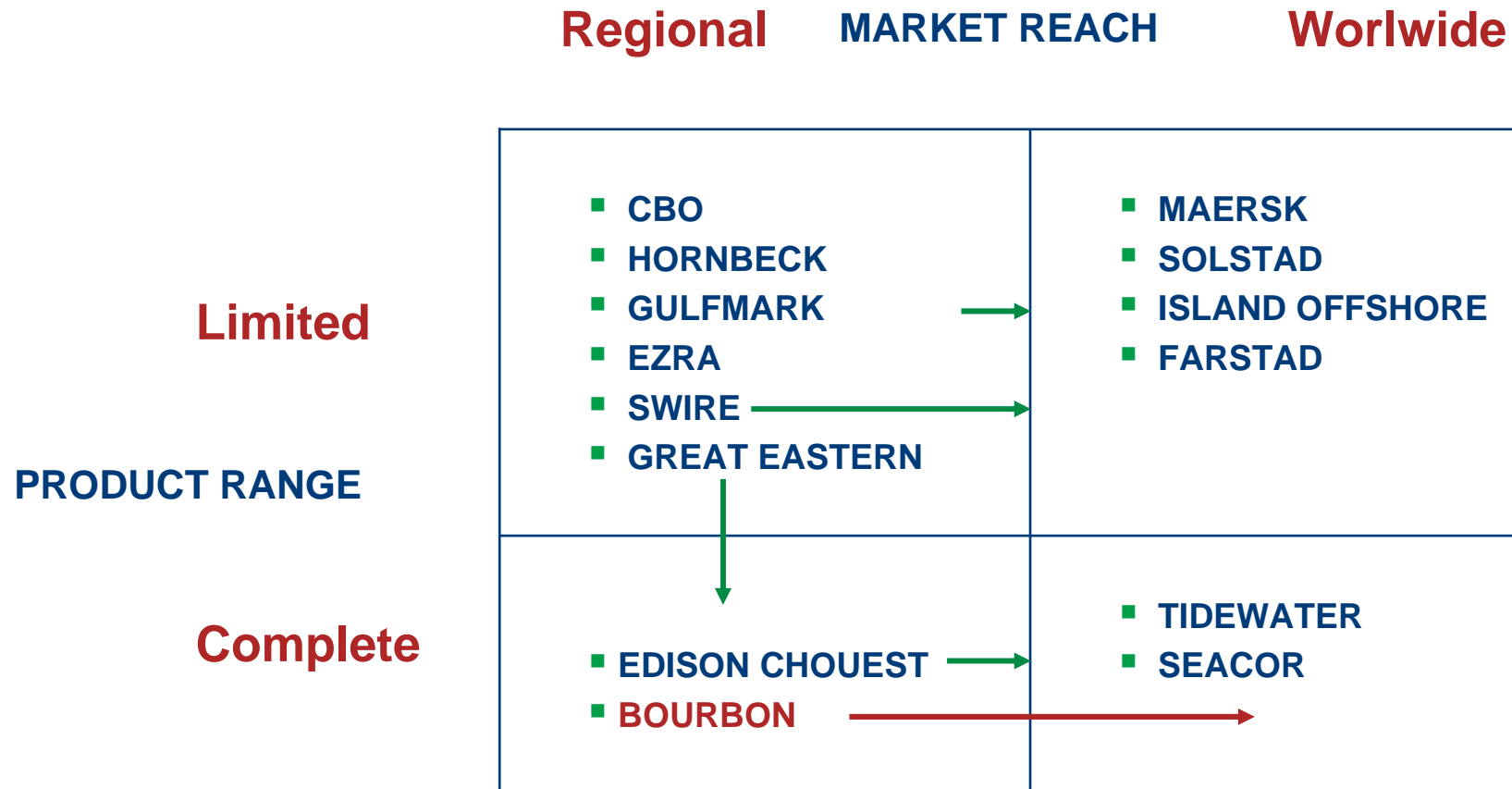


TUG



Bourbon Offshore strategy

A full range of modern vessels

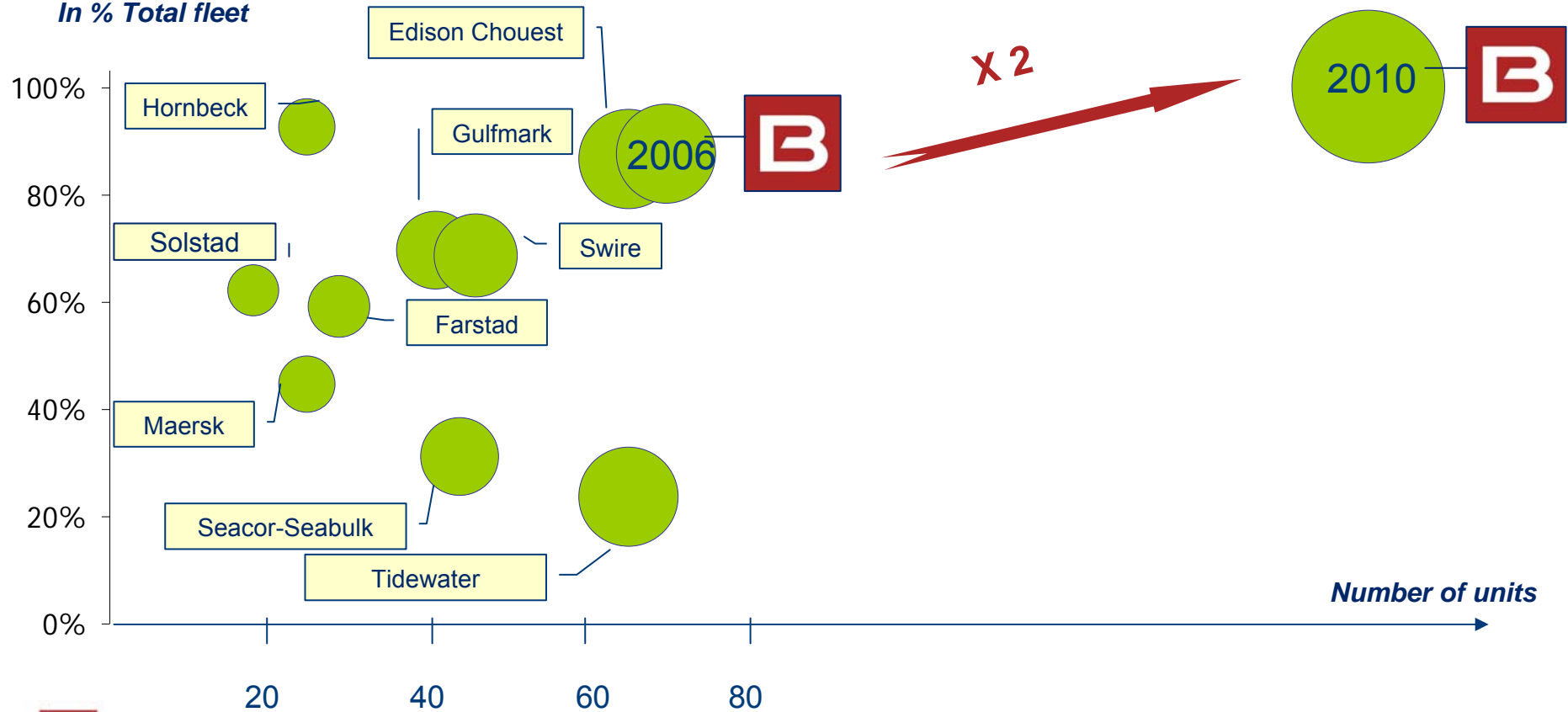


Bourbon Offshore strategy

Market leader of modern offshore

Modern offshore segment MPSV – AHTS – PSV

Modern offshore vessels
In % Total fleet



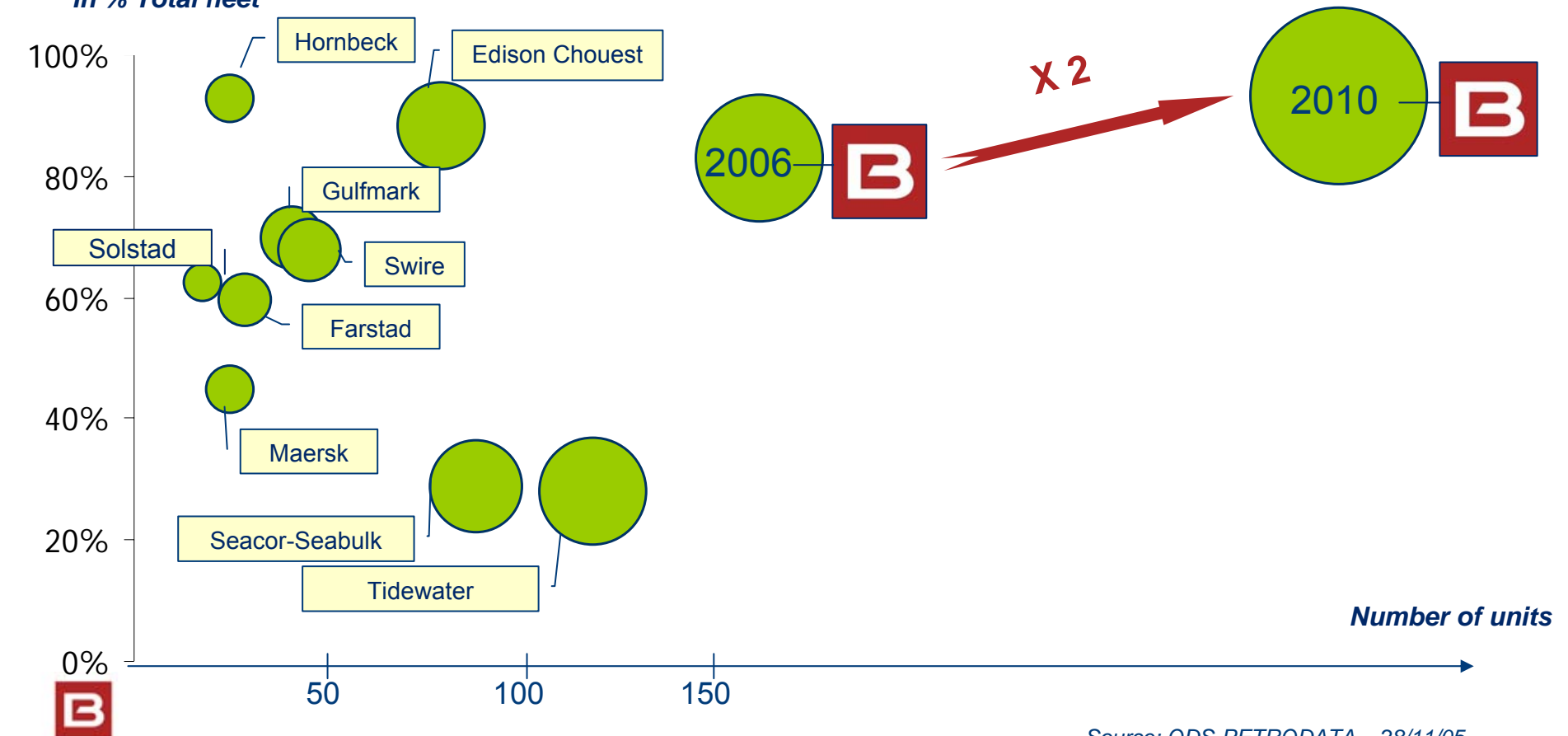


Bourbon Offshore strategy

Market leader of modern offshore

Modern offshore segment – Full range

Modern offshore vessels
In % Total fleet



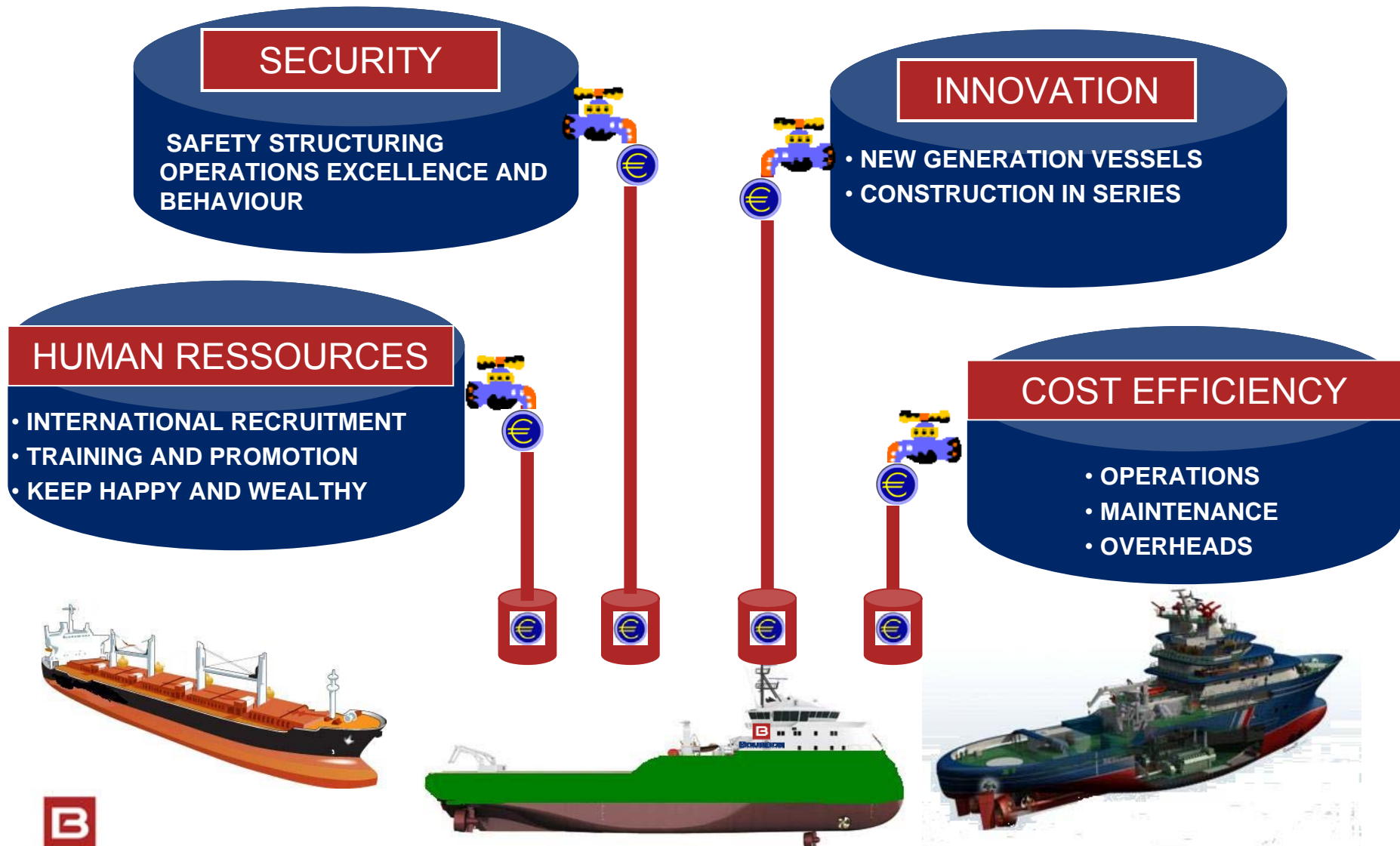
For BOURBON including Rigdon Marine

Source: ODS-PETRODATA – 28/11/05



Bourbon Horizon 2010

The 4 Key Success Factors

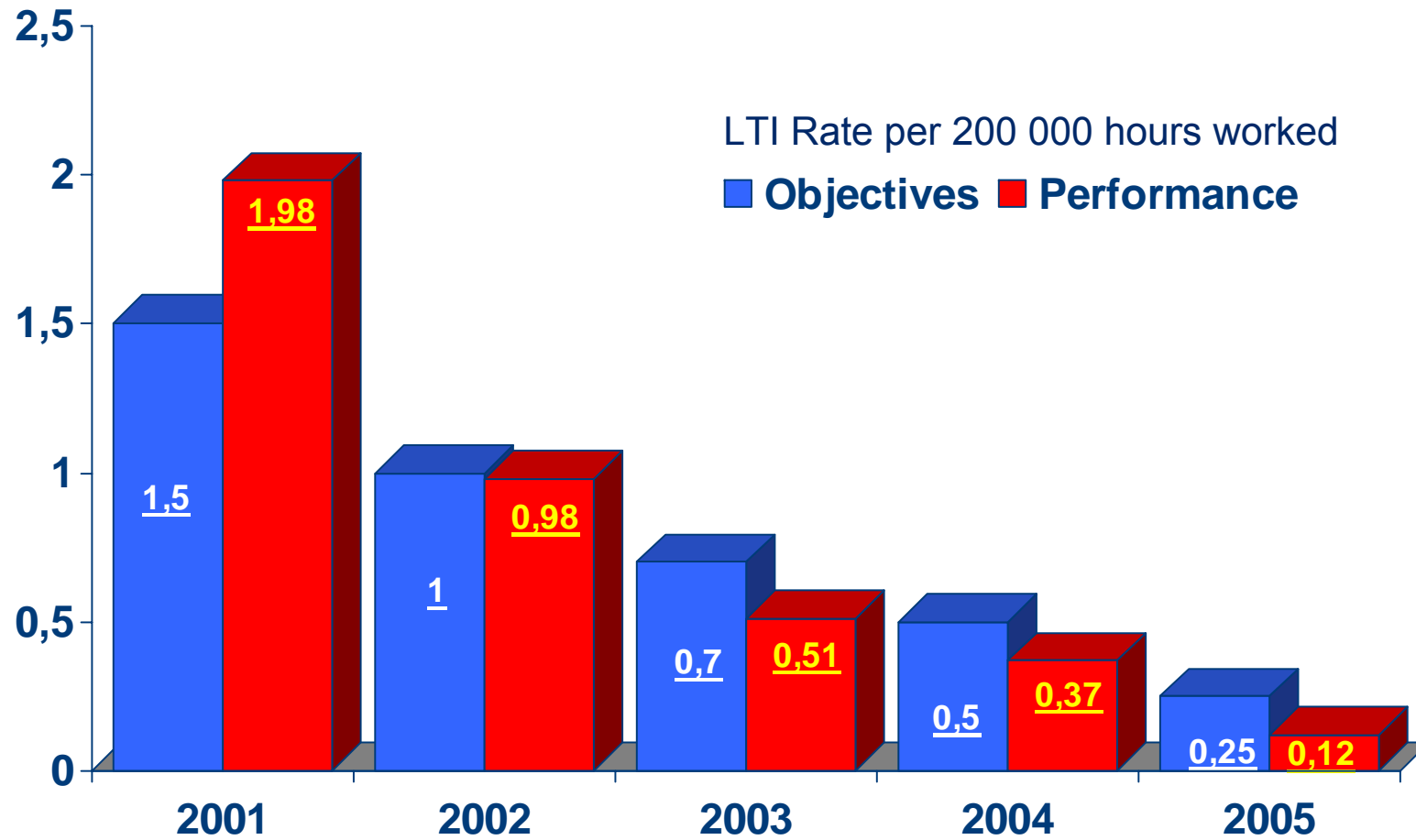




SECURITY :



Bourbon Offshore Safety performances



■ NEW GENERATION VESSELS

- Safe Anchor Handler – Inverted bow
- Diesel Electric and DP2
- New concept for modern vessels dedicated to shallow water

■ COMPETITIVE SHIPYARDS

- China, India ...
- Built in series (scale effect)

■ TIMELY DELIVERED

- In replacement market, timing is of the essence
- Successful deliveries of Chinese PSV



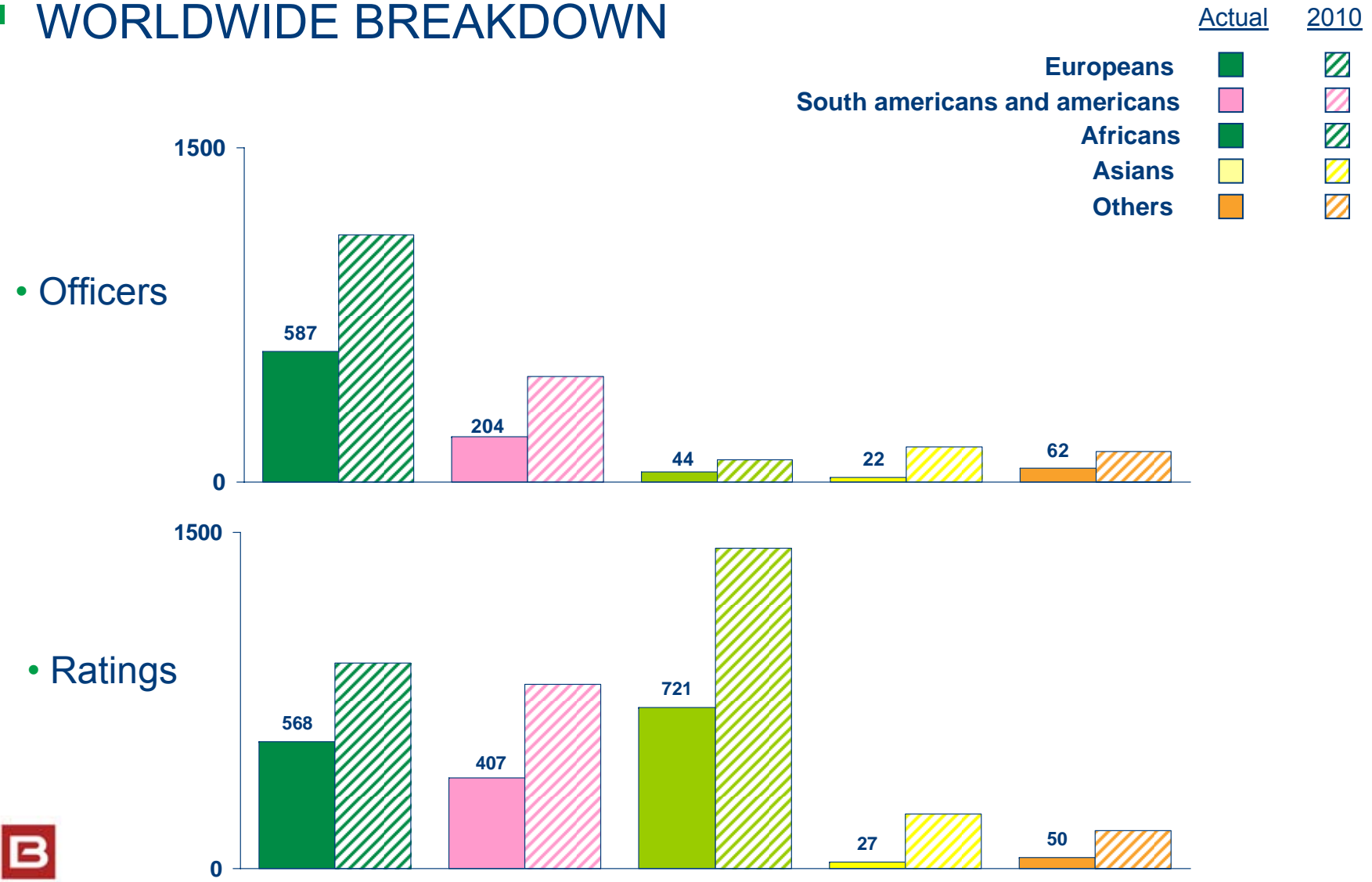
HUMAN RESSOURCES





HUMAN RESOURCES

WORLDWIDE BREAKDOWN





■ TRAINING AND PROMOTION

- Number of D.P operators to be trained : 320
- Number of security officers in 2010 : 35
- Additional ground staff needed worldwide : 100

■ VALUE CREATION SHARING

- New « stock options » plan started December 2005
- Beneficiaries extended from 5 to 10% of BOURBON manpower

BOURBON HORIZON 2010



28 February 2006



BOURBON HORIZON 2010 CONCLUSION

- Revenues growth of 12% annually
- Investments of 1.45 billion euro from 2007 to 2010, largely self-financed
- EBITDA on average capital engaged of 16% by 2010
- 4 success factors: safety, innovation, human resources, cost control



BOURBON HORIZON 2010 CONCLUSION

- BOURBON – leader on modern offshore by servicing the demanding customers worldwide with a full range of new generation, innovative and efficient vessels
- BOURBON - the French expert in port towage and coastal protection
- BOURBON - a specialist in marine logistics services for the bulk products of industrial groups within a long-term contract relationship