



OCEANTEAM SHIPPING

An Oslo Stock Exchange listed shipping company

Ticker: OTS

CEO: Haico Halbesma

CFO: Torbjørn Skulstad

Q3 2013 Presentation Oslo – 7 November 2013

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

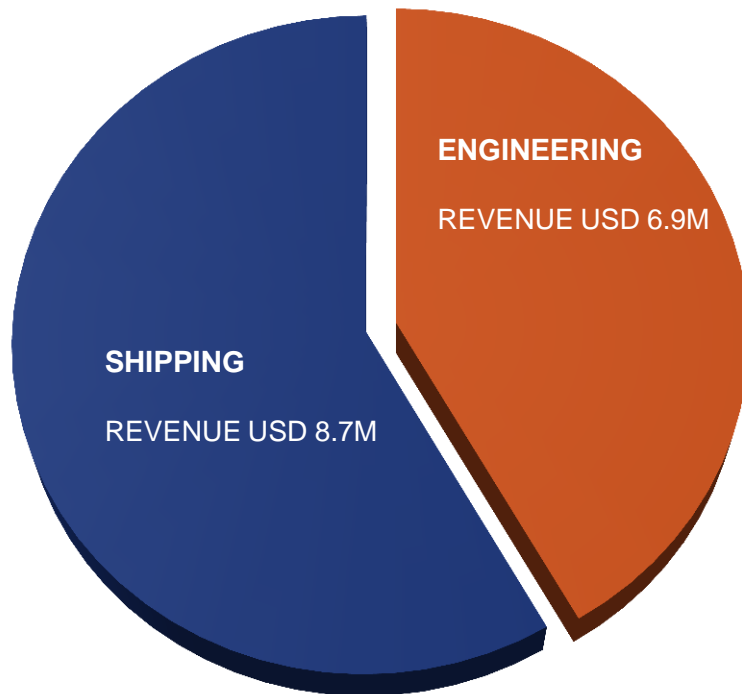
Creating value through:

- 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

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 back log OceanWind Cable Storage Solutions
- ✓ Develop OceanWind Cable Storage Solutions
- ✓ Additional earnings from design engineering jobs
- ✓ Additional earnings 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

DELIVERING ON PROMISES 2009 - 2012

1

Refocus and restructure

(2009 - July)

- Renegotiation and conversion of bond loan
- Restructure of balance sheet and operations

2

Refinancing of two vessels

(July 2012)

- OTS refinanced CSV BO 101 and CSV Southern Ocean with a net liquidity effect of USDm 23
- Net proceeds from refinancing to strengthen liquidity buffer and pursue investment opportunities

3

Bond Loan placement

(October 2012)

- USDm 92.5 million bond placement concluded on October 12th
- Settlement carried out on October 24th

4

Cleaning up capital structure

(January 2013)

- Existing NOK bond called on October 12th, settlement expected on or about November 23rd
- The early redemption will trigger the potential exercise of up to 14,898,607 warrants type I
- Following the exercise of warrants type I the company will have a “clean” capital structure, with no outstanding warrants

5

Positioned for growth

(October 2013)

- Improved balance sheet
- Strong backlog, average of approximately 3.4 years
- Strong markets and attractive opportunities

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	2012	2013	2013	2014	2014	2015	2015	2016	2016
		Q1-2	Q3-4	Q1-2	Q3-4	Q1-2	Q3-4	Q1-2	Q3-4	Q1-2	Q3-4
Shipping	Type of contract										
CSV BO 101	time charter	Contract	Contract	Dry Dock	Contract	Contract	Contract	Option	Option	Option	Option
CSV North Ocean 102	bareboat	Contract	Contract	Contract	Contract	Contract	Contract				
CSV Southern Ocean	bareboat	Contract	Contract	Contract	Contract	Contract	Contract	Contract			
LV North Ocean 105	time charter	Under construction	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract
Mantarraya	bareboat	Contract	Contract	Contract	Contract	Contract					
Tiburón	bareboat	Contract	Contract	Contract	Contract						

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

➤ Robust back log with solid clients

ENGINEERING - Services

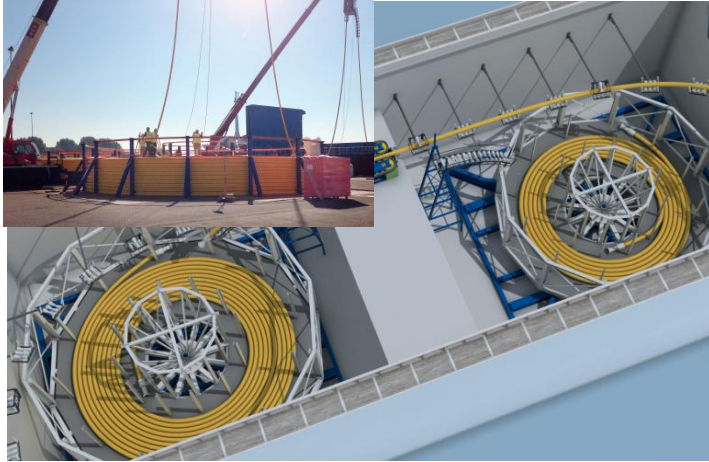


Design Engineering Services, 150 people strong

ENGINEERING – Services



ENGINEERING & EQUIPMENT RENTAL



Handling, Transport & Storage Services



Offshore Installation
Equipment



Certified Proprietary Designs

Modular & Easy Transport

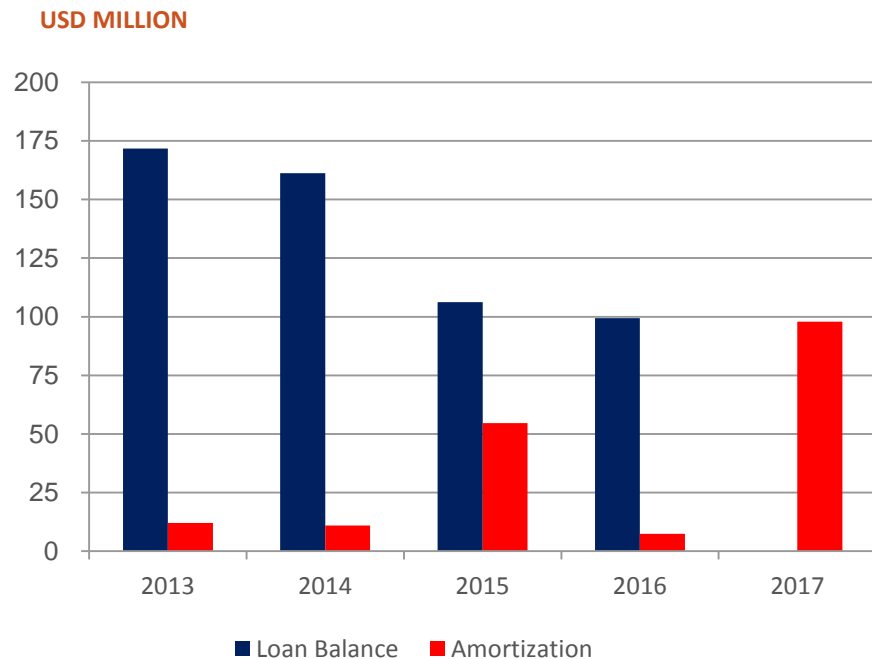
One design concept for onshore
& offshore operations



OCEANTEAM SHIPPING

Finance Structure

BOND REFINANCE – New Debt Maturity Profile



EBITDA to date

- USD 20.4 million equal 43% of revenue

Cash position

- USD 25.7 million

Net financial

- USD 11.9 million

Loan redemption

- USD 10.7 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

- 37%
- USD 107 million (after 10% share buy back)

Market capitalization

- NOK 148 million (29.6 million@5)

Free cash flow

- steady, positive cash flow from operations

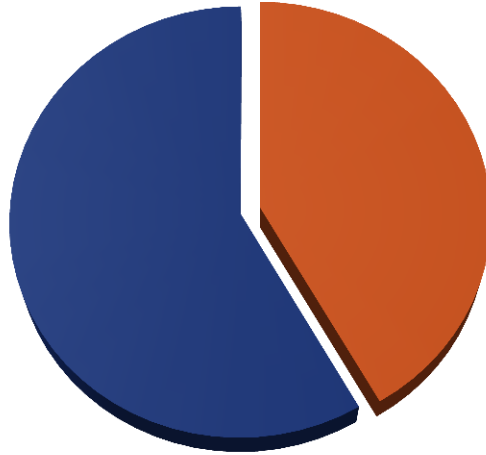
Consensus among credit analysts

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

COMPANY OVERVIEW – Highlights Q3

Shipping segment

- Revenue USD 15.6m
- EBITDA USD 7.2m
- Operating profit USD 3.8m
- Dry dock & certification BO 101 completed



Engineering segment

- OceanWind awarded storage and handling contract with RWE and VSMC
- 4.000 ton for LS Cable progressing as planned
- Oceanteam awarded contract from Reef Subsea to supply the SMD HD 3M Plough
- Oceanteam executed demobilisation of Normand Flower successfully
- Several smaller contracts awarded: combination builds strong back log for 2014

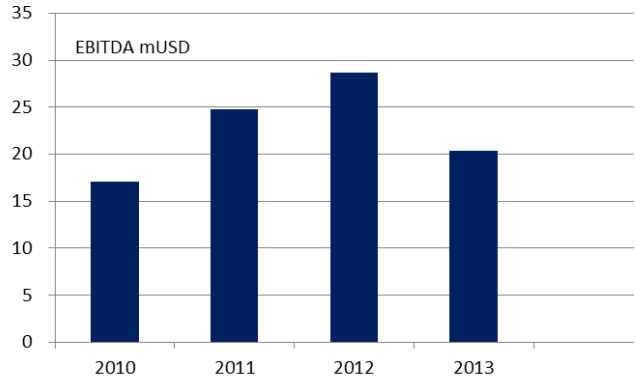
FINANCIAL SUMMARY

Figures in USD million	Q3 2013	Q3 2012	2013	2012	2011
Revenue	15,6	18,5	47,3	66,5	61,2
Operating costs	(4,5)	(5,9)	(14,6)	(23,4)	(24,7)
EBITDA	7,2	9,4	20,4	28,7	24,8
<i>EBITDA percentage</i>	46 %	51 %	43 %	43 %	40 %

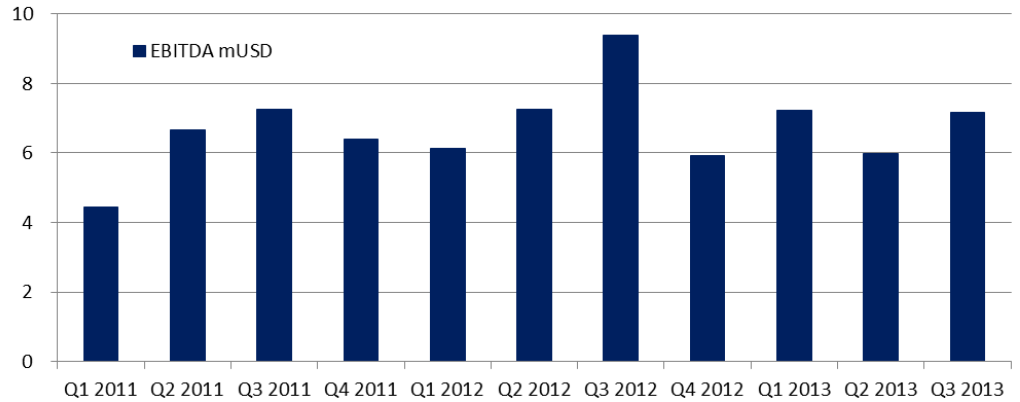
- EBITDA year-to-date 2013 is in line with the same period last year
- Q3 EBITDA has increased with 19% since the last quarter
- Operating profit for the quarter is USD 3.8 million
- Seasonal effect

EBITDA DEVELOPMENT HISTORICAL

KEY FINANCIAL FIGURES (USD MILLION)



KEY FINANCIAL FIGURES (USD MILLION)





OCEANTEAM SHIPPING

Financials

P&L REPORT END Q3 2013

Figures in USD '000	Q3 2013	Q3 2012
Revenue	14 848	17 441
Total operating revenues	14 848	17 441
Net income of associates	734	1 048
Operating costs	(4 514)	(5 902)
General & administration	(3 914)	(3 192)
Deprecation	(3 315)	(3 627)
Write off assets		
Total operating expenses	(11 743)	(12 721)
Operating profit (loss)	3 840	5 768
Net finance	(4 414)	(4 773)
Ordinary profit (loss) before taxes	(574)	995
Corporate income tax	1 457	(182)
Net result	884	813

BALANCE SHEET Q3 2013

Figures in USD '000	30.09.2013	31.12.2012
Assets		
Intangible assets	19 680	18 506
Tangible assets	233 461	233 081
Total non current assets	253 140	251 587
Receivables	12 914	14 979
Cash and cash equivalents	25 655	34 846
Total current assets	38 568	49 825
Total assets	291 707	301 412

Figures in USD '000	30.09.2013	31.12.2012
Equity and liabilities		
Total equity	106 931	112 068
Total non current liabilities	163 906	171 894
First year instalments	10 740	11 427
Other current liabilities	10 129	6 023
Total current liabilities	20 869	17 450
Total liabilities	184 775	189 344
Total equity and liabilities	291 707	301 412

- Book value of equity is 37%

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

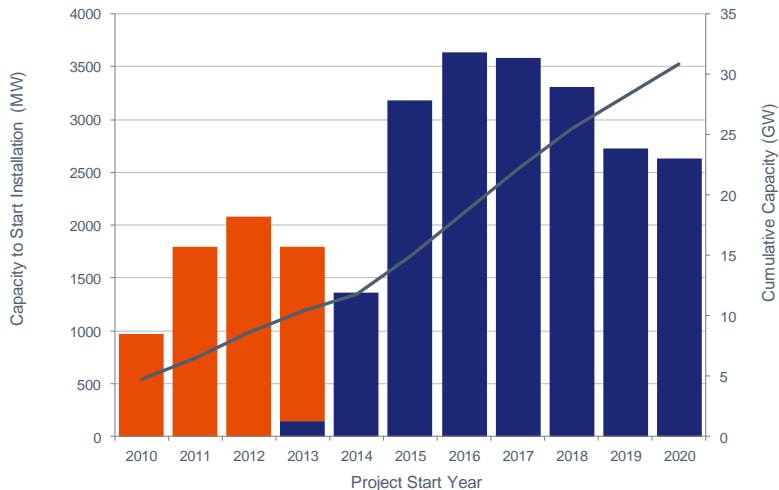
- . The Dutch entities have an estimated tax loss to carry forward of EUR 45 million
- . A restructuring has been finalised to further utilize tax losses
 - Negligible payable tax costs going forward



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Market Outlook

EUROPEAN OFFSHORE WIND MARKET OUTLOOK

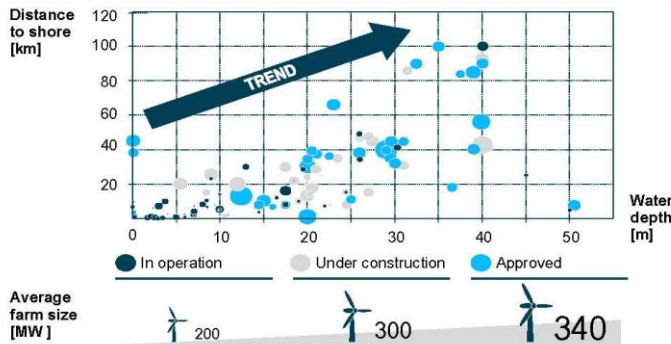


- 30GW underway by 2020 based on medium growth and government targets
- Potentially 4,000+ turbines required to fill this capacity
- Average market growth of 16.9% per annum from 2013 to 2020

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

Trends in offshore

OFFSHORE WIND FARMS

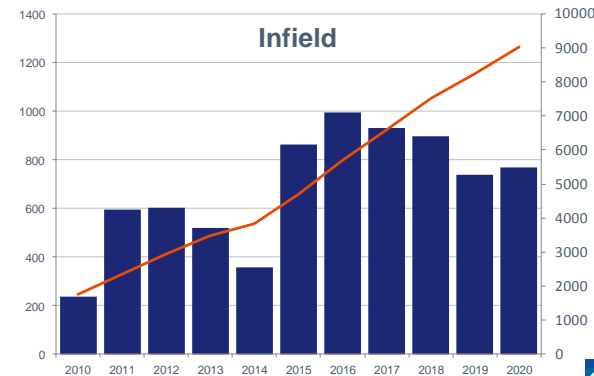


Source: EWEA, Roland Berger

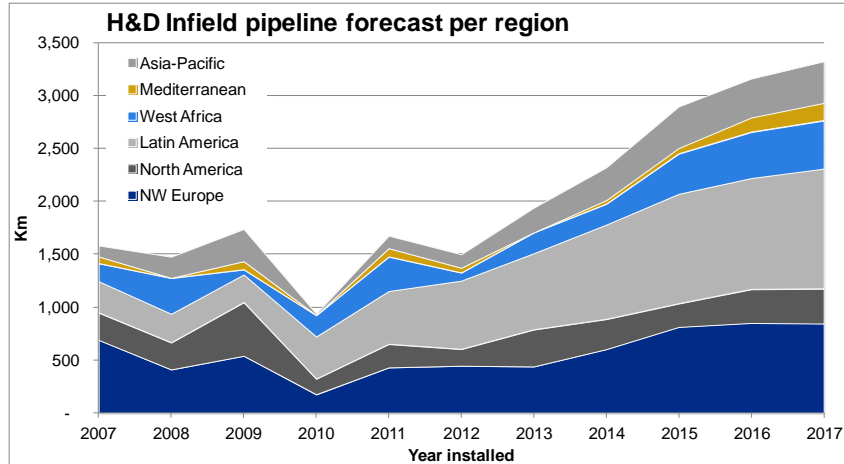
TRENDS

- 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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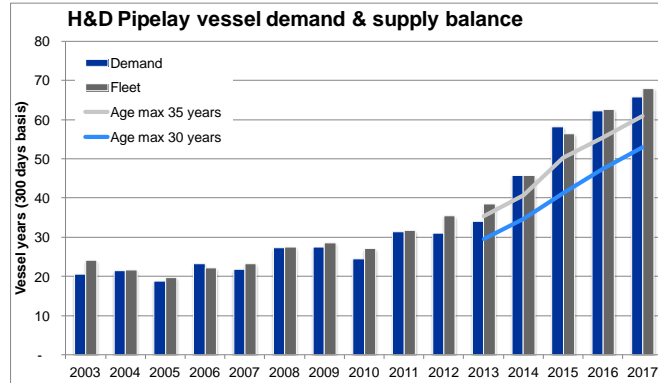
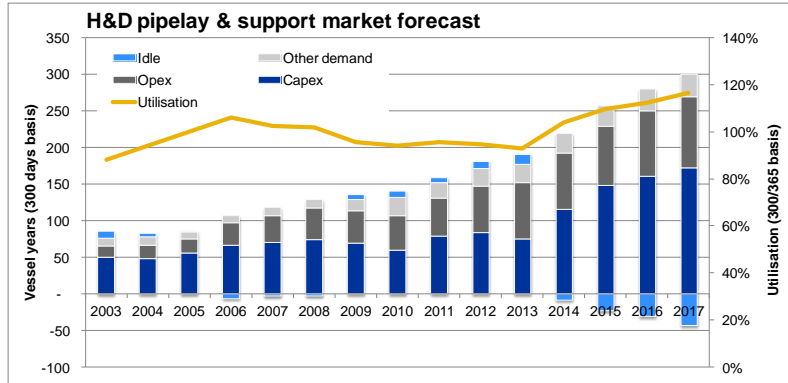
H&D - strongest market in growth areas



- Average annual demand growth expected to be 17% in the H&D surf market
- Strongest H&D infield installation growth in NW Europe, Brazil and Asia Pacific

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 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 back log and expand OceanWind Cable Storage Solutions
- Grow the Mexican- and Venezuelan markets



THANK YOU!



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