



OCEANTEAM SHIPPING

An Oslo Stock Exchange listed shipping company

Ticker: OTS

CEO: Haico Halbesma

CFO: Torbjørn Skulstad

Pareto Conference Oslo – 12 September 2012

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
- Financials
- Tax, Bonds & Loans
- Market Outlook



OCEANTEAM SHIPPING

Company Overview

HIGHLIGHTS

- Lay Vessel North Ocean 105 delivered 20th of April and started a 5 year charter
- Completed refinancing of two CSVs with a total value of USD 147 M
- Strong performance Shipping Segment

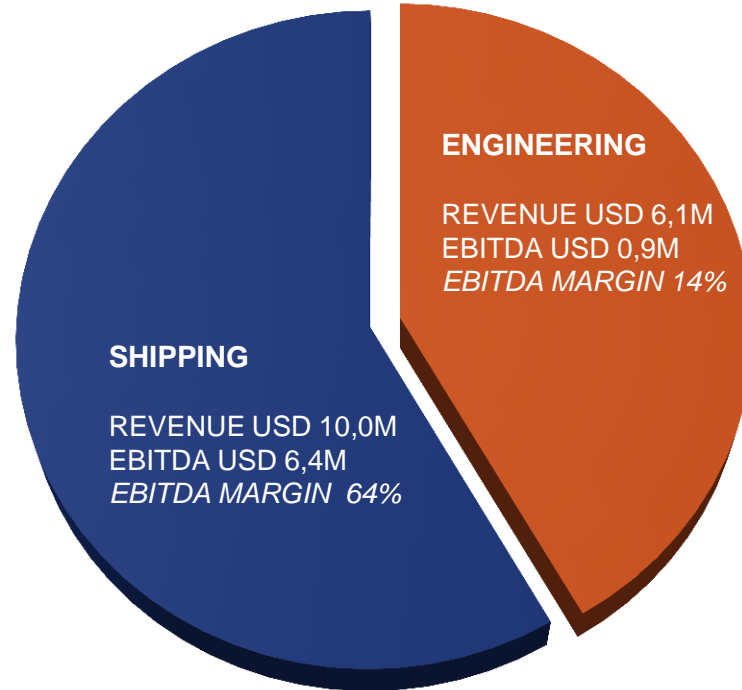
- Delivery of 1250T carousel and started a 200 day hire period
- Delivery of 10T tensioner and started a 100 day hire period
- Options on 10 x 10T tensioners and carousels for equipment pool

- Start up OCEANWIND joint venture for Power Cable Storage Solutions

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

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

SHIPPING

Our Fleet:

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

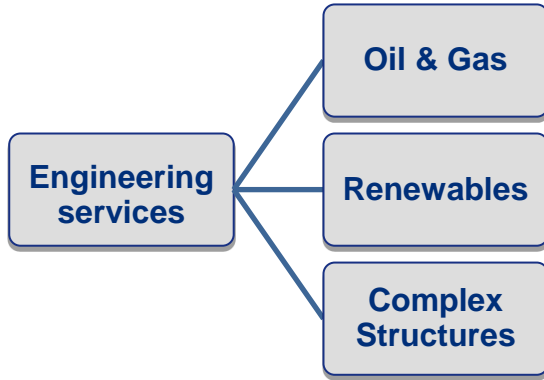


- North Ocean Series
- High-end deep-water offshore construction
- Proven quality in the most demanding and advanced deep-water operations
- Vessel type orders to date: 7
- Building and operational economics
- Configuration flexibility with in-house engineering team that provides complex and complete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

CHARTER STATUS



➤ Robust backlog with solid clients



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 165 engineers, increased from 90 since 2009

Strong client base



GDF SUEZ



Apache CORPORATION

CIRRUS energy corporation



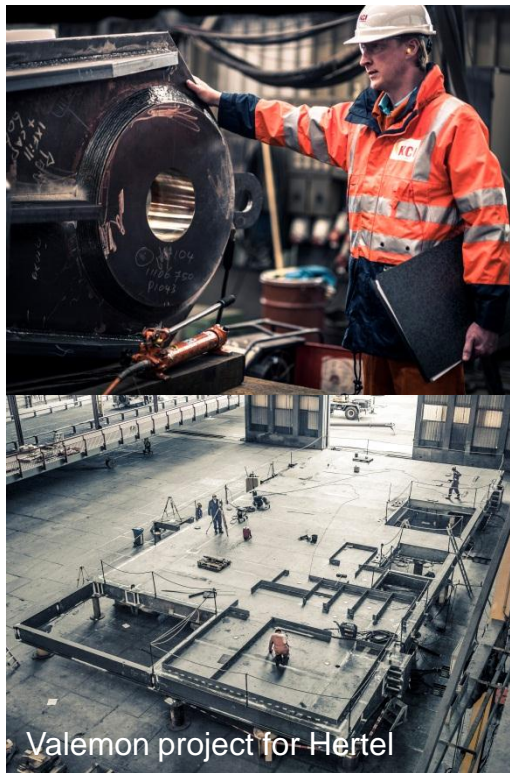
PETROCANADA



TAQA



ENGINEERING - SERVICES



ENGINEERING - EQUIPMENT POOL



OTS 10T tensioner



SMD MD3 plough



1250T carousel

- Oceanteam has an equipment rental division with a deep-water base in Dundee, Scotland
- 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



ENGINEERING - STORAGE

- Oceanteam announced a joint venture with WIND B.V. from the Netherlands, founded 1990, to offer a complete range of onshore cable storage solutions directed at cable manufacturers, contractors and operators of power cables.
- OCEANWIND Powercable Storage Solutions joint venture provides a generic and complete service for 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 power cable.
- Initial storage base in IJmuiden, the Netherlands and Dundee UK.



OCEANTEAM SHIPPING

Financials

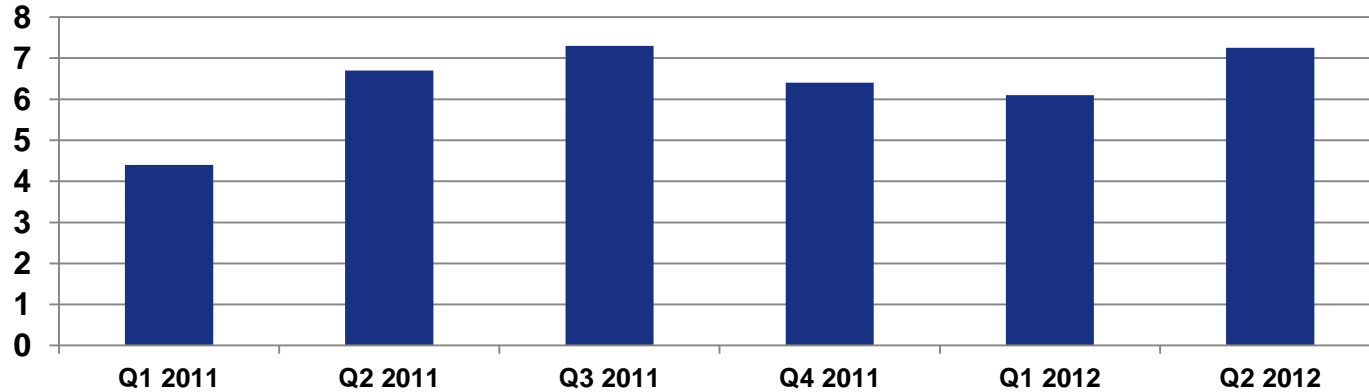
FINANCIAL SUMMARY

Figures in USD million	Q2 2012	Q2 2011	Cum 2012	2011	2010
Revenue	16,1	16,3	31,5	61,2	47,0
Operating costs	(5,4)	(6,6)	(11,6)	(24,7)	(21,8)
EBITDA	7,3	6,7	13,4	24,8	17,0
<i>EBITDA percentage</i>	45%	41%	43%	41%	36%

- EBITDA Q2 2012 increased 9 % compared to same quarter last year

EBITDA BY QUARTER

EBIDTDA mUSD



➤ Stable EBITDA

REVENUE & EBITDA BY SEGMENTS

Figures in USD '000	SHIPPING		ENGINEERING		TOTAL	
	Q2 2012	Q2 2011	Q2 2012	Q2 2011	Q2 2012	Q1 2012
Revenue	9.347	9.652	6.086	6.650	15.433	15.356
Net income associates	673				673	
Operating costs	(1.866)	(3.020)	(3.531)	(3.548)	(5.397)	(6.174)
General & administration	(1.771)	(1.737)	(1.683)	(1.322)	(3.454)	(3.034)
EBITDA	6.382	4.894	872	1.780	7.255	6.148
<i>EBITDA percentage</i>	64 %	51 %	14 %	27 %	45 %	40 %

- Net income associates is operational Lay Vessel North Ocean 105
- Strong performance shipping

P&L REPORT END Q2 2012

Figures in USD '000	Q2 2012	Q2 2011	Cum 2012	Cum 2011
Revenue	15.432	16.302	30.788	28.997
Total operating revenues	15.432	16.302	30.788	28.997
Net income of associates	673		673	
Operating costs	(5.397)	(6.568)	(11.570)	(12.180)
General & administration	(3.454)	(3.060)	(6.488)	(5.701)
Depreciation	(3.598)	(3.864)	(7.019)	(7.820)
Write off assets	(8)		(16)	2.098
Total operating expenses	(12.457)	(13.491)	(25.093)	(23.603)
Operating profit (loss)	3.648	2.810	6.368	5.393
Net finance	(2.767)	(4.039)	(7.372)	(8.766)
Ordinary profit (loss) before tax	881	(1.229)	(1.005)	(3.372)
Corporate income tax	133	(110)	(70)	(163)
Net result	1.015	(1.339)	(1.074)	(3.535)

- Net finance costs include call premium costs USD 1.2M
- Operating profit increased 30 % compared to same quarter last year

BALANCE SHEET Q2 2012

Figures in USD' 000	30.06.2012	31.12.2011
Assets		
Intangible assets	18 999	19 649
Tangible assets	234 766	230 324
Total non current assets	253 765	249 973
Receivables	17 306	11 794
Cash and cash equivalents	14 390	11 638
Current assets	31 696	23 432
Total assets	285 461	273 405

Figures in USD' 000	30.06.2012	31.12.2011
Equity and liabilities		
Total equity	117 275	112 958
Total non-current liabilities	122 456	123 315
First year instalments	21 105	22 782
Other current liabilities	24 625	14 350
Total current liabilities	45 730	37 132
Total liabilities	168 186	160 447
Total equity and liabilities	285 461	273 405

- Book value of equity is 41 %



OCEANTEAM SHIPPING

Tax, Bonds, Loans

LARGE TAX DEDUCTIBLE LOSSES

- **Norway**

- OTS has confirmed tax loss to carry forward of USD 144 M (NOK 866 M)
- The CSV vessels comply with the Norwegian Tonnage Tax regime with approx. 0% tax
- CSV 101, 104 and LV 105 are under the NTT regime
- CSV 102 will be using the deferred tax loss
- Internal merger completed in fourth quarter 2011
- Ex-reverse split of the shares and the warrants ratio 10:1

- **The Netherlands**

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

➤ Negligible tax cost going forward

BOND LOAN (1/3)

Figures in NOK' M	Q4 2010	Q2 2011	Q2 2012	Q2 2013	Q2 2014
Bond loan	(400)	(400)	(400)	(400)	(400)
Call balance	(21)	(23)	(57)	(97)	(141)
OTS bond	30				
Outstanding debt	(391)	(423)	(457)	(497)	(541)

- **Call premium if refinanced before:**

- <19th June 2011: NOK 23 million
- <19th June 2012: NOK 34 million in addition to previous calls
- <19th June 2013: NOK 40 million in addition to previous calls
- <19th June 2014: NOK 44 million in addition to previous calls

- **Interest is currently NIBOR + 5,75% + (1,00 point increase per anniversary)**
- **Call 30 banking days before refinance date**

➢ Warrants I given, Warrants II most unlikely

- **Number of shares** 15.078.840
- **Warrants I if bond loan is repaid before 19th June 2014**
- **Warrant II before 19th June 2014**
- **Warrants I:** 14.898.607
- **Warrants II:** 29.599.667
- **Subscription price NOK 1,0 for both warrants**

BOND LOAN (2/3)

- 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. The Warrants I will create NOK 14,986 million in new equity, with half going into the share capital and half into the share premium account . As of today, OTS has 15.078.840 shares. The exercise of Warrants I will thus result in an almost doubling of the number of shares in the company.
- In addition, the company must pay 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 must pay now NOK 498 million when calling. The premium will increase by a further NOK 44 million if not refinanced before June 2013 to NOK 542 million.

BOND LOAN (3/3)

- The interest rate on the bonds increase every year in mid-December with 100 basis points (= 1%-points). Currently the interest rate is LIBOR + 5.75%-points after 19th of December 2011. If the loan is not redeemed before 19th of December 2012, interest rate rises to LIBOR + 6.75%-points, etc.
- If the bond is not called by June 2014, this activates Warrants II consisting of 29.599.667 warrants, where 1 warrant = 1 share. The owners of Warrants II must exercise them in the period June 30th to July 14th 2014, and pay NOK 1,0 for each new share. The 29.599.667 new shares will give the company NOK 29.599 million in new equity, half of which goes into the share capital and half into the share premium account .
- Hence, the overall structure of the bond loan gives the company such strong incentives for refinancing that if the loan is not refinanced by June 30th 2014, it will be because of uncertainty regarding continued operations.
- OTS may at any time call all or part of the loan. The company works actively to refinance as soon as possible, both to eliminate the Warrants II scenario which the company perceives is putting a damper on the stock price, and because the structure of the current bond loan prevents using equity to finance future growth.

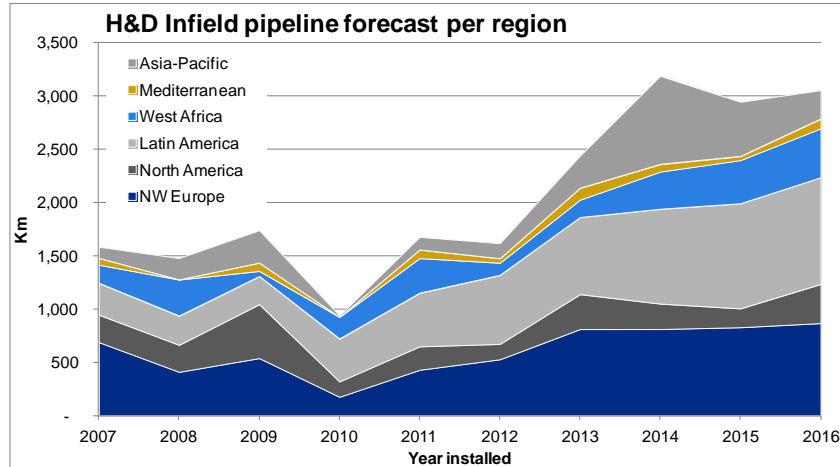


OCEANTEAM SHIPPING

Market Outlook

H&D is strongest market in growth areas

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



OFFSHORE PIPELAY & SUPPORT MARKET

Vessels		Markets	
		Harsh & Deep waters	Shallow & Benign waters
DP2+	Pipelay	[Blue shaded]	[Grey shaded]
	Support		
Non DP2+	Pipelay	n.a.	not covered
	Support	n.a.	

Definitions:

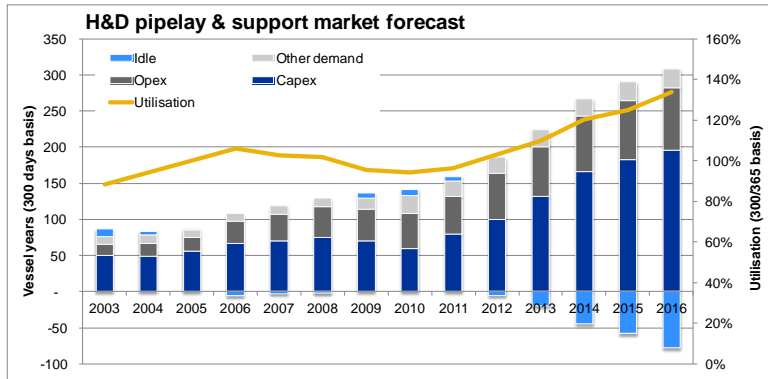
Harsh & Deepwater (H&D) = all water depths (wd) in North Atlantic, wd \geq 100 m in Australia and Rest of world in wd \geq 200 m.

Shallow & Benign (S&B) = all other waters

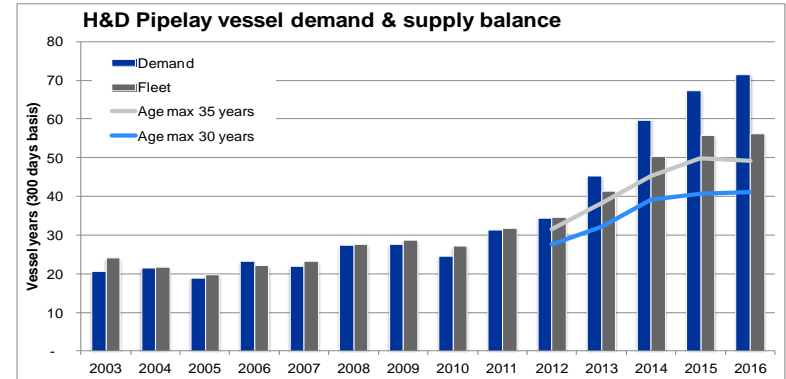
- Strongest H&D infield installation growth in NW Europe, Brazil and Asia Pacific



LACK OF HARSH & DEEPWATER VESSELS EXPECTED FROM 2013, AND ABOUT 75 VESSELS LACKING IN 2016



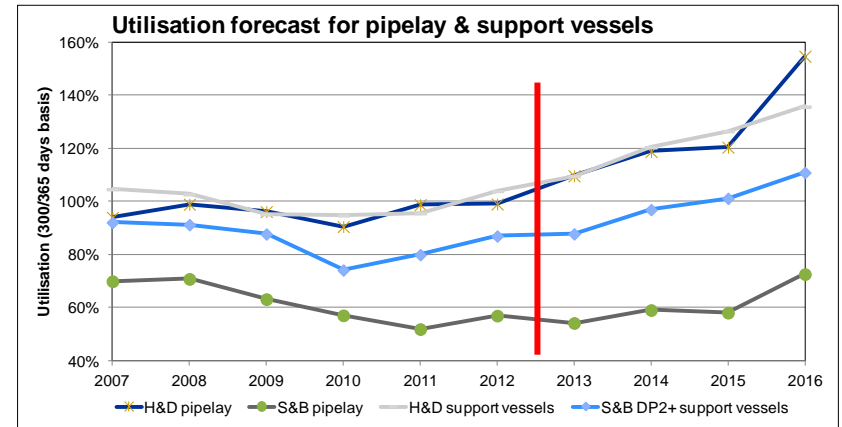
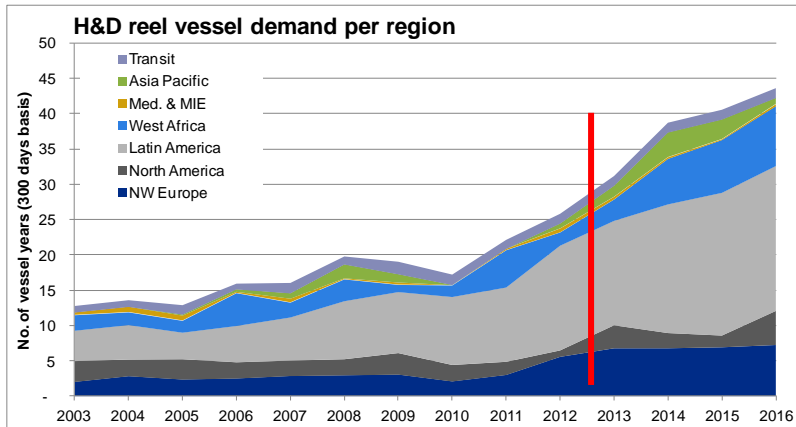
- Base case has demand growth 2011-16 of 15% p.a. and fleet capacity growth of 8 % p.a. based on no further new building contracts, no cancellations and no scrapping



- 15 new H&D pipelay vessels are needed in 2016, and another 7 vessels to meet attrition of 35+ years vessels



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



SUBSEA FLEET

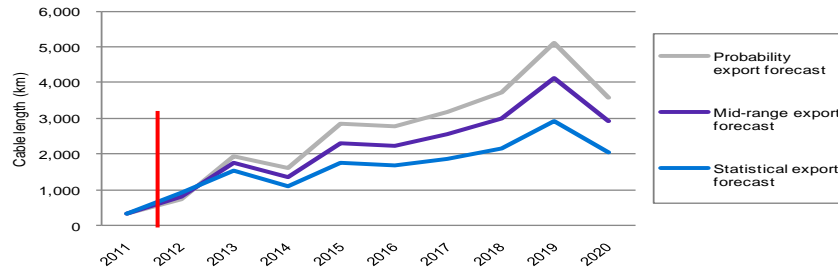
Type	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Lay Barges	10	9	7	8	8	9	9	9	10	11	14	16	16	16
Reel Lay Services	14	13	13	14	15	19	19	19	22	24	27	34	40	40
Multi Services	3	4	6	8	10	11	11	11	10	12	11	13	12	12
Driving Support Vessels	17	15	15	14	15	18	19	19	20	22	25	25	25	25
ROV Support Vessels	42	43	45	57	68	70	78	84	96	111	127	137	139	137
Total Fleet	86	83	85	101	116	127	135	141	158	180	204	225	232	231
Fleet Growth		-3%	2%	19%	15%	9%	6%	4%	12%	14%	13%	10%	3%	0%

- OTS has modern and advanced fleet
- North Ocean Series now qualified as H&D Reel Lay, Multi service and Light Well Intervention



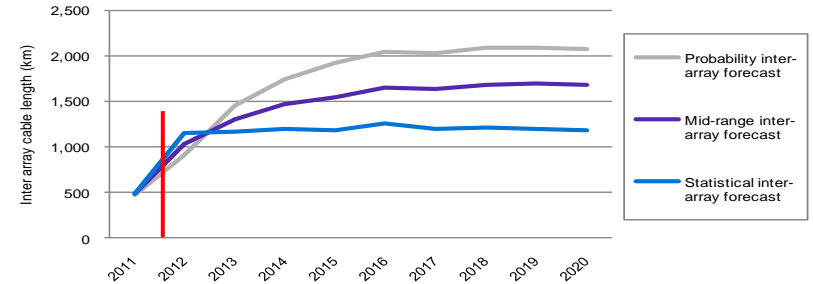
GLOBAL OFFSHORE WIND FARM CABLE DEMAND

Export cable demand by year



ODS-PETRODATA
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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

- Target market
 - Large harsh- and deep-water Construction Support Vessels (CSV) and Pipe Lay Vessels
 - Market CSVs and Pipe Lay Vessels combined with in-house engineering know-how
 - Grow contract back log and develop OceanWind Power Cable Storage Solutions
 - Additional earnings from low-risk engineering jobs & new equipment
- Streamline financial platform
 - Refinance Oceanteam Shipping ASA bond loan
 - Clean up capital structure to enhance the OTS equity instrument
 - Utilize tonnage tax and deferred tax assets
- Grow fleet and continue reduced-risk growth through JVs



THANK YOU!



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