



OCEANTEAM SHIPPING

An Oslo Stock Exchange listed shipping company

Ticker: OTS

CEO: Haico Halbesma

CFO: Torbjørn Skulstad

Q2 2015 Presentation Oslo – 27 August 2015

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 of the Company & Market Outlook
- Strategy
- Financials



OCEANTEAM SHIPPING

Highlights of the Company & Market Outlook

HIGHLIGHTS OF THE 2nd QUARTER 2015

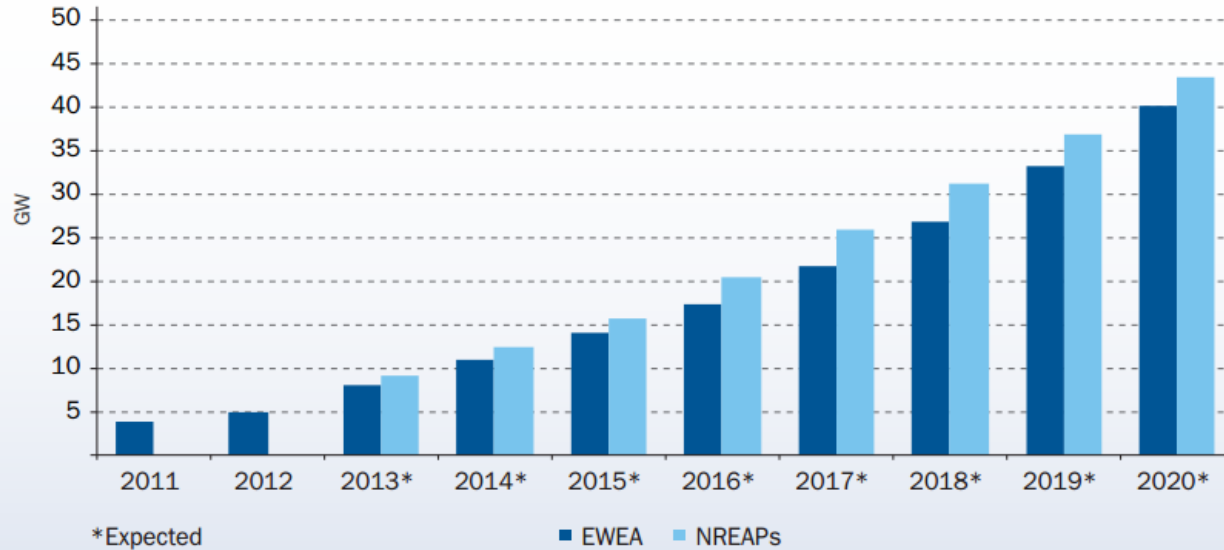
- Increased EBITDA of USD 9 million compared to USD 7 million Q2 2014
- Increased revenue, replacement of North Ocean 102 contribution completed with improved performance of the Solutions Segment
- Repaid USD 35 million in bond debt as part of deleverage strategy to strengthen balance sheet
- Reduced assets values, nevertheless assets remain on long term charters up to 2017 and 2018
- New large CSV named Tampamachoco 1 due for delivery end 2016 for long term contract in Mexico
- CSV Tampamachoco 1 secured post-delivery finance
- Continued focus on cost control, quality, capital discipline and new opportunities
- Acquisition of remaining shares in OceanWind BV to expand services offered in changing market

MARKET OUTLOOK

- Long-term fundamentals of markets and regions to remain strong but short and medium remain uncertain
- Due to volatility in Oil & Gas market an even stronger focus and growing importance of the growing Offshore Renewables Market
- Oceanteam's has focus on stable regions, has strong local partners and a diverse client base. This in combination with a flexible and scalable business model assists in weathering the dynamics in the market place
- To mitigate market risk and to retain stable cash flows Oceanteam has secured superior backlog up to 2017/2018 for its main CSV assets and has maintained a good level of utilization of its assets and engineers
- With generally increased focus on cost reductions we see an increased demand for innovative & cost effective solutions



OFFSHORE WIND– Significant potential in Europe

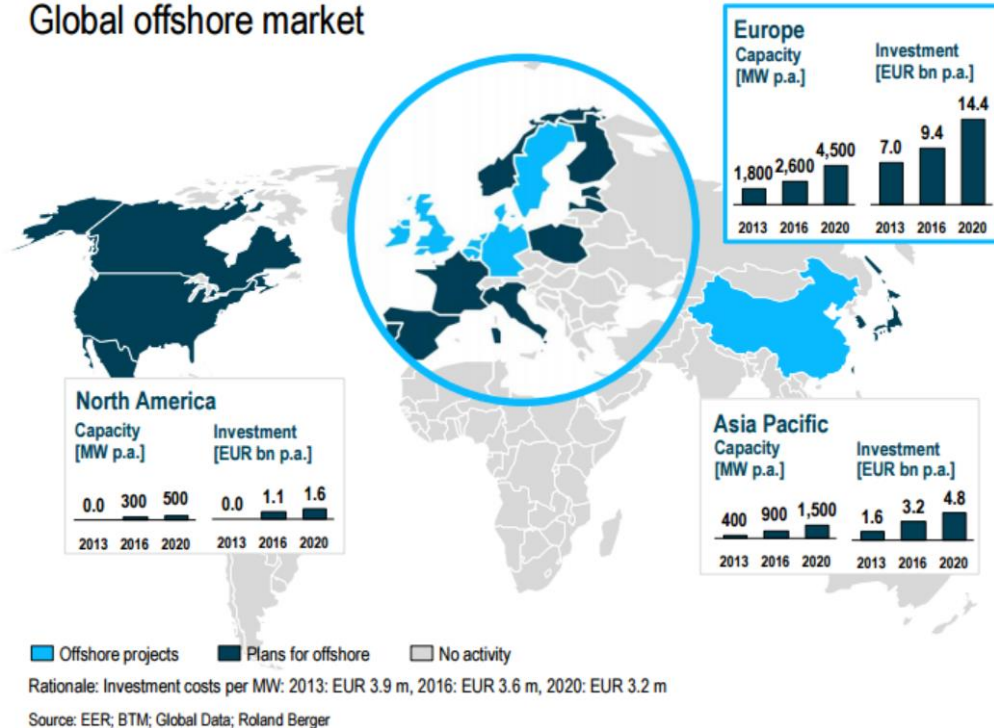


Source: EWEA, National Renewable Energy Action Plans

- Offshore wind has significant generation potential in Europe with increasingly large-scale sites
- The demand of services related to the offshore wind will therefore increase as well
- Which reflects on the increasing numbers of tenders Oceanteam receives

OFFSHORE WIND– Developments taking off globally

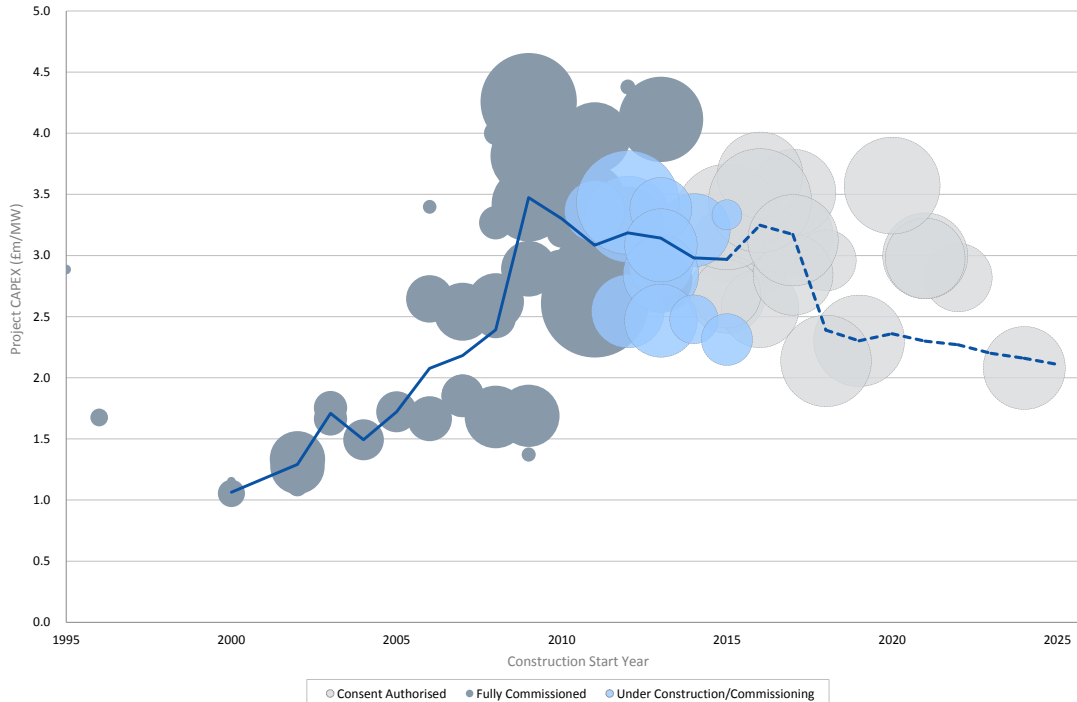
Global offshore market



- More than 91% of all offshore wind installations can be found in European waters. However, governments outside of Europe have set ambitious targets for offshore wind and development is starting to take off in China, Japan, South Korea, Taiwan and the US
- Oceanteam Solutions fully focusses and grows its worldwide cable transport, handling and storage services to meet these targets

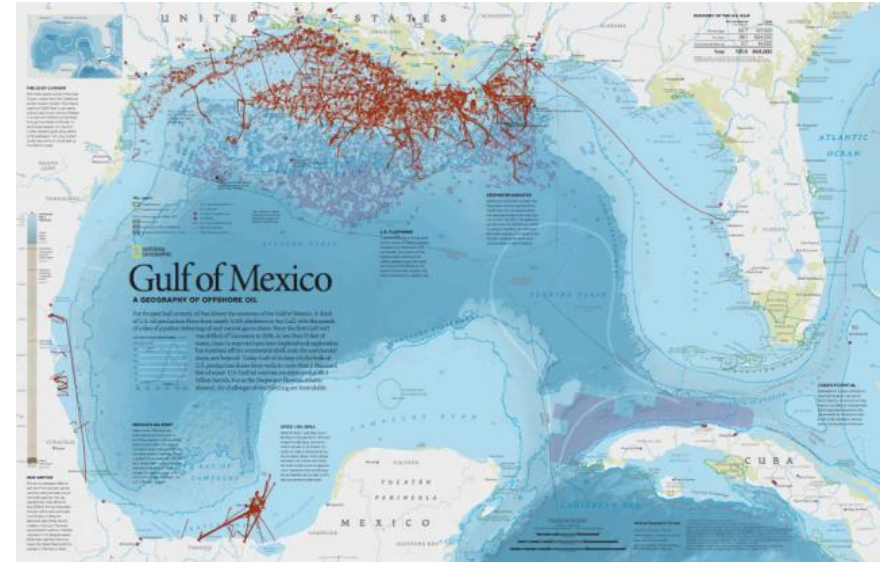
Strong growth in Offshore Renewable market with focus on cutting installation and maintenance costs

DEVELOPERS FORECAST REDUCED CAPEX AND REQUIRE INNOVATIONS



MEXICO – Captive market with opportunities

- Pace changed due to change in oil price but change of requirements still eminent
- Important milestone: DOT Shipping, a joint venture with Grupo Diavaz
- Goal to provide complete vertical supply chain through cutting edge engineering solutions and high end quality vessels unchanged
- Through this JV Oceanteam's operations expected to grow significantly

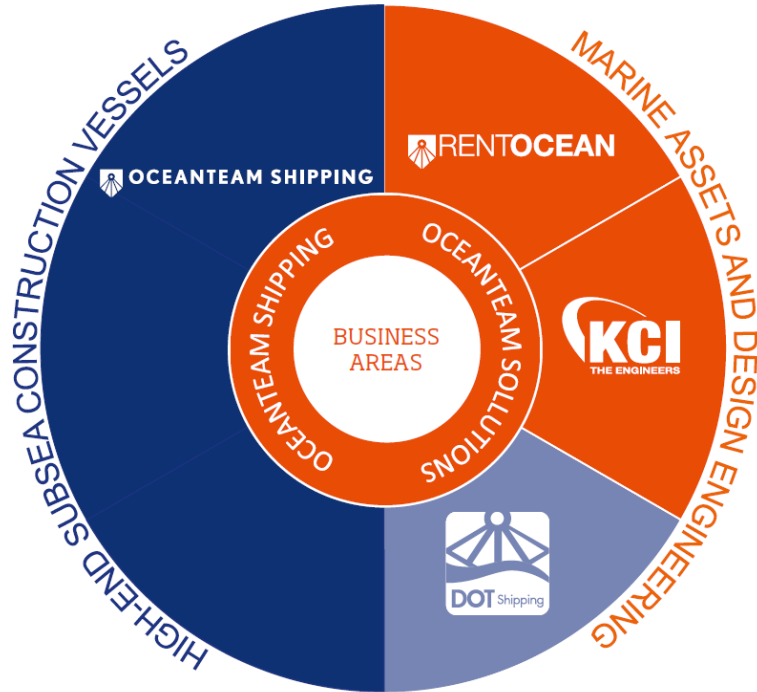




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STRATEGY

DIVERSIFICATION STRATEGY



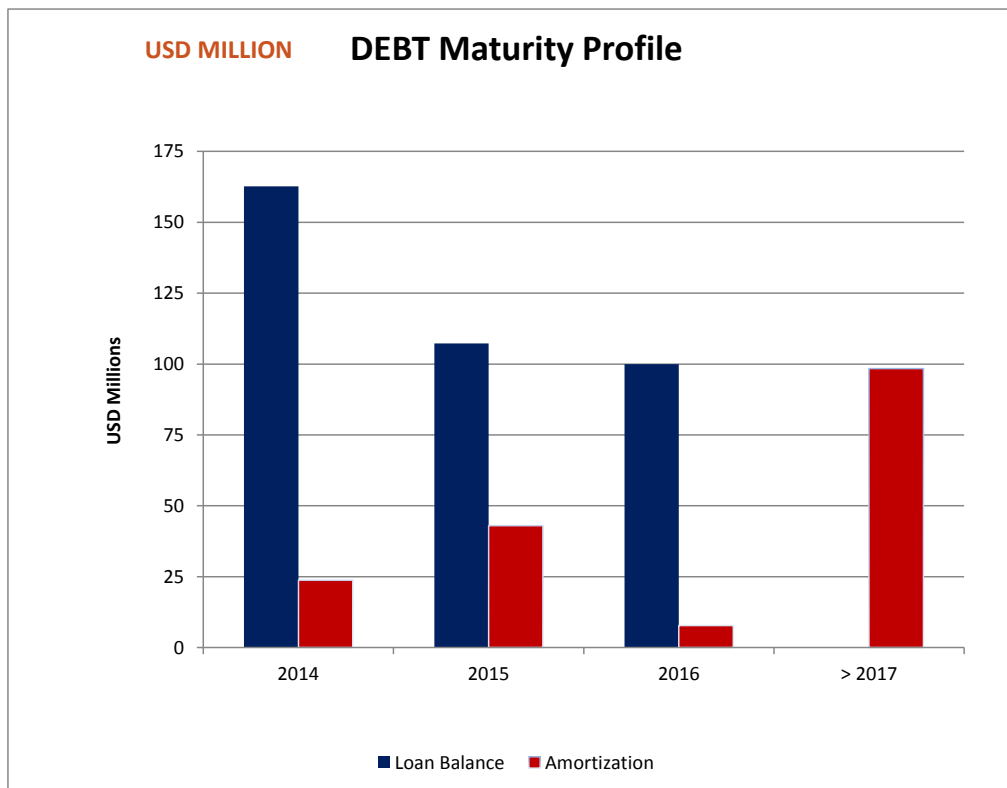
- Two operating segments:

- > **Oceanteam Shipping**
- > **Oceanteam Solutions**

Operating through variety of global business units and different markets

- This **diversification strategy** allows company to maintain and improve its performance, even during challenging market conditions
- Approx 50% of Oceanteam's earnings from **Solution driven services**. Strategy is to maintain this earnings split with average of 50% of income growth to come from solution driven services

FINANCIAL STRATEGY



A disciplined financial strategy:

- **Diversified sources** of financing through many long term bank relations
- **De-leveraging of high yield bond**, leads to reduced quarterly finance costs of 1 mUSD from q2 2015 and forward
- **Improved credit rating** leads to more sources to fund growth
- **Improved cost of capital** brings more value to shareholders

⇒ **Target: REFINANCING BOND due Oct. 2017**
⇒ To fund Growth strategy and clear dividends performance

EBITDA to date

- Q2 - USD 9.0 million - 47% of revenue
- Cum Q2 – USD 15.9 million
- LTM – 32.5 million

FOCUS GOING FORWARD

- Optimize capital structure further to maximize value and facilitate growth
- Continue transition to increase solution services earnings by increasing added value by effectively combining engineering, marine assets and fleet: **Oceanteam Solutions**
- Focus on growing our partnerships and develop new opportunities
- Mexican market through DOT Shipping and Grupo Diavaz
- Continued investments when opportune to increase number of earning units
- Utilise tax structure further to maximise shareholder's value and to facilitate growth



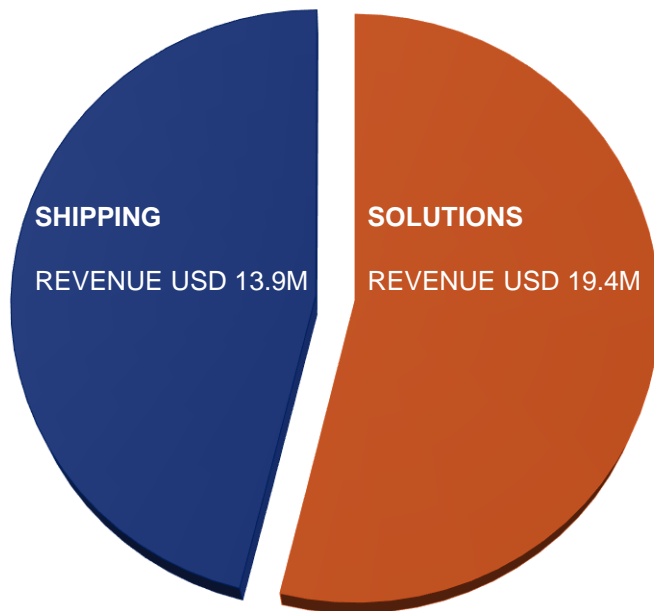
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FINANCIALS

INCREASED SOLUTIONS SEGMENT

Revenue split H1 2015

USD in million



Shipping segment

- Two CSVs and one LV through joint ventures:
 - CSV Bourbon Oceanteam 101
 - CSV Southern Ocean
 - LV North Ocean 105
 - FSV Tiburon
 - FSV Mantarraya
- Solid clients: Oceaneering/BP Angola, Fugro TSM, McDermott

Solutions segment

- Focus on Oil & Gas and Offshore Renewable markets
- KCI The Engineers
- Marine Asset division RentOcean

DOT Shipping

- Joint venture focused on growing Mexico Offshore Market
- Two FSVs : Icos & Cobos
- One large CSV under construction, CSV Tampamachoco

SHIPPING – Highlights

- CSV BO 101, Southern Ocean and North Ocean 105 utilized as planned
- Executed purchase option on crane CSV Southern Ocean which is to be refinanced against improved terms
- The construction of DOT Shipping's large CSV Tampamachoco 1 is progressing as planned and the two new build FSV's are in full operation in Mexico
- Post delivery finance secured for CSV Tampamachoco 1
- T1 vessel owned through joint venture with DOT Shipping and Pacific Radiance in Singapore



Artist impression CSV Tampamachoco 1

SHIPPING – Backlog

Contract backlog



SOLUTIONS – Highlights

RentOcean / Oceanteam Solutions

- To complete its value chain, Oceanteam acquired remaining 48% stake in OCEANWIND BV
- The company is renamed to Oceanteam Cable Solutions and will be a full services provider focusing on transport, handling and storage of power and fiber optic cables and umbilicals globally
- Secured a EUR 15 million revolving term loan facility
- Has been awarded a strategic contract in Germany for supply and engineering of cable lay spread in combination with frame agreement for future equipment, transport and storage services

KCI The Engineers

KCI worked on multi discipline service contracts:

- Floating solar panels project
- Tender assistance and feed studies stations for several offshore wind projects
- Additional engineering scope for a large observation wheel in the Middle East



Installation of gas export flexible in The Netherlands

SHARE PRICE DEVELOPMENT



Share development:

- A positive increase 2012 / 2015

FMV developments

- Stable value of modern fleet, high-end deep water assets.

Booked equity

- 45%
- USD 115 million (after 10% share buy back)

Market capitalization

- NOK 157 million (29.6 m shares @ NOK 5.30)

Free cash flow

- Steady, positive cash flow from existing operations
- Diversification in markets segment and geographical areas
- Continues high end equipment investments

Consensus among credit analysts

- Steady operations
- Key credit metrics remain overall stable

HISTORICAL EBITDA DEVELOPMENT

KEY FINANCIAL FIGURES (USD MILLION)



EBITDA performance:

- 9 million EBITDA in Q2 15 is the best performance ever
- Last Twelve Months EBITDA 32.5 million
- First half of 2015 is without North Ocean 102 – replaced earnings with Oceanteam Solutions activities

P&L REPORT END Q2 2015

Figures in USD '000	Q2 2015	Q2 2014
Revenue	17 509	14 493
Total operating revenues	17 509	14 493
Net income from joint ventures and associates	1 522	3 249
Operating costs	(5 479)	(4 897)
General & administration	(4 594)	(5 884)
Deprecation	(2 866)	(2 525)
Write off		3
Total operating expenses	(12 939)	(13 302)
Operating profit (loss)	6 092	4 439
Net finance	(2 935)	(4 091)
Ordinary profit (loss) before taxes	3 157	348
Corporate income tax	(39)	46
Net result before increase (decrease) of carrying amount of revaluation	3 118	394

Figures in USD '000	Cum Q2 2015	Cum Q2 2014
Revenue	30 150	27 100
Total operating revenues	30 150	27 100
Net income from joint ventures and associates	3 165	5 730
Operating costs	(9 299)	(8 478)
General & administration	(8 183)	(10 721)
Deprecation	(5 547)	(4 936)
Write off assets		(94)
Total operating expenses	(23 029)	(24 229)
Operating profit (loss)	10 286	8 601
Net finance	(6 567)	(7 825)
Ordinary profit (loss) before taxes	3 717	775
Corporate income tax	(39)	227
Net result before increase (decrease) of carrying amount of revaluation of vessels	3 678	1003

BALANCE SHEET Q2 2015

Figures in USD '000	30.06.2015	31.12.2014
Assets		
Intangible assets	20 883	20 744
Tangible assets	209 140	226 645
Total non current assets	230 023	247 389
Receivables	16 134	18 335
Cash and cash equivalents	8 603	44 547
Total current assets	24 737	62 882
Total assets	254 759	310 271

Figures in USD '000	30.06.2015	31.12.2014
Equity and liabilities		
Total equity	114 905	135 850
Total non current liabilities	106 874	110 764
First year instalments	8 100	43 100
Other current liabilities	24 880	20 557
Total current liabilities	32 980	63 657
Total liabilities	139 854	174 421
Total equity and liabilities	254 759	310 271

➤ Book value of equity is 45 %



THANK YOU!



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