



## **POSITIVE TREND CONTINUES**

**An Oslo Stock Exchange listed shipping company**

**Ticker: OTS**

**CEO: Haico Halbesma**

**CFO: Torbjørn Skulstad**

*Oslo – 29th August 2011*

- **Company overview**
- **Financials**
- **Tax, bonds & loans**
- **Market Outlook**



- **All large Construction Support Vessel in full operations**
- **Seasonal equipment utilization as anticipated**
- **FOREX fluctuations remain but EBITDA development in line with expectations**
- **Demand for large CSV's and engineering services in Oil & Gas and Offshore Renewables improving**
- **CSV Southern Ocean christened in Singapore**

- **EBITDA USD 6.7 million, up 52%**
- **Operating revenues USD 16.3 million, up 28 %**
- **Operating PROFIT USD 2.8 million**
- **FOREX effect negative USD 1.2 million**

	<u>Q2 2011</u>	<u>Q1 2011</u>
• <b>EBITDA / Revenue % Shipping</b>	<b>51%</b>	<b>55%</b>
• <b>EBITDA / Revenue % Engineering</b>	<b>27%</b>	<b>7%</b>

- **CSV North Ocean 105 hull successfully launched on August 12th**
  - **Vessel delivery expected early Q2 2012**
- **CSV North Ocean 200 series design completed and IPR's secured**
- **CSV North Ocean 200 series building options remain in force (3x)**

# Introducing Oceanteam Shipping

### Creating value through:

- **Building and operating a fleet of large and advanced Construction Service Vessels**
- **Providing complex offshore support / vessel solutions**
- **Integrating seamless engineering know-how and a pool of special purpose support equipment with our fleet**

## OCEANTEAM SHIPPING ASA

### SHIPPING

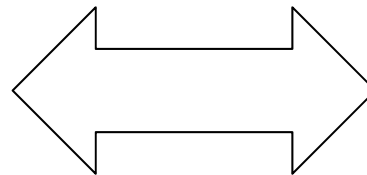
Ship Owning, Chartering and  
Ship Management

Revenue USD 9.7 mio  
EBITDA USD 4.9 mio  
EBITDA margin: 51%

### ENGINEERING

Engineering Services & Design  
Equipment Solutions

Revenue USD 7.1 mio  
EBITDA USD 2.7 mio  
EBITDA margin 27%





# Uniquely flexible North Ocean CSV-series

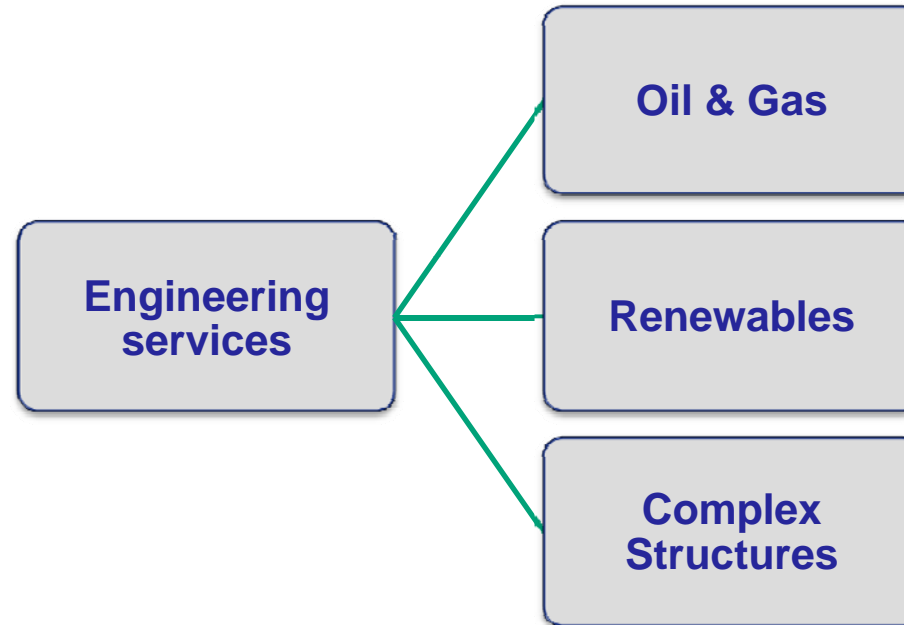
- High-end deepwater offshore construction tonnage series
- Prepared for the most demanding and advanced deepwater subsea operations
- Proven and recognised quality
- Vessel type orders to date: 6



- Building and operational economics
- Experienced in house engineering team turn vessels into complex and complete client solutions
- Configuration flexibility
- Enhanced design ready :

CSV North Ocean 200 series





## Areas of business:

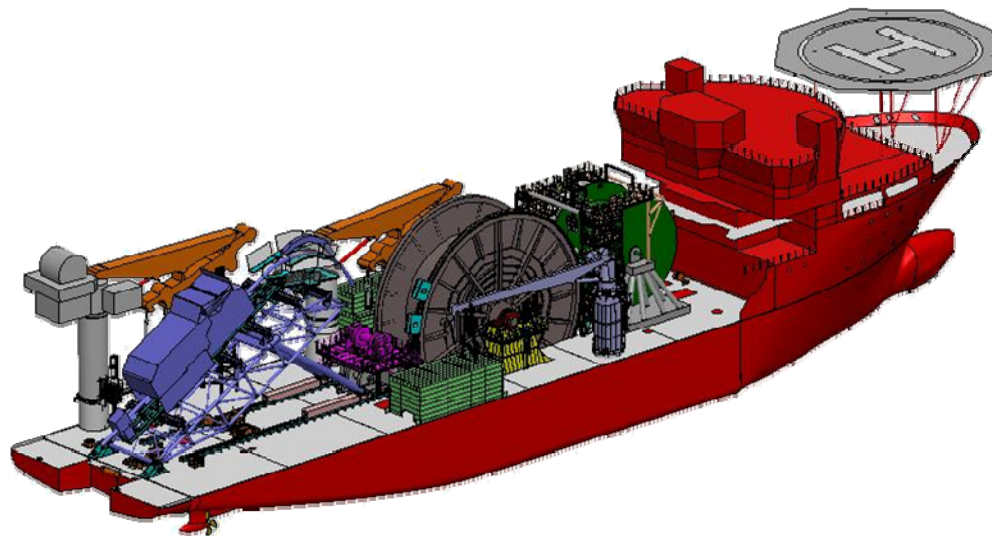
- Integrated support of Oceanteam Shipping and Client Solutions
- Integrated support of Oceanteam Joint Ventures and new investments
- Third party client projects such as for Chevron, Shell, BP, TAQA etc.
- Integrated support of equipment pool and related services

## Key features CSV North Ocean 200 Series

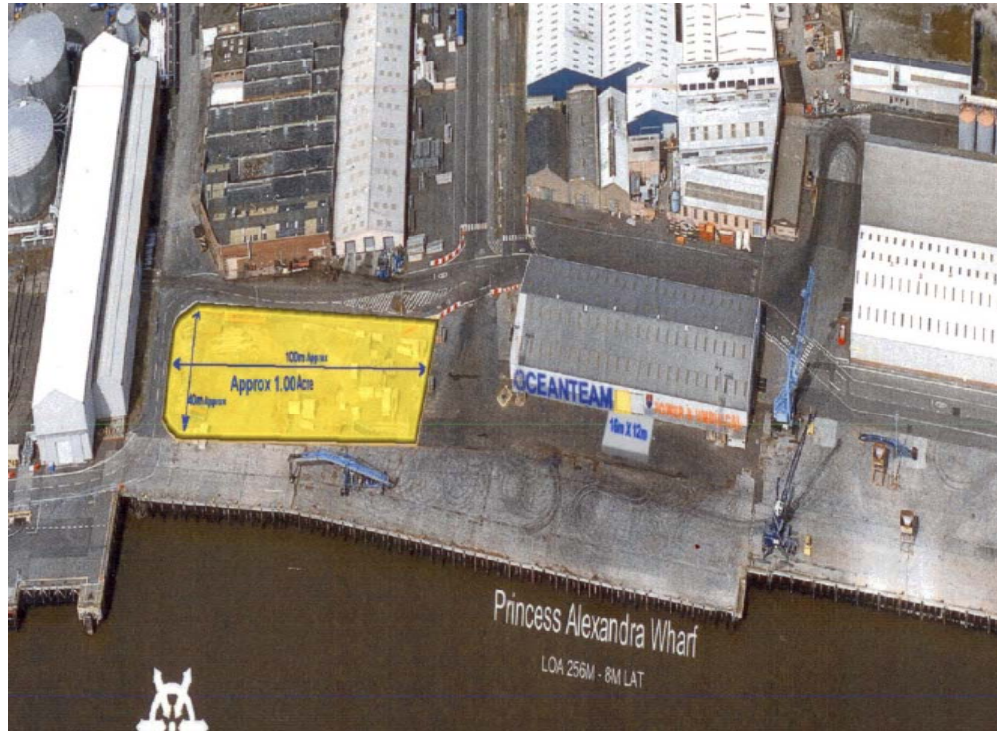
	<b>S100 ENHANCED</b>	<b>S200</b>
<b>Length over all (m)</b>	132	140.9
<b>Length between perpendicular (m)</b>	120	136.5
<b>Beam (m)</b>	27	28
<b>Depth (m)</b>	9.7	10.7
<b>Draught Design (m)</b>	6.7	7
<b>Draught Scantling (m)</b>	6.85	7.5
<b>Deck Load (ton)</b>	5600	8500*
<b>Dead Weight (ton)</b>	9300	12500

Multiple deepwater crane & reel solution available

## Inhouse Design & Engineering Capacity – e.g. Technip Apache II based on CSV North Ocean 103



## Equipment & Renewables Offshore Base



Deepwater Offshore & Storage Base, Dundee, Scotland, UK

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

 ISO 14008:2004  
ISO 9001:2008  
ISO 18001:2007

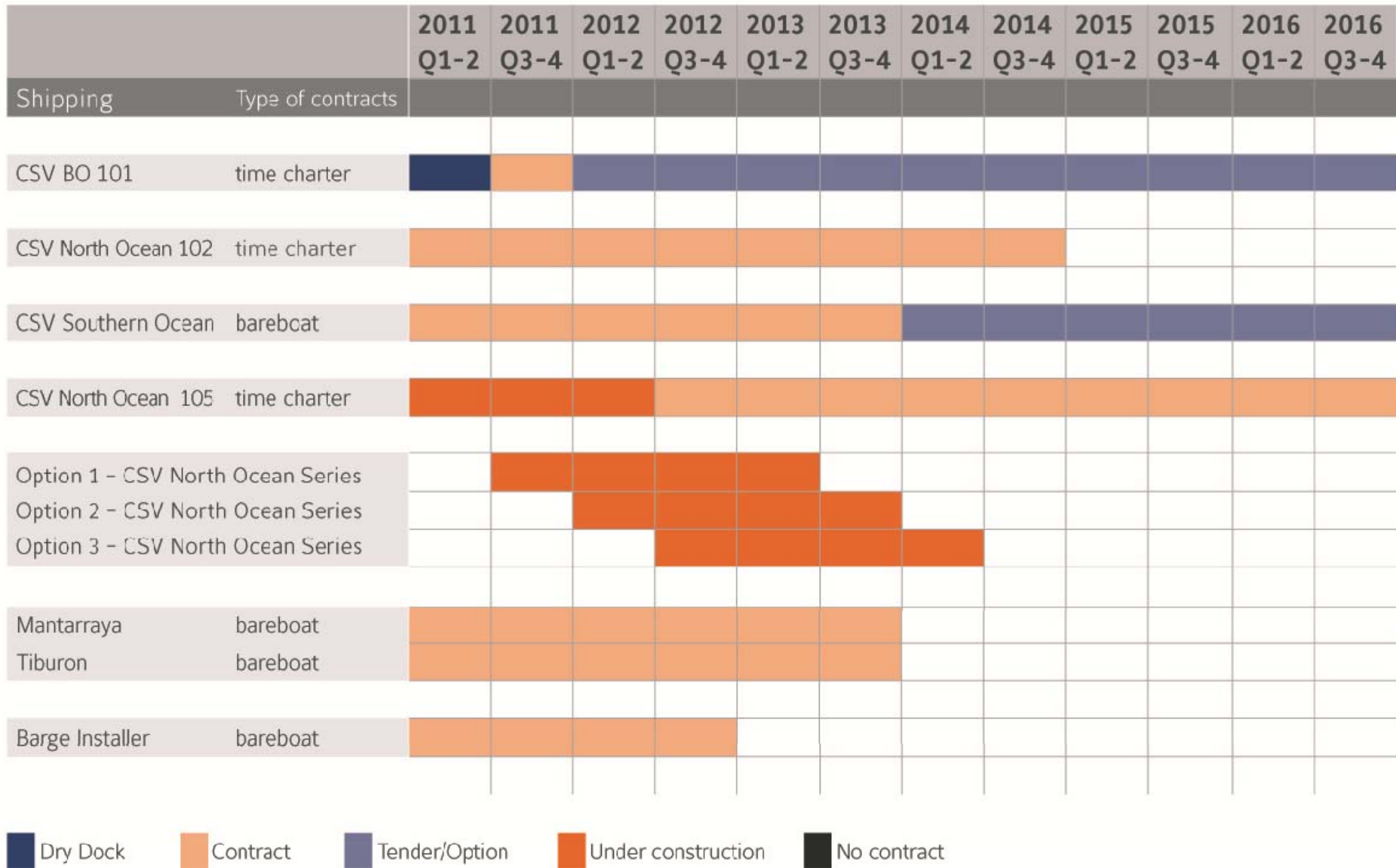


<p><b>CSV Bourbon Oceanteam 101</b></p> <ul style="list-style-type: none"> <li>•Built 2007</li> <li>•LoA 127m</li> <li>•Beam 27 m</li> <li>•Dwt 7.000t</li> <li>•Deck 2000m2</li> <li>•Cranes 150t + 100t</li> </ul> 	<p><b>Ownership</b></p> <p>50 % Oceanteam Shipping ASA</p> <p>50 % Bourbon Offshore Norway AS</p> 	<p><b>Backlog</b></p> <p>Shell Brazil Lta upto 31/12/2010</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: Eastern Marine / J Ray McDermott 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>Backlog</b></p> <p>Bareboat: Salt Subsea Ltd / 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 Q1 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 + 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> 



# Fleet list & charter status

## CONTRACTS SCHEDULE



# Financials



# Key figures Q2 2011

USD 000



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

Segment information	SHIPPING		ENGINEERING		TOTAL Q2	TOTAL Q1
	Q2 2011	Q2 2010	Q2 2011	Q2 2010	2011	2011
Revenue	9 652	7 128	6 650	3 121	16 302	12 695
Inter segment revenue						
Operating costs	(3 020)	(4 012)	(3 548)	(467)	(6 568)	(5 611)
General & Administration	(1 737)	(464)	(1 322)	(1 348)	(3 060)	(2 640)
<b>EBITDA</b>	<b>4 894</b>	<b>2 652</b>	<b>1 780</b>	<b>1 306</b>	<b>6 674</b>	<b>4 444</b>
<b>EBITDA percentage of</b>	<b>51 %</b>	<b>37 %</b>	<b>27 %</b>	<b>42 %</b>	<b>41 %</b>	<b>35 %</b>

# P&L report end Q2 2011

USD 000



Figures in USD '000	Notes	Unaudited			
		Q2 2011	Q2 2010	Cum 2011	Cum 2010
Revenue	4	16 302	11 661	28 997	21 600
<b>Total operating revenues</b>		<b>16 302</b>	<b>11 661</b>	<b>28 997</b>	<b>21 600</b>
Operating costs		(6 568)	(5 399)	(12 180)	(10 475)
General & administration		(3 060)	(2 168)	(5 701)	(3 848)
Depreciation	2	(3 864)	(2 666)	(7 820)	(5 522)
Write off assets	2	-	-	2 098	-
<b>Total operating expenses</b>		<b>(13 491)</b>	<b>(10 234)</b>	<b>(23 603)</b>	<b>(19 846)</b>
<b>Operating profit (loss)</b>		<b>2 810</b>	<b>1 427</b>	<b>5 395</b>	<b>1 754</b>
Financial income		90	-	205	1 817
Financial costs	5	(2 887)	(1 865)	(6 569)	(4 097)
Foreign exchange results (loss)		(1 241)	(3 349)	(2 403)	(5 467)
<b>Net finance</b>		<b>(4 039)</b>	<b>(5 214)</b>	<b>(8 766)</b>	<b>(7 747)</b>
<b>Ordinary profit (loss) before taxes</b>		<b>(1 229)</b>	<b>(3 787)</b>	<b>(3 372)</b>	<b>(5 993)</b>
Corporate income tax	6	(110)	(81)	(163)	(100)
<b>Net result from continuing operations</b>		<b>(1 339)</b>	<b>(3 868)</b>	<b>(3 535)</b>	<b>(6 092)</b>
<b>Net result from discontinued operations</b>		<b>0</b>	<b>(20)</b>		<b>(1 053)</b>

# Balance sheet per end Q2 2011 OCEANTEAM SHIPPING

USD 000

		Unaudited	
		30.06.2011	31.12.2010
<b>Assets</b>			
Deferred tax assets	6	3 831	3 831
Customer relations		3 290	4 034
Goodwill		13 000	12 987
<b>Intangible assets</b>	3	<b>20 121</b>	<b>20 852</b>
Investment in associates		5 924	4 828
Vessels and equipment		228 380	221 517
<b>Tangible assets</b>	2	<b>234 304</b>	<b>226 345</b>
<b>Total non current assets</b>		<b>254 425</b>	<b>247 197</b>
Trade receivables		3 187	6 299
Other receivables		4 857	3 525
<b>Receivables</b>		<b>8 044</b>	<b>9 824</b>
<b>Cash and cash equivalents</b>		<b>10 786</b>	<b>13 501</b>
<b>Current assets</b>		<b>18 830</b>	<b>23 325</b>
<b>Total assets</b>		<b>273 257</b>	<b>270 523</b>

# Balance sheet Q1 2011

## Equity & Liabilities USD 000



		Unaudited	
		30.06.2011	31.12.2010
<b>Equity and liabilities</b>			
Share capital		1 291	1 291
Retained earnings		13 294	23 632
Revaluation reserve	2	82 803	77 155
<b>Total equity</b>		<b>97 388</b>	<b>102 078</b>
Loans and borrowings		150 047	141 694
<b>Total non-current liabilities</b>	5	<b>150 047</b>	<b>141 694</b>
First year instalments	5	10 186	9 955
Trade payables		7 806	6 619
Tax payable		23	58
Other current liabilities		7 809	10 117
<b>Total current liabilities</b>		<b>25 824</b>	<b>26 749</b>
<b>Total liabilities</b>		<b>175 871</b>	<b>168 443</b>
<b>Total equity and liabilities</b>		<b>273 257</b>	<b>270 523</b>

# Tax, Bonds & loans

- **NORWAY**

- OTS has confirmed tax loss to carry forward of USD 117 million (NOK 700 million).
- The CSV vessel complies to 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>

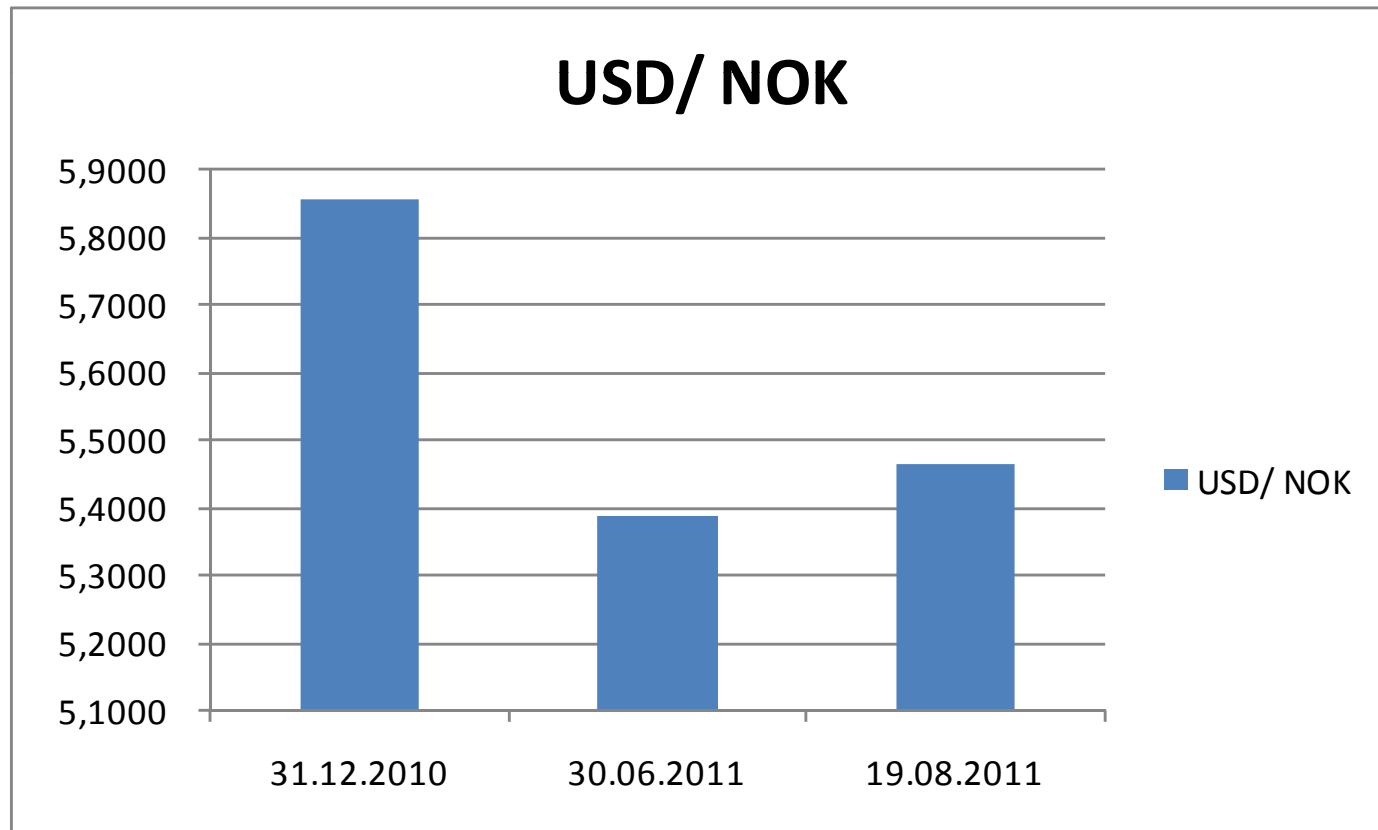
### Call premium if refinanced before:

- <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

## OTS Bond loan –

## Exchange rate effects 2011 – USD 6.1 million hit on equity





# Our Market

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

### DP2 fleet by age

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%

## Significant fleet growth in 2011 due to delivery of pre credit crunch orders

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
Total	140	147	154	174	194	212	241	266	316	348	359	360	360
Fleet growth		5%	4%	13%	12%	9%	14%	11%	19%	10%	3%	0%	0%

Fleet will grow 35% up to 2014 assuming no further orders, cancellations or scrapping.

Largest growth for Lay Barges, while less than average growth for Multiservice vessels

★ Significant fleet growth in 2011, however complete North Ocean Series is booked

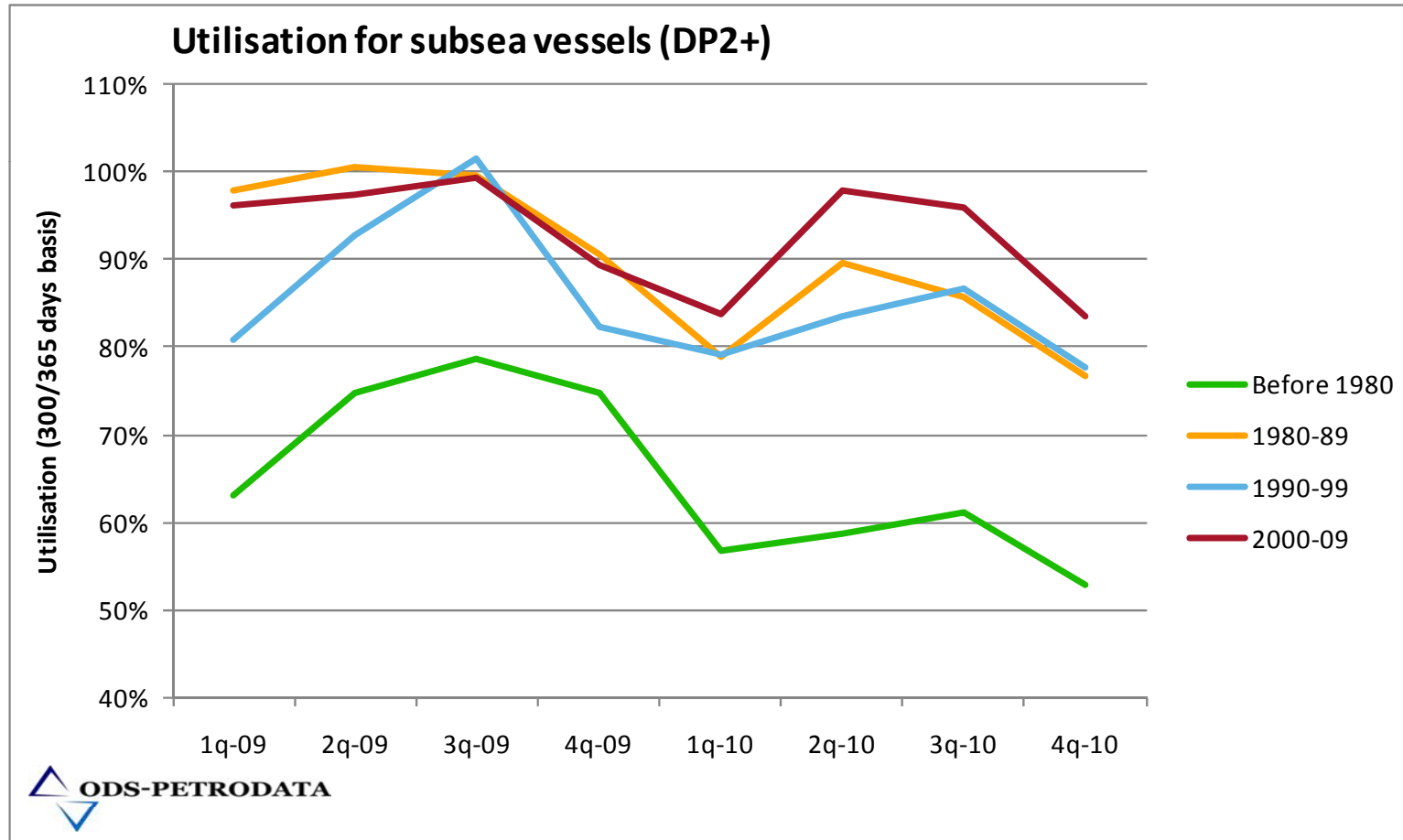
### Definitions:

Harsh & Deepwater (H&D) = all water depths (wd) in North Atlantic and Rest of world > 100 m wd

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

## Utilisation for subsea vessels by age profile

*- Vessels built before 1980 are clearly not attractive*

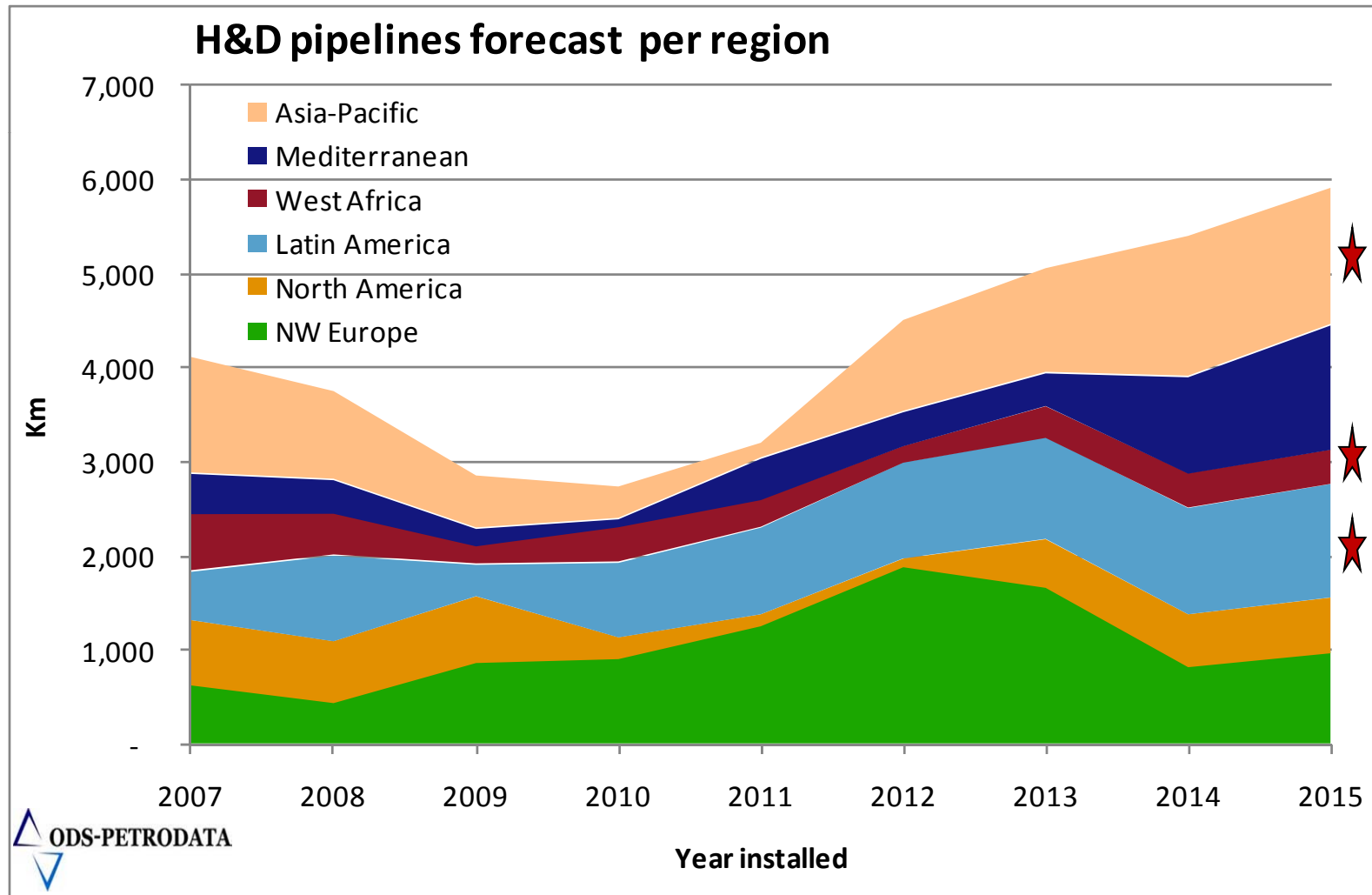


Utilisation for vessels built 1980-89 is surprisingly high:

- Several of these vessels are still core vessels for the main subsea contractors
- Some of these vessels are on long-term contracts with national oil companies in S&B areas

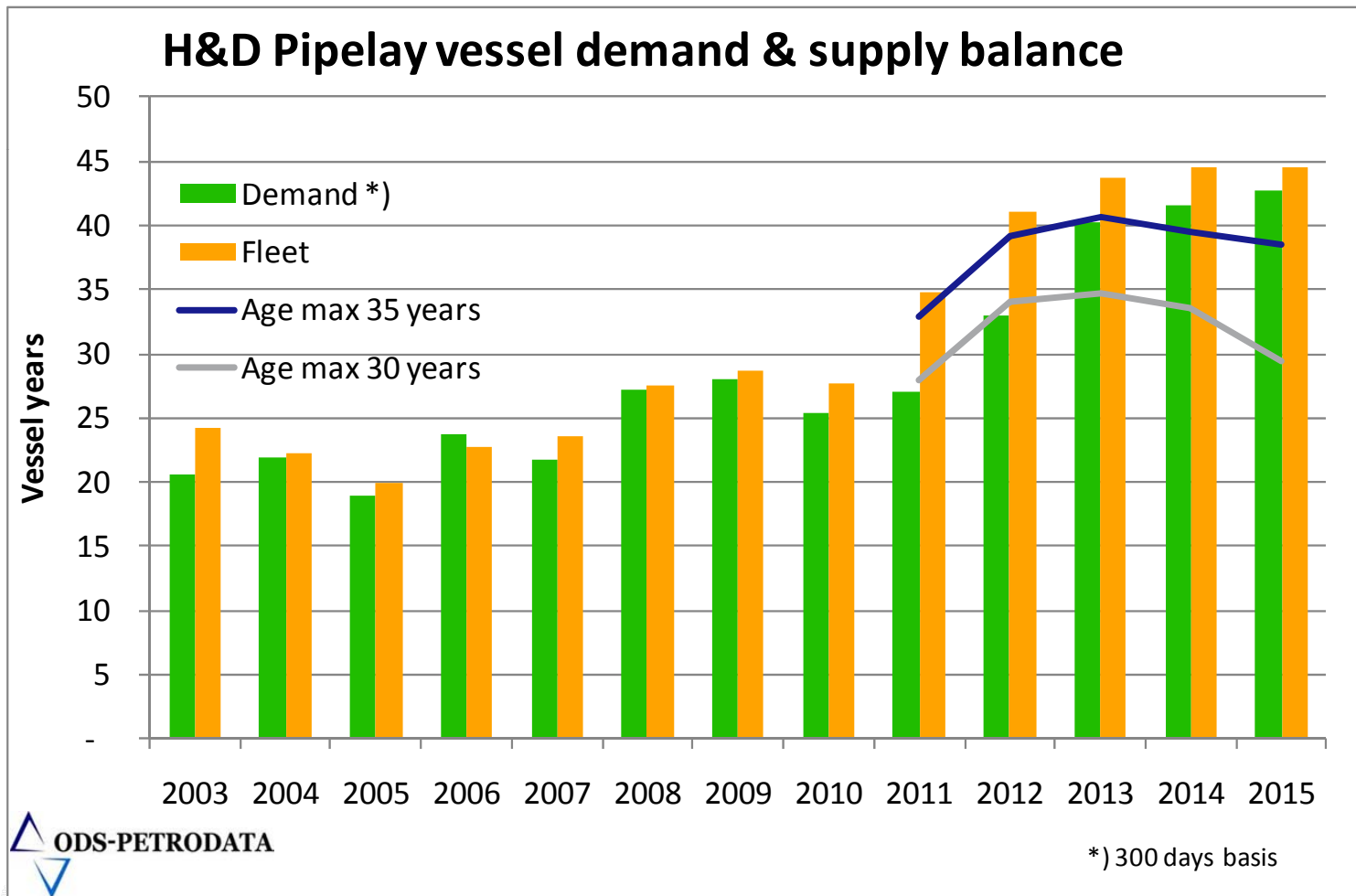
## Harsh & Deepwater pipeline outlook

Average annual demand growth of about 15% is expected up to 2015



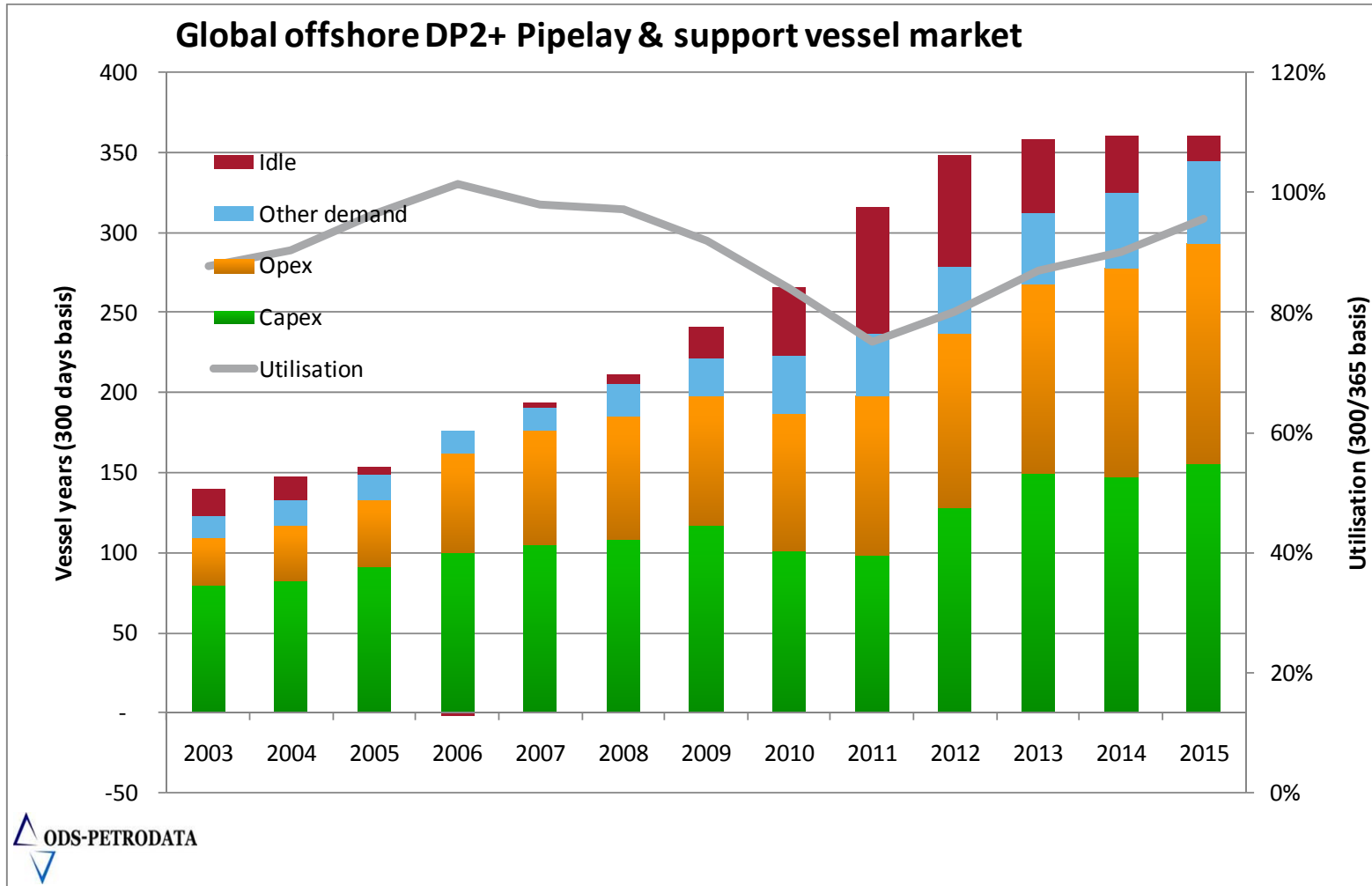
## Harsh & Deepwater pipeline outlook

Nearly no overcapacity from 2013 even without decommissioning



All overcapacity within the DP2+ pipelay market foreseen within the S&B segment

# Global DP2+ Pipelay & Support vessel market outlook



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



Thank you

