



OCEANTEAM SHIPPING

An Oslo Stock Exchange listed shipping company

Ticker: OTS

CEO: Haico Halbesma

CFO: Torbjørn Skulstad

Q3 2015 Presentation Oslo – 12 November 2015

LAY VESSEL NORTH OCEAN 105
VALLETTA

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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

- Highlights of the Company, Subsequent Events & Market Outlook
- Strategy
- Financials



OCEANTEAM SHIPPING

Highlights of the Company & Market Outlook

HIGHLIGHTS OF THE 3rd QUARTER 2015

- Secured backlog and strong partners allows company to navigate through the volatile and challenging oil and gas market.
- Diversification, Joint Ventures, System and clear focus reduce operational costs and turn the company into a more effective and cost efficient group
- New large CSV named Tampamachoco 1 due for delivery end 2016 for long-term contract in Mexico
- Rebranding of the Oceanteam Group to suit the solution driven services has been initiated
- Prolonged downturn in oil and gas market is affecting our asset values negatively, but the Company is now reaping the benefits of a modern fleet with strong contract coverage into 2017 & beyond

SUBSEQUENT EVENTS

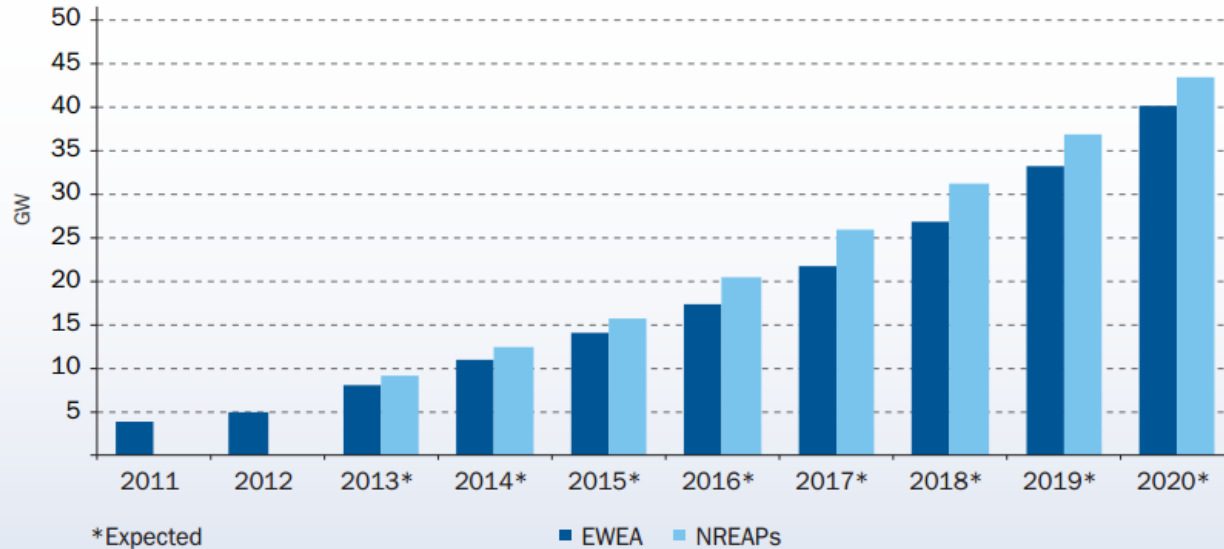
- To support growth, the Company secured a new flexible loan facility meeting future requirements
- Oceanteam Shipping acquired two new FSVs with guaranteed buy back option from builder. Delivery is early 2016.
- LOI received for major cable transport, storage and offshore cable handling system projects in 2016

MARKET OUTLOOK

- Long-term fundamentals of different markets and regions to remain strong, but short and medium remain uncertain
- Growing importance of Offshore Renewables Market in 2016 and 2017 supported by an increased number of RFQ's for engineering services combined with equipment.
- Oceanteam focuses on stable regions, strong local partners and a diverse client base. This, in combination with a flexible and scalable business model, assists in weathering the dynamics in the markets
- To mitigate market risk and to retain stable cash flows Oceanteam has secured superior backlog up to 2017/2018 for its main CSV assets and has maintained a good level of utilization of its assets and engineers
- The overhaul of the companies systems and organisation has reduced operational cost and is increasing efficiency.



OFFSHORE WIND– Significant potential in Europe

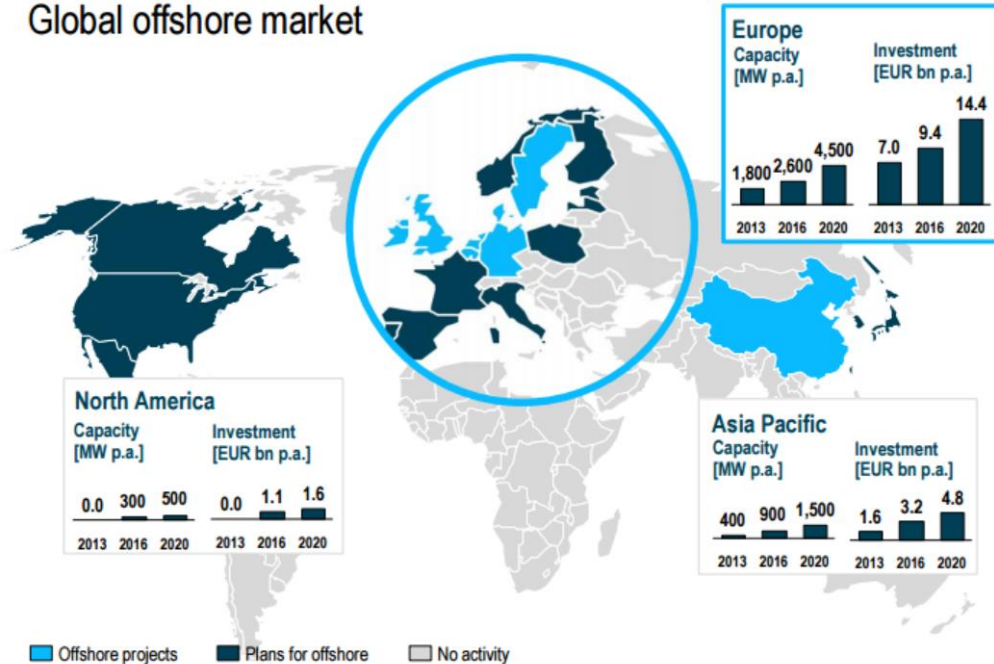


Source: EWEA, National Renewable Energy Action Plans

- Offshore wind has significant generation potential in Europe with increasingly large-scale sites
- The demand of services related to the offshore wind will therefore increase
- Graph confirmed by increasing numbers of tenders Oceanteam receives

OFFSHORE WIND– Developments taking off globally

Global offshore market



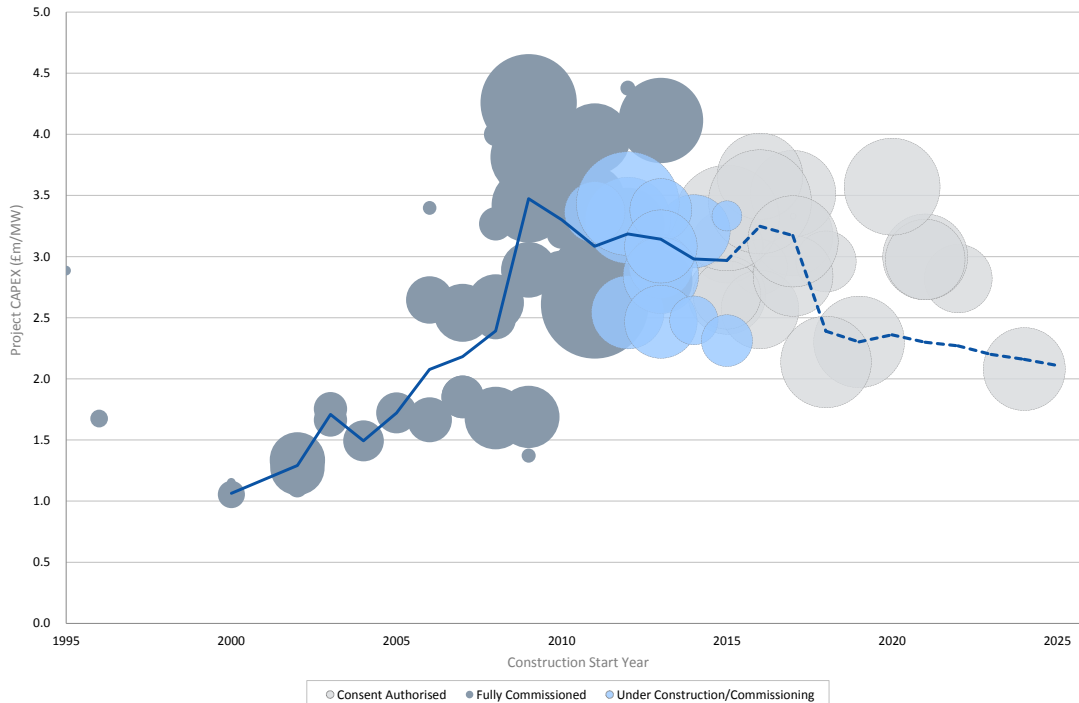
Rationale: Investment costs per MW: 2013: EUR 3.9 m, 2016: EUR 3.6 m, 2020: EUR 3.2 m

Source: EER; BTM; Global Data; Roland Berger

- More than 91% of all offshore wind installations can be found in European waters. However, governments outside of Europe have set ambitious targets for offshore wind and development is starting to take off in China, Japan, South Korea, Taiwan and the US
- Oceanteam Solutions fully focuses and grows its worldwide cable transport, handling and storage services to meet the increased demand

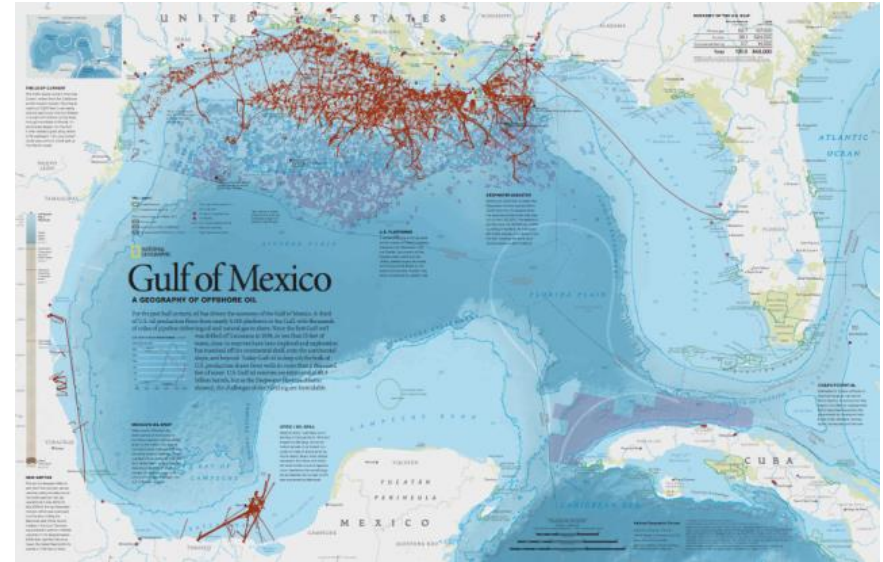
Strong growth in Offshore Renewable market with focus on cutting installation and maintenance costs

DEVELOPER'S FORECAST REDUCED CAPEX AND REQUIRE INNOVATIONS



MEXICO – Captive market with opportunities

- Pace changed due to change in oil price but change of requirements still eminent
- Important milestone: DOT Shipping, a joint venture with Grupo Diavaz
- Goal to provide complete vertical supply chain through cutting edge engineering solutions and high end quality vessels unchanged
- Through this JV Oceanteam's operations are expected to grow significantly
- To date 3 long term contract secured

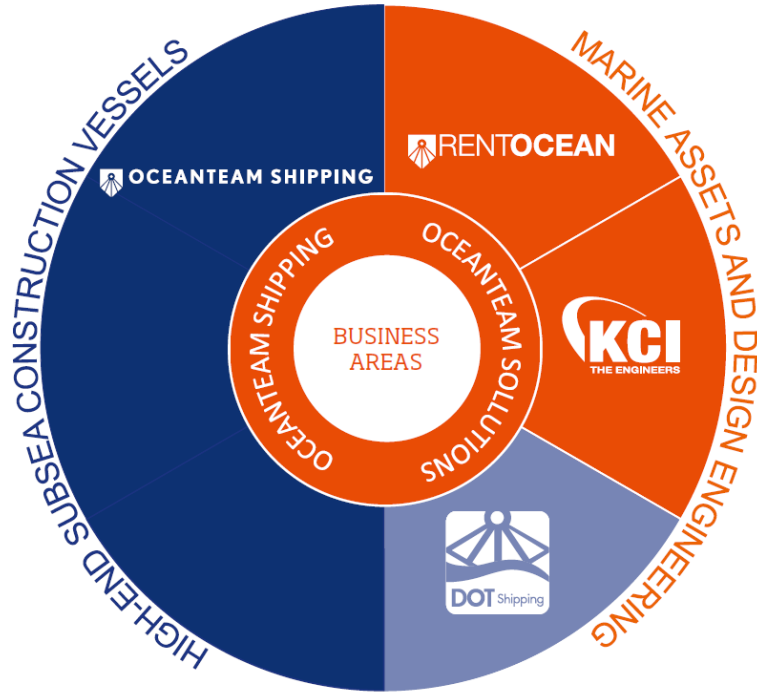




OCEANTEAM SHIPPING

STRATEGY

DIVERSIFICATION STRATEGY



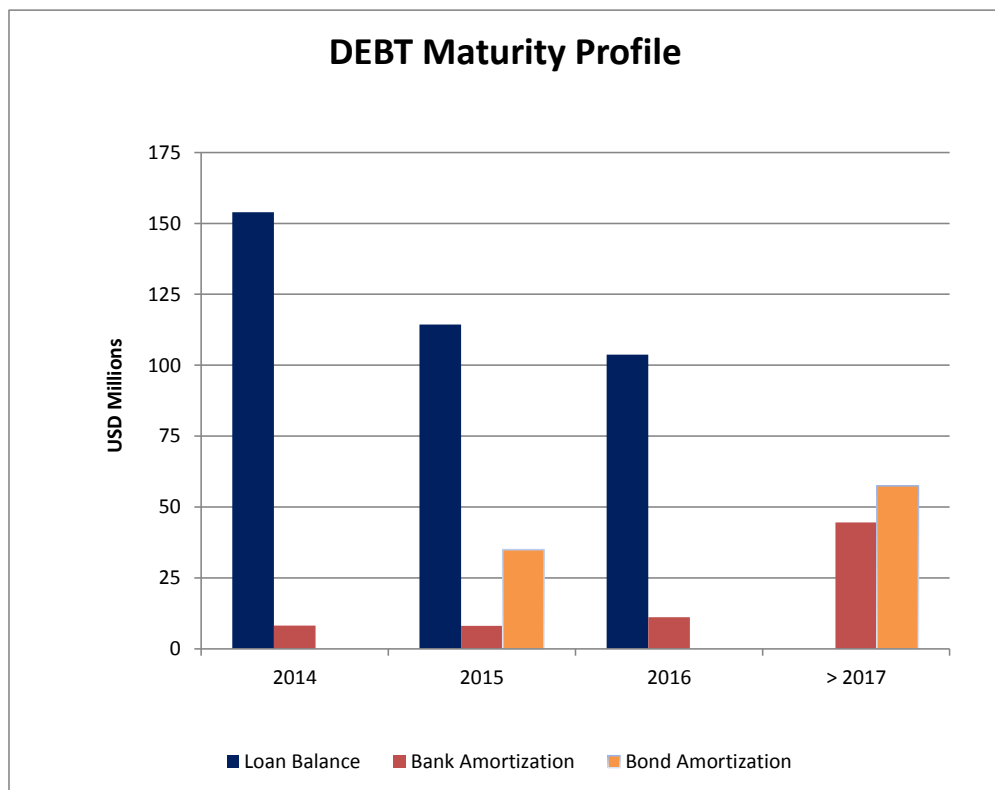
- Two operating segments:

- > **Oceanteam Shipping**
- > **Oceanteam Solutions**

Operating through variety of global business units and different markets

- This **diversification strategy** allows company to maintain and improve its performance, even during challenging market conditions
- Approx 50% of Oceanteam's earnings from **Solution driven services**. Strategy is to maintain this earnings split with average of 50% of income growth to come from solution driven services

FINANCIAL STRATEGY



A disciplined financial strategy:

- **Diversified sources** of financing through many long term bank relations
- **De-leveraging of high yield bond**, leads to reduced quarterly finance costs of 1 mUSD from q2 2015 and forward
- **Improved credit rating** leads to more sources to fund growth
- **Improved cost of capital** brings more value to shareholders

⇒ **Target: REFINANCING BOND due Oct. 2017**
⇒ To fund Growth strategy and clear dividends performance

EBITDA to date

- Q3 - USD 6 million - 50% of revenue
- Cum Q3 – USD 22 million
- LTM – 31 million

FOCUS GOING FORWARD

- Take next step in optimizing capital structure whereby we continue to unlock equity values, reduce capital and operational costs and facilitate growth of the company
- Continue transition to increase solution services earnings and added value by effectively combining engineering, marine assets and fleet: **Oceanteam Solutions**
- Focus on growing our partnerships and develop new opportunities
- Mexican market through DOT Shipping and Grupo Diavaz
- Continued investments when opportune to increase number of earning units
- Utilise tax structure further to maximise shareholder's value and to facilitate growth



OCEANTEAM SHIPPING

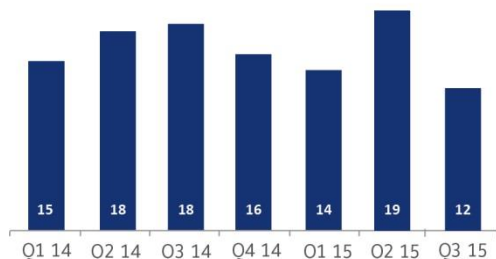
FINANCIALS

Q3 2015 – STABLE SHIPPING PERFORMANCE

Revenue

12 mill.

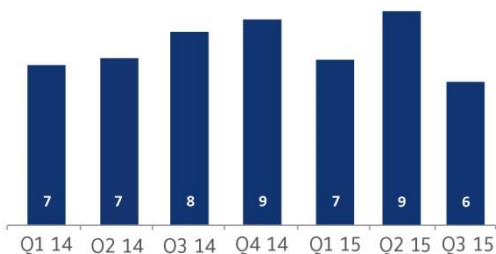
USD in million



Ebitda

6 mill.

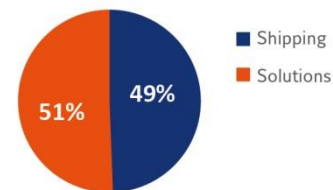
USD in million



Segment Revenue

Revenue split Cum Q3 2015

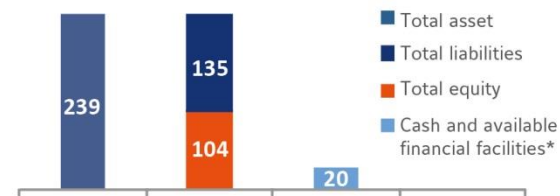
USD in million



Asset overview

Balance

USD in million

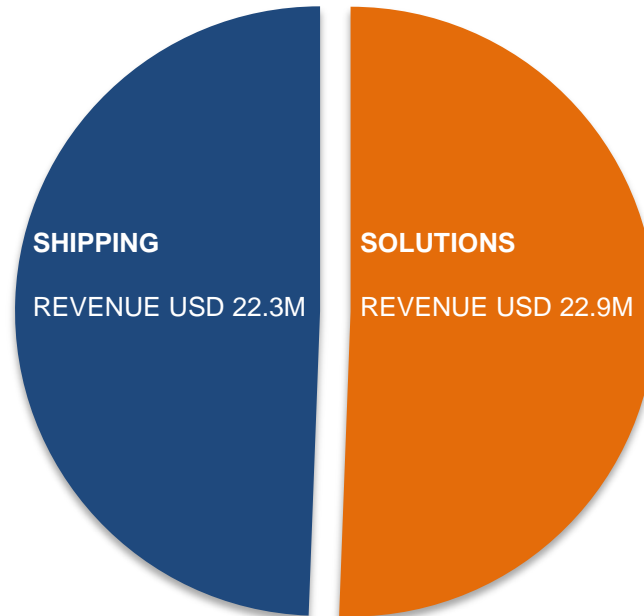


*3,2 million in cash and 16,8 million in financial overdraft and revolver facilities

Q3 2015- STABLE SHIPPING PERFORMANCE

Revenue split Cum Q3 2015

USD in million



Shipping segment

- Two CSVs and one LV through joint ventures:
 - CSV Bourbon Oceanteam 101
 - CSV Southern Ocean
 - LV North Ocean 105
 - FSV Tiburon
 - FSV Mantarraya
- Solid clients: Oceaneering/BP
Angola, Fugro TSM, McDermott

Solutions segment

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

DOT Shipping

- Joint venture focused on growing Mexico Offshore Market
- Two FSVs : Icosos & Cobos
- One large CSV under construction

SHIPPING – Highlights

- CSV BO 101, Southern Ocean and North Ocean 105 utilized as planned
- Oceanteam Shipping acquired two new FSVs with guaranteed buy back option from builder. Delivery is early 2016
- The construction of DOT Shipping's large CSV Tampamachoco 1 is progressing as planned and the two new build FSV's are in full operation in Mexico
- Crane lease CSV Southern Ocean refinanced at more favourable terms



One of the newly build FSVs

SHIPPING – Backlog

		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 Southern Ocean	bareboat												
LV North Ocean 105	bareboat												
CSV Tampamachoco 1	time charter												
FSV Mantarraya	bareboat												
FSV Tiburon	bareboat												
Two new FSV's	Under construction												
FSV Cobos	time charter												
FSV Icacos	time charter												

Contract
 Option
 Under construction

SOLUTIONS – Highlights

RentOcean / Oceanteam Solutions

- To complete its value chain, Oceanteam acquired remaining 48% stake in OCEANWIND BV
- Has been awarded a contract for spooling of cable with Powered Quadrant in the Middle East
- Secured a EUR 15 million revolving term loan facility
- Has been awarded a strategic contract in Germany for supply and engineering of cable lay spread in combination with frame agreement for future equipment, transport and storage services

KCI The Engineers

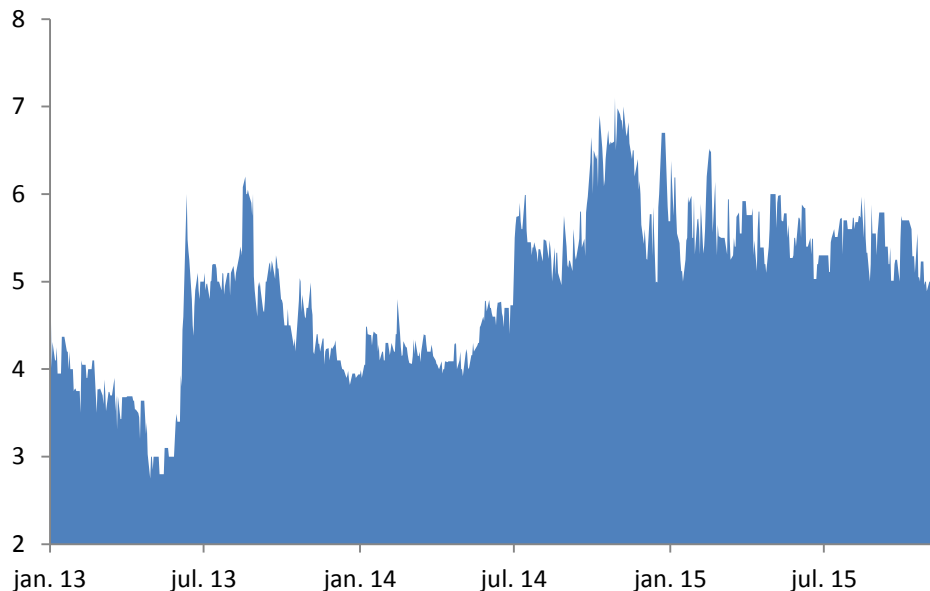
KCI worked on multi discipline service contracts:

- Floating solar panels project
- Tender assistance and feed studies for sub stations and WTG foundations for several offshore wind projects
- Additional engineering scope for a large observation wheel in the Middle East
- Concept design and prototyping of an alternative propeller with a much higher efficiency
- Performing mooring analyses for an offshore construction vessel



Our demountable 4000T turntable will be made ready for a cable laying project in Germany

SHARE PRICE DEVELOPMENT



Share development:

- A positive increase 2012 / 2015

FMV developments

- Modern fleet, high-end deep water assets.

Booked equity

- 43.5%
- USD 104 million (after 10% share buy back)

Market capitalization

- NOK 170 million (29.6 m shares @ NOK 5.75)

Free cash flow

- Steady, positive cash flow from existing operations
- Diversification in markets segment and geographical areas
- Continues high-end equipment investments

Consensus among credit analysts

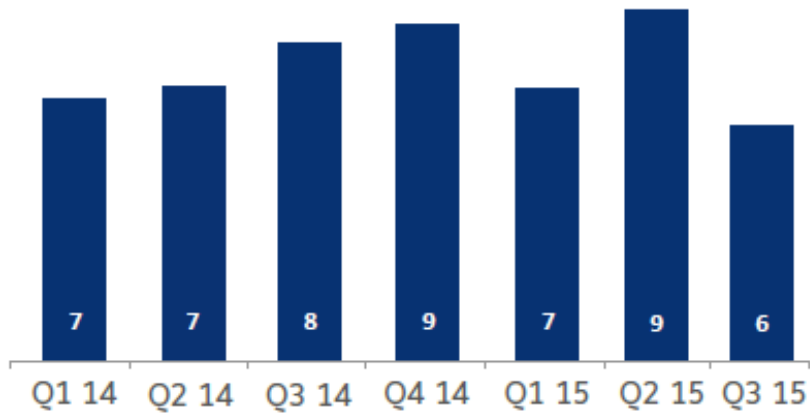
- Steady operations
- Key credit metrics remain overall stable

HISTORICAL EBITDA DEVELOPMENT

Ebitda

6 mill.

USD in million



EBITDA performance:

- 6 million EBITDA in Q3 with non-recurring effects accounted for
- Last Twelve Months EBITDA 31 million
- 2015 is without North Ocean 102 – replaced earnings with Oceanteam Solutions activities

P&L REPORT END Q3 2015

Figures in USD '000	Q3 2015	Q3 2014
Revenue	9 684	15 386
Net income from joint ventures and associates	2 216	3 022
Total operating revenues	11 900	18 408
Operating costs	(2 781)	(4 926)
General & administration	(3 107)	(5 415)
Depreciation	(2 953)	(2 541)
Write off	(370)	
Total operating expenses	(9 211)	(12 881)
Operating profit (loss)	2 689	5 528
Net finance	(2 898)	(3 745)
Ordinary profit (loss) before taxes	(210)	1 782
Corporate income tax	0	0
Net result before increase (decrease) from vessel revaluation	(210)	1 782

Figures in USD '000	Cum Q3 2015	Cum Q3 2014
Revenue	39 834	42 482
Net income from joint ventures and associates	5 381	8 756
Total operating revenues	45 215	51 238
Operating costs	(12 080)	(13 404)
General & administration	(11 290)	(16 135)
Depreciation	(8 500)	(7 477)
Write off assets	(370)	(94)
Total operating expenses	(32 240)	(37 110)
Operating profit (loss)	12 975	14 129
Net finance	(9 464)	(11 571)
Ordinary profit (loss) before taxes	3 507	2 558
Corporate income tax	(39)	227
Net result before increase (decrease) from vessel revaluation	3 468	2 785

BALANCE SHEET Q3 2015

Figures in USD '000	30.09.2015	31.12.2014
Assets		
Intangible assets	20 898	20 744
Tangible assets	199 027	226 645
Total non current assets	219 923	247 389
Receivables	15 484	18 335
Cash and cash equivalents *	3 320	44 547
Total current assets	18 805	62 882
Total assets	238 728	310 271

* In addition to the cash and cash equivalent per 30 September 2015, the Group holds treasury shares of approximately USD 2.0 million in current market value. The Group also has 1.6 million EUR in overdraft and a 15 million undrawn revolver loan available to support the equipment growth.

Figures in USD '000	30.09.2015	31.12.2014
Equity and liabilities		
Total equity	103 960	135 850
Total non current liabilities	105 150	110 764
First year instalments	11 100	43 100
Other current liabilities	18 518	20 557
Total current liabilities	29 618	63 657
Total liabilities	134 768	174 421
Total equity and liabilities	238 728	310 271

Book value of equity is 43.5 %



THANK YOU!



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