



OCEANTEAM SHIPPING

An Oslo Stock Exchange listed shipping company

Ticker: OTS

CEO: Haico Halbesma

CFO: Torbjørn Skulstad

Q4 2013 Presentation Oslo – 13 February 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 150 people strong



Engineering & Execution Support



Modular Carousels, Specialist Equipment, Storage & Handling

Our Mission

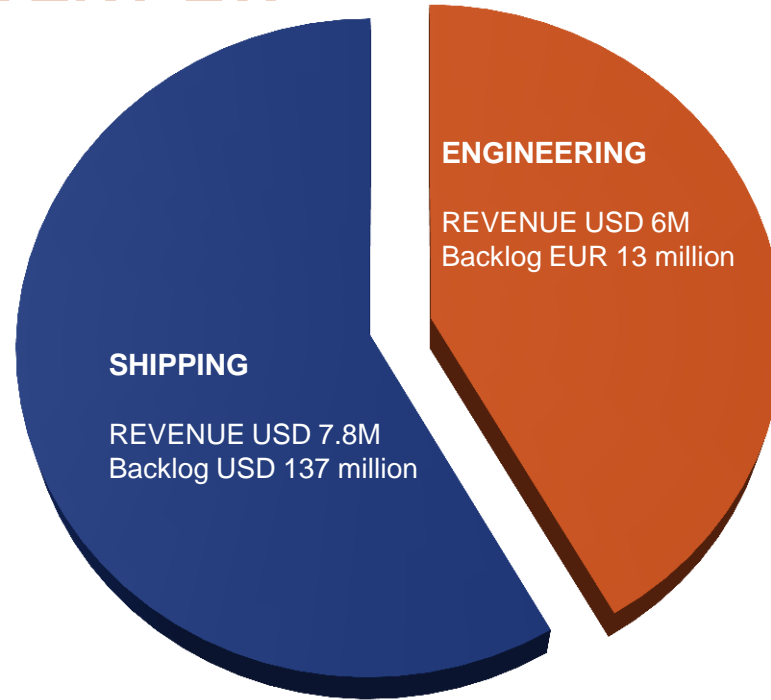
Creating value through:

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

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
- Equipment rental division RentOcean

FOCUS GOING FORWARD

- **Target markets**

- ✓ Large harsh- and deep-water Construction Support Vessels (CSV) and Pipe Lay Vessels
- ✓ Market CSV's and Pipe Lay Vessels combined with in-house engineering know-how
- ✓ Grow contract backlog RentOcean and Shipping
- ✓ Develop OceanWind Cable Storage Solutions
- ✓ Extension of RentOcean's service scope: stepping into Oil & Gas market
- ✓ Additional value from design engineering jobs
- ✓ Additional value from new equipment investments

- **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

SHIPPING – Our Fleet

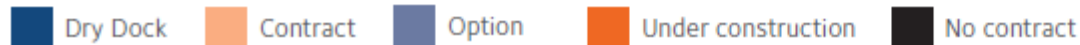
- CSV Bourbon Oceanteam 101
- CSV North Ocean 102
- CSV Southern Ocean
- LV North Ocean 105
- FSV Mantarraya
- FSV Tiburon



- High-end deep-water offshore construction
- Proven quality in the most demanding and advanced deep-water operations
- Vessel type orders to date: 7
- Building and operational economics
- Configuration flexibility with in-house engineering team that provides complex and complete solutions
- New enhanced design completed

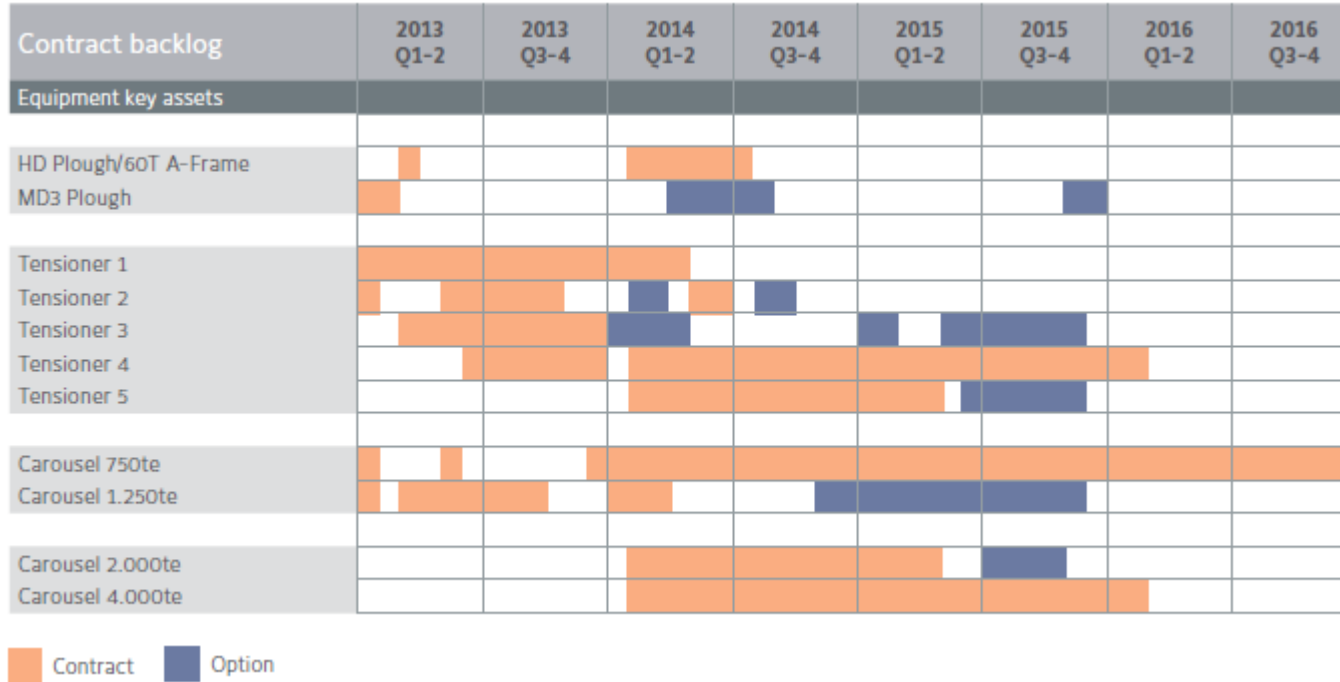
SHIPPING – Charter Status

Contract backlog		2012 Q1-2	2012 Q3-4	2013 Q1-2	2013 Q3-4	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
Shipping	Type of contract														
CSV BO 101	time charter	Contract	Contract	Dry Dock	Contract	Contract	Contract	Contract	Option	Option	Option	Option			
CSV North Ocean 102	bareboat	Contract	Contract	Contract	Contract	Contract	Contract	Option	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	Under construction	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract			
Mantarraya	bareboat	Contract	Contract	Contract	Contract	Contract	Option								
Tiburón	bareboat	Contract	Contract	Contract	Contract	Contract	Option								

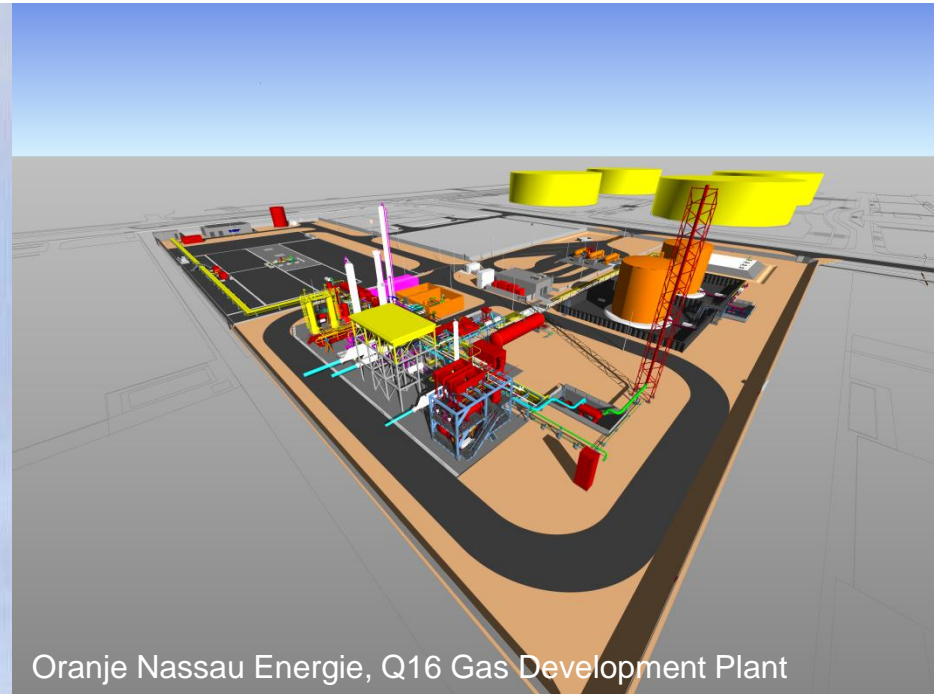


➤ Robust backlog USD 137 million with solid clients

ENGINEERING – Equipment Status



ENGINEERING - Services



Iberdrola, Substation Jacket Design

Oranje Nassau Energie, Q16 Gas Development Plant

Design Engineering Services, 150 people strong

ENGINEERING – Services



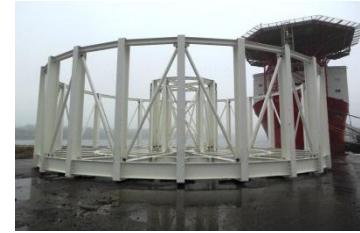
ENGINEERING & EQUIPMENT RENTAL



Handling, Transport & Storage Services



Offshore Installation
Equipment



Certified Proprietary Designs

Modular & Easy Transport

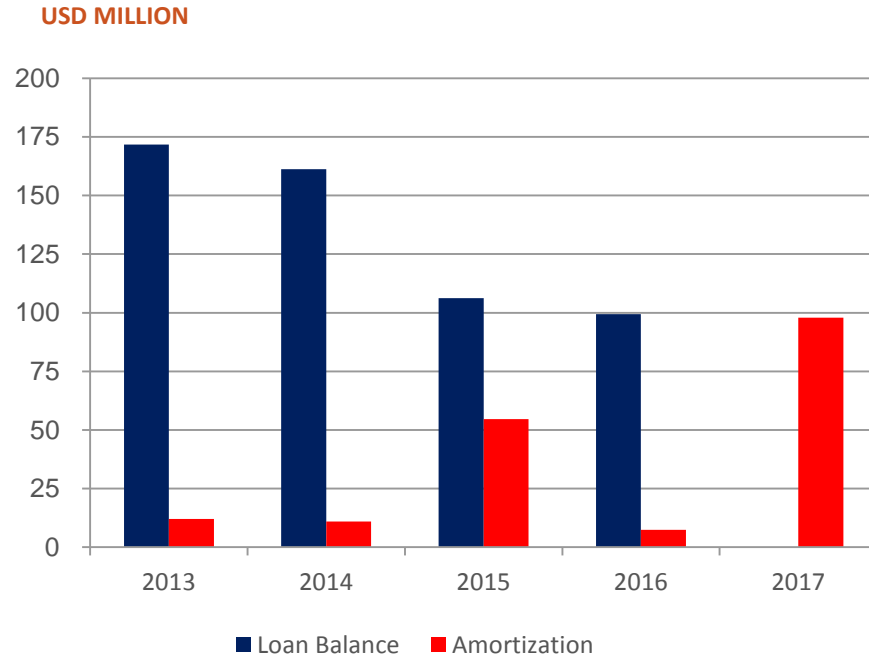
One design concept for onshore
& offshore operations



OCEANTEAM SHIPPING

Finance Structure

BOND REFINANCE – New Debt Maturity Profile



EBITDA to date

- USD 27.3 million equal 45% of revenue

Cash position

- USD 15.7 million (101, 102 & 105 cash level is not on the IFRS line)

Net financial

- USD 15.1 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 positive increase during the year

FMV developments

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

Booked equity

- 48%
- USD 157 million (after 10% share buy back)

Market capitalization

- NOK 126 million (29.6 million@4.25)

Free cash flow

- steady, positive cash flow from operations

Consensus among credit analysts

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

COMPANY OVERVIEW – Highlights Q4

Engineering segment

OceanWind awarded long-term storage and handling contract from E.ON

4.000 ton carousel for LS Cable successfully tested and delivered

RentOcean worked on multiple contracts during the quarter and has been awarded a significant back log for 2014 from REEF, CEONA, EON and LS Cable

KCI engineering worked on multi discipline projects, amongst: onshore field development, detailed engineering MPP and concept design J-lay tower

Shipping segment

Revenue USD 7.8m

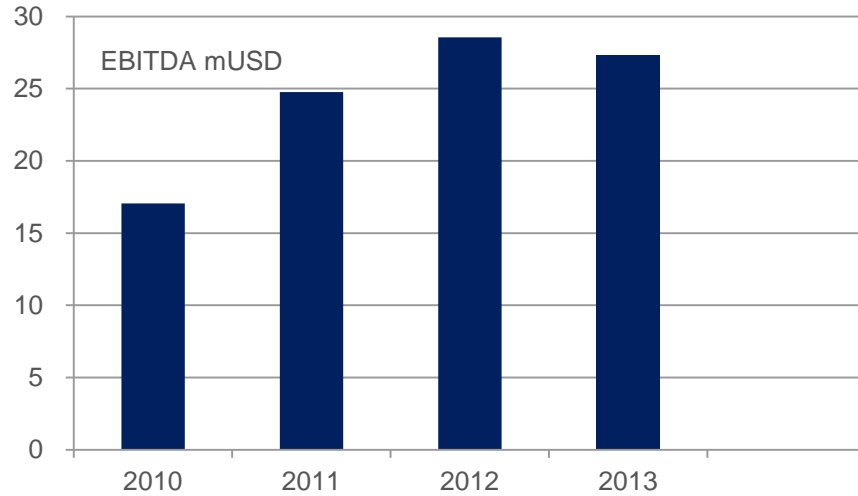
CSV Southern Ocean is consolidated

CSV Southern Ocean in standby mode from November 2013 up to end February 2014



EBITDA DEVELOPMENT HISTORICAL

KEY FINANCIAL FIGURES (USD MILLION)





OCEANTEAM SHIPPING

Financials

P&L REPORT END Q4 2013

Figures in USD '000	Q4 2013	Q4 2012
Revenue	10 716	13 022
Total operating revenues	10 716	13 022
Net income of associates	3125	2 839
Operating costs	(3 286)	(4 898)
General & administration	(5 538)	(4 917)
Depreciation	(2 438)	(2 808)
Write off assets	146	197
Total operating expenses	(11 116)	(12 426)
Operating profit (loss)	2 725	3 434
Net finance	(3 603)	(8 974)
Ordinary profit (loss) before taxes	(878)	(5 540)
Corporate income tax	61	(4509)
Net result	(817)	(10 049)

Figures in USD '000	2013	2012
Revenue	49 321	48 788
Total operating revenues	49 321	48 788
Net income of associates	10 941	11 488
Operating costs	(15 230)	(16 317)
General & administration	(17 741)	(15 234)
Depreciation	(10 849)	(10 948)
Write off assets	99	825
Total operating expenses	(43 722)	(41 674)
Operating profit (loss)	16 540	18 602
Net finance	(15 108)	(21 011)
Ordinary profit (loss) before taxes	1 433	(2 409)
Corporate income tax	1 630	(4 762)
Net result	3 063	(7 170)

BALANCE SHEET Q4 2013

Figures in USD '000	31.12.2013	31.12.2012
Assets		
Intangible assets	20 724	18 506
Tangible assets	280 947	267 673
Total non current assets	301 671	286 179
Receivables	9 282	12 950
Cash and cash equivalents	15 743	31 762
Total current assets	25 024	44 712
Total assets	326 695	330 892

Figures in USD '000	31.12.2013	31.12.2012
Equity and liabilities		
Total equity	156 989	154 382
Total non current liabilities	155 474	164 382
First year instalments	8 201	9 189
Other current liabilities	6 033	2 940
Total current liabilities	14 234	12 129
Total liabilities	169 708	176 511
Total equity and liabilities	326 695	330 892

- Book value of equity is 48%

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

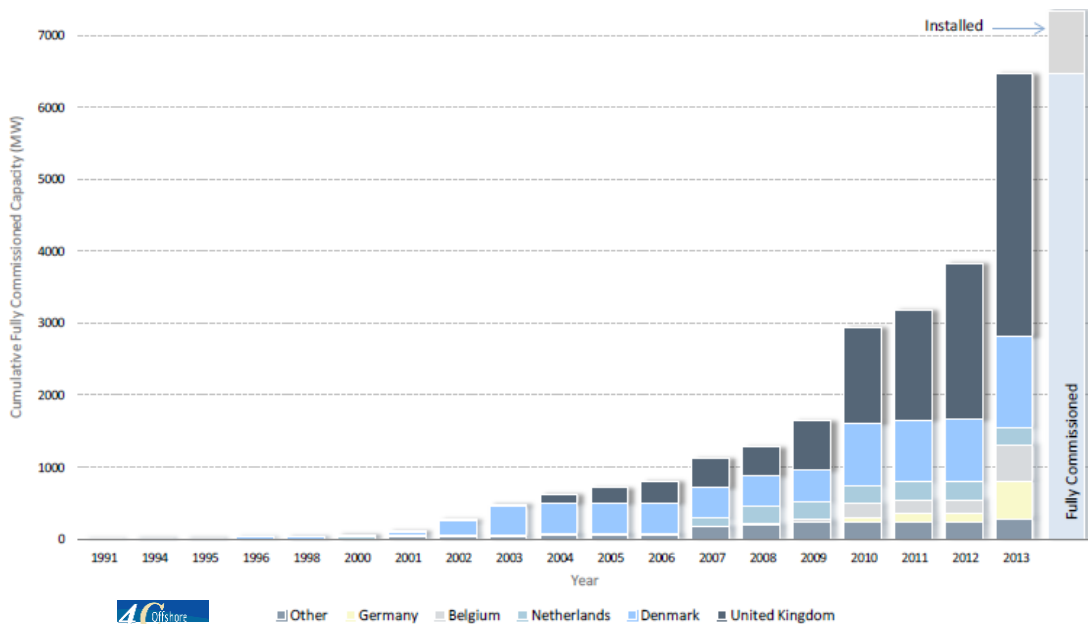
- . The Dutch entities have an estimated tax loss to carry forward of EUR 45 million
- . A restructuring has been finalized to further utilize tax losses
 - Negligible payable tax costs going forward



OCEANTEAM SHIPPING

Market Outlook

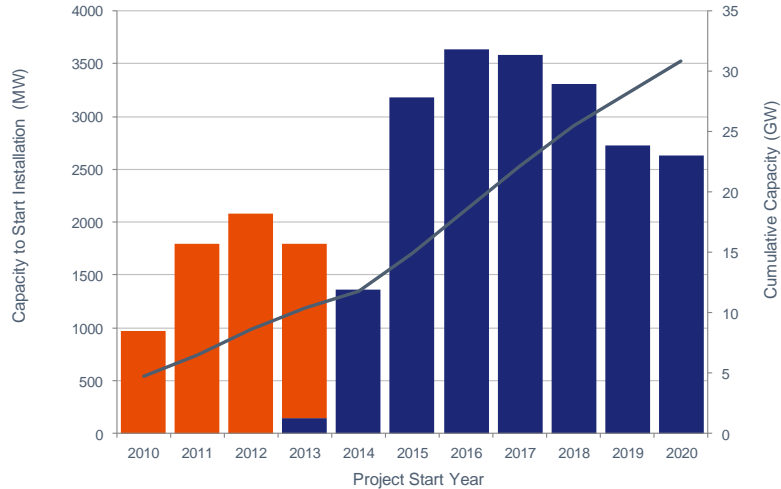
EUROPEAN OFFSHORE WIND MARKET OUTLOOK



- 2013 saw Europe's most successful period for full commissioning of new offshore wind projects;
- Total installed capacity at present stands at 7.35GW, with a further 3.19GW under construction.
- Industry expecting its high growth rate to continue until end of decade, with 2014 being the most successful of all and commissioning a massive 2.465GW of new capacity.

Increasing amounts of design work available in the near future
Increasing demand for specialist installation equipment

EUROPEAN OFFSHORE WIND MARKET OUTLOOK

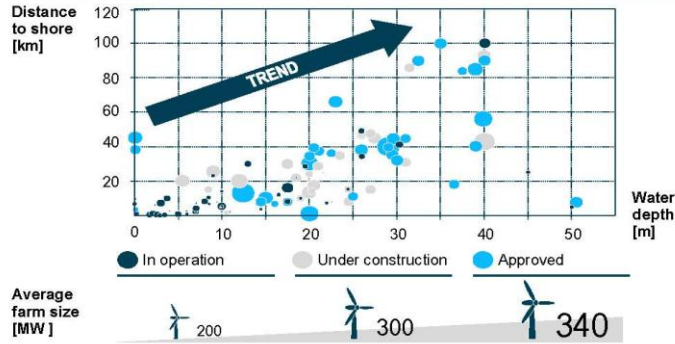


- 30GW underway by 2020 based on medium growth and government targets
- Potentially 4,000+ turbines required to fill this capacity
- Average market growth of 16.9% per annum from 2013 to 2020

*Increasing amounts of design work available in the near future
Increasing demand for specialist installation equipment*

Trends in offshore

OFFSHORE WIND FARMS

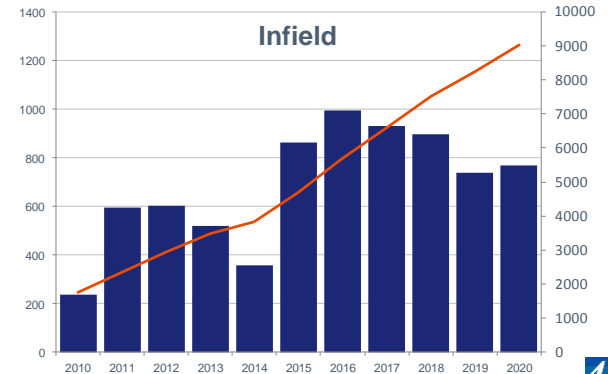


Source: EWEA, Roland Berger

TRENDS

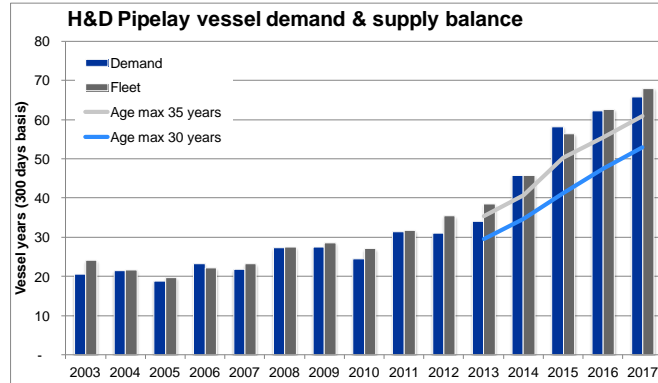
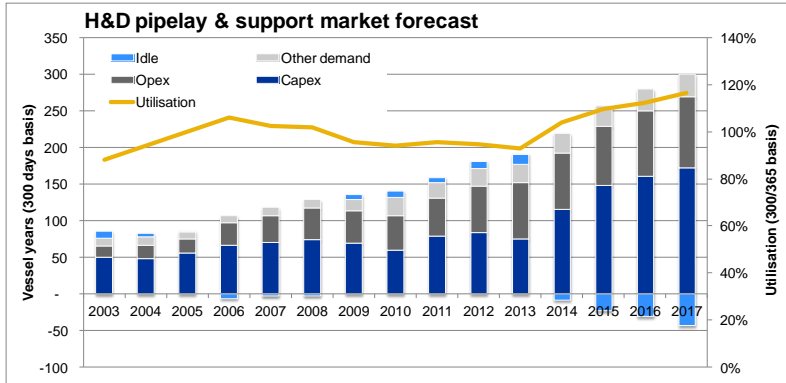
- FURTHER**
 - > Trend toward building wind farms further from shore
 - > Environmental laws (GER) and limited space close to shore are a driver for greater distance
- DEEPER**
 - > Greater distance to shore usually leads to deeper water at site
 - > Deeper water requires new foundation solutions
- LARGER**
 - > Larger wind farms allow improved fixed cost allocation
 - > Average size of approved projects is at 340 MW

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HARSH & DEEP-WATER VESSELS SCARCITY EXPECTED FROM 2014

- Base case has demand growth 2012-17 of 11,5% p.a. and fleet capacity growth of 9 % p.a. based on no further new building contracts, cancellations nor scrapping



- Significant growth in umbilical/flexible installation market expected in the coming years
- Market forecasts focusing on certain locations, such as Asia, suggest a 50% increase in umbilical orders the next 4 years, compared to the previous 4 years

Rising opportunities to provide equipment & designing services to an expanding Offshore Renewables Market in Europe and Oil & Gas Markets

Rising opportunities to provide Construction Support Vessel backed with long term contracts

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 equipment pool
- Build contract backlog and expand RentOcean
- Grow the Mexican- and Venezuelan markets



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