



OCEANTEAM SHIPPING

An Oslo Stock Exchange listed shipping company

Ticker: OTS

CEO: Haico Halbesma

CFO: Torbjørn Skulstad

Q2 2014 Presentation Oslo – 28 August 2014

CAUTIONARY STATEMENT

This presentation contains forward looking information. Forward looking information is based on management assumptions and analysis. Actual experience may differ, and those differences may be material. Forward looking information is subject to uncertainties and risks. This presentation must be read in conjunction with the Company's financial statement.

AGENDA

- Company Overview
- Finance structure: OTS Bond and Equity
- Financials
- Market Outlook



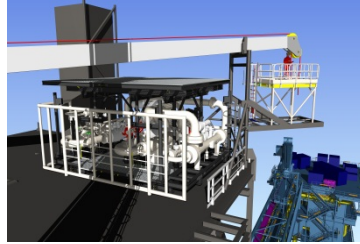
OCEANTEAM SHIPPING

Company Overview

OCEANTEAM SHIPPING



High-end deep-water Vessels



Engineering 140 people strong



DOT Shipping - Mexico



Modular Turntables,
Specialist Equipment,
Storage & Handling

Our Mission

Creating value through:

- Integrated services and solutions through engineering know-how and a pool of special purpose equipment with our fleet
- Building and operating a fleet of large and advanced subsea vessels & equipment

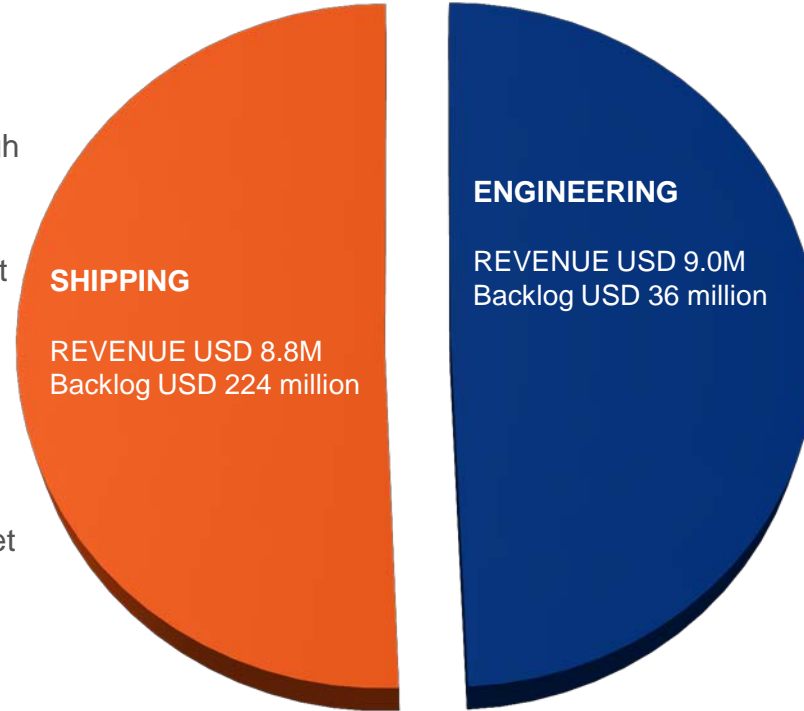
COMPANY OVERVIEW

Shipping segment

- Three CSVs and one LV through joint ventures plus two FSVs
- Solid clients Oceaneering/BP Angola, Fugro TSM, McDermott

DOT Shipping

- Two FSVs under construction
- Joint venture focused on growing Mexico Offshore Market



Engineering segment

- Focus on Oil & Gas and Offshore Renewables
- Marine Asset division RentOcean
- KCI The Engineers

SHIPPING – Our Fleet

- CSV Bourbon Oceanteam 101
- CSV North Ocean 102
- CSV Southern Ocean
- LV North Ocean 105
- FSV Mantarraya
- FSV Tiburon
- FSV Cobos & FSV Icacos under construction delivery early 2015



- High-end deep-water offshore construction vessels
- Proven quality in the most demanding and advanced deep-water operations
- Proven operational economics based on long term contracts
- Configuration flexibility with in-house engineering team that provides complex and complete solutions
- New enhanced design completed – North Ocean 4000 series
- Founded DOT Shipping together with Grupo Diavaz with focus on Mexico Offshore Market



SHIPPING – Charter Status

Contract backlog		2014 Q1-2	2014 Q3-4	2015 Q1-2	2015 Q3-4	2016 Q1-2	2016 Q3-4	2017 Q1-2	2017 Q3-4	2018 Q1-2	2018 Q3-4	2019 Q1-2	2019 Q3-4	2020 Q1-2	2020 Q3-4
Shipping	Type of contract														
CSV BO 101	time charter	Contract	Contract	Contract	Option	Option	Option								
CSV North Ocean 102	bareboat	Contract	Contract	Contract	Option	Option	Option								
CSV Southern Ocean	bareboat	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract
LV North Ocean 105	time charter	Contract	Contract	Contract	Contract	Contract	Contract	Contract							
FSV Mantaraya	bareboat	Contract	Contract	Option											
FSV Tiburon	bareboat	Contract	Contract	Option											
FSV Cobos	bareboat	Under construction	Under construction	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract
FSV Icaos	bareboat	Under construction	Under construction	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract

■ Dry Dock
 ■ Contract
 ■ Option
 ■ Under construction
 ■ No contract

➤ Robust backlog USD 224 million with solid clients

SHIPPING– Highlights Fleet

- CSV Southern Ocean is 100 per cent consolidated from the first quarter due to change in control effective from 2014
- DOT Shipping's first step; order of 2 Fast Support Vessels
- CSV Southern Ocean had technical breakdown during the quarter and as a result a reduced rate. Early July the vessel returned to normal operation and day rate
- CSV BO 101, North Ocean 102 and North Ocean 105 fully utilized



CSV Southern Ocean at GWA platform, Australia

DOT SHIPPING – Order of 2 Fast Support Vessels



Owner: DOT Shipping – 60% Grupo Diavaz / 40% Oceanteam

- LoA 42 meter
 - 96 passengers
 - Cargo capacity
 - 25 knots @ 85% MCR
 - Reputable yard and construction on schedule
 - Fully financed
 - Flag: Mexican
 - 6 year time charter + options
-
- Start operations Q1 2015



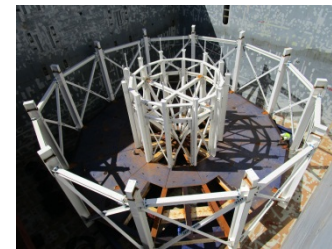
ENGINEERING & MARINE ASSET RENTAL



Handling, Transport & Storage Services



Offshore Installation
Equipment



Certified Proprietary Designs

Modular & Easy Transport

One design concept for onshore
& offshore operations

MARINE ASSETS – Equipment Status



■ Contract
 ■ Option

DESIGN ENGINEERING - Services



Design Engineering Services, 140 people strong

ENGINEERING & MARINE ASSETS – Highlights

RentOcean – Marine Assets

- Awarded long-term contract for supply of 3000T onshore turntable
- Awarded long-term contract for supply of 2x 2000T turntables
- Awarded long-term contract for supply of second 4000T turntable to LS Cable
- Awarded & delivered for long-term contract 2000T modular turntable, loading tower and new 15T tensioner to Ceona
- OceanWind awarded new long-term storage and handling contract

- Sale of burial equipment

KCI – Design Engineering

KCI worked on multi discipline service contracts:

- feasibility study of P18-ADT development for Taqa
- basic of foundation jackets for sub-station
- detail design of the Dubai I (big observation wheel)
- redesign of 2 walk to work system
- quadrant handler for cable lay vessel
- foundation of 4000T turntable for RentOcean



RentOcean's 4000T Turntable being built up at LS Cable quayside in South Korea

FOCUS GOING FORWARD

- **Target markets**

- ✓ Growth of Mexico market with DOT Shipping / Grupo Diavaz
- ✓ Market large harsh- and deep-water Construction Support Vessels (CSV) and Pipe Lay Vessels
- ✓ Grow contract backlog and services of RentOcean in both Oil & Gas and Offshore Renewables
- ✓ Additional value from design engineering jobs and solutions
- ✓ Additional value from new equipment investments

Engaged financial advisor to unlock strategic values & capital structure

- **Streamline finance platform**

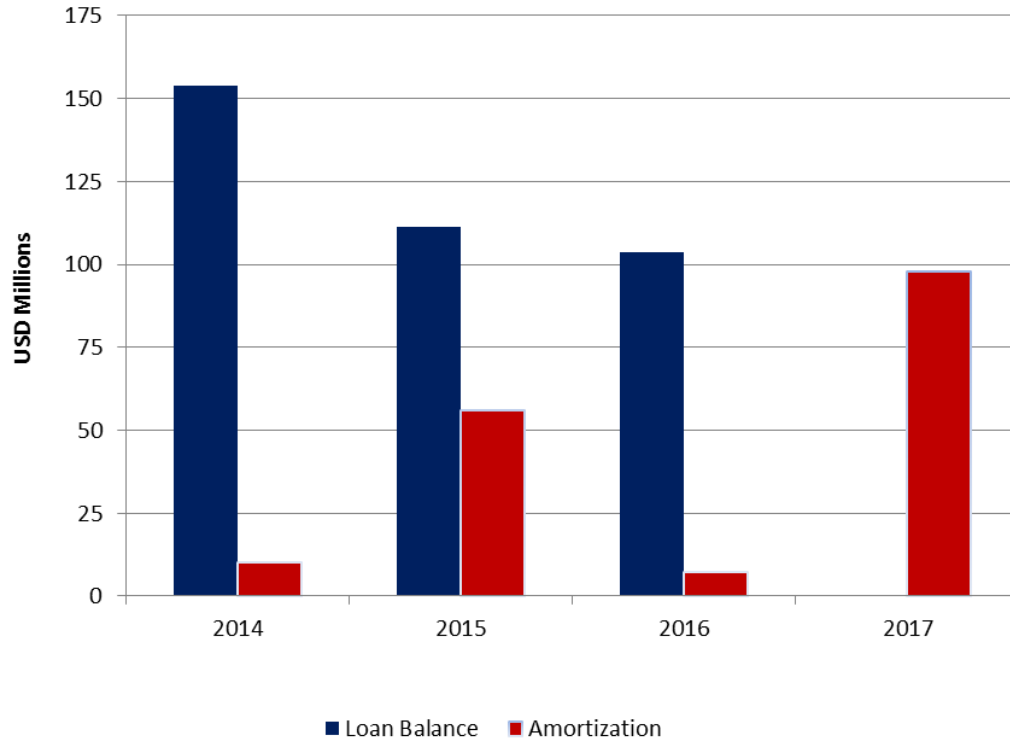
- ✓ Focus on OTS equity instrument
- ✓ Utilize tonnage tax and deferred tax assets
- ✓ Grow fleet and continue reduced- risk growth through Joint Ventures



OCEANTEAM SHIPPING

Finance Structure

BOND Debt Maturity Profile



EBITDA to date

- USD 7.0 million equal 39% of revenue

Cash position

- USD 10.0 million (101, 102 & 105 cash level is not on the IFRS line)
- In process of refinancing Marine Assets to improve cash position

Net financial

- USD 4.1 million

Loan redemption

- USD 8.2 million

Key Financial Covenants

- Book equity: > 44%
- Market adj. Equity ratio: > 25%
- Gearing ratio: < 6.00x during first 2 years, < 5.50x during year 3, < 5.00x thereafter
- Debt service coverage ratio: > 1.00x
- No dividends
- Change of control put option at 100%

EQUITY - Share Price Development



Share development:

- a positive increase 2014, but still too low value

FMV developments

- Stable value of modern fleet, high-end deep water assets

Booked equity

- 44%
- USD 146 million (after 10% share buy back)

Market capitalization

- NOK 151 million (29.6 m shares@ NOK 5.10)

Free cash flow

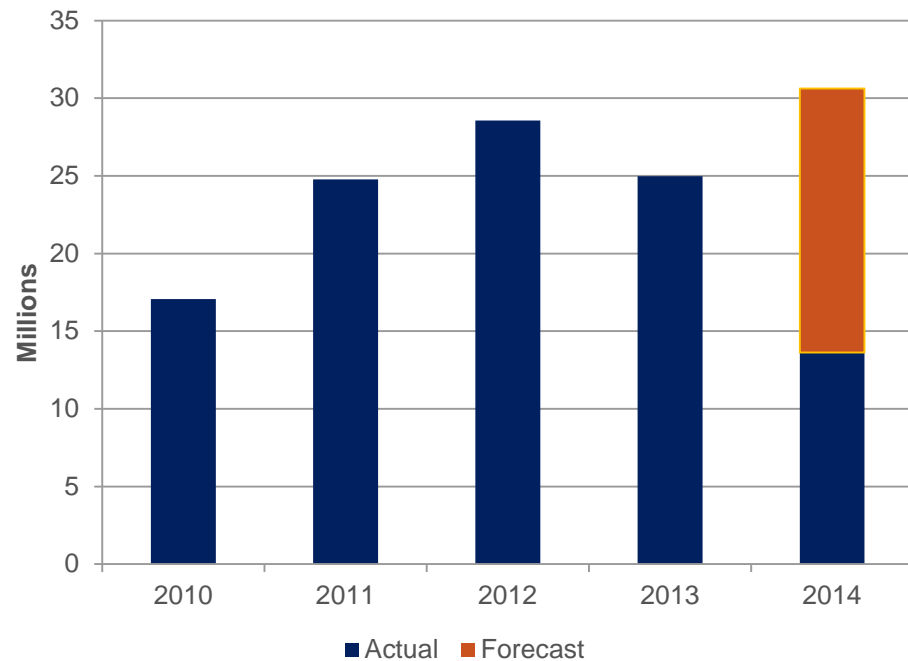
- steady, positive cash flow from existing operations
- Continues investments

Consensus among credit analysts

- Steady operations
- Key credit metrics remain overall stable
- Strong market outlooks

EBITDA DEVELOPMENT HISTORICAL

KEY FINANCIAL FIGURES (USD MILLION)





OCEANTEAM SHIPPING

Financials

P&L REPORT END Q2 2014

Figures in USD '000	Q2 2014	Q2 2013
Revenue	14 493	7 495
Total operating revenues	14 493	7 495
Net income from joint ventures and associates	3 249	(3 954)
Operating costs	(4 897)	(3 868)
General & administration	(5 884)	(4 528)
Deprecation	(2 525)	(1 191)
Write off	3	(2)
Total operating expenses	(13 302)	(9 589)
Operating profit (loss)	4 439	1 860
Net finance	(4 091)	(2 792)
Ordinary profit (loss) before taxes	348	(932)
Corporate income tax	46	(203)
Net result	394	(1 135)

Figures in USD '000	Cum Q2 2014	2013
Revenue	27 100	29 245
Total operating revenues	27 100	29 245
Net income from joint ventures and associates	5 730	16 109
Operating costs	(8 478)	(14 902)
General & administration	(10 721)	(18 271)
Deprecation	(4 936)	(4 236)
Write off assets	(94)	99
Total operating expenses	(24 229)	(37 310)
Operating profit (loss)	8 601	8 043
Net finance	(7 825)	(12 489)
Ordinary profit (loss) before taxes	775	(4 446)
Corporate income tax	227	1 161
Net result	1 003	3 285

BALANCE SHEET Q2 2014

Figures in USD '000	30.06.2014	31.12.2013
Assets		
Intangible assets	20 228	20 724
Tangible assets	254 603	139 021
Total non current assets	274 831	159 745
Receivables	45 293	48 529
Cash and cash equivalents	9 938	6 240
Total current assets	55 383	54 769
Total assets	330 214	214 515

Figures in USD '000	30.06.2014	31.12.2013
Equity and liabilities		
Total equity	146 399	108 315
Total non current liabilities	114 674	86 840
First year instalments	43 100	101
Other current liabilities	26 040	19 260
Total current liabilities	69 140	19 361
Total liabilities	183 814	106 201
Total equity and liabilities	330 214	214 515

- Book value of equity is 44 %

LARGE TAX DEDUCTIBLE LOSSES

• Norway

- OTS has a confirmed tax loss to carry forward of USD 169 M (NOK 1 billion)
- The CSV's comply with the Norwegian Tonnage Tax regime with approximately 0% tax
- CSV 101, Southern Ocean and LV 105 are under the NTT regime
- CSV 102 will use the deferred tax loss
- During the year the share price has had a positive development

• The Netherlands

- The Dutch entities have an estimated tax loss to carry forward of EUR 47 million
- A restructuring has been finalized to further utilize tax losses
 - Negligible payable tax costs going forward



OCEANTEAM SHIPPING

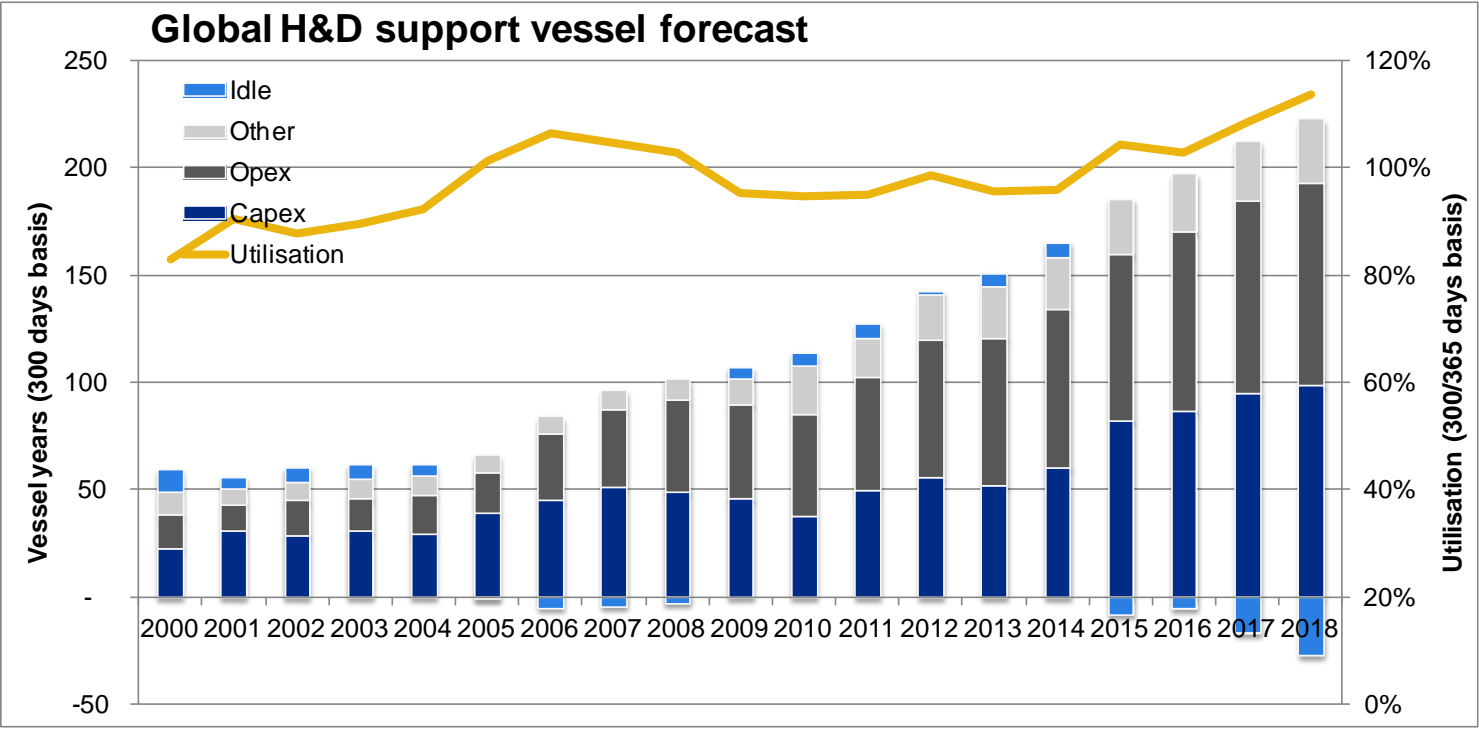
Market Outlook

Detailed segmentation of the H&D fleet

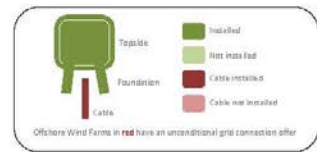
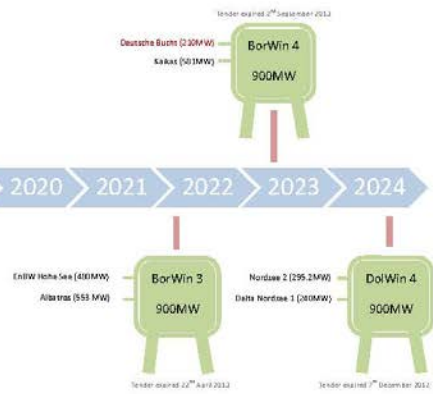
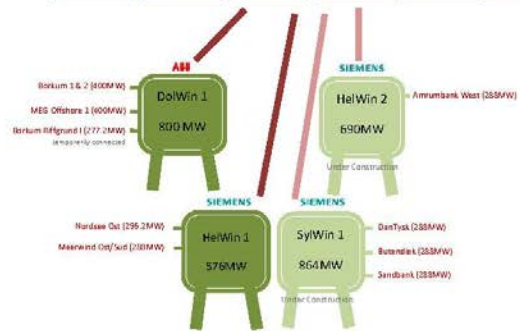
No. of vessels	Year																
Type	Length	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Lay Barges	115<LOA<150 M	3	2	1	2	2	1	2	3	2	2	2	2	2	2	2	2
	LOA>150 M	7	6	6	7	7	8	7	6	8	9	11	14	17	18	19	19
Total Lay Barges		10	9	7	8	8	9	9	9	10	11	13	16	19	20	21	21
Reel lay vessels	75<LOA<90 M	1	-	0	0	0	-	-	0	-	0	-	-	-	-	-	-
	90<LOA<115 M	4	3	3	3	3	3	3	3	2	2	2	1	1	1	1	1
	115<LOA<150 M	6	6	6	6	7	9	8	8	11	12	14	17	24	28	33	34
	LOA>150 M	4	4	4	5	5	7	8	8	8	10	11	12	14	18	19	19
Total Reel lay vessels		14	13	13	14	15	19	19	19	22	25	26	30	40	47	53	54
Multiservice vessels	59<LOA<75 M	-	-	-	-	-	-	-	-	-	0	1	1	-	-	-	-
	75<LOA<90 M	-	-	-	-	-	-	-	-	-	-	-	1	1	1	1	1
	90<LOA<115 M	1	1	1	2	3	3	4	4	3	4	5	5	5	5	5	5
	115<LOA<150 M	2	3	4	6	7	8	7	7	7	7	6	7	9	10	10	10
	LOA>150 M	-	-	-	-	-	-	-	0	1	1	2	2	2	2	2	2
Total Multiservice vessels		3	4	6	8	10	11	11	11	11	12	13	16	17	18	18	18
Diving Support Vessels	59<LOA<75 M	0	-	-	0	1	1	1	-	-	-	0	-	-	-	-	-
	75<LOA<90 M	5	5	4	3	4	3	3	4	3	3	2	1	1	1	1	1
	90<LOA<115 M	9	8	8	8	8	11	11	10	10	10	11	12	12	12	12	12
	115<LOA<150 M	2	1	3	3	3	3	3	4	6	6	6	6	6	8	8	8
	LOA>150 M	-	-	-	-	-	-	1	1	1	1	1	1	1	1	1	1
	Semi	1	1	0	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Diving Support Vessels		17	15	15	14	15	18	19	19	20	20	20	20	20	22	22	22
ROV Support Vessels	59<LOA<75 M	14	13	11	15	16	13	16	12	13	17	13	13	13	13	13	13
	75<LOA<90 M	14	15	15	19	23	22	22	23	28	34	37	38	37	37	37	37
	90<LOA<115 M	10	12	14	20	26	30	31	38	43	45	47	57	62	68	72	72
	115<LOA<150 M	3	3	4	3	3	3	7	11	12	13	18	24	29	32	32	32
	LOA>150 M	-	0	1	1	1	1	1	2	2	2	2	2	2	2	2	2
Total ROV Support Vessels		42	43	45	57	68	70	78	85	96	110	117	134	143	153	156	156
Total fleet		86	83	85	101	116	127	135	142	159	178	190	216	239	259	270	271
Fleet growth			-3%	2%	19%	14%	9%	7%	5%	12%	12%	7%	14%	11%	8%	4%	0%



Demand for H&D support vessels expected to grow 9% p.a up to 2018



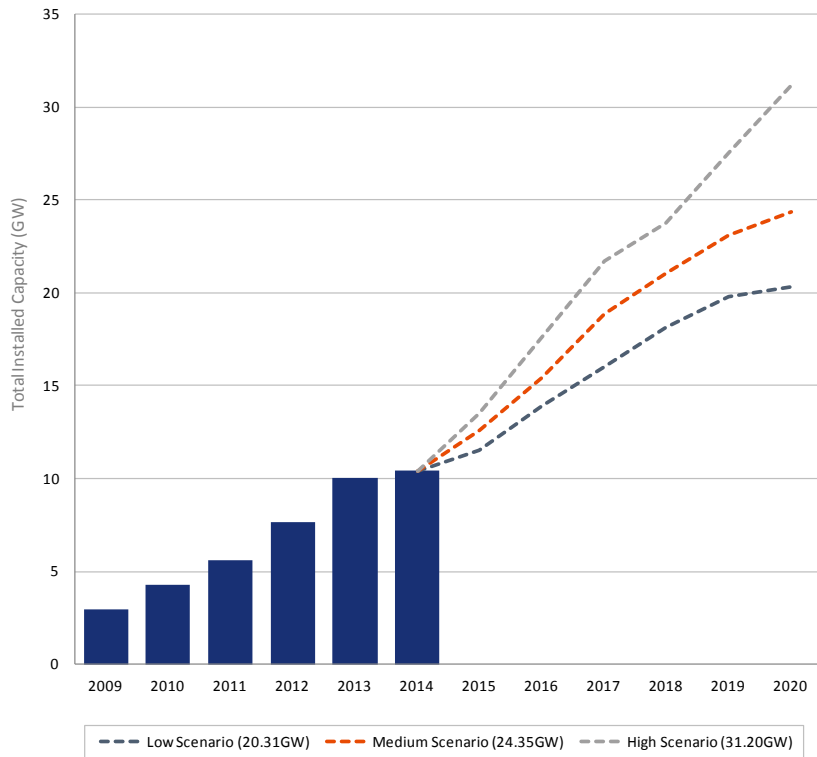
EUROPEAN OFFSHORE WIND MARKET OUTLOOK



- Overall renewable market is expected to grow. This leads to increased demand for support vessels and associated services
- Trend: (German) market shows installation gap between 2018-2022
- Trend: French energy lacks substance; The 2020 renewable share target of 32% might not be reached due to difficulties and delays in receiving planning permission to build new wind projects
- RentOcean fills gap by entering Oil & Gas market for installation & storage projects of umbilicals/flexibles/pipes
- Result: serve both markets with our equipment and engineering services with focus on extending equipment pool

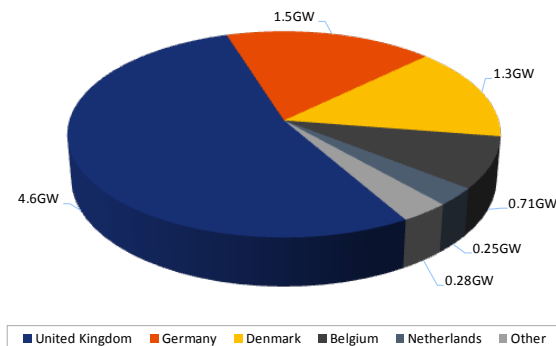
CAPACITY OVERVIEW

STRONG GROWTH EXPECTED TO CONTINUE FOR HIGHER CERTAINTY MARKETS



	Low	Medium	High
United Kingdom	8.18	9.80	14.77
Germany	6.09	6.44	6.78
France	0.98	1.99	2.00
Belgium	1.68	1.91	2.28
Denmark	2.40	2.69	2.77
Netherlands	0.98	1.53	2.59

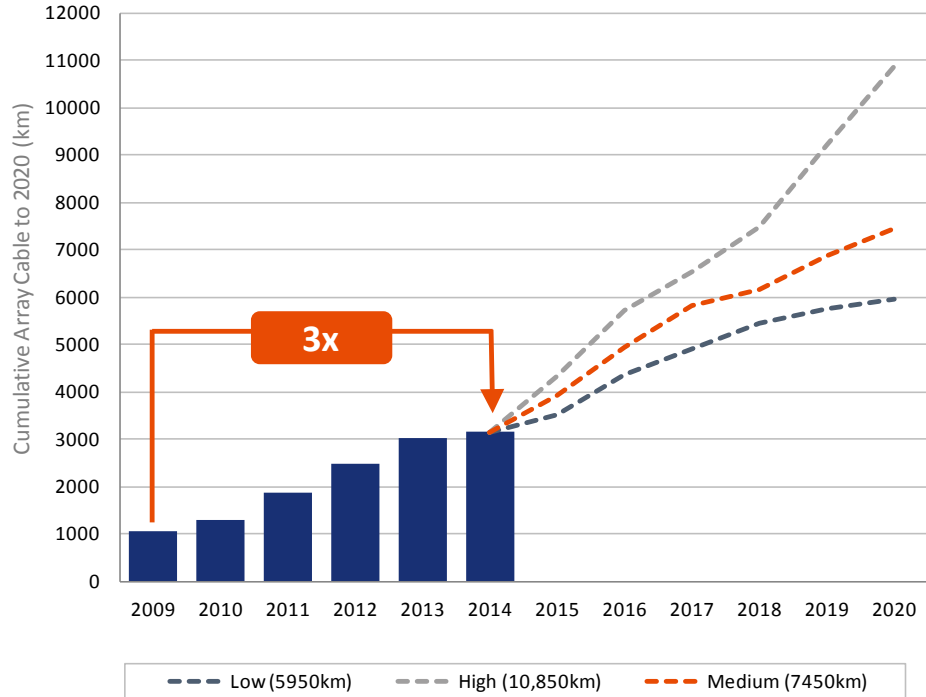
2020 Development Scenarios



Installed capacity as of August 2014

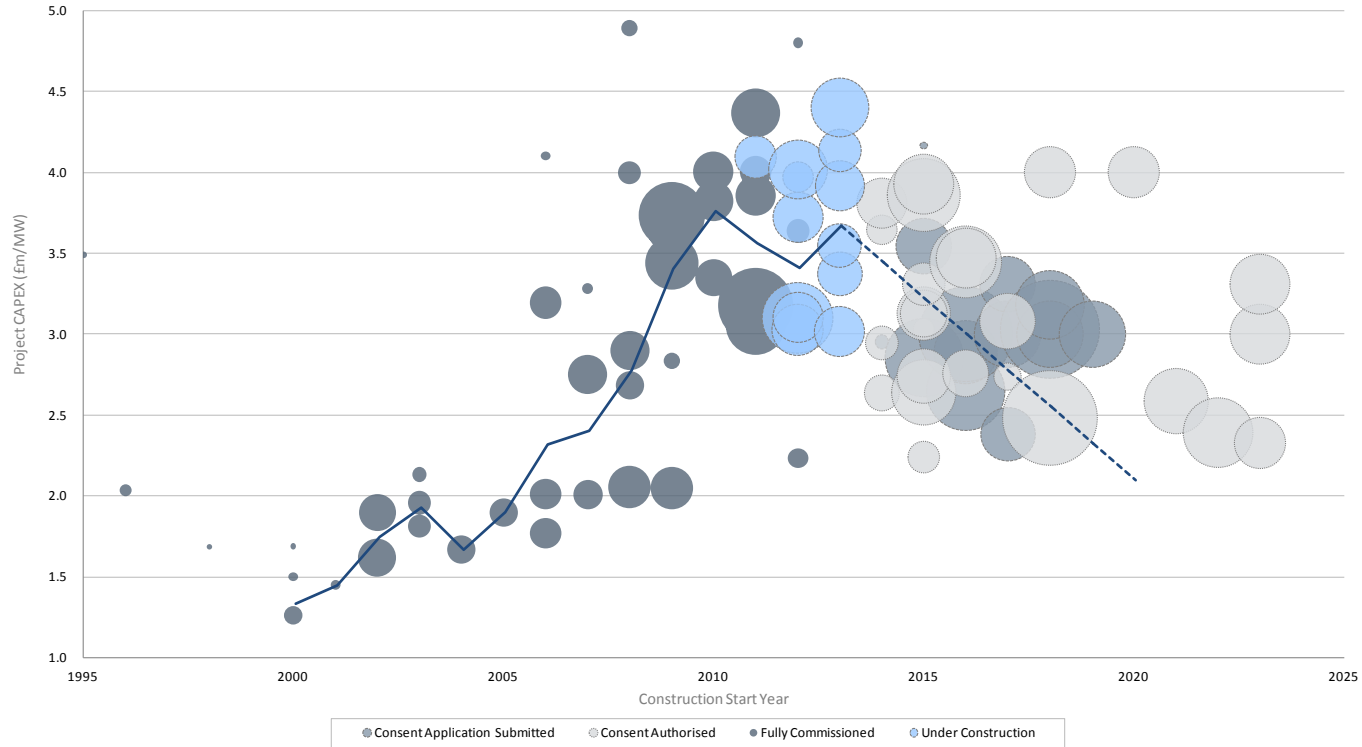
ARRAY CABLE

INCREASING NUMBER OF OPPORTUNITIES IN CABLING MARKET



COST REDUCTIONS

DEVELOPERS FORECAST REDUCED CAPEX AND REQUIRE INNOVATIONS



GOING FORWARD - “Checklist for November 2014”:

- Enhancement and pricing of equity instrument
- Continued focus on high quality assets and balance sheet
- New investments in high quality assets
- Risk reduction through partnerships and JVs
- Backed investment in new vessels and maintain strong contract coverage for CSV's
- Continue investment plan to optimize and expand marine asset pool
- Build contract backlog and expand RentOcean
- Strong focus on DOT Shipping and Mexico



THANK YOU!



Oceanteam Shipping ASA

Corporate Headquarters

Tveitaråsveien 12

PO Box 463, Nesttun

5853 Bergen

Norway

T +47 55 10 82 40

F +47 55 10 82 49

E info@oceanteam.no

WWW.OCEANTEAM.NO