



OCEANTEAM SHIPPING

An Oslo Stock Exchange listed shipping company

Ticker: OTS

CEO: Haico Halbesma

CFO: Torbjørn Skulstad

Q1 2014 Presentation Oslo – 22 May 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



Engineering & Execution Support



Modular Carousels, Specialist Equipment, Storage & Handling

Our Mission

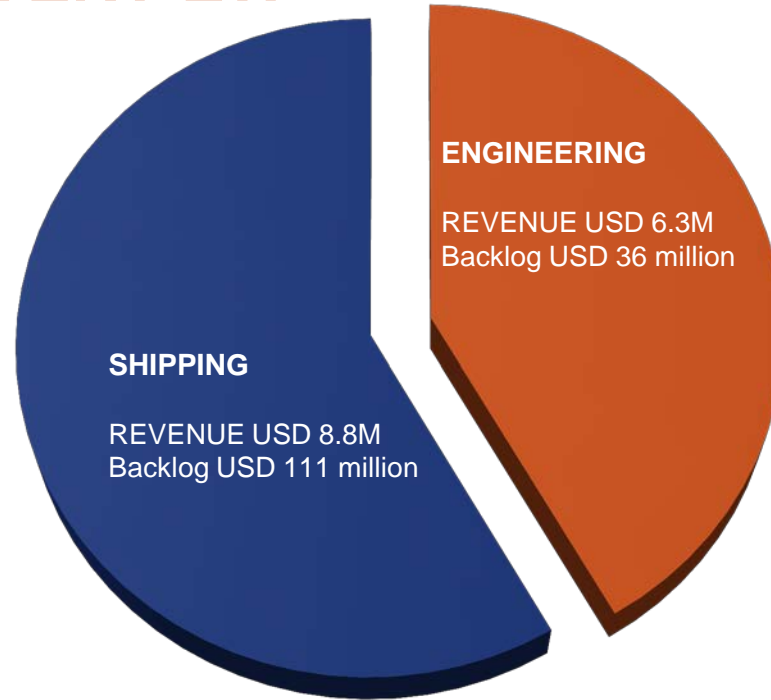
Creating value through:

- Integrated services through engineering know-how and a pool of special purpose equipment with our fleet
- Providing complex offshore support by building and operating a fleet of large and advanced North Ocean Vessels

COMPANY OVERVIEW

Shipping segment

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



Engineering segment

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

SHIPPING – Our Fleet

- CSV Bourbon Oceanteam 101
- CSV North Ocean 102
- CSV Southern Ocean
- LV North Ocean 105
- FSV Mantarraya
- FSV Tiburon



- 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														
CSV North Ocean 102	bareboat														
CSV Southern Ocean	bareboat														
LV North Ocean 105	time charter														
Mantarraya	bareboat														
Tiburón	bareboat														



➤ Robust backlog USD 111 million with solid clients

COMPANY OVERVIEW – Highlights fleet and engineering

- CSV Southern Ocean is 100% consolidated from first quarter
- CSV Southern Ocean on stand by rate until early March
- CSV BO 101, North Ocean 102 and North Ocean 105 fully utilised

New growth:

- Oceanteam takes 40% stake in new offshore shipping company DOT Shipping, a joint venture founded together with Grupo Diavaz focusing on the Mexican market
- DOT Shipping is to provide vertical integrated fleet engineering solutions for the fast developing Mexican market



CSV Southern Ocean loading reels in North West Australia

ENGINEERING & MARINE ASSET RENTAL



Handling, Transport & Storage Services



Offshore Installation
Equipment

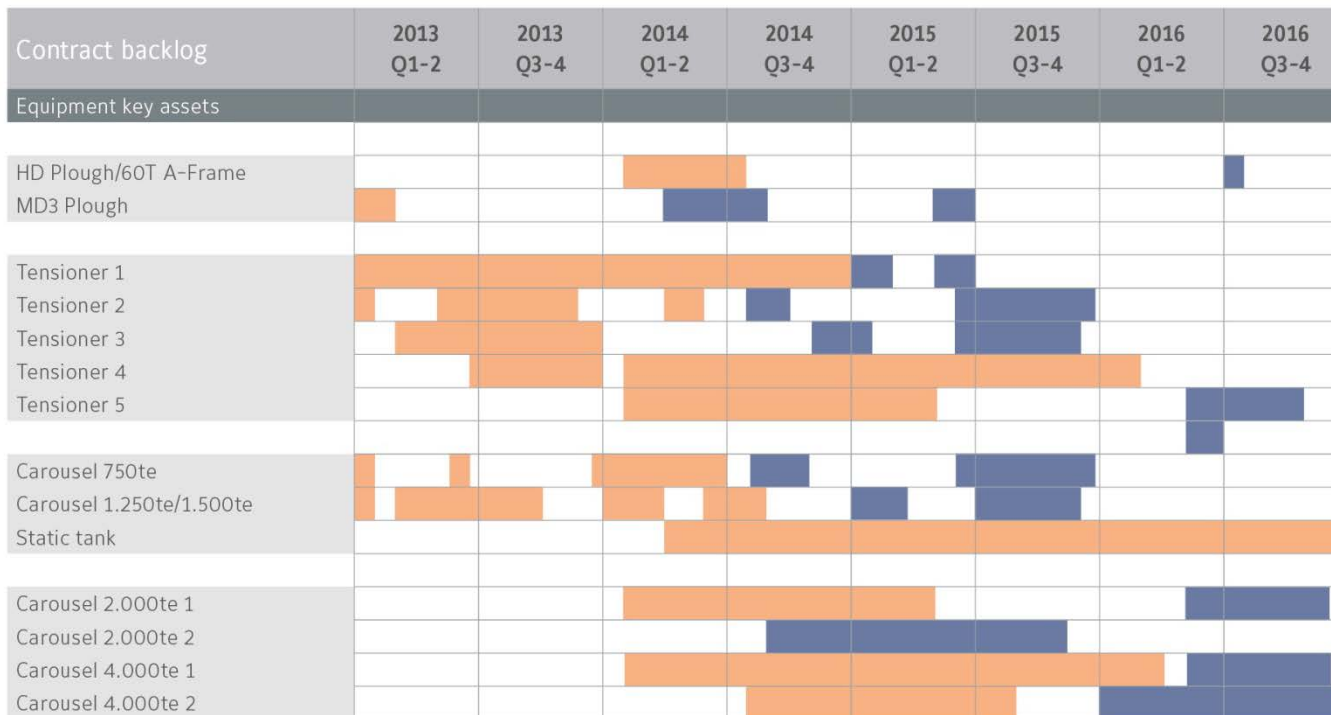


Certified Proprietary Designs

Modular & Easy Transport

One design concept for onshore
& offshore operations

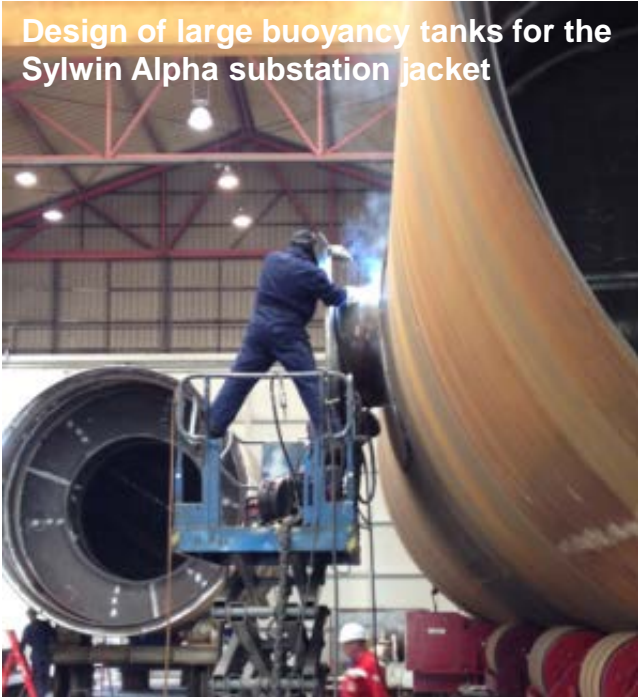
ENGINEERING – Equipment Status



Contract Option

ENGINEERING - Services

Design of large buoyancy tanks for the Sylwin Alpha substation jacket



Conversion to a cable lay vessel



Design Engineering Services, 140 people strong

COMPANY OVERVIEW – Highlights Engineering

RentOcean – Marine Assets

Award & start up of new projects

- awarded long-term contract for supply of second 4000T carousel to LS Cable
- awarded & delivered for long-term contract 2000T modular carousel, loading tower and new 15T tensioner to Ceona
- awarded long-term contract for supply of 1500T carousel on McDermott project
- OceanWind awarded long-term storage and handling contract Prysmian & EON

KCI – Design Engineering

OTS acquired remaining 30% shares KCI, design and engineering services

KCI worked on multi discipline service contracts:

- process upgrade of offshore topside production platform
- basic of foundation jackets for sub-station
- basic design of the Dubai I (big observation wheel)



RentOcean's new 2000T modular carousel and loading tower with 15T tensioner on Ceona's Polar Onyx

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
- ✓ Additional value from new equipment investments
- ✓ Further develop OceanWind Cable Storage Solutions

- **Streamline finance platform**

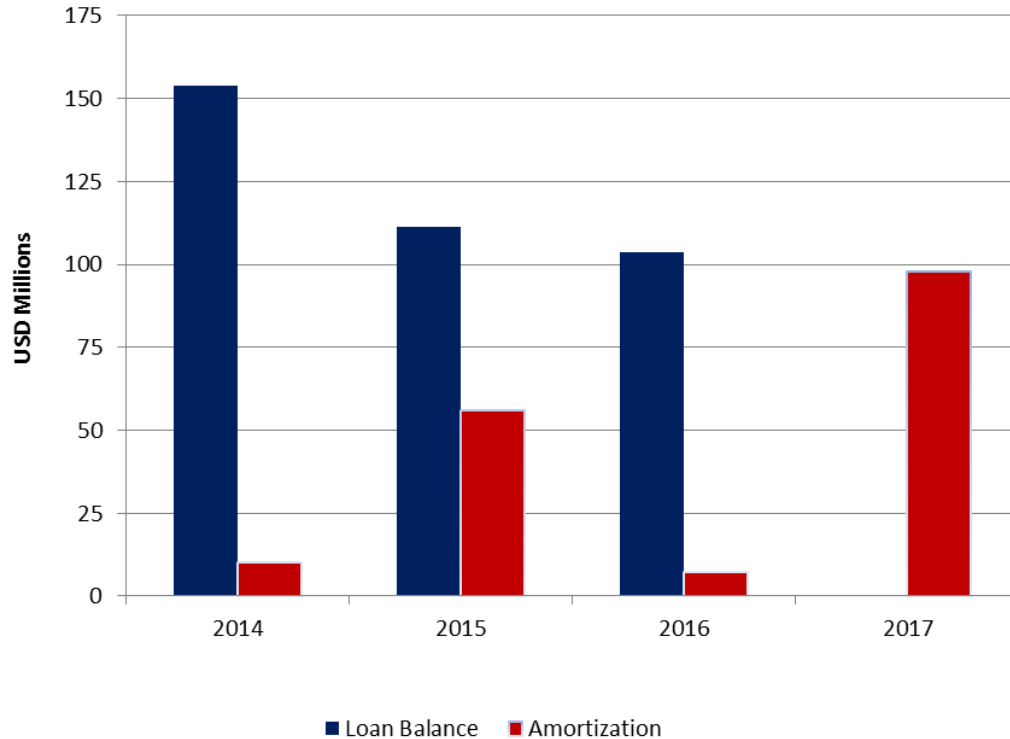
- ✓ Focus on OTS equity instrument
- ✓ Utilize tonnage tax and deferred tax assets
- ✓ Grow fleet and continue reduced- risk growth through Joint Ventures



OCEANTEAM SHIPPING

Finance Structure

BOND Debt Maturity Profile



EBITDA to date

- USD 6.7 million equal 44% of revenue

Cash position

- USD 12 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 3.7 million

Loan redemption

- USD 8.2 million

Key Financial Covenants

- Book equity: > 35%
- 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 small but positive increase 2013 / 2014

FMV developments

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

Booked equity

- 45%
- USD 150 million (after 10% share buy back)

Market capitalization

- NOK 126 million (29.6 m shares@ NOK 4.25)

Free cash flow

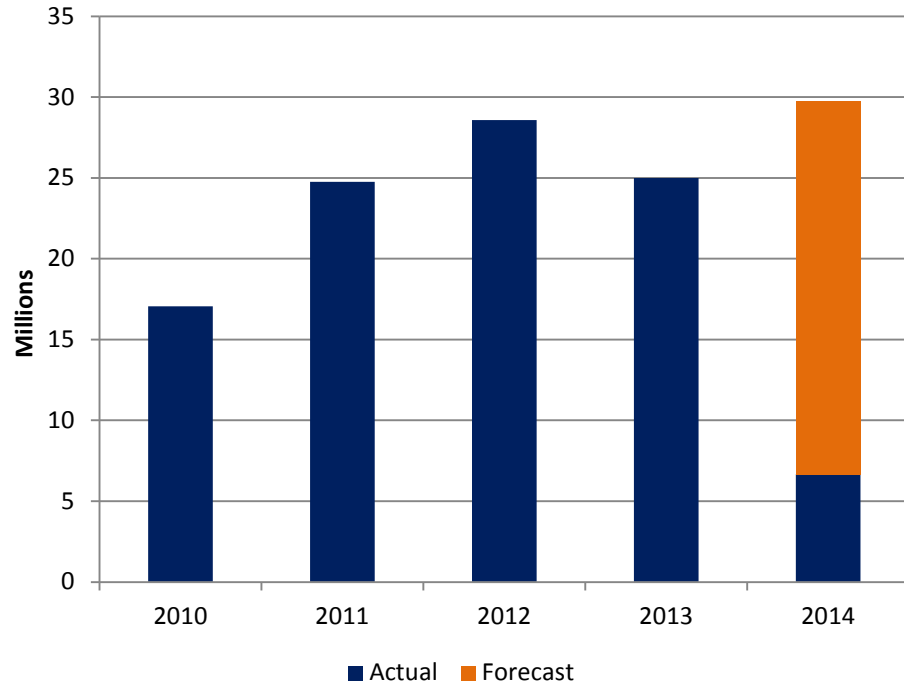
- steady, positive cash flow from existing operations
- Continues investments

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 Q1 2014

Figures in USD '000	Q1 2014	Q1 2013
Revenue	12 607	8 120
Total operating revenues	12 607	8 120
Net income from joint ventures and associates	2 481	4 131
Operating costs	(3 581)	(4 290)
General & administration	(4 837)	(3 726)
Deprecation	(2 412)	(1 113)
Write off	(97)	(41)
Total operating expenses	(10 926)	(9 170)
Operating profit (loss)	4 162	3 081
Net finance	(3 735)	(3 166)
Ordinary profit (loss) before taxes	427	(85)
Corporate income tax	181	316
Net result	608	231

Figures in USD '000	Cum Q1 2014	2013
Revenue	12 607	29 245
Total operating revenues	12 607	29 245
Net income from joint ventures and associates	2 481	16 109
Operating costs	(3 581)	(14 902))
General & administration	(4 837))	(18 271)
Deprecation	(2 412)	(4 236)
Write off assets	(97)	99
Total operating expenses	(10 926))	(37 310)
Operating profit (loss)	4 162	8 043
Net finance	(3 735)	(12 489)
Ordinary profit (loss) before taxes	427	(4 446)
Corporate income tax	181	1 161
Net result	608	3 285

BALANCE SHEET Q1 2014

Figures in USD '000	31.03.2014	31.12.2013
Assets		
Intangible assets	20 942	20 724
Tangible assets	255 863	139 021
Total non current assets	276 805	159 745
Receivables	42 264	48 529
Cash and cash equivalents	11 961	6 240
Total current assets	54 225	54 769
Total assets	331 030	214 515

Figures in USD '000	31.03.2014	31.12.2013
Equity and liabilities		
Total equity	150 526	108 315
Total non current liabilities	148 722	86 840
First year instalments	8 100	101
Other current liabilities	23 681	19 260
Total current liabilities	31 781	19 361
Total liabilities	180 503	106 201
Total equity and liabilities	331 030	214 515

- Book value of equity is 45 %

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

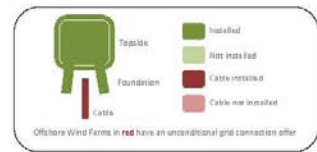
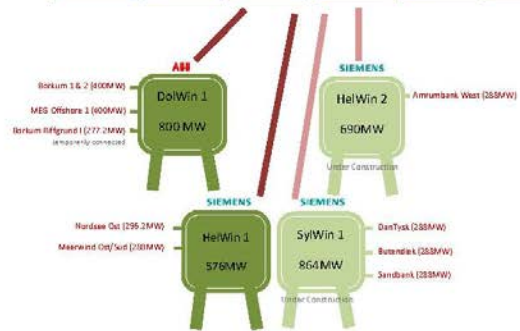
- The Dutch entities have an estimated tax loss to carry forward of EUR 45 million
- A restructuring has been finalized to further utilize tax losses
 - Negligible payable tax costs going forward



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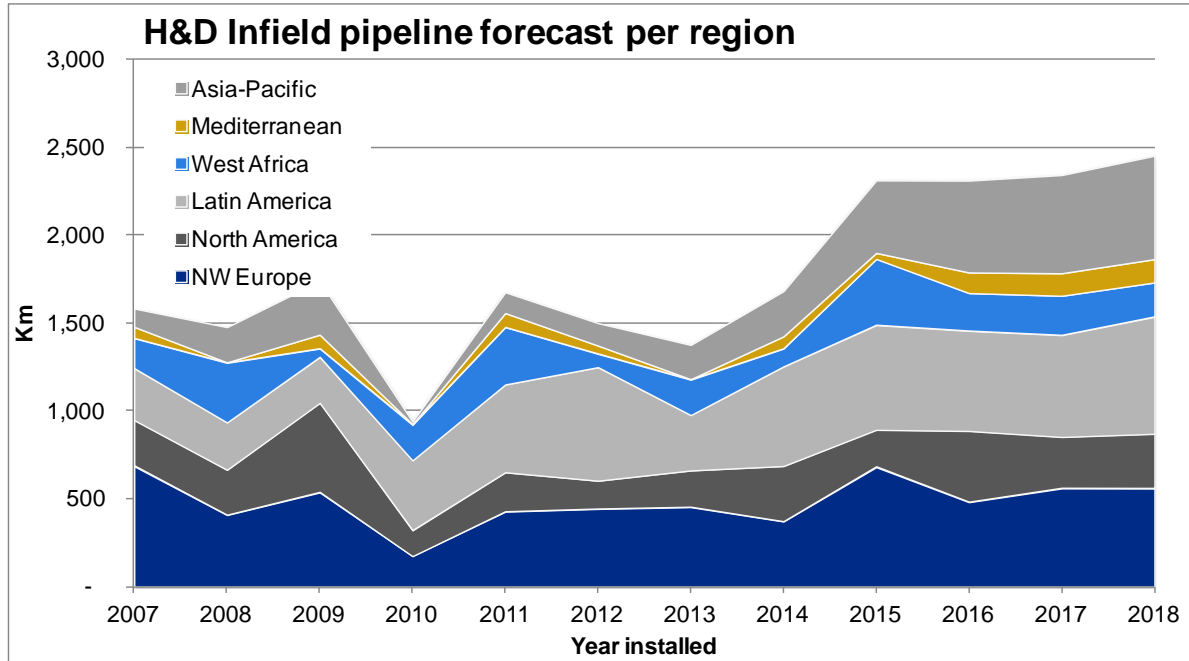
Market Outlook

EUROPEAN OFFSHORE WIND MARKET OUTLOOK



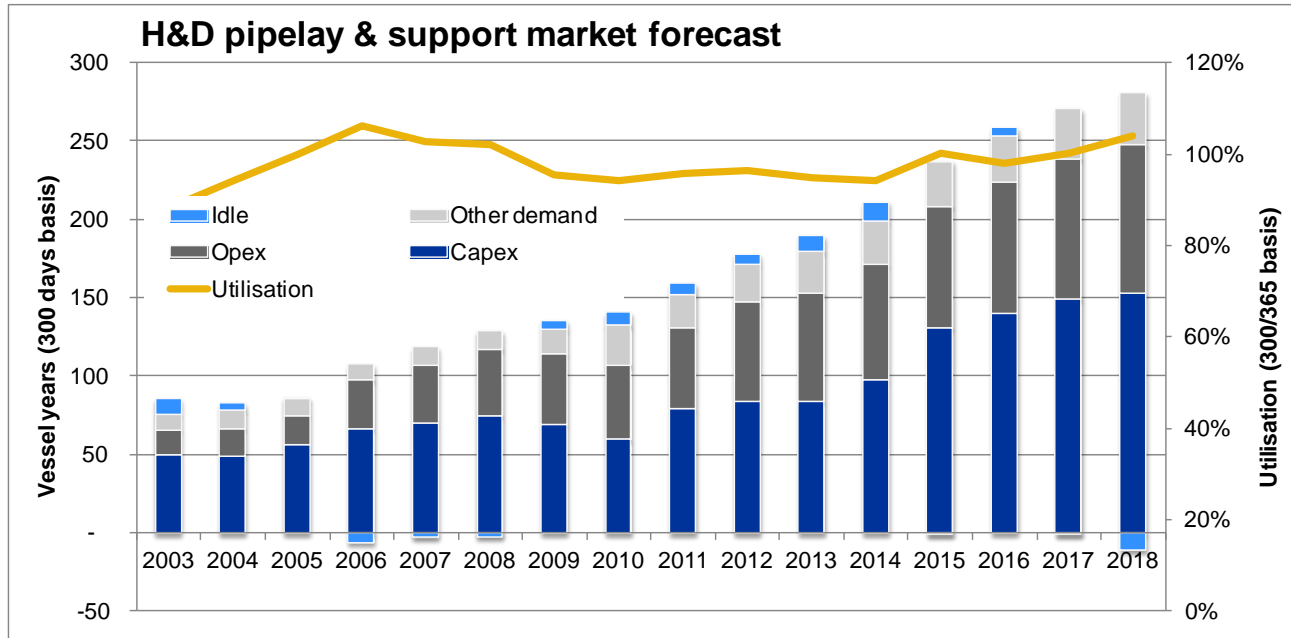
- Overall renewable market is expected to grow. This leads to increased demand for support vessels and associated services
- Trend: (German) market shows installation gap between 2018-2022
- RentOcean fills gap by entering Oil & Gas market for installation & storage projects of umbilicals/flexibles/pipes
- Result: serve both markets with our equipment and engineering services with focus on extending equipment pool

Average annual demand growth expected to be 12% in the H&D surf market in period 2013-18



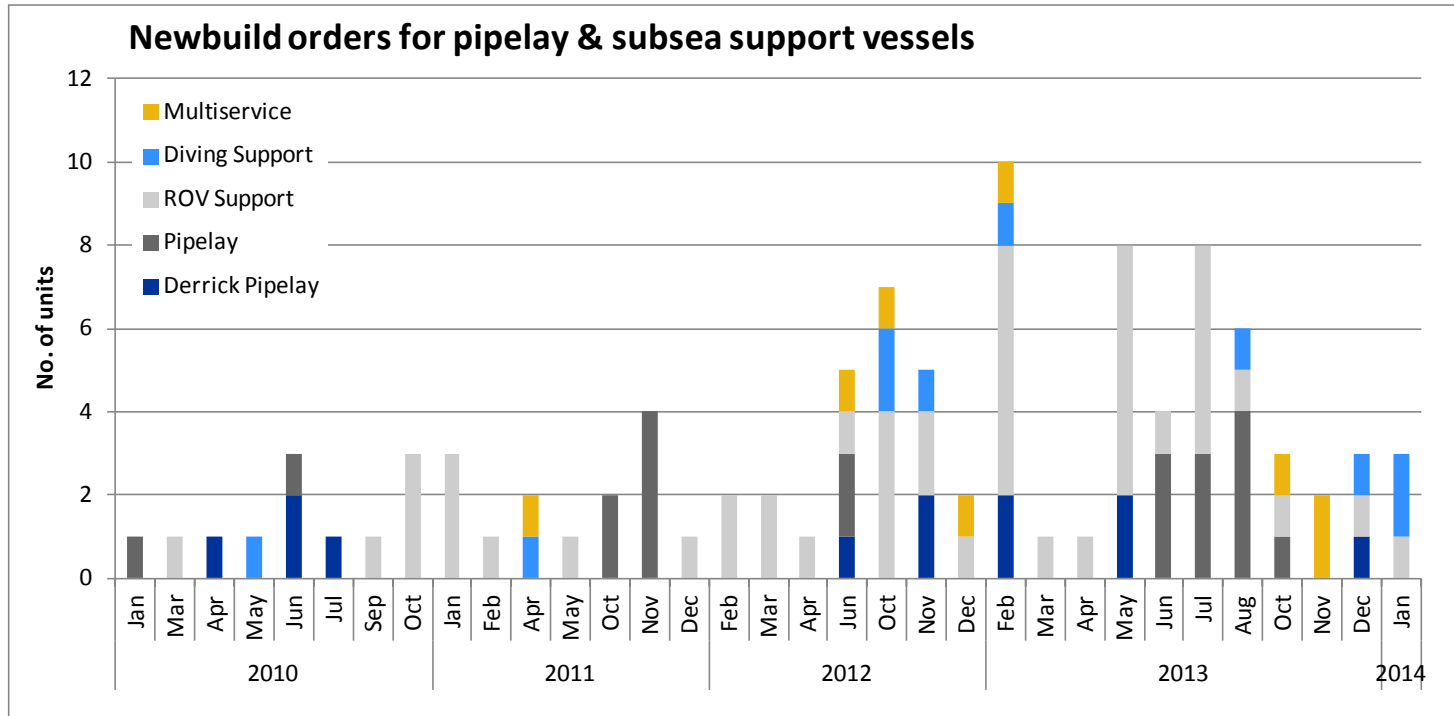
- Strongest H&D infield installation growth in Brazil and Asia-Pacific

Balanced demand and supply outlook for Harsh & Deepwater vessels



- Base case has demand growth 2013-18 of 9% p.a. and fleet capacity growth of 9% p.a. up to 2017 based on no further newbuilding contracts, no cancellations and no scrapping

Newbuild orders picked up in 2013



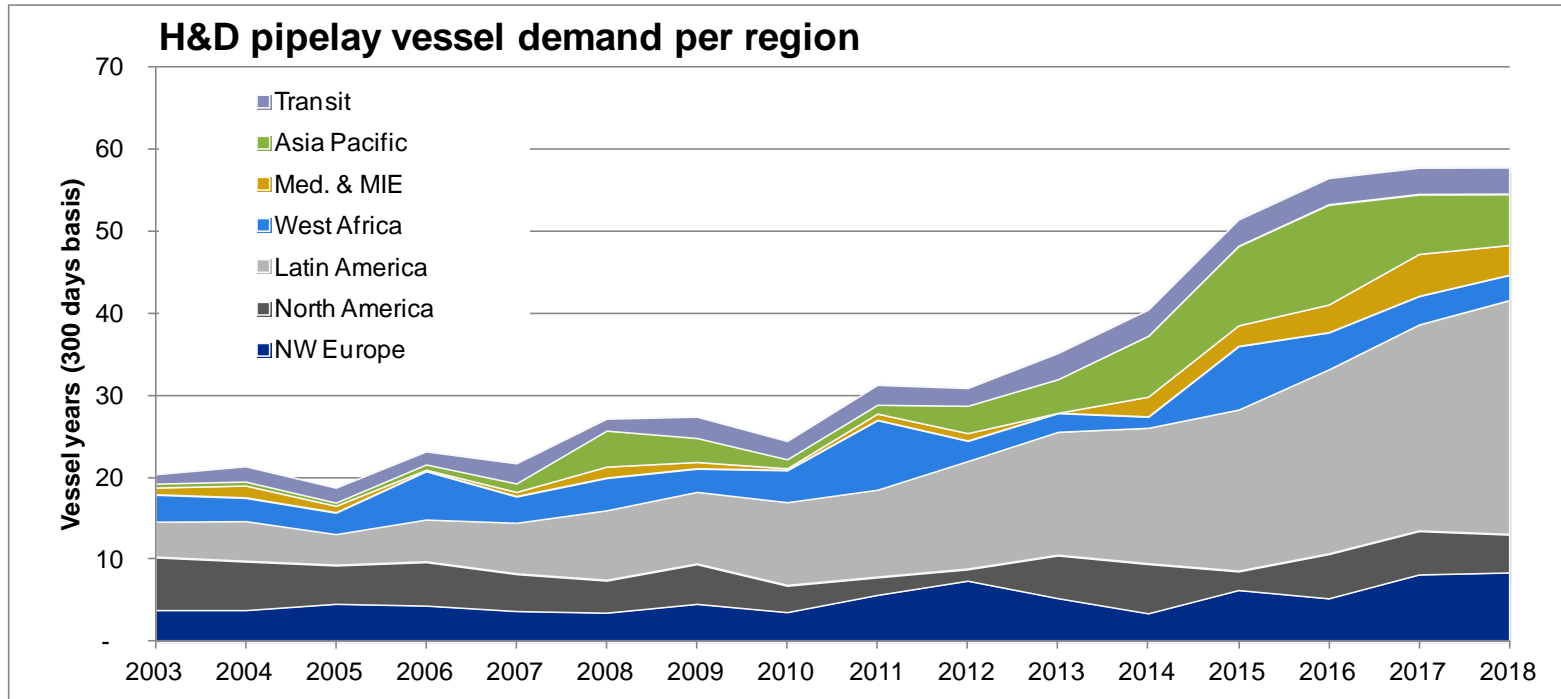
- 2 additional pipelay vessels ordered in March 2014

Detailed segmentation of the H&D fleet

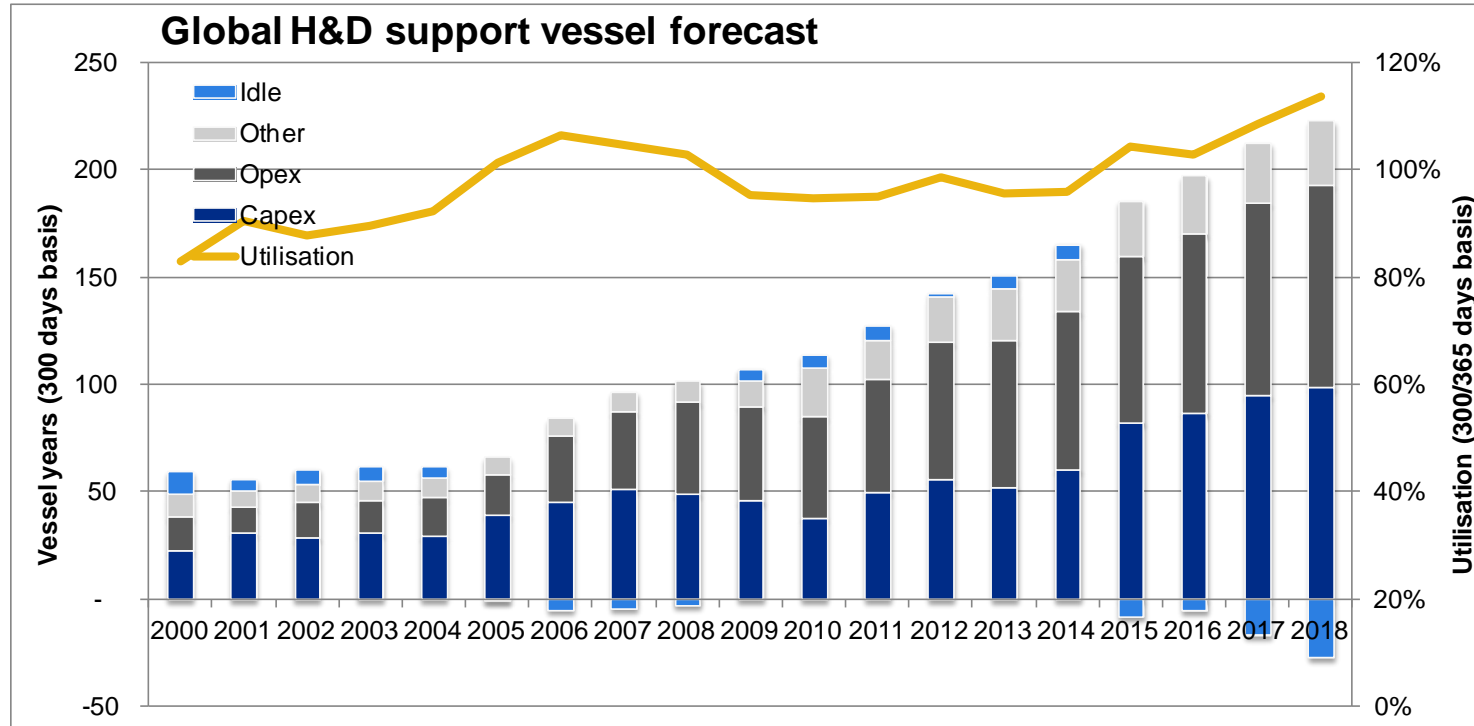
No. of vessels	Year																
Type	Length	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Lay Barges	115<LOA<150 M	3	2	1	2	2	1	2	3	2	2	2	2	2	2	2	2
	LOA>150 M	7	6	6	7	7	8	7	6	8	9	11	14	17	18	19	19
Total Lay Barges		10	9	7	8	8	9	9	9	10	11	13	16	19	20	21	21
Reel lay 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%



Average demand growth for H&D pipelay vessels expected to be 10% up to 2018



Demand for H&D support vessels expected to grow 9% p.a up to 2018, and about 25 vessels lacking in 2018!



GOING FORWARD - “Checklist for September 2014”:

- Enhancement and pricing of equity instrument
- Continued focus on high quality assets and balance sheet
- New investments in high quality assets utilizing the clean capital structure
- 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 and OceanWind
- Strong focus on Mexico



THANK YOU!



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