



OCEANTEAM SHIPPING

An Oslo Stock Exchange listed shipping company

Ticker: OTS

CEO: Haico Halbesma

CFO: Torbjørn Skulstad

Q1 2013 Presentation Oslo – 23 May 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

- Highlights
- Financials
- Market Outlook
- Appendix



HIGHLIGHTS Q1

- Revenue from operations USD 16.5 million
- EBITDA from operations is positive; USD 7.2 million
- Operating profit of USD 3.8 million
- Total number of shares tradable as from 24th January 2013 are 29.593.259

HIGHLIGHTS Q1 - ENGINEERING

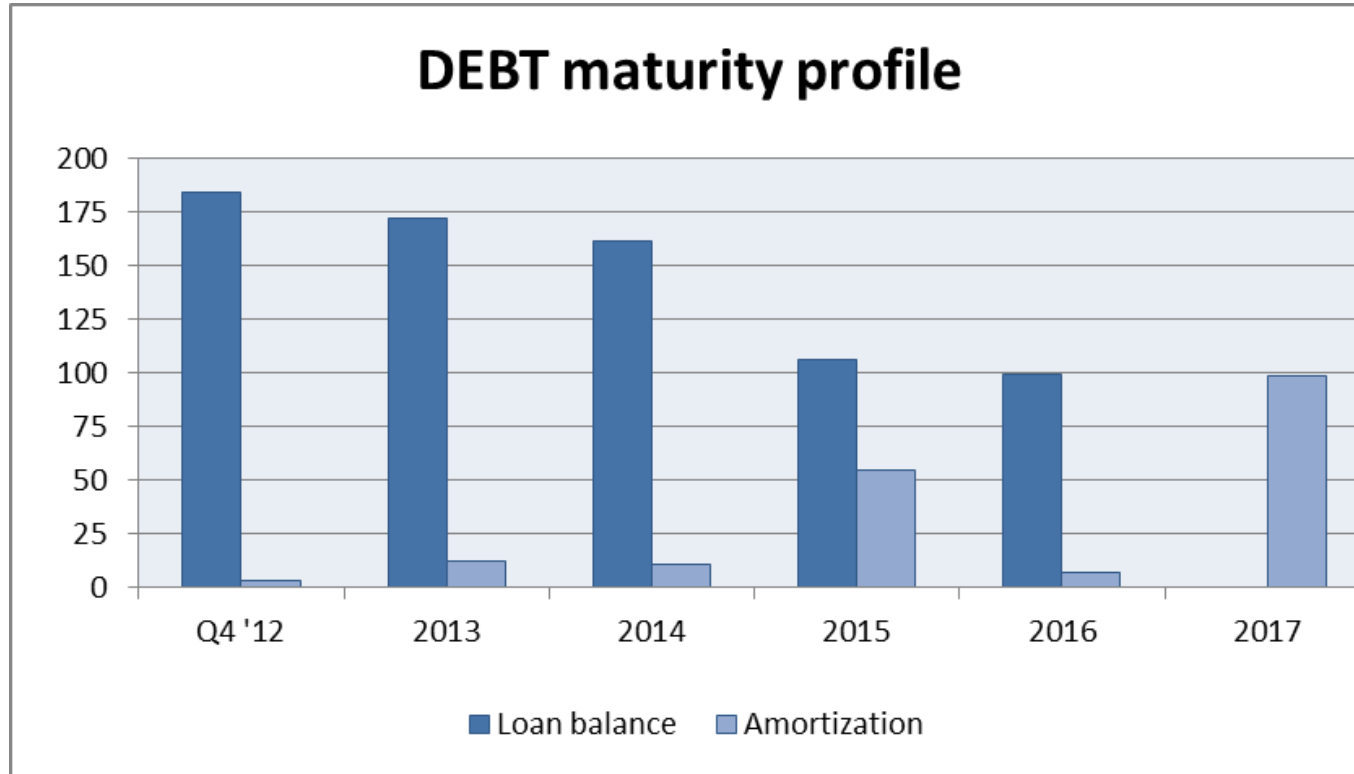
- Oceanteam is awarded a contract to supply LS Cable 4000t modular carousel system, 10t tensioner and accompanying equipment for two-year project
- 2000t modular carousel system is delivered in April at our yard in Velsen
- Building of 4000t modular carousel system is in progress, planned delivery Q4 2013
- Building of 10t tensioner is in progress, planned delivery June 2013
- Velsen equipment base achieved certification to ISO 9001, 14001 and OHSAS 18001 standards for quality, environmental, and health & safety management



OCEANTEAM SHIPPING

Bond refinance

BOND REFINANCE – NEW DEBT MATURITY PROFILE





OCEANTEAM SHIPPING

Company Overview

CHARTER STATUS

Contracts schedule		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
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 with solid clients

ENGINEERING - SERVICES



Wintershall, Relocation of MPP P6-S to Q1-D



Hollandia – Strukton JV, 10120 Riffgat Offshore Sub Station



ENGINEERING - STORAGE

- OceanWind facilitates the submarine cable industry by offering its clients a full and integrated range of services comprising cable storage, cable handling, and cable transport.
- The cable facility is situated immediately behind the North Sea locks of IJmuiden, in the direct proximity of Amsterdam.
- OceanWind provides long term onshore storage for (spare) cables, cable transfers, international transport with WIND cable transport vessels and handling services which include now storage of cables in reels, baskets and carousels.
- OTS standardized equipment designed for both onshore and offshore handling and storage of submarine cables.



OCEANTEAM SHIPPING

Financials

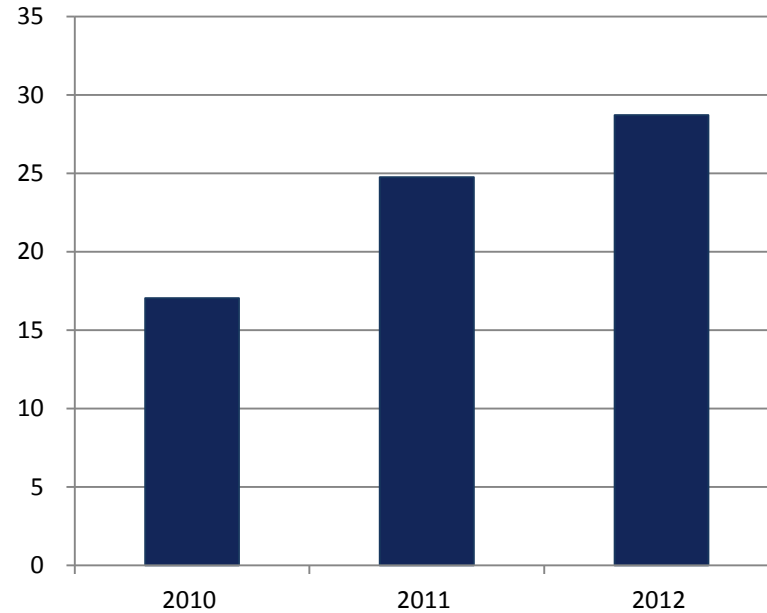
FINANCIAL SUMMARY

Figures in USD million	Q1 2013	2013	2012	2011	2010
Revenue	16,5	16,5	66,5	61,2	47,0
Operating costs	(5,5)	(5,5)	(23,4)	(24,7)	(21,8)
EBITDA	7,2	7,2	28,7	24,8	17,0
<i>EBITDA percentage</i>	44 %	44 %	43 %	40 %	36 %

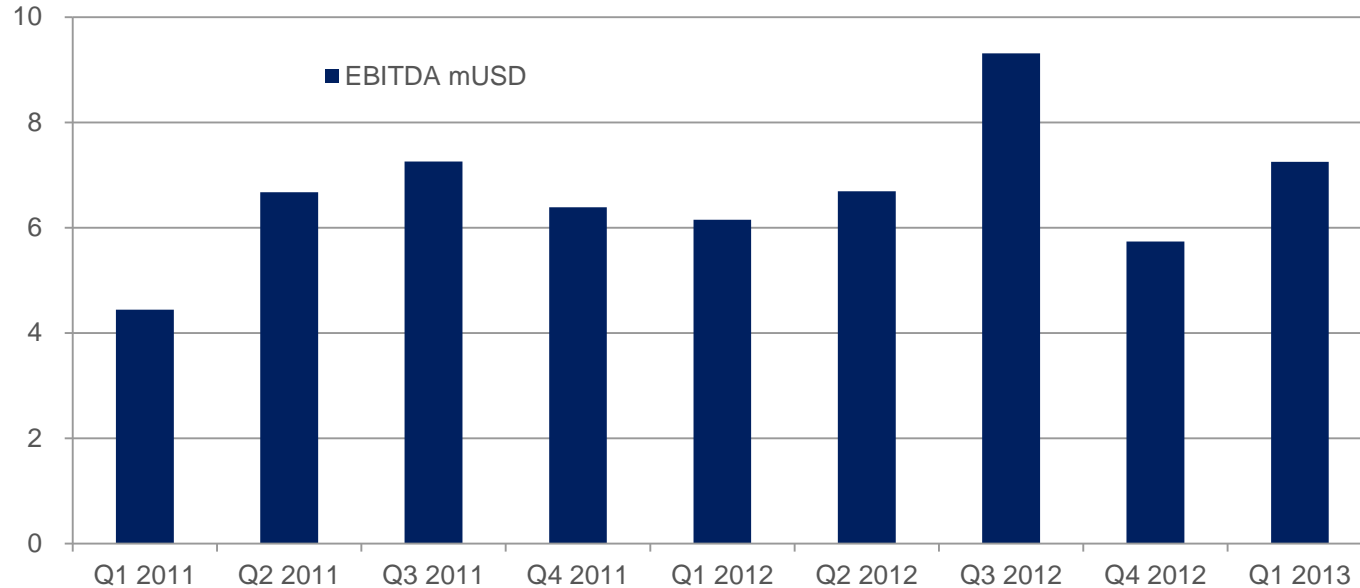
- › EBITDA cumulative Q1 2013 increased 17% compared to cumulative Q1 2012
- › Operating profit for the quarter is USD 3.8 million

EBITDA DEVELOPMENT YEARLY - HISTORICAL

KEY FINANCIAL FIGURES (USD MILLION)



EBITDA BY QUARTER



➤ Stable EBITDA

P&L REPORT END Q1 2013

Figures in USD '000	Q1 2013	Q1 2012
Revenue	15 922	15 356
Total operating revenues	15 922	15 356
Net income of associates	575	
Operating costs	(5 463)	(6 174)
General & administration	(3 824)	(3 034)
Depreciation	(3 363)	(3 420)
Write off assets		(8)
Total operating expenses	(12 650)	(12 636)
Operating profit (loss)	3 848	2 720
Net finance	(3 932)	(4 606)
Ordinary profit (loss) before taxes	(84)	(1 886)
Corporate income tax	316	(203)
Net result	233	(2 090)

Cum 2013	Cum 2012
15 922	64 269
15 922	64 269
575	2 268
(5 463)	(23 384)
(3 824)	(14 423)
(3 363)	(14 331)
	(16)
(12 650)	(52 154)
3 848	14 383
(3 932)	(21 037)
(84)	(6 654)
316	(4 763)
233	(11 417)

BALANCE SHEET Q1 2013

Figures in USD '000	31.03.2013	31.12.2012
Assets		
Intangible assets	18 903	18 506
Tangible assets	231 361	233 081
Total non current assets	250 264	251 587
Receivables	15 263	14 979
Cash and cash equivalents	30 050	34 846
Total current assets	45 313	49 825
Total assets	295 577	301 412

Figures in USD '000	31.03.2013	31.12.2012
Equity and liabilities		
Total equity	109 546	112 068
Total non current liabilities	169 036	171 894
First year instalments	11 427	11 427
Other current liabilities	5 568	6 023
Total current liabilities	16 995	17 450
Total liabilities	186 031	189 344
Total equity and liabilities	295 577	301 412

➤ Book value of equity is 37 %



OCEANTEAM SHIPPING

Tax, Bonds, Loans

LARGE TAX DEDUCTIBLE LOSSES

- **Norway**

- OTS has confirmed tax loss to carry forward of USD 160 M (NOK 917 M)
- The CSV vessels comply with the Norwegian Tonnage Tax regime with approx. 0% tax
- CSV 101, Southern Ocean and LV 105 are under the NTT regime
- CSV 102 will be using the deferred tax loss
- Exercise of 14.5 million of warrants in q4 2012, 29.6 million shares tradable as from 24th of January 2013

- **The Netherlands**

- The Dutch entities have an estimated tax loss to carry forward of EUR 45 M
- A restructuring has been finalised to further utilize tax losses

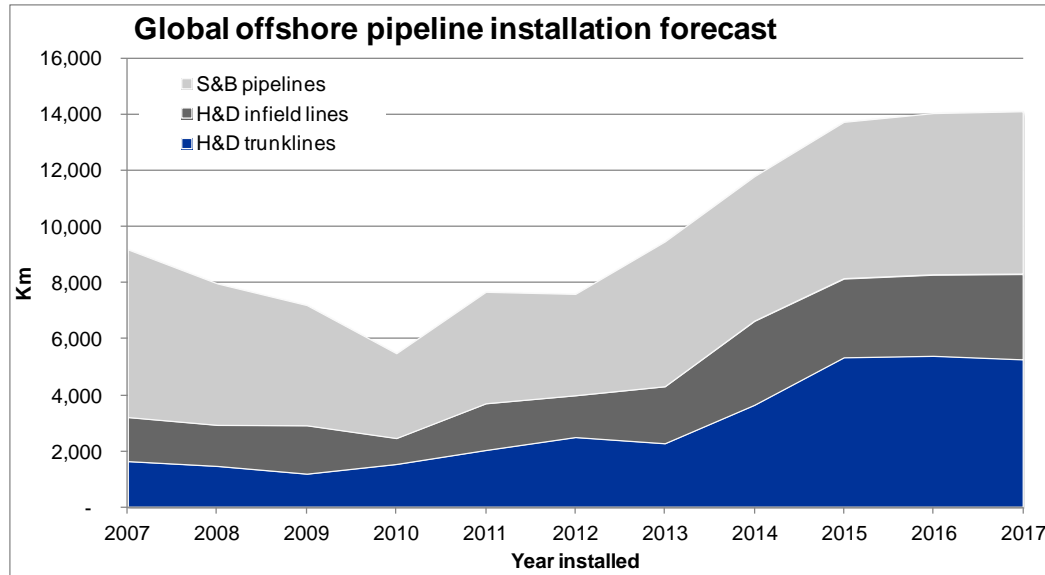
➤ Negligible payable tax costs going forward



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Market Outlook

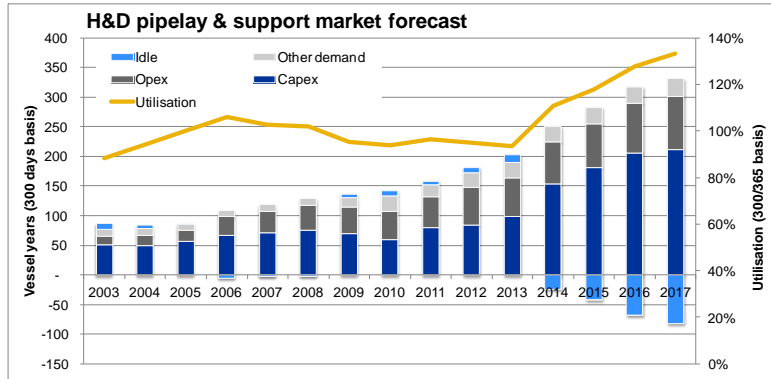
Strongest market growth takes place in harsh & deepwater areas



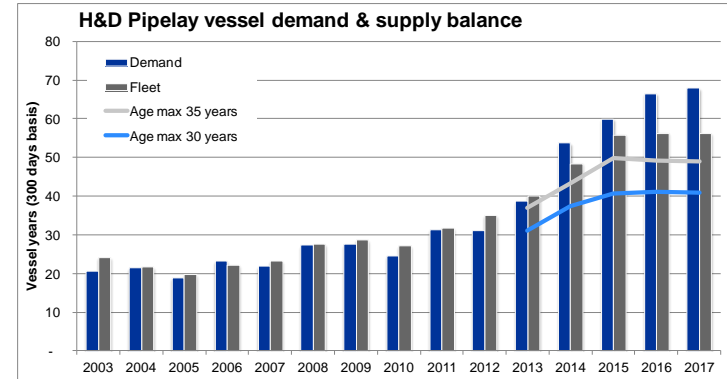
- Average p.a. growth of 16% for harsh & deepwater pipelines in period 2012-17
- Average p.a. growth of 10% for shallow & benign pipelines in period 2012-17



HARSH & DEEPWATER VESSELS SCARCITY EXPECTED FROM 2014



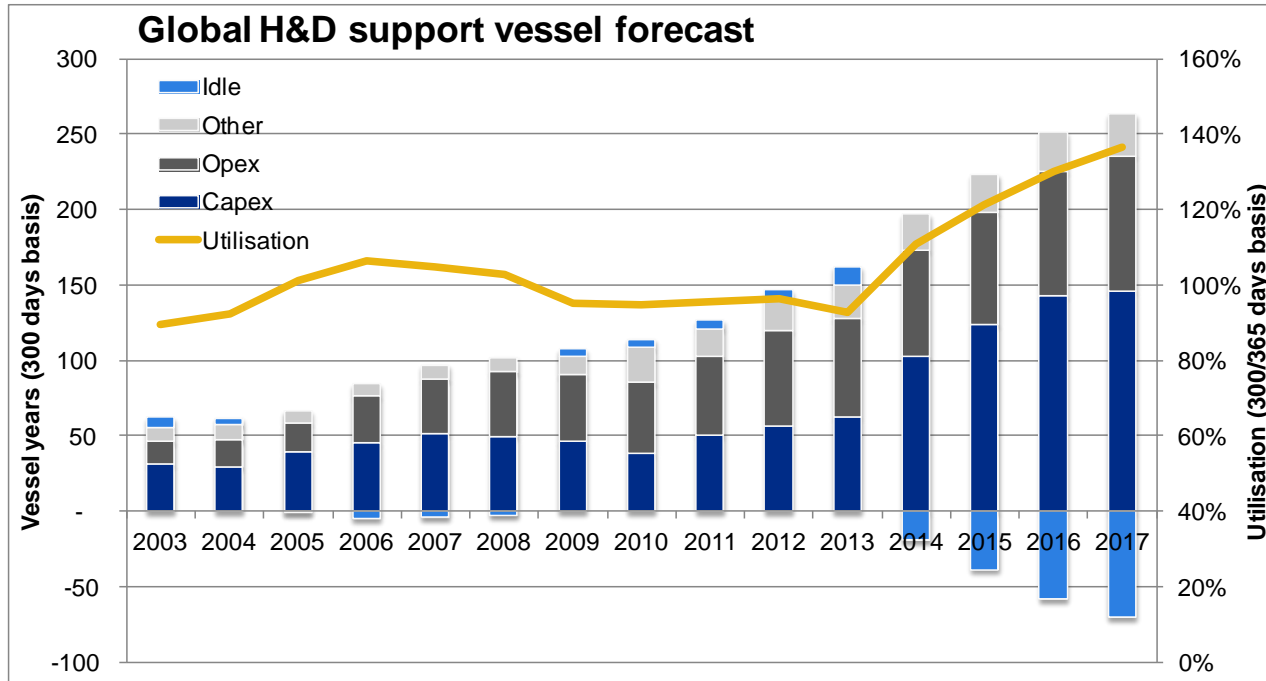
- Base case has demand growth 2012-17 of 14% p.a. and fleet capacity growth of 8 % p.a. based on no further new building contracts, cancellations nor scrapping



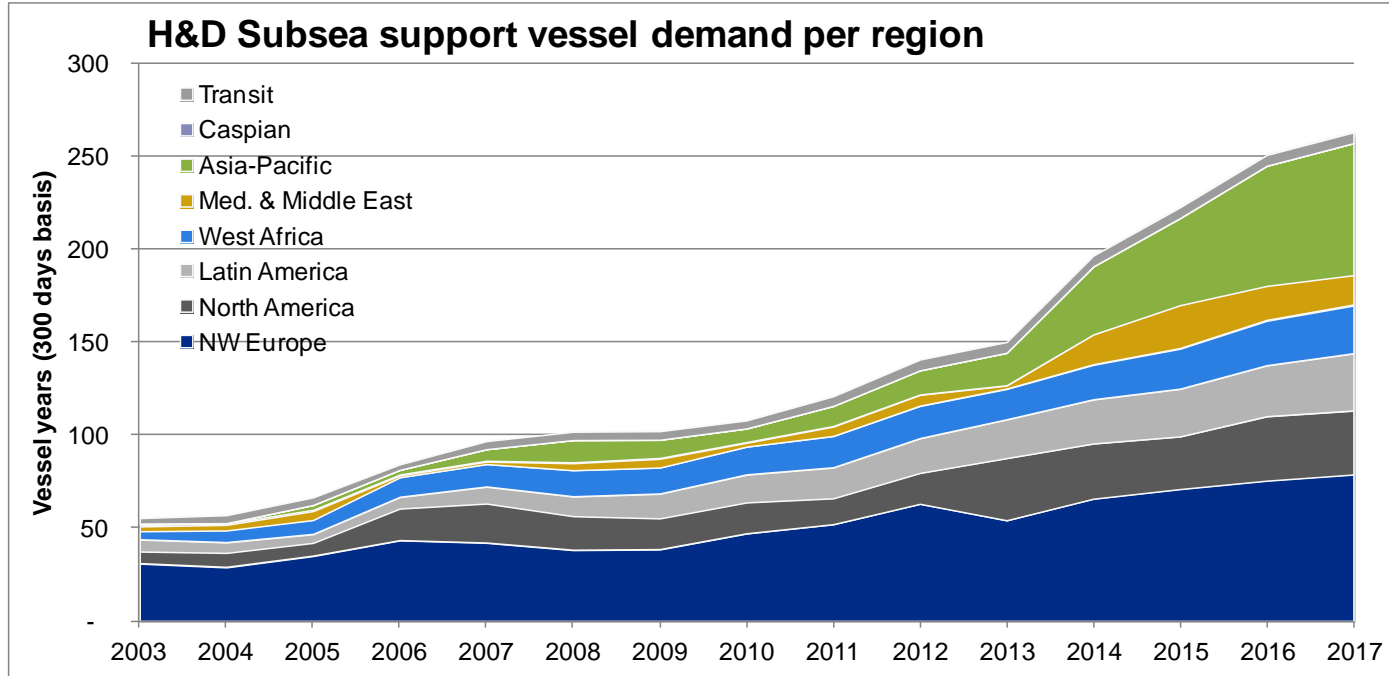
- 12 new H&D pipelay vessels are needed in 2017, and another 7 vessels to meet attrition of 35+ years vessels



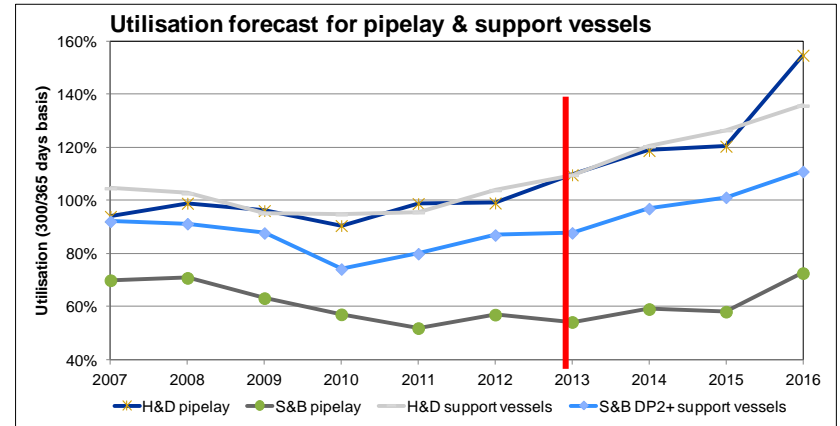
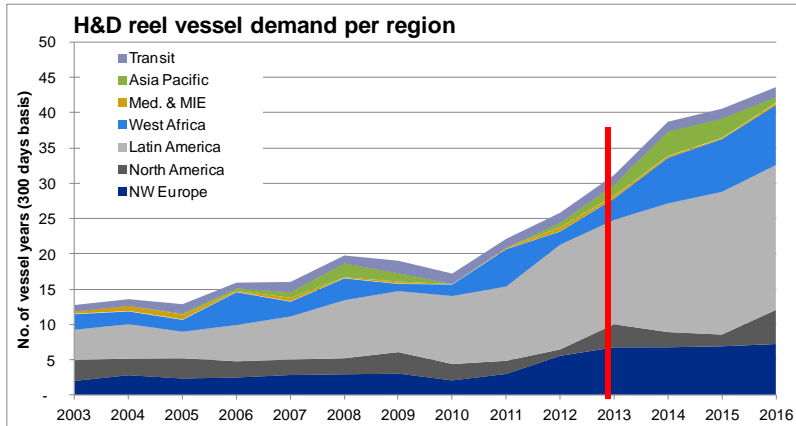
Demand for H&D support vessels expected to grow 13% p.a up to 2017, and about 70 vessels lacking in 2017



NW Europe is still the major market for H&D subsea support vessels, but Asia-Pacific is growing fastest



Brazil is the dominating market for H&D Reel-Lay Vessels

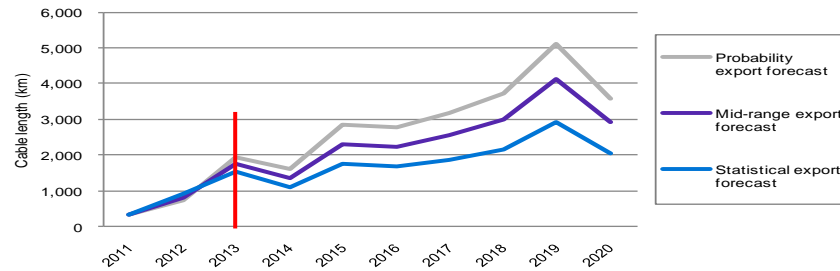


- Brazil is main market followed by NW Europe and West Africa
- Growth in all major regions



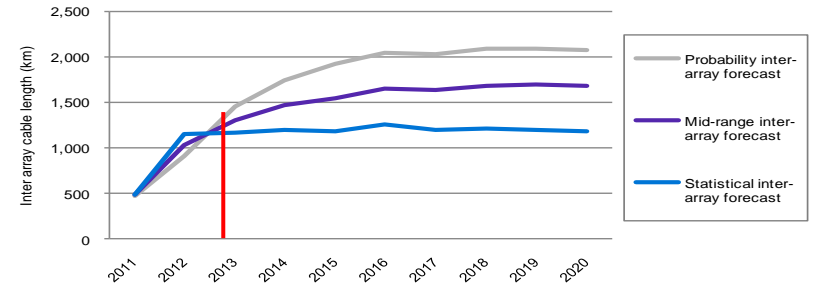
Global offshore wind farm cable demand

Export cable demand by year



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Inter-array cable demand by year



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Most of activity increase until 2015 in Southern North Sea



FOCUS GOING FORWARD

- Focus
 - Enhance equity instrument with continued focus on high quality assets and balance sheet
 - New investment in high quality assets utilizing the clean capital structure
- Target markets
 - Large harsh- and deep-water Construction Support Vessels (CSV)
 - Market CSVs combined with in-house engineering know-how
 - Build contract back log and expand OceanWind Cable Storage Solutions
 - Additional earnings from low-risk engineering jobs and new equipment
- Grow fleet and continue reduced-risk expansion through JVs



THANK YOU!



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Appendix 1: Company overview

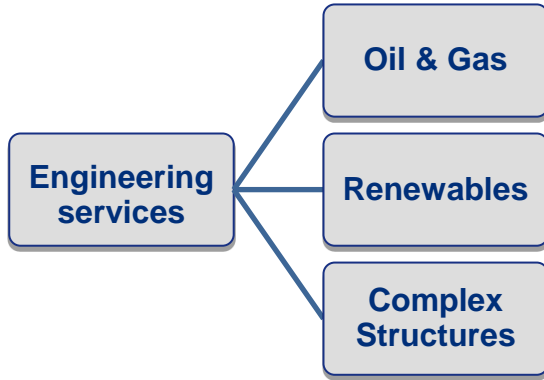
SHIPPING

Our Fleet:

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



- North Ocean Series
- High-end deep-water offshore construction & pipe lay tonnage series
- 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



ENGINEERING - SERVICES

- KCI is an experienced engineering company focusing on the oil and gas industry, complex structures and the renewable energy industry:
- Design and build complete oil & gas and renewable energy concepts
- Develop complex and special structures for both industries
- Create contemporary solutions for complex environmental challenges
- Employs approximately 172 engineers, increased from 90 since 2009

Strong client base



GDF SUEZ



Apache CORPORATION

CIRRUS energy corporation



PETROCANADA



TAQA



Selected assets

ENGINEERING - EQUIPMENT POOL



OTS 10T tensioner



SMD MD3 plough



1250T carousel

- Oceanteam has an equipment rental division with a deep-water base in Velsen, The Netherlands
- Oceanteam provides various equipment for installation and burial of pipelines, umbilicals and high voltage submarine power cable installations
- The equipment pool includes trenchers, ploughs, tensioners, carousels and additional equipment such as chutes, static tanks, etc.
- The equipment can be rented stand alone or in combination with Oceanteam's fleet
- Clients include: Visser & Smit Marine Contracting, Reef Subsea Power & Umbilical, Bohlen & Doyen, and Van Oord





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Appendix 2: Bond loan

NOK BOND LOAN – redemption date 23rd November 2012

- In 2009 the OTS bond loan was restructured to NOK 400 million. Furthermore, it was added to an incentive structure that would compensate bondholders for the reduction in par value, consisting of a growing call premium, rising interest rates and issuing warrants in two stages.
- First, 14.898.607 warrants were issued to bondholders (Warrants I) which is activated when the company calls the bond loan. Each warrant gives the right to subscribe for one share for NOK 1,0.
- In addition, the company has paid a premium to the bond loan's par value. This premium is adjusted each year in June until the loan is repaid. In June 2012 another premium was added, and the company has paid NOK 498 million when calling.
- The Warrants I has created NOK 14.514 million in new equity, with half going into the share capital and half into the share premium account. As of today, OTS has 29.593.259 shares. The exercise of Warrants I has resulted in an almost doubling of the number of shares in the company.
- The repayment of the NOK 400 million bond loan 23rd November 2012 has killed the 29.599.667 Warrants II.