



## **OCEANTEAM SHIPPING ASA**

**An Oslo Stock Exchange listed shipping company**

**Ticker: OTS**

**CEO: Haico Halbesma**

**CFO: Torbjørn Skulstad**

*Q3 presentation Oslo – 14th November 2011*

- **Company Overview**
- **Financials**
- **Market Outlook**
- **Tax, Bonds & Loans**

# Oceanteam Shipping ASA Company Overview

### Creating value through:

- **Building and operating a fleet of large and advanced CSVs**
- **Providing complex offshore support & vessel solutions**
- **Integrating engineering know-how and a pool of special purpose support equipment with our fleet**

# Uniquely flexible North Ocean CSV-series

- High-end deepwater offshore construction tonnage series
- Proven quality in the most demanding and advanced deepwater operations
- Vessel type orders to date: 6



- Building and operational economics
- Configuration flexibility: In-house engineering team provides complex and complete solutions
- New, enhanced design ready :

CSV North Ocean 200 Series





## OCEANTEAM SHIPPING ASA Q3

### SHIPPING

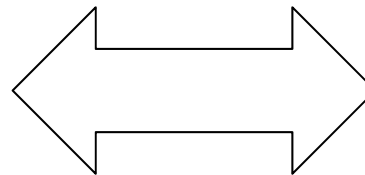
Ship Owning, Chartering and  
Management

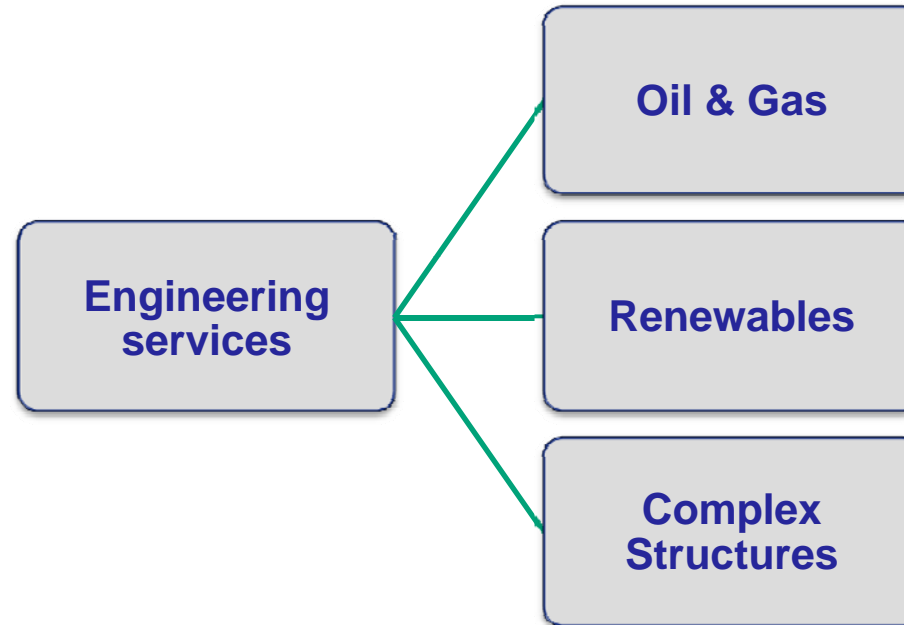
Revenue USD 9.6 mio  
EBITDA USD 5.6 mio  
EBITDA margin: 58%

### ENGINEERING

Engineering Services & Design  
Equipment Solutions

Revenue USD 7.1 mio  
EBITDA USD 1.7 mio  
EBITDA margin 23%



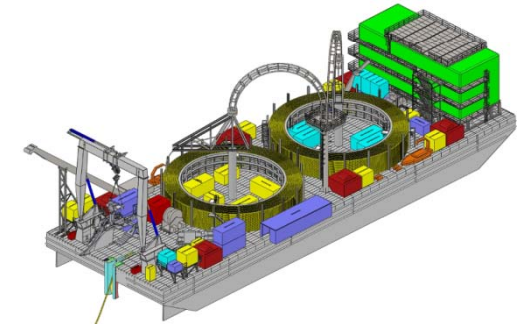
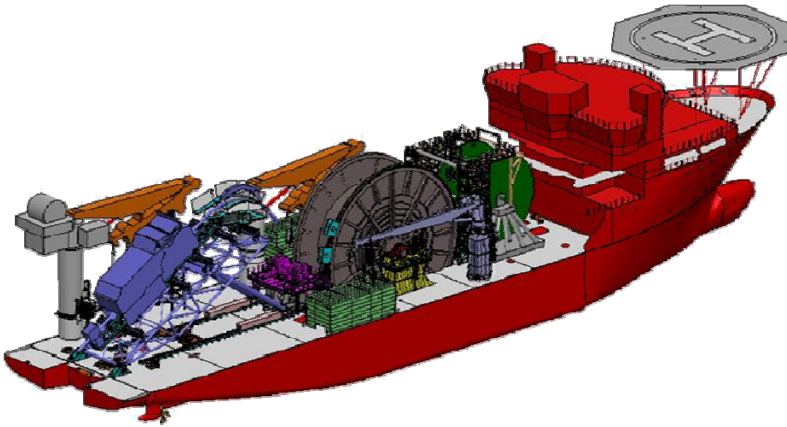


## Areas of business:

- Integrated support of Oceanteam Shipping and Client Solutions
- Integrated support of Oceanteam Joint Ventures and new investments
- Third party client projects such as for Chevron, Shell, BP, TAQA etc.
- Integrated support of equipment pool and related services

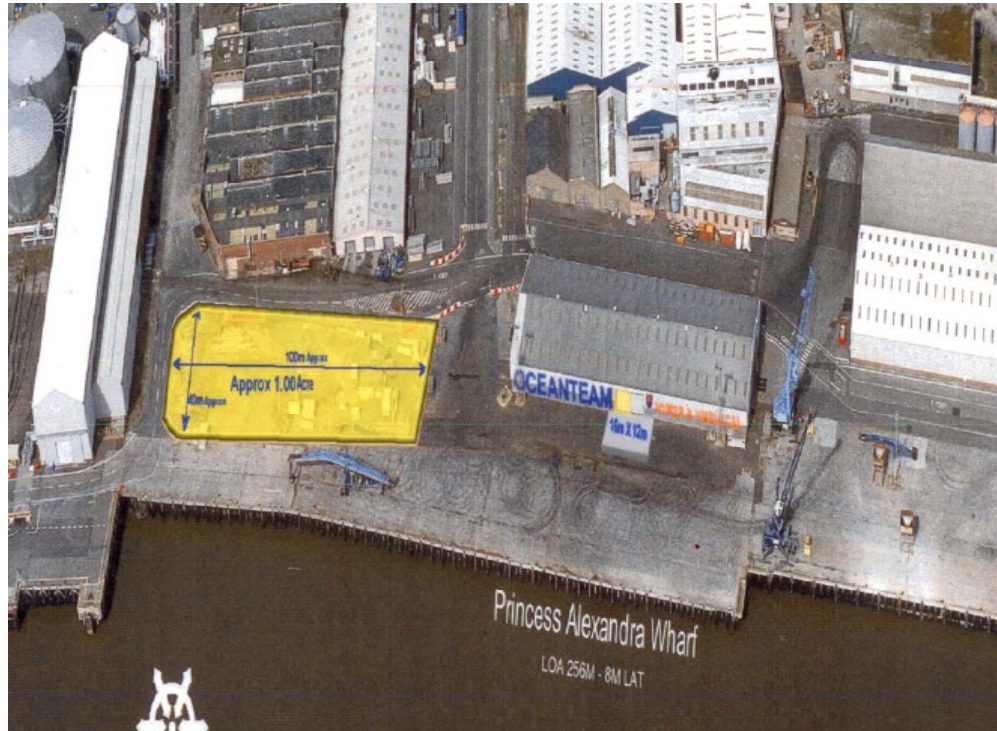
# Engineering

## Inhouse Design & Engineering Capacity





## Equipment Rental & Renewables Offshore Base



Deepwater Offshore & Storage Base, Dundee, Scotland, UK

- High quality storage of equipment & cable
- Maintenance & repair services
- Mobilization base
- Fabrication



# Fleet list & charter status



Contracts schedule		2011 Q1-2	2011 Q3-4	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
Shipping	Type of contracts												
CSV BO 101	time charter	Dry Dock	Contract	Tender/Option	Tender/Option	Tender/Option	Tender/Option	Tender/Option	Tender/Option	Tender/Option	Tender/Option	Tender/Option	Tender/Option
CSV North Ocean 102	time charter	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract			
CSV Southern Ocean	bareboat	Contract	Contract	Contract	Contract	Contract	Contract	Tender/Option	Tender/Option	Tender/Option	Tender/Option	Tender/Option	Tender/Option
CSV North Ocean 105	time charter	Under construction	Under construction	Under construction	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract
Mantarraya	bareboat	Contract	Contract	Contract	Contract	Contract	Contract						
Tiburon	bareboat	Contract	Contract	Contract	Contract	Contract	Contract						



# Financials



- **All large CSVs in full operation**
- **Improved market conditions for large CSVs**
- **Continued improved demand for engineering services**
  - Oil & Gas
  - Offshore Renewables
- **Satisfactory equipment utilization as anticipated**
- **FOREX fluctuations remain**
- **EBITDA development in line with expectations**
- **CSV North Ocean 105 hull launched August 12<sup>th</sup>**
  - Construction of vessel according to plan



- **EBITDA USD 7.3 million**
- **Operating revenues USD 16.7 million**
- **Operating PROFIT USD 3.5 million**

	<u>Q3 2011</u>	<u>Q2 2011</u>
• <b>EBITDA / Revenue % Shipping</b>	<b>58%</b>	<b>51%</b>
• <b>EBITDA / Revenue % Engineering</b>	<b>23%</b>	<b>27%</b>

- **FOREX effect positive USD 6 million**



- **CLB Oceanteam Installer sold with small profit**
  - Non-core asset
- **Settlement reached with renewables operator on contract dispute**
  - Positive effect on provisions
- **Bank loan on CSV Southern Ocean fully converted to USD**
  - Exchange rate 1,349
  - All secured vessel loans now in USD
- **CSV North Ocean series building options remain valid (3x)**

# Key figures Q3 2011

USD 000

Figures in USD million	Q3 2011	Q2 2011	Q1 2011
<b>Total operating revenues</b>	<b>16,7</b>	<b>16,3</b>	<b>12,7</b>
Operating costs	(6,1)	(6,6)	(5,6)
<b>EBITDA</b>	<b>7,3</b>	<b>6,7</b>	<b>4,4</b>

# Key figures Q3 2011

USD 000



Segment information	SHIPPING		ENGINEERING		TOTAL Q3	TOTAL Q2
	Q3 2011	Q2 2011	Q3 2011	Q2 2011	2011	2011
Revenue	9 622	9 652	7 116	6 650	16 738	16 302
Operating costs	(2 481)	(3 020)	(3 657)	(3 548)	(6 137)	(6 568)
General & Administration	(1 542)	(1 737)	(1 801)	(1 322)	(3 343)	(3 059)
<b>EBITDA</b>	<b>5 600</b>	<b>4 895</b>	<b>1 658</b>	<b>1 780</b>	<b>7 258</b>	<b>6 675</b>
<b>EBITDA percentage of revenue</b>	<b>58 %</b>	<b>51 %</b>	<b>23 %</b>	<b>27 %</b>	<b>43 %</b>	<b>41 %</b>

# P&L report end Q3 2011

USD 000



Figures in USD '000	Q3 2011	Q3 2010	Cum 2011	Cum 2010
Revenue	16 738	12 907	45 735	33 856
<b>Total operating revenues</b>	<b>16 738</b>	<b>12 907</b>	<b>45 735</b>	<b>33 856</b>
Operating costs	(6 137)	(5 976)	(18 317)	(16 043)
General & administration	(3 342)	(2 553)	(9 043)	(6 286)
Depreciation	(3 782)	(2 612)	(11 602)	(8 103)
Write off assets			2 098	
<b>Total operating expenses</b>	<b>(13 261)</b>	<b>(11 141)</b>	<b>(36 864)</b>	<b>(30 432)</b>
<b>Operating profit (loss)</b>	<b>3 477</b>	<b>1 766</b>	<b>8 871</b>	<b>3 424</b>
<b>Net finance</b>	<b>(352)</b>	<b>(1 858)</b>	<b>(9 118)</b>	<b>(7 033)</b>
<b>Ordinary profit (loss) before taxes</b>	<b>3 125</b>	<b>(92)</b>	<b>(247)</b>	<b>(3 609)</b>
Corporate income tax	(185)	(141)	(348)	
<b>Net result</b>	<b>2 940</b>	<b>(233)</b>	<b>(595)</b>	<b>(4 458)</b>

# Balance sheet Q3 2011

USD 000



Unaudited

Figures in USD' 000	30.09.2011	31.12.2010
<b>Assets</b>		
Intangible assets	19 756	20 852
Tangible assets	230 680	226 345
<b>Total non current assets</b>	<b>250 436</b>	<b>247 197</b>
Receivables	11 330	9 824
Cash and cash equivalents	9 779	13 501
<b>Current assets</b>	<b>21 109</b>	<b>23 325</b>
<b>Total assets</b>	<b>271 545</b>	<b>270 523</b>

Unaudited

Figures in USD' 000	30.09.2011	31.12.2010
<b>Equity and liabilities</b>		
<b>Total equity</b>	<b>105 736</b>	<b>102 078</b>
<b>Total non-current liabilities</b>	<b>138 774</b>	<b>141 694</b>
First year instalments	10 757	9 955
Other current liabilities	16 278	16 794
<b>Total current liabilities</b>	<b>27 035</b>	<b>26 749</b>
<b>Total liabilities</b>	<b>165 809</b>	<b>168 443</b>
<b>Total equity and liabilities</b>	<b>271 545</b>	<b>270 523</b>

Equity percentage

38,9 %

37,7 %



# Our Market

## DP2 fleet by age

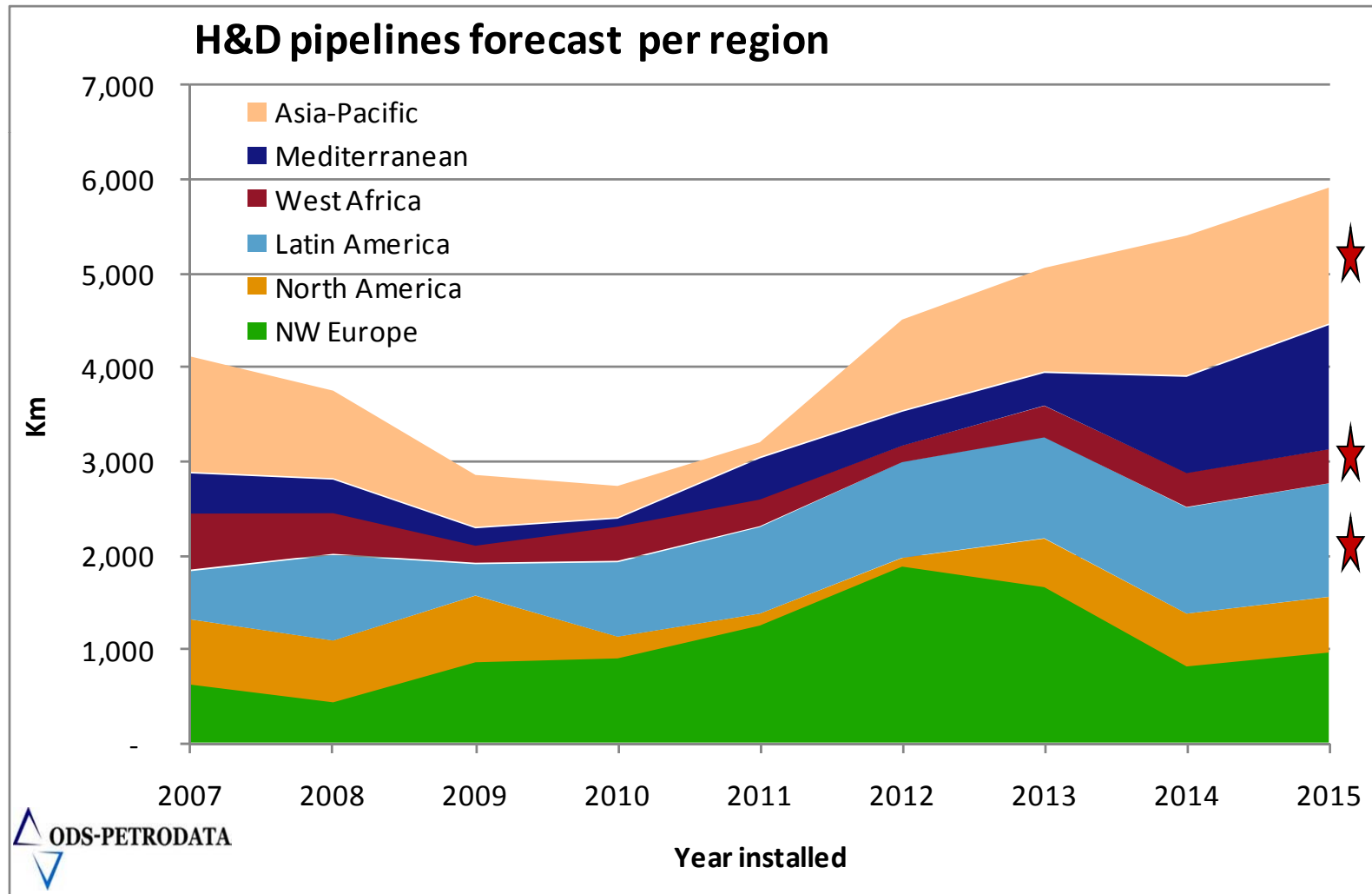
### North Ocean Series qualified as H&D Reel Lay / Multiservice Vessel

No. of vessels	Year built						
Type	Before 1980	1980-89	1990-99	2000-09	2010	2011-13	Total
Lay Barge	8	3		9	2	13	35
Reel Lay Vessels	3	8	2	8	4	4	29
Multiservice vessels	1	1	5	10		1	18
Diving Support Vessels	8	34	5	23	15	7	92
ROV Support Vessels	8	7	21	90	20	40	186
<b>Total</b>	<b>28</b>	<b>53</b>	<b>33</b>	<b>140</b>	<b>41</b>	<b>65</b>	<b>360</b>

No. of vessels	Year												
Type	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Lay Barges	13	14	14	15	15	18	20	21	25	30	34	35	35
Reel lay vessels	15	15	16	16	18	21	22	22	26	28	29	29	29
Multiservice	5	6	9	11	12	14	16	17	19	19	19	19	18
Diving Support Vessels	46	48	48	49	53	58	66	73	88	92	92	92	92
ROV Support Vessels	61	64	67	83	96	101	117	134	159	178	184	185	186
<b>Total</b>	<b>140</b>	<b>147</b>	<b>154</b>	<b>174</b>	<b>194</b>	<b>212</b>	<b>241</b>	<b>266</b>	<b>316</b>	<b>348</b>	<b>359</b>	<b>360</b>	<b>360</b>
Fleet growth		5%	4%	13%	12%	9%	14%	11%	19%	10%	3%	0%	0%



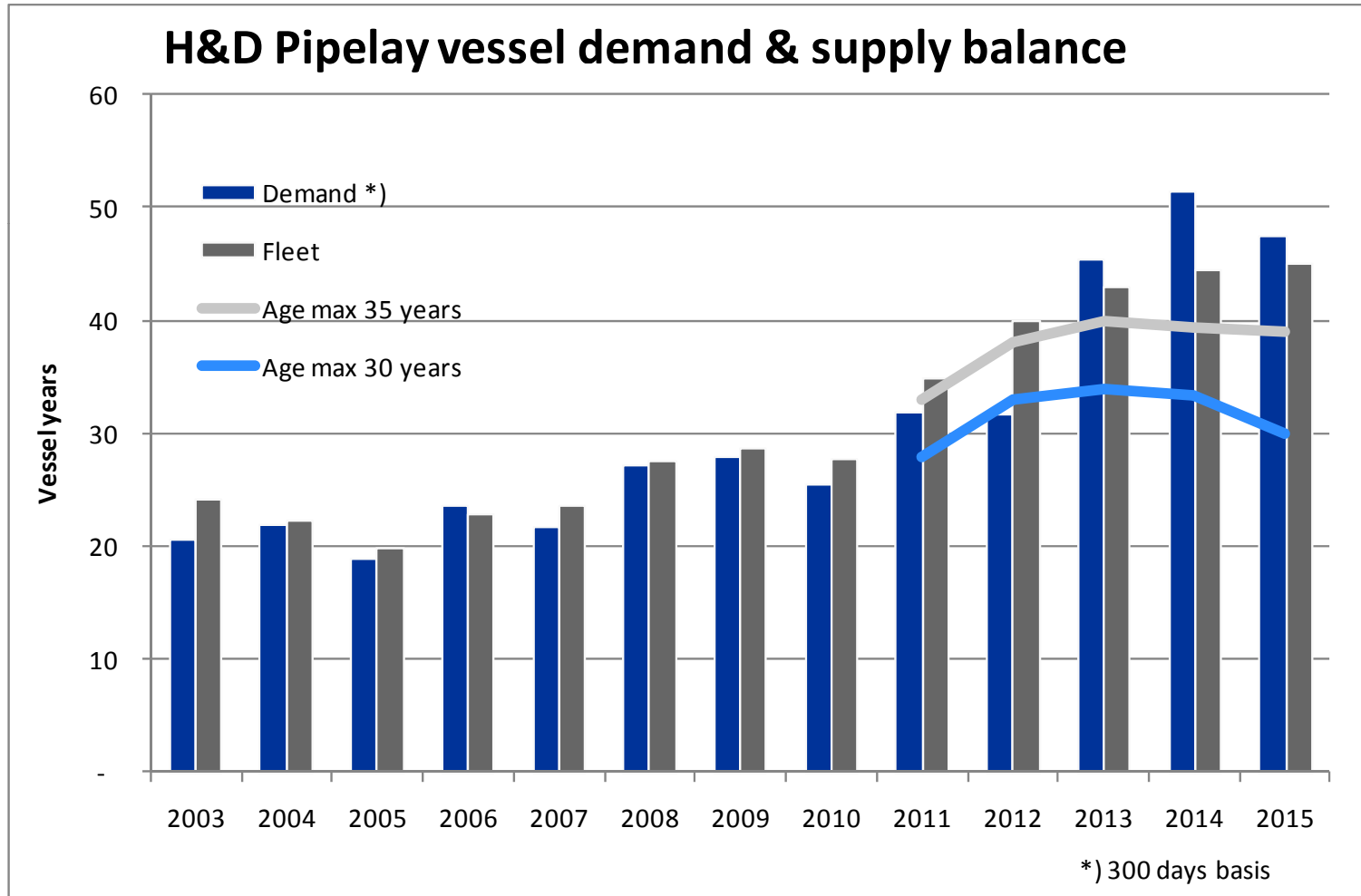
## Annual demand growth of about 15% expected to 2015



# Harsh & Deepwater



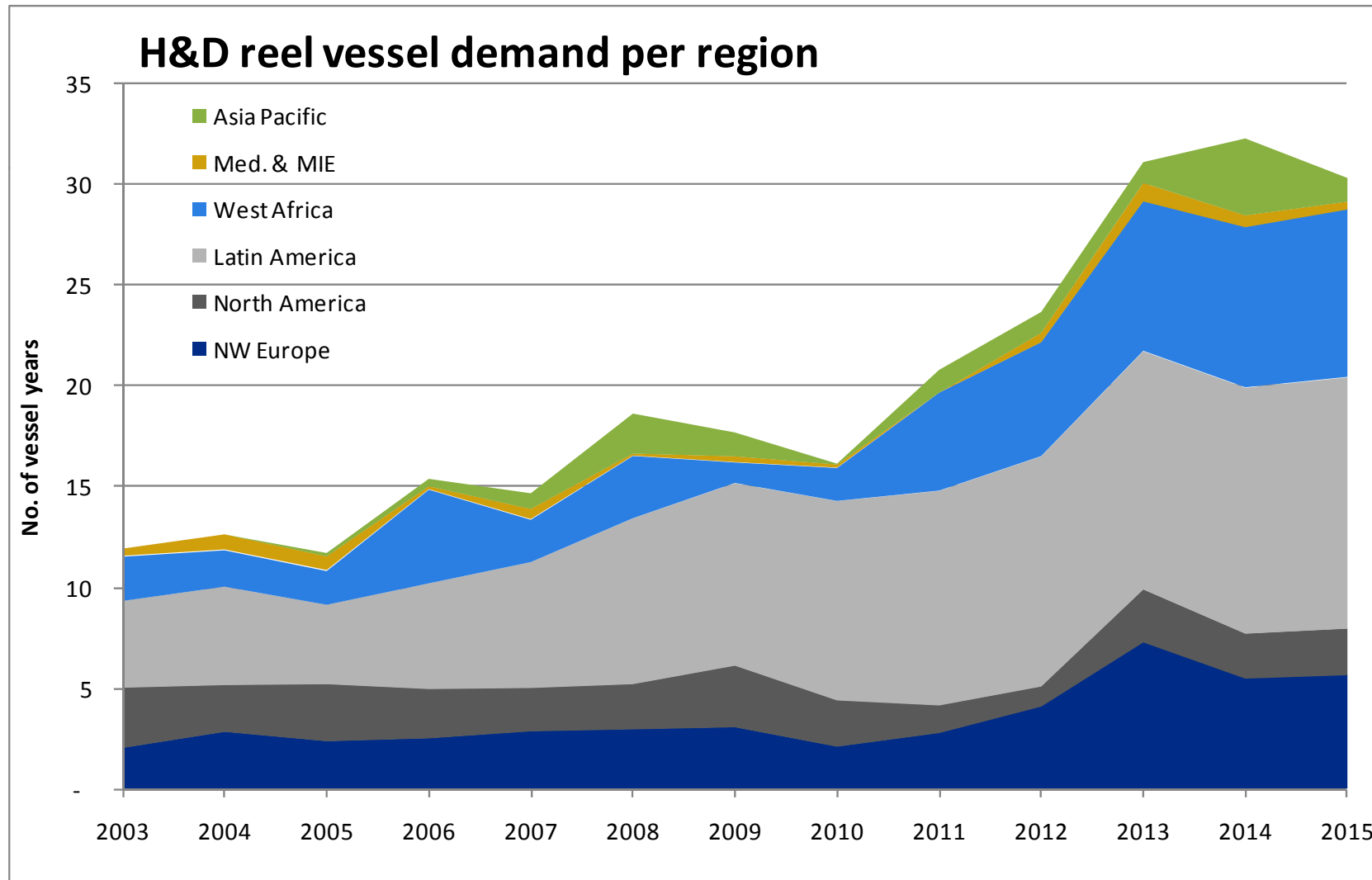
Assuming max life is 35 years; 10 H&D pipelay vessels are needed



Annual demand growth of 19% in period 2010-14 expected

Some pipelay vessels operating in S&B areas today will be reallocated to H&D areas while others will not due to vessel design and/or contractor capabilities

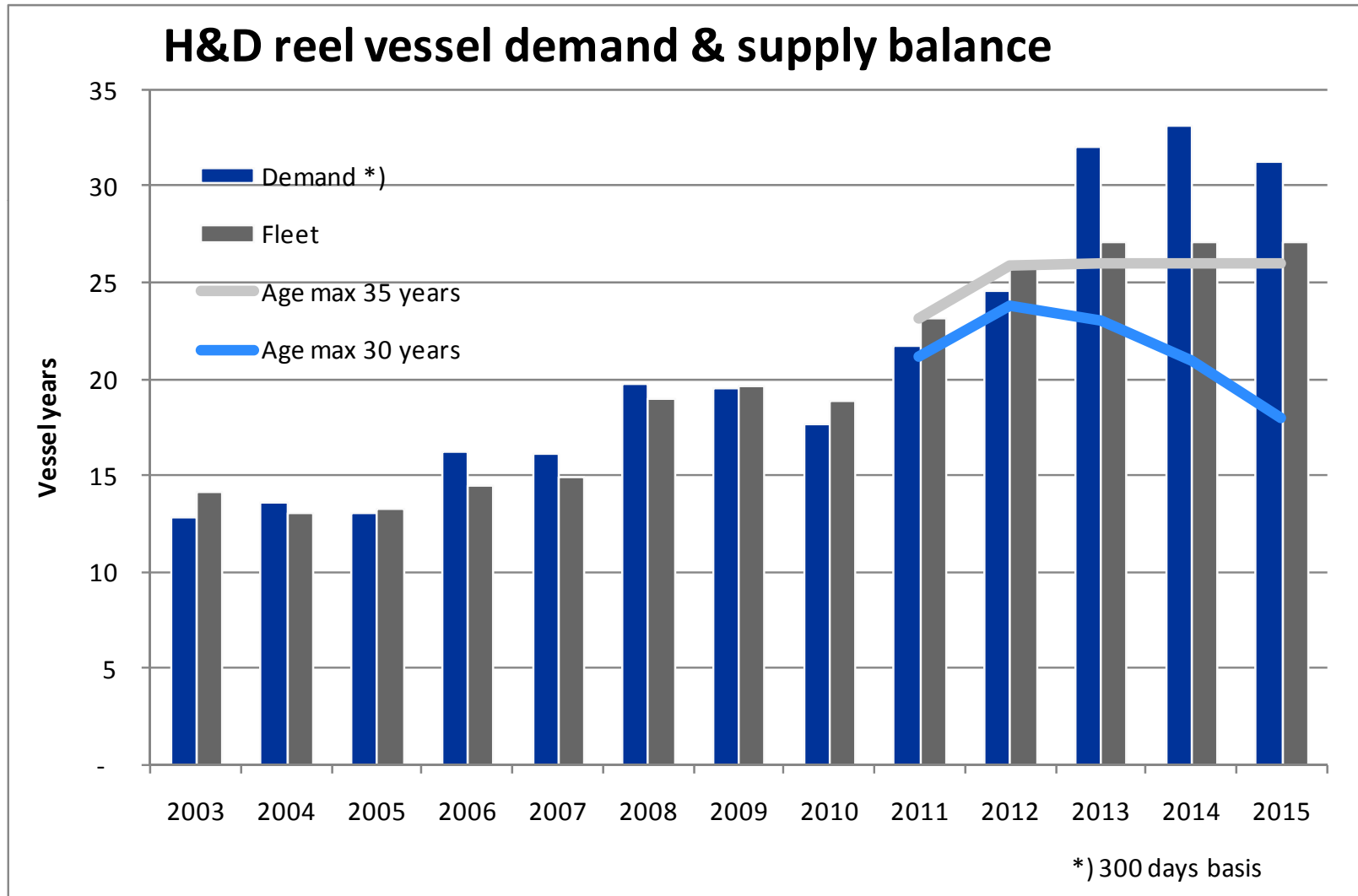
## Brazil is main market followed by NW Europe and West Africa





## Harsh & Deepwater

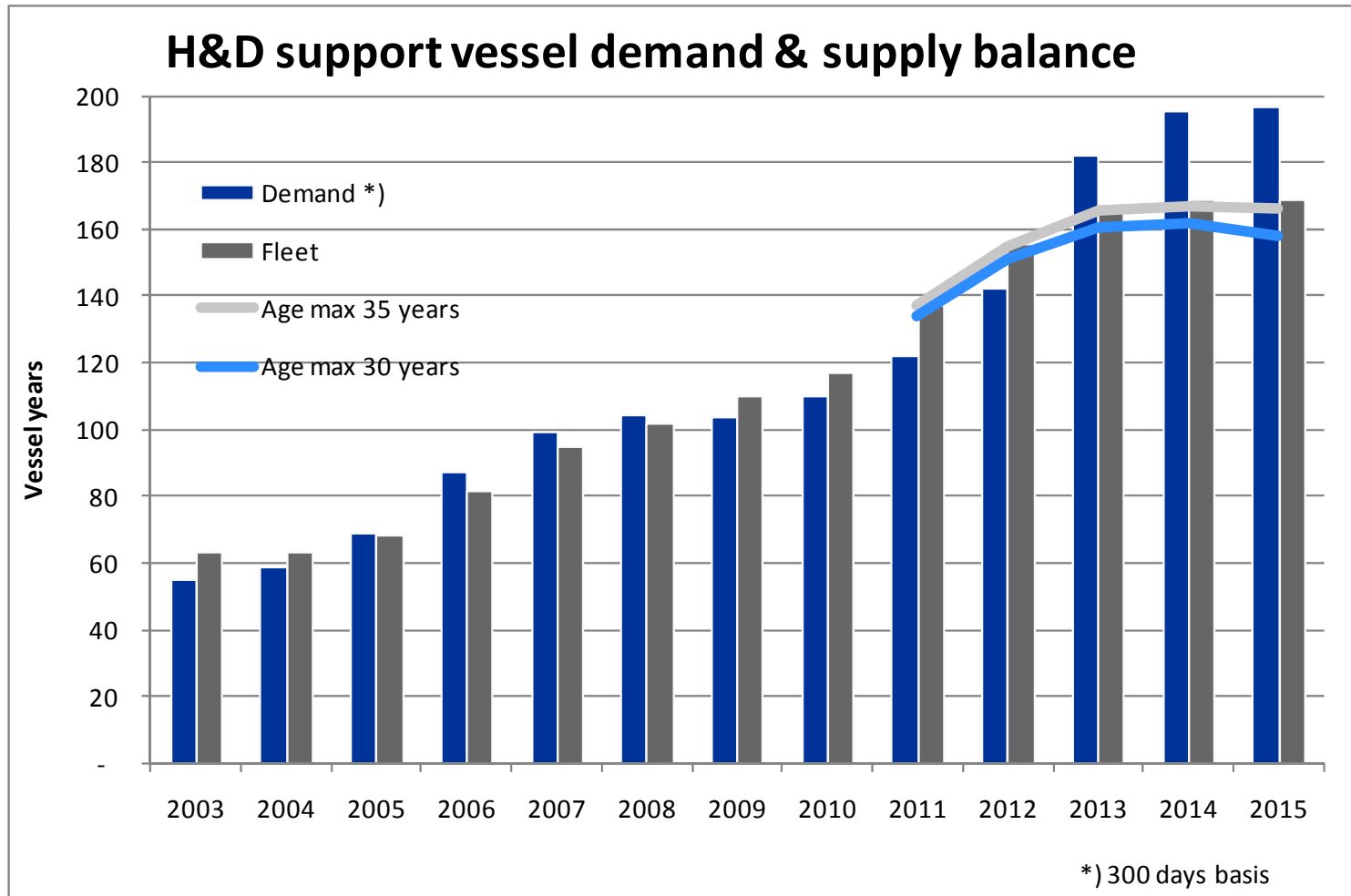
About 7 new H&D reel lay vessels required



Nearly no attrition based on max life of 35 years, but 10 vessels based on 30 years



## Lack of capacity from 2013 even without decommissioning



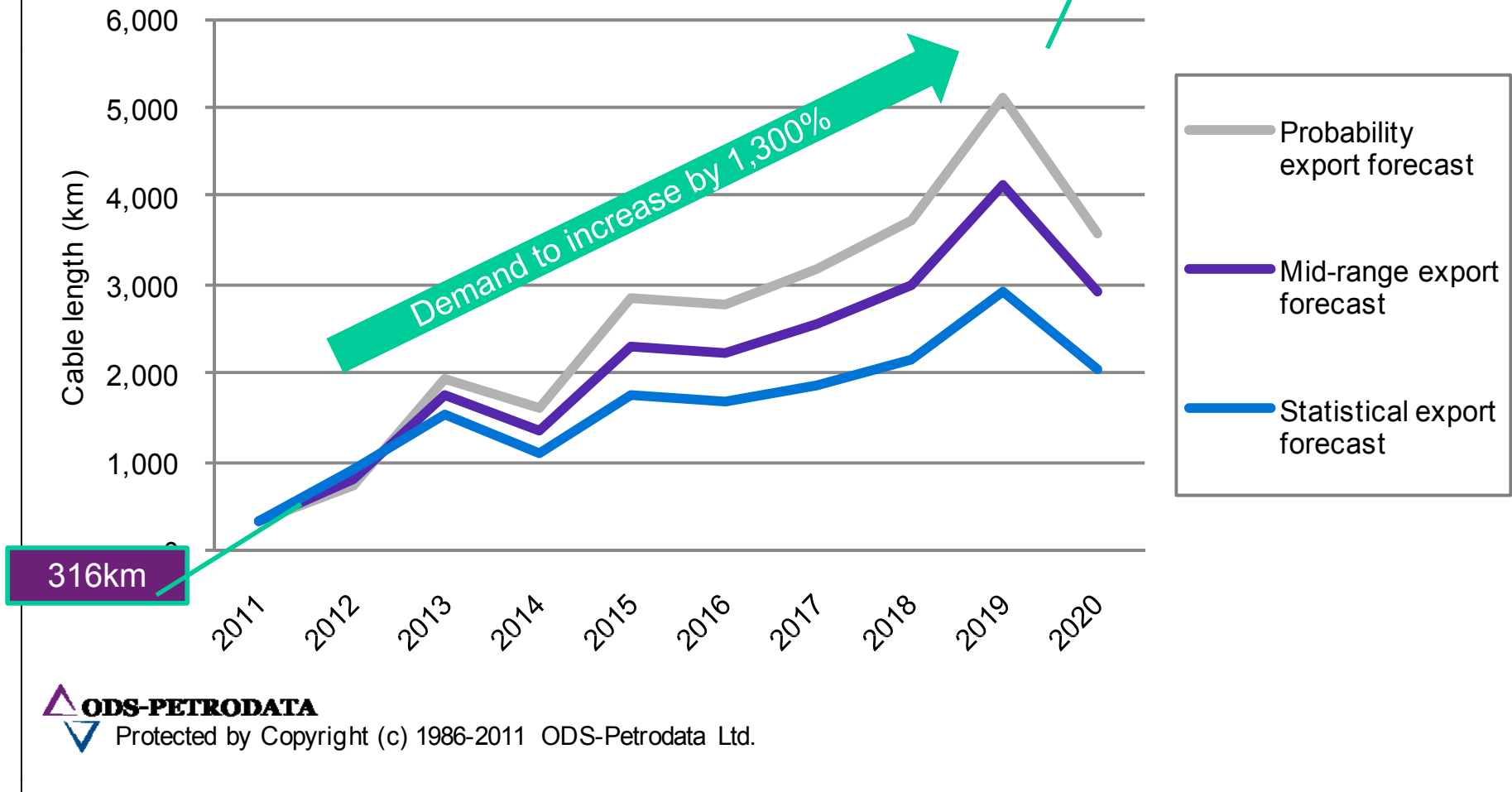
**Nearly 30 additional vessels required in 2015**

Should expect that support vessels operating in S&B areas will transfer to H&D areas from 2013

## Global Offshore Wind Farm export cable

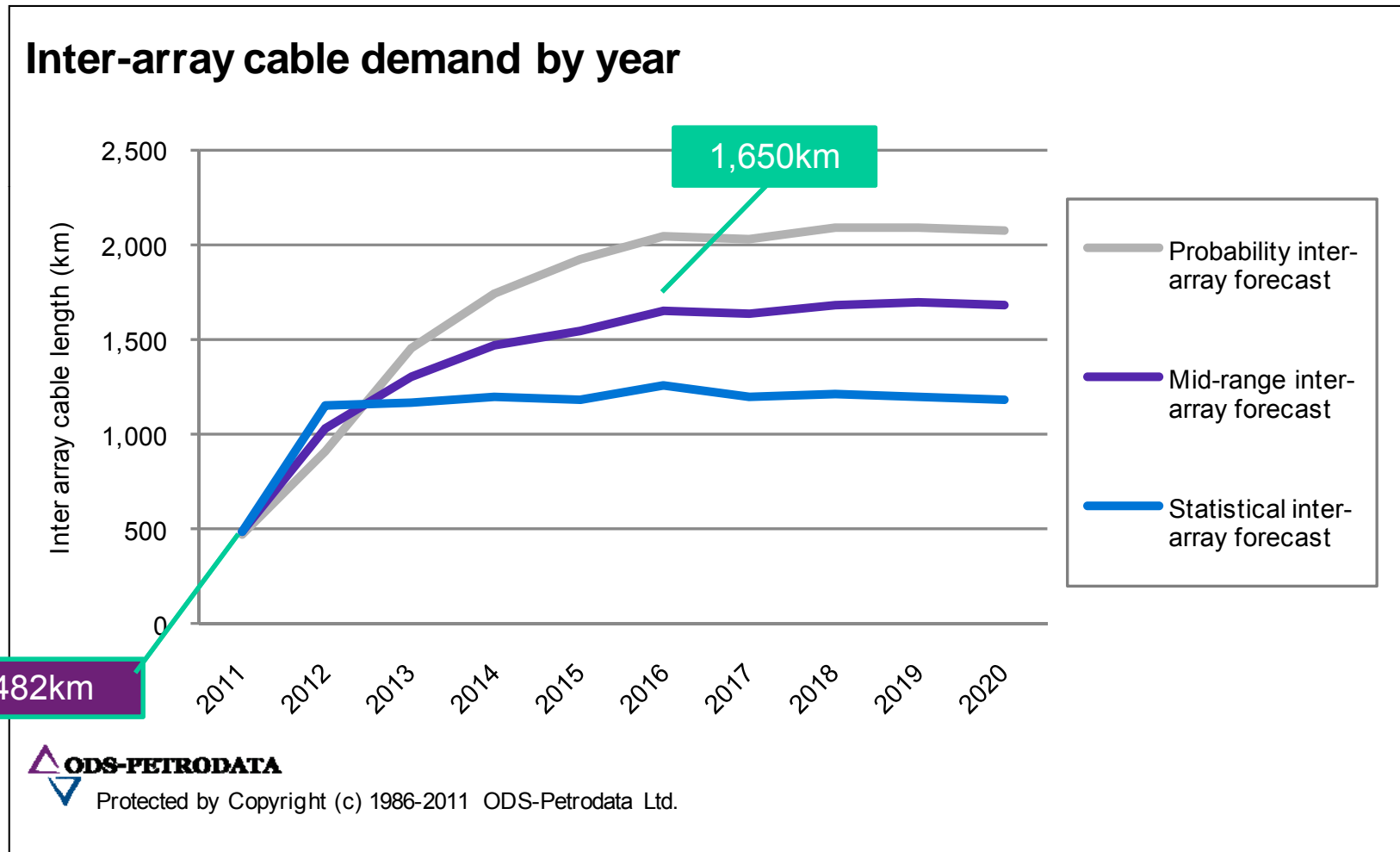
4,100km

### Export cable demand by year



Most of activity increase until 2015 in Southern North Sea

## Global Offshore Wind Farm Inter-array cable demand



Most of activity increase until 2015 in Southern North Sea

# Tax, Bonds & loans



# Tax planning

- **NORWAY**

- OTS has confirmed tax loss to carry forward of USD 144 million (NOK 866 million).
- The CSV vessels comply with the Norwegian Tonnage Tax regime with approx. 0% tax
- CSV 101, 104 and 105 are under the NTT regime
- CSV 102 will be using the deferred tax loss

- **THE NETHERLANDS**

- BV entities have a estimated tax loss to carry forward of EUR 45 million
- A restructuring is prepared to further utilize tax losses

## OTS Bond loan

OTS ASA (M NOK)	Q4 '10	Q2 '11	Q2 '12	Q2 '13	Q2 '14
Bond loan	(400)	(400)	(400)	(400)	(400)
Call balance	(21)	(23)	(57)	(97)	(141)
OTS bonds	30				
<b>Outstanding debt (OB)</b>	<b>(391)</b>	<b>(423)</b>	<b>(457)</b>	<b>(497)</b>	<b>(541)</b>

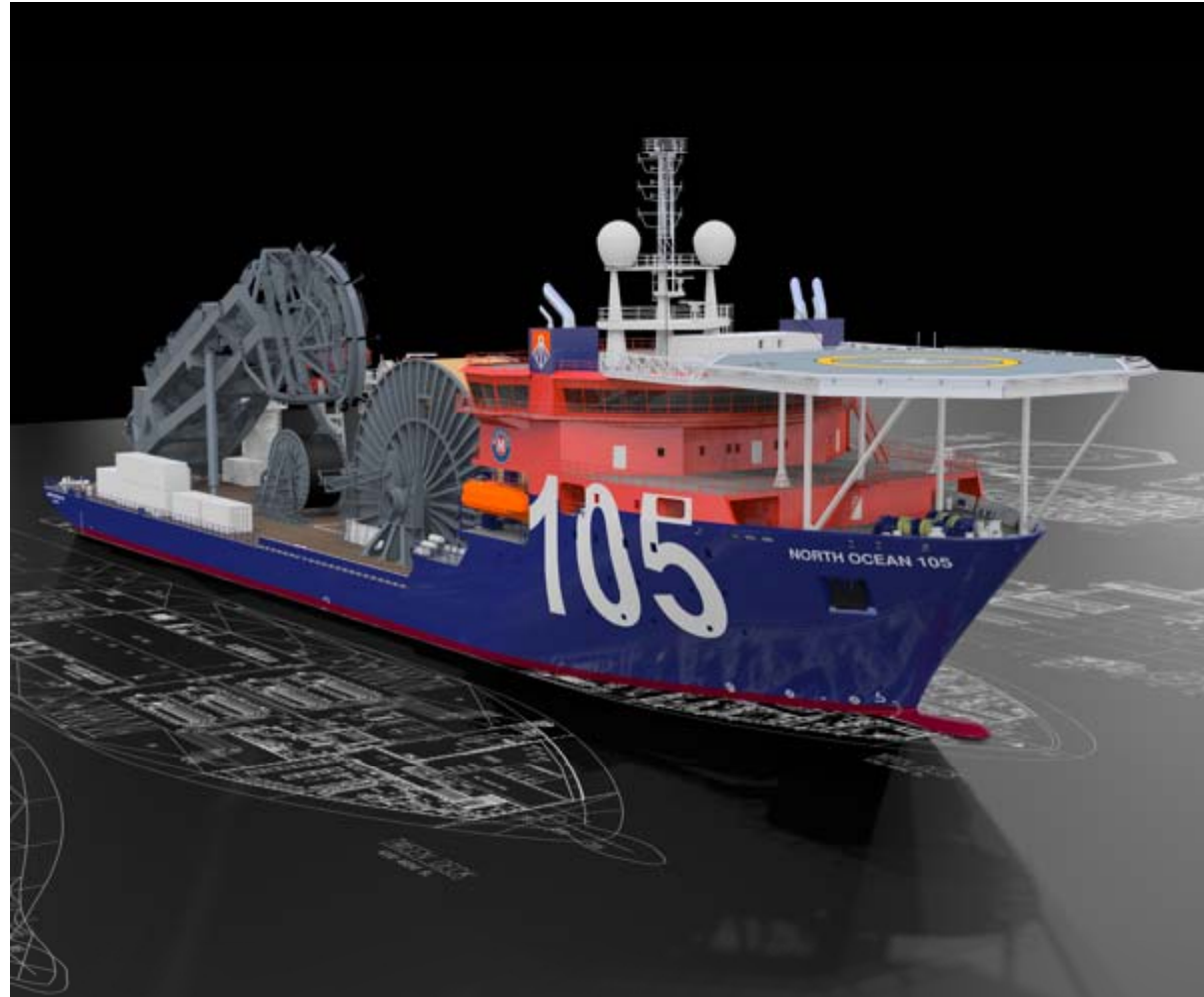
### Call premium if refinanced before:

- <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 + 4,75% + (1,00 point increase per anniversary)
- Call 30 banking days before refinance date

- Number of shares 150.788.378
- Warrants I if bond loan is repaid before 19th June 2014, warrant II before 19th June 2014
- Warrants I: 148.986.069
- Warrants II: 295.996.677
- Subscription price NOK 0.10 for both warrants

- **Target market**
  - ✓ Continued focus on H&D large Construction Support Vessel segment
  - ✓ Continued marketing of seamlessly integrated complex operations with CSVs and in-house engineering know-how
  - ✓ Continued growth of contract back log and fleet
- **Initiate next construction program of favorable building options:**
  - ✓ Introduction of the enhanced design of the CSV North Ocean 200 Series
  - ✓ CSV North Ocean 200 series new build options secured
- **Consolidate financial platform:**
  - ✓ Refinance of Oceanteam Shipping ASA bond loan
  - ✓ Secure cash flows
  - ✓ Reduce risks through joint ventures
  - ✓ Reduce exchange rate exposure
  - ✓ Maximize deferred tax position

Thank you



# Appendix

## Oceanteam Shipping ASA Resources



Locations	Staff
Bergen, Head Office, Norway	4
Amsterdam Office, NL	5
Schiedam Engineering Office, NL	150
Dundee Office, UK	5
Monaco Office	4 + marine crew
Cd Del Carmen Office, Mexico	5 + marine crew
<b>Total</b>	<b>173 + marine crew</b>



# Our Fleet

<p><b>CSV Bourbon Oceanteam 101</b></p> <ul style="list-style-type: none"> <li>•Built 2007</li> <li>•LoA 127m</li> <li>•Beam 27 m</li> <li>•Dwt 7.000t</li> <li>•Deck 2000m2</li> <li>•Cranes 150t + 100t</li> </ul> 	<p><b>Ownership</b></p> <p>50 % Oceanteam Shipping ASA</p> <p>50 % Bourbon Offshore Norway AS</p>  <p><b>BOURBON</b></p>	<p><b>Backlog</b></p> <p>Time Charter, BP Angola BV 1/3/2011- 31/12/ 2011</p> 	<p><b>Certified</b></p> 
<p><b>CSV North Ocean 102</b></p> <ul style="list-style-type: none"> <li>•Built 2009</li> <li>•LoA 137m</li> <li>•Beam 27 m</li> <li>•Dwt 10.000t</li> <li>•Deck 2500m2</li> <li>•Cranes 2 x 100t</li> <li>•Deck eq. 7000t flex lay system;</li> <li>•2 x 120t tensioners</li> </ul> 	<p><b>Ownership</b></p> <p>50 % Oceanteam Shipping ASA</p> <p>50 % J Ray McDermott Norway AS</p> 	<p><b>Backlog</b></p> <p>Time Charter: J Ray McDermott SA Duration: 08/2010 – 08/2015</p> <p>+ purchase option</p> 	<p><b>Certified</b></p> 
<p><b>CSV Southern Ocean</b></p> <ul style="list-style-type: none"> <li>•Built 2010</li> <li>•LoA 137m</li> <li>•Beam 27 m</li> <li>•Dwt 10.000t</li> <li>•Deck 2500m2</li> <li>•Cranes 250t + 110t</li> </ul> 	<p><b>Ownership</b></p> <p>50 % Oceanteam Shipping ASA</p> <p>50 % Bourbon Offshore Norway AS</p>  <p><b>BOURBON</b></p>	<p><b>Backlog</b></p> <p>Bareboat: Fugro TS Marine Australia Duration: 10/2010 – 31/12/ 2013</p> 	<p><b>Certified</b></p> 
<p><b>CSV North Ocean 105</b></p> <ul style="list-style-type: none"> <li>•Delivery Q2 2012</li> <li>•LoA 137m</li> <li>•Beam 27 m</li> <li>•Dwt 10.000t</li> <li>•Deck 2500m2</li> <li>•Cranes 400t + 100t: VPS</li> </ul> 	<p><b>Ownership</b></p> <p>25 % Oceanteam Shipping ASA</p> <p>75 % J Ray McDermott Norway AS (fully financed)</p> 	<p><b>Backlog</b></p> <p>Time Charter 5 years upon delivery J Ray McDermott SA + purchase option</p> 	<p><b>Certified</b></p> 
<p><b>FSV Mantaraya &amp; FSV Tiburon</b></p> <ul style="list-style-type: none"> <li>•Build 2006</li> <li>•LoA 33m</li> <li>•Beam 8 m</li> <li>•Deck 150m2</li> <li>•Speed 25 knots</li> <li>•Passengers 75 pob</li> </ul> 	<p><b>Ownership</b></p> <p>100 % Oceanteam Shipping ASA</p> 	<p><b>Backlog</b></p> <p>Bareboat contract Venezuela Duration: 01/2011– 01/2014</p>	<p><b>Certified</b></p> 



## CSV Bourbon Oceanteam 101

Built	2007
LoA	127m
Beam	27 m
Dwt	7.000t
Deck	2000m <sup>2</sup>
Cranes	150t HC+ 100t AHC



Ownership: 50% Oceanteam Shipping ASA / 50% Bourbon Offshore Norway AS

Track record: Feb 2007 – Sept 2010 BP Angola BV

Back log;	Shell Brazil Lta	31 December 2010
	Time Charter BP Angola BV	1 March 2011 – 31 December 2011 + options



## CSV North Ocean 102

Built	2009
LoA	137m
Beam	27 m
Dwt	10.000t
Deck	2500m <sup>2</sup>
Cranes	2 x 100t HC
Deck equipment	7000t flex lay system 2 x 120t tensioners



Ownership: 50% Oceanteam Shipping ASA / 50% J Ray McDermott Norway AS

Track record: ABB - BritNed 20.000t power interconnector installation  
ABB - StatOilHydro Gjoia Power Cable Installation

Back log; Time Charter J Ray McDermott SA  
August 2010 – August 2015



## CSV Southern Ocean

Built	2010
LoA	137m
Beam	27 m
Dwt	10.000t
Deck	2500m <sup>2</sup>
Cranes	1 x 110t HC 1 x 250t HC



Ownership: 50% Oceanteam Shipping ASA / 50% Bourbon Offshore Norway AS

Back log; Fugro TS Marine Australia  
10 October 2010 – 31 December 2013





## CSV North Ocean 105

Delivery	Q1 2012
LoA	137m
Beam	27 m
Dwt	10.000t
Deck	2500m <sup>2</sup>
Cranes	1 x 400t HC 1 x 100t HC vertical pipelay system



Ownership: 25% Oceanteam Shipping ASA / 75% J Ray McDermott Norway AS

Back log; Time Charter 5 years upon delivery  
J Ray McDermott SA



## FSV Mantaraya + FSV Tiburon

Build	2006
LoA	33m
Beam	8 m
Deck	150m <sup>2</sup>
Speed	25 knots
Passengers	75 pob



Ownership: 100% Oceanteam Shipping ASA

Back log; 3 year bareboat contract  
January 2011 – January 2014  
2 year time charter contract  
January 2011 – January 2013



## Equipment Support and Rental Services

- Horizontal Reel Systems
- Tensioning Systems
- Plough Systems
- Carousels and Cable Storage
- Jetting Equipment





## Inhouse Design & Engineering Capacity

