

HALF-YEAR REPORT

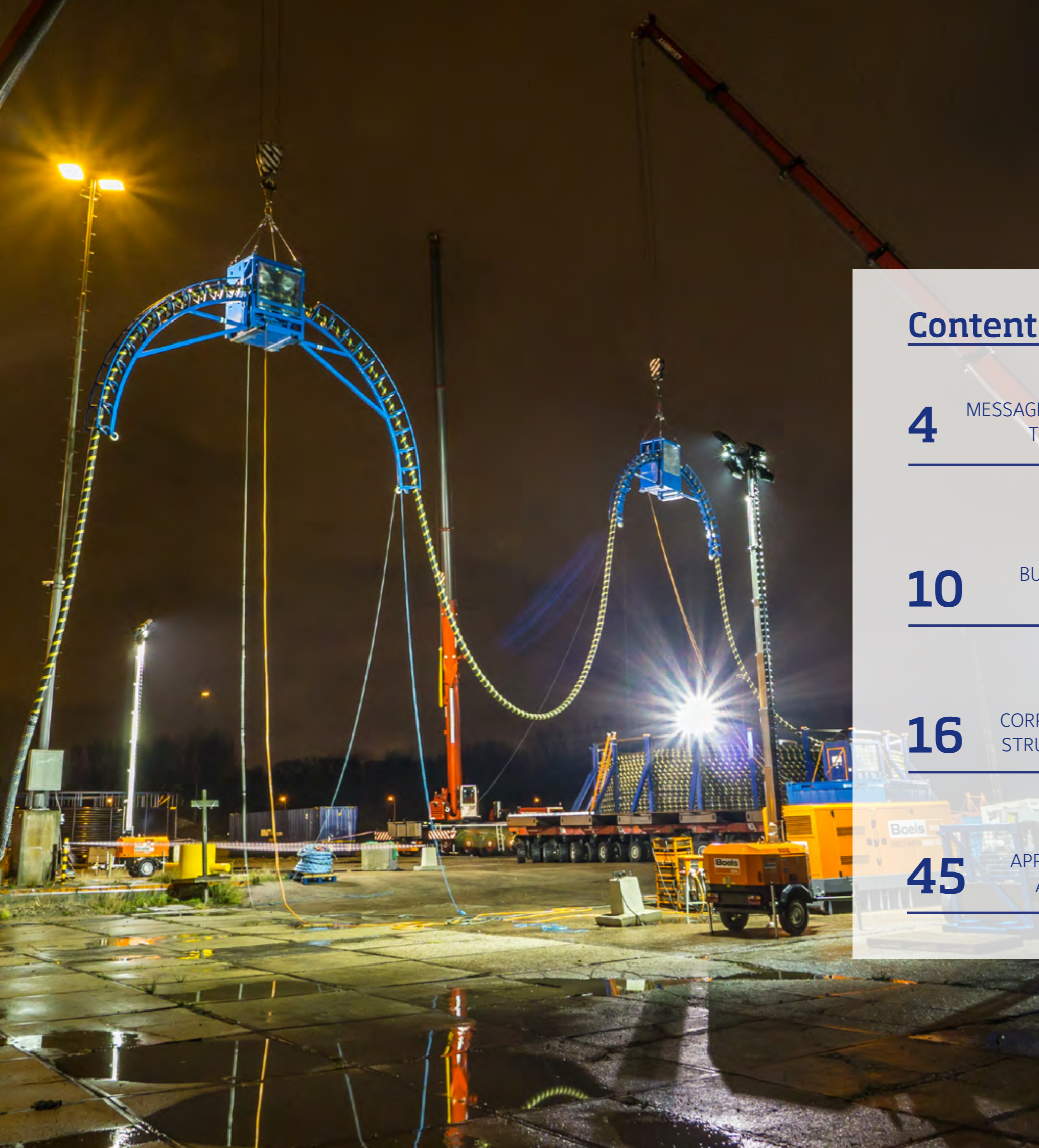
January
June

2017



OCEANTEAM





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Message from the CEO

Oceanteam has seen a challenging first six months of 2017, mainly because of matters that came on top of our day-to-day business. In addition to meeting our clients' expectations, we went through the refinancing process of our Company.

End 2015, the CEO together with the Board defined a re-finance strategy based on the following principles:

1. Taking care of the interests of all stakeholders
2. a full repayment of bond and bank debt
3. avoid a debt for equity swap
4. Chairman Hessel Halbesma and CEO Haico Halbesma to make a significant and long-term contribution to the Company

This strategy has been successfully completed since.

An agreement was reached with our bondholders in December 2016 and it took close to six months for the refinancing process to reach a final conclusion. In parallel, there were the year-end audits and external investigations focussed on Board and Management. In addition, we made organisational changes and we took numerous structural cost-saving initiatives.

Unfortunately, cost implications from uncertainties and delays concerning the conclusion of Oceanteam's

refinancing and related issues resulted in a negative effect on the Company's performance in the first six months. Another setback was the suspension of interim CFO Wilhelm Bøhn, who had been hired as a consultant to perform certain pre-defined tasks including the management of the refinancing process. After a series of incidents we obtained external advice on this matter and with the interests of all stakeholders in mind we were left with no other option than to suspend Mr Bøhn and make a fair settlement offer. Closure of the case is now in the hands of our corporate lawyers.

These setbacks do not take away the fact that the Company received a vote of confidence from its bondholders, banks and most recently from its main shareholders on its long-term viability, future direction and proven track record. It also does not take away the fact that Oceanteam's vessels performed as expected, contracts were executed successfully and new contracts for the Solutions segment were secured.

Oceanteam Management, with the support of external experts, took numerous initiatives in the first half of the year to achieve structural cost savings, with immediate positive effects. We are confident that these measures will result in further improvements going forward. The Company's Board was strengthened with the appointment by the bondholders of a new board member,

Diederik Legger, (replacing Mr. Bote de Vries, who resigned per 10 July 2017) and a new CFO, who is expected to start 1 October 2017.

After extensive consultation with Company's auditors and to be able to comply with IFRS IAS 39 requirement the Company booked in the period the fair value of the bond loan which resulted in a gain of USD 29.7 million in Company's P&L. For detailed information please refer to note 9 in this report.

Governance of Oceanteam was strengthened with the implementation of an updated Corporate Governance Code, a redefinition of management roles and the implementation of a new remuneration system.

For the sake of the Company and its long-term continuity, Oceanteam's founders and shareholders (i.e. Chairman Hessel Halbesma and CEO Haico Halbesma) agreed to defer USD 1.2 million of due payments. In addition to this, pursuant to the bond loan agreement the Halbesma family undertook various commitments and accepted limitations on remuneration and rights to dispose of the shares in the Company, details of which are further elaborated upon in note 12. Furthermore, Management and Board decided not to implement a management incentive scheme, as had been proposed by the bondholders, and focus fully on the Company and all stakeholders instead.

LEVERAGING OUR CAPABILITIES

The state of the oil and gas market, while seeming to stabilise somewhat, will likely remain challenging in the coming period. However, the Company's early focus on offshore renewables, Engineering & Logistic Solutions, plus its expansion in certain geographical areas will help us to safely navigate the current market low as well as structural changes in the oil and gas market. We are also in the process of creating new revenue sources in the field of civil engineering and offshore-related logistic solutions, while building on the same core capabilities that have made Oceanteam the distinguished niche player it is known as today.

LONG-TERM COMMITMENT MADE

We had several meetings with the bondholders, during which they repeatedly underlined the importance of maintaining continuity within and around the Company and making improvements in a structured manner.

1. As Oceanteam continues to build on the existing knowledge and experience of its Board (expanded with a new board member), and the market drive of its executive and operational management, the bondholders continue their support as significant capital providers to the Company.
2. The Company benefits from the improvements of its corporate governance processes.
3. The realisation of a slimmed-down cost structure with lower and more flexible overhead, Oceanteam is now able to swiftly adapt to new market circumstances and quickly respond to opportunities in unchartered business territory. An external expert recently presented a report for the roll-out of the Challenger 2017/2018 structural cost reduction programme in addition to what was already done to reduce general and administrative as well as operational expenses.

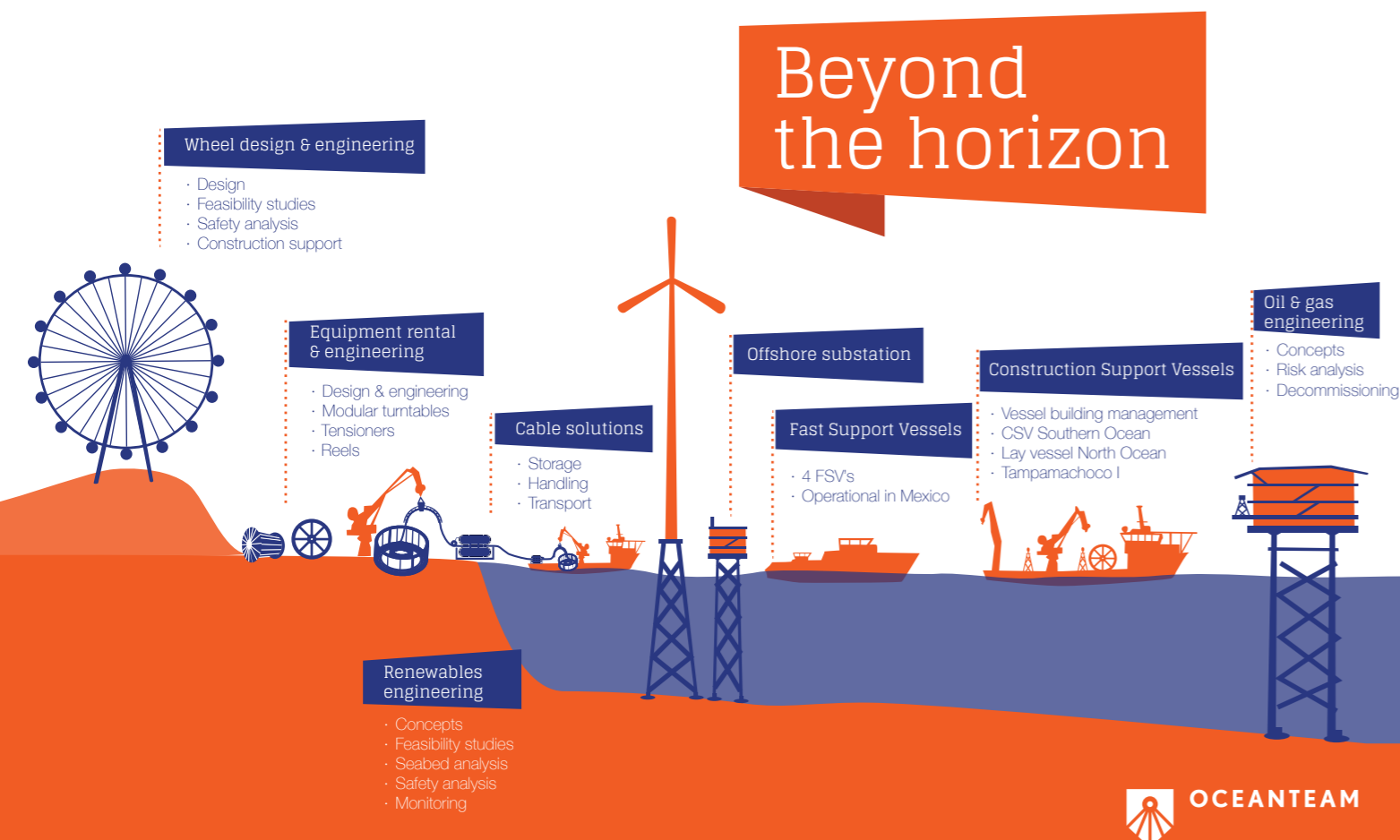
ACTIVITIES

In the first half of 2017, the Company successfully concluded numerous projects, started several new projects, and, together with the client, deferred the delivery and start of a new seven-year charter for a new-build CSV until end 2017 with an option for another year. On the basis of its clear strategy, Oceanteam managed to keep its key assets fully employed. There is a strong belief within the Company that stability and a clear focus will enable Oceanteam to weather through still weak markets ahead.

Haico Halbesma
CEO
Oceanteam ASA



Beyond the horizon



Financial Highlights

Oceanteam ASA initiated a financial restructuring in October 2016 and has since early 2016 developed and executed a restructuring plan that has secured a capital cost and structure which will support the value preservation and financial flexibility while enabling value creation for all stakeholders. Full agreement has been reached with Oceanteam bondholders on 19 June 2017.

Oceanteam's joint-venture partner McDermott executed its option to purchase all of Oceanteam's interest in North Ocean 105 AS, the company owning the LV North Ocean 105. The transaction was closed on 20 June 2017.

SUBSEQUENT EVENTS

As per 31 July 2017, Diederik Legger has been appointed as a member of the Board of Directors of Oceanteam. He is replacing Bote de Vries, who stepped down only two months after joining the Board as his Oceanteam responsibilities required more time than initially expected.

The services of Interim CFO Wilhelm Bøhn, hired as a consultant to perform certain specific tasks, have been suspended.

Oceanteam has closed refinance of CSV Bourbon Oceanteam 101 and CSV Southern Ocean for a period of five years at market terms with effective date 17 July 2017.

\$16.8M

Operating Income

\$6.8M

EBITDA from operations

\$0.9M

Operating profit

\$22.4M

Net finance

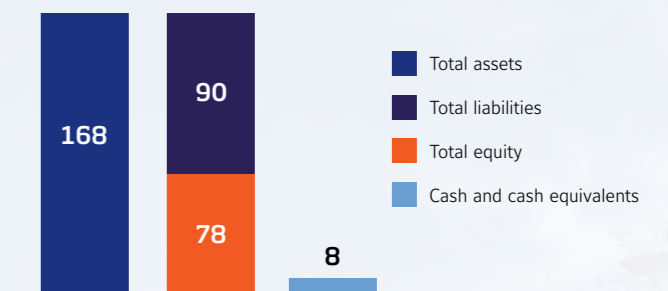
\$23.3M

Net result for the Half Year

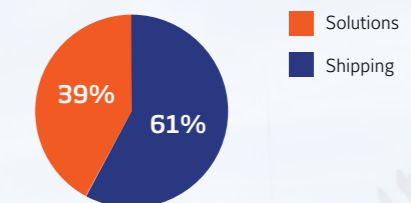
Key figures for the group

BALANCE SHEET

USD in millions

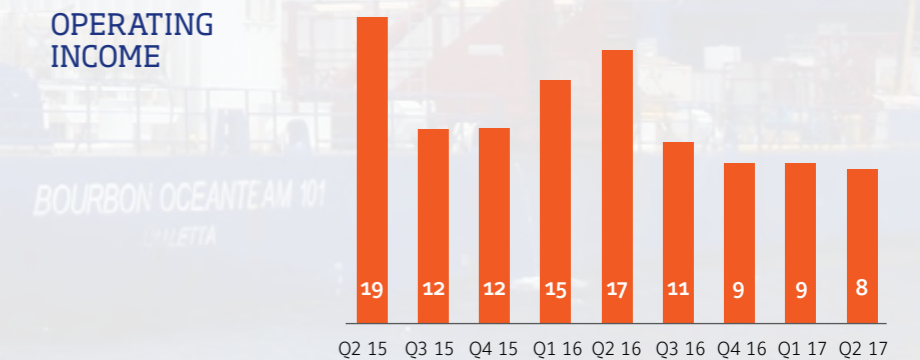


INCOME SPLIT CUM Q2 2017

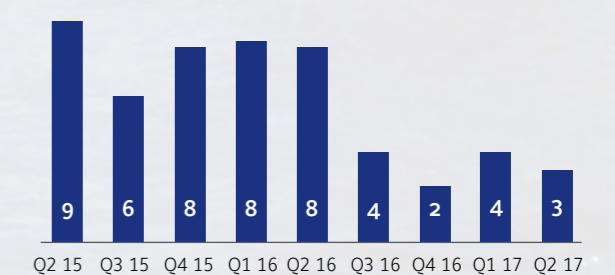


USD in million	Cum Q2 2017	Cum Q2 2016
Operating income	16.8	31.6
Operating cost	(5.6)	(8.3)
General & administration	(4.4)	(7.5)
EBITDA	6.8	15.8
EBITDA percentage	40%	50%

OPERATING INCOME



EBITDA



"EBITDA" means earnings before interest, tax, depreciation, impairment, revaluation and amortization for the Reporting Group in accordance with IFRS, (as set out in the then most recent financial statements (annual or quarterly (as the case may be)) of the Issuer.



Operational Highlights

Oceanteam Solutions has been awarded a long-term contract to supply its client that provides cables and systems for energy and telecommunications with port facilities, loadouts and storage of cables at Oceanteam's own cable storage facility in Velsen Noord, The Netherlands.



Oceanteam's subsidiary KCI has been awarded new assignments from Geosea, Boskalis Offshore and OOS International.

Oceanteam's subsidiary KCI has successfully performed the first test of its patented Double Slip Joint (DSJ) research & development project with its partners SIF and Van Oord.

In April, Oceanteam moved into a new office in Amsterdam. At the same time, Oceanteam Solutions moved into a larger building on their own base in Velsen-Noord. Both relocations will give Oceanteam room for future growth whilst significantly reducing office rental costs.

Oceanteam's subsidiary DiavazOceanteam Shipping (DOT) has come to an agreement with seller Pacific Radiance to postpone the delivery of the CSV Tampamachoco 1 (T1) to the end of 2017 with an option to delay until the end of 2018.



SUBSEQUENT EVENTS

Oceanteam Solutions signed a contract with a European cable manufacturer regarding the supply of a transport vessel, turntable and auxiliary equipment for the transport of cables from South Europe to Scandinavia.

Oceanteam Solutions has been awarded a long-term contract to supply a company that performs the installation of marine power cables with a 2000T demountable turntable including engineering and personnel services.

Oceanteam's subsidiary KCI has been awarded with a design study for an attraction in a new amusement park in Rotterdam, based on their offshore experience.

BUSINESS AREAS

OPERATIONS NORTH OCEAN FLEET CSV

CSV Bourbon Oceanteam 101: working on long-term time charter contract in Angola for TOTAL SA. The contract, which started in August 2016, is for a period of three years plus options.

CSV Southern Ocean has been on a long-term bare boat charter with Fugro TSM Australia since its delivery in 2010. The vessel will remain under contract by Fugro TS Marine Australia until the end of 2018 and has options for extension.

Oceanteam Mexico SA de CV operates two Fast Support Vessels (FSV's), Tiburon and Mantarraya.



Tiburon and Mantarraya are still under bareboat charter with Inversiones Setin Venezuela, however, since Inversiones Setin is in breach of its obligations under the contract and the Company has not received the charter hire due thereunder, the Company has started legal proceedings against Inversiones Setin. The outstanding receivable balance in the amount of USD 0.4 million has been written off as doubtful debt as part of 4Q 2016 financial reporting.

The plan is to terminate the contracts properly, vest a claim for unpaid charter hire, repairs and maintenance overdue. Subsequent, the vessels are scheduled to go into dry dock and to be ready to commence on the new contracts by end of 2017.

OCEANTEAM SOLUTIONS

Oceanteam Solutions is specialised in building demountable turntable systems that easily can be delivered in 40ft containers to any port globally. The company designs and produces turntables in various sizes, for onshore and offshore use and for a variety of cables, umbilicals, pipes or flowlines. The Company provides full engineering design and consultancy services to clients in the oil and gas, civil engineering and renewables industries. Oceanteam Solutions can also provide services for complex structures both onshore and offshore. With the in-house engineering experience and expertise, clients can contract the most effective vessel and equipment solutions for their projects. Over the years Oceanteam Solutions has built up a broad client base worldwide, to which the company successfully supplies equipment and supports the client's offshore cable, pipeline and umbilical installations, transport and storage projects. From our base with deep-water quayside facilities in Velsen-Noord, the Netherlands, the company can accommodate all sizes of vessels for mobilisation and demobilisation with easy access to the North Sea.



DOT SHIPPING

In March 2014, Oceanteam acquired a 40 percent stake in the newly founded joint venture DOT Shipping together with Diavaz. DOT Shipping successfully delivered two FSV newbuilds, named Icacos and Cobos, in Q4 2014. Both vessels are fully financed and have been operational in the Mexican market since March 2015.

DOT Shipping, where Oceanteam has a 40 percent working interest, has a 50 percent stake in a large newbuild construction support vessel named Tampamachoco 1, within a DOT Radiance joint venture. The delivery of this vessel is postponed to the end of 2017 with an option to delay until the end of 2018.

MAIN OPERATIONAL PROJECTS OCEANTEAM SOLUTIONS DURING FIRST HALF YEAR:

- For a long-term storage project Solutions upgraded and customised a turntable from 4000t to 5300t and spooling operations were successfully performed by our cable handling crew.
- Performed a second load-out for a client into a 2000t turntable with subsequently the splicing of the cable at Oceanteam's own cable storage facility in Velsen Noord, The Netherlands.
- Supply of full cable installation spread to Offshore Wind client.
- Multiple cable storage contracts ongoing.
- Various multi discipline design engineering contracts ongoing.
- World's largest Ferris Wheel design, construction and installation support continues to create significant amount of work.
- Various concept studies for future foundations of WTG's for the Offshore Wind market.



Market Outlook

The main factor in the market outlook is the turmoil in the oil price. The volatile environment for oil and gas prices and activity has created significant market challenges for our industry, but also opportunities. With the Company's expertise in combining engineering, shipping and equipment, the Company is ready to add more value for our clients.

BACKLOG AND FINANCE

The oil and gas prices influence oil companies' priorities and choices between new developments, upgrades of existing facilities and commitments to recovery from producing fields. Fluctuations in oil and gas prices also affect the offshore renewables market as available resources flow into this market. Hence oil and gas prices affect activity, rates and asset values in both of Oceanteam's primary markets. Oceanteam is confident and has to date secured sufficient projects in both the oil and gas market and the offshore renewables market to maintain a high to good level of utilisation of its assets and engineers for the coming period.

There is considerable uncertainty as to how long it will take before demands pick up and market conditions are expected to remain challenging for several years. The Company is still positive and believes that the long-term fundamentals of the relevant markets and regions it operates in remain strong and that its diversification strategy supports utilisation for its assets and ride the next upturn in these cyclical markets. To mitigate the market risk, the Company has secured backlog for 2017 and well into 2019 (excluding contract options) for its CSV assets. To meet the macro challenges the Company continues to focus on capital and cost discipline to strengthen its balance sheet.

The performance of the Company in this half year was weaker than in the previous period due to the continuously weak market. At the same time the Company has managed to complete the finance restructuring process which has secured a capital cost and structure which supports the value creation and financial flexibility. In addition to this, the Company's operating costs have been materially reduced compared with the previous period.

LEAN ORGANISATION AND STRONG PARTNERS

The Company has always focused on strong long-term backlog seeking full utilization of its high-end deepwater assets, a proven strategy that gives long-term stable cash flow. The diversification of the Company's global

business units and working segments makes us more robust against decreasing oil prices. Geopolitical tension will make certain regions develop faster or slower and therefore the Company has chosen to focus on stable regions and to team up with strong local partners with proven track records in their respective markets. Diversification of clients also helps the Company to increase its knowledge and to develop in different markets and to spread its operational risk.

FIRM POSITION IN OFFSHORE WIND MARKET

In Western Europe several offshore wind parks have been sanctioned and are being realised on an increasing scale. The Company's continued belief is that demand for services related to the offshore renewable industry will increase significantly in 2018 and beyond, this is also supported by increased leads and in the building of backlog. The Company remains in a strong position to meet future demands and requirements in this market. Limited space and environmental laws are causing large wind farms to be constructed further from shore. The projects are in deeper waters, more complex and on a larger scale. With over 30 years of experience, Oceanteam Solutions has the competence to meet industry demands. With its deep water base in Velsen, The Netherlands it supplies and rents to a broad client base around the world to support their offshore cable, pipeline and umbilical installations, transport and storage projects.

Oceanteam Solutions uses the current platform to focus on combining the different disciplines and resources into cost effective solutions which creates new opportunities. All with the aim of reducing risks and improving the economics, both running costs and installation costs, for our clients.

SOLUTION DRIVEN SERVICES

The exact timing of existing projects currently in the development stage remains uncertain, but overall the market is expected to grow, resulting in an increased demand for support vessels and associated services.

The focus of the industry is on reducing installation and maintenance costs and using flexible solutions, which Oceanteam can provide with its solution driven services.

Oceanteam spends significant resources on market research and intelligence. It adapts its strategy and risk profiles when the analysis deems this to be prudent. The Company aims to steer profitably through this challenging period and ride the next upturn in our cyclical markets.

FINANCING AND COMPANY CAPITAL STRUCTURE

The Company is exposed to financial risk in different areas. Financial risks include interest rate and currency fluctuations, investment and trading risks in general, borrowing and leverage risk.

Oceanteam has completed the refinancing process where the new bond loan became effective in June 2017 and the new vessel refinancing was finalised in July 2017.

As a result, the Company gained financial flexibility to further advance the business while addressing with the market circumstances.

The Company has sales revenues and liabilities in foreign currencies and is exposed to currency risks. Approximately 50 percent of the revenue is in USD while the remaining 50 percent is in EUR. Since the reporting currency is in USD the foreign exposure is for liabilities in the EUR and its fluctuations with USD.

The Company has some costs in NOK and MXN which have been fluctuating against the USD. Currency fluctuations may affect our business, but due to the Company's strategy and managing of the currencies, the effect is limited.

The Company is exposed to changes in interest rates as the bulk of its debt has floating rates. Long-term post construction finance has been secured in USD where the interest rate is fixed. In the loan agreement for the CSV Bourbon Oceanteam 101 and CSV Southern Ocean 50 percent of the Libor interest rate is fixed. This protects the Company from volatile interest rate fluctuations. The objective of the Company is to reduce financial risk as much as possible.

The current strategy includes the use of interest swap agreements for the loans in CSV Bourbon Oceanteam 101 and CSV Southern Ocean as financial instruments. Otherwise, the strategy is largely based on natural hedging. Natural hedging means having revenue and costs in the same currency for each project. This is, however, continuously being assessed by the Management and by the Board of Directors.

LIQUIDITY RISK

The parent company depends on liquidity flows from subsidiaries and the joint venture companies that are owned with its joint venture partners. The Company aims to increase the upstreaming of cashflow going forward through increased profitability from its business areas.

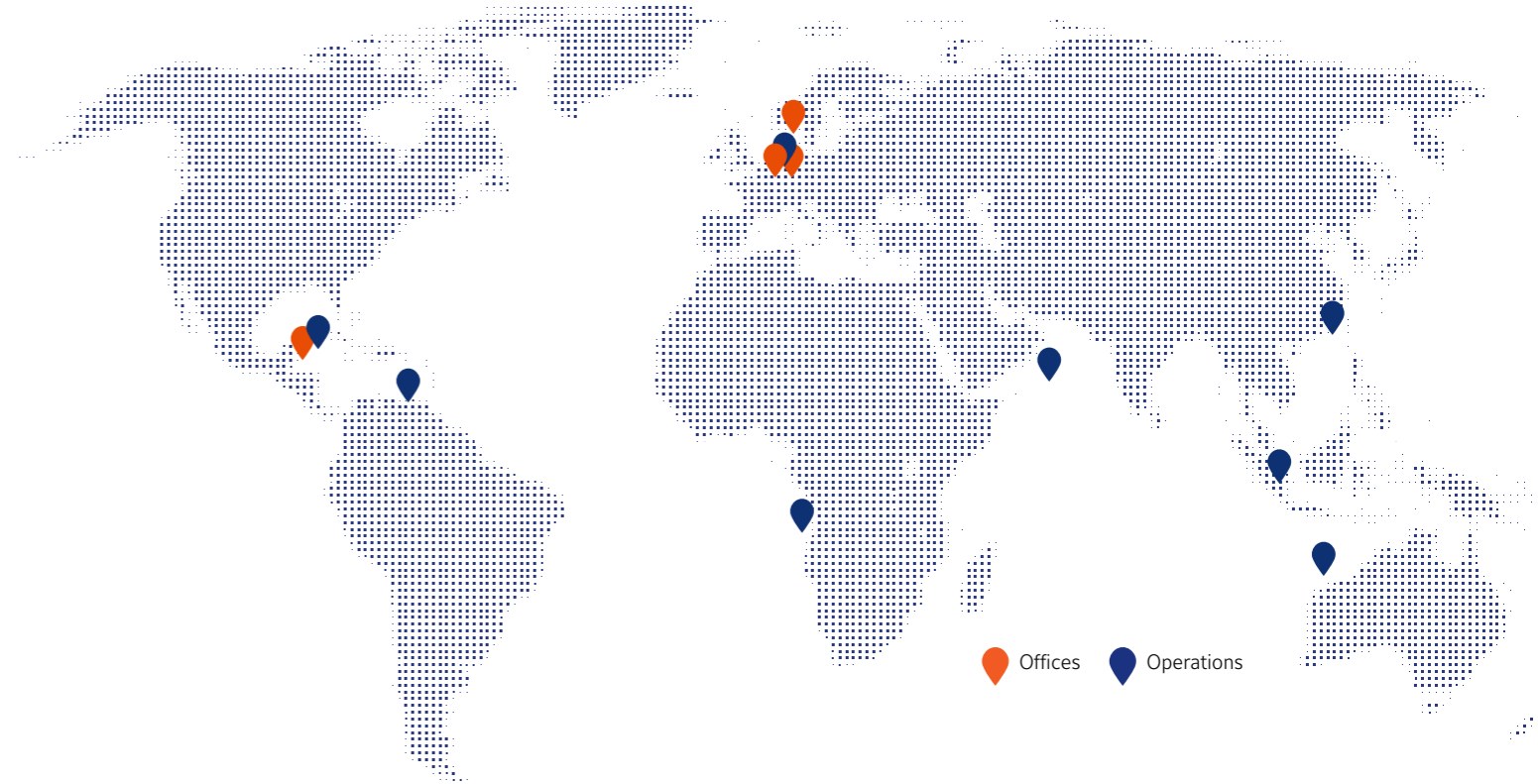
TAX LOSSES

The Company has a booked deferred tax asset on the balance sheet of USD 3.0 million which the Company is utilising through increased profits and securing new contracts in the Netherlands. In addition to the abroad tax losses, the Company has received confirmation from the Norwegian tax authorities of a deferred tax loss of NOK 1.4 billion as of 31 December 2015 and has been received in January 2017.

This deferred tax asset is from the Norwegian entities which are not yet on the balance sheet. The tax losses arise from losses in 2008 and 2009, since then the Company has continued to be profitable.

GOING CONCERN

In accordance with the Accounting Act § 3-3a Oceanteam confirms that the financial statements have been prepared under the assumption of going concern. This assumption is based on income forecasts for the years 2016 to 2017 and the Group's long-term strategic financial forecasts. The consolidated financial statement of Oceanteam has been prepared in accordance with International Financial Reporting Standards (IFRS).



Who we are and what we do

Oceanteam is a diversified offshore service provider. Oceanteam provides high quality support to offshore contractors all over the world through its fleet of large and advanced offshore vessels (Oceanteam Shipping), and its expertise in marine equipment, cable logistics and design engineering (Oceanteam Solutions).

Oceanteam focuses on economically and technically challenging projects for clients in the oil and gas and renewables industries. In addition, we are among the few companies in the world to combine high-end engineering know-how, DNV GL certified shipping and expertise, DNV ISO certified solutions and special purpose equipment in a single 'one-stop shop' service, if required.

OUR GLOBAL REACH

Oceanteam has offices in Amsterdam, Velsen and Schiedam in the Netherlands and in Mexico.

The corporate head quarter is in Bergen, Norway.

The Company is well positioned in growth basins including Gulf of Mexico, Latin America, West Africa, Asia-Pacific and the North Sea.

CORPORATE STRUCTURE

NORTH OCEAN FLEET

Owns and provides two high-end large Deepwater Offshore Construction Service vessels (CSV's) and two Fast Support vessels (FSV's) on long-term contracts with solid subsea construction companies.

OCEANTEAM SOLUTIONS

Oceanteam Solutions provides a complete range of engineering services and equipments to the projects which have higher to lower level of high quality engineering and equipment needs. Equipment suitable for offshore cable laying, umbilical installations, onshore and offshore cable storage and cable transport. Oceanteam Solutions owns numerous reels and seven large turntables based on its own patented design and has all related auxiliary equipment in stock.

These projects have simultaneously higher to lower level engineering services needs which we provide as package deal. The full package of engineering services includes design and engineering of complete platforms and infrastructures for the three industrial sectors oil and gas, civil engineering and renewables industry. Our professionals offer a unique range of in-house experience and expertise. All engineering services within the Group are done in-house. Furthermore, we designed the majority of our equipment that is already operational or due to be built.

DOT SHIPPING

Provides vertically integrated high-end vessel solutions and marine asset services for the rapidly developing Mexican offshore market. The current fleet consists of two Fast Support vessels and one large Deepwater Offshore Construction Service vessel (CSV), the Tampamachoco 1, which is currently under construction. The company provides marine management, crewing, engineering and construction management.

OUR PARTNERS

Establishing (local) partnerships and strategic alliances for continuity in the growth of assets and services is something Oceanteam has always focused on. The Company teams up with strong partners with proven track records in their respective markets, amongst them:

BOURBON OFFSHORE

Among the market leaders in marine services for offshore oil and gas, Bourbon offers the most demanding oil and gas companies a wide range of marine services for offshore oil and gas fields and wind farms. Together, Bourbon and Oceanteam own the CSV's Bourbon Oceanteam 101 and Southern Ocean.

DIAVAZ

Diavaz has positioned itself as one of the most experienced companies in Mexico's oil and gas market and has developed an unprecedented knowledge of the local energy sector. The company is active in marine operations, exploration and production. Oceanteam founded DOT Shipping together with Diavaz. The company focuses on providing high-end vessel solutions for the Mexican market, and successfully delivered two FSV newbuilds in 2014.

HOW WE CREATE VALUE

Oceanteam's mission is to create maximum value for its clients worldwide. We operate in different markets and geographical areas, combining engineering knowhow and a pool of special-purpose equipment with our fleet of large and advanced offshore vessels. This enables us to deliver complex offshore support (cable, pipeline and umbilical installations, transportation and storage projects) as a single service (one-stop shop).

We establish strong (local) partnerships and strategic alliances. Our ambition is to be a preferred partner in offshore solutions for economically and technically challenging projects in the oil and gas as well as the offshore renewables industry.



Photo:
First test of patented
Double Slip Joint (DSJ)

FINANCIAL STATEMENTS

Consolidated statement of profit or loss and other comprehensive income

FOR THE SIX MONTHS ENDED 30 JUNE 2017

Group

USD '000

	Notes	(Unaudited) Q2 2017	(Unaudited) Q2 2016	(Unaudited) Cum Q2 2017	(Unaudited) Cum Q2 2016
Revenue		8 316	12 264	16 694	21 727
Net income from associates/joint ventures		(414)	4 564	76	9 862
Total operating income	4	7 902	16 828	16 770	31 589
Operating costs	4	(2 914)	(4 880)	(5 592)	(8 341)
General & administration		(2 088)	(4 164)	(4 413)	(7 527)
Depreciation and amortisation	5, 6	(2 095)	(2 476)	(4 147)	(4 771)
Write off/Impairment			6	(66)	27
Total operating expenses before increase (decrease) of carrying amount from revaluation of assets		(7 097)	(11 514)	(14 218)	(20 612)
Profit (loss) before increase (decrease) of carrying amount from revaluation of assets		805	5 314	2 552	10 977
Increase (decrease) of carrying amount from revaluation of vessels	6	1 087	(1 680)	(1 683)	(8 488)
Operating profit (loss) after increase (decrease) of carrying amount from revaluation of assets		1 892	3 634	869	2 489
Financial income		29 727	1	29 785	
Financial expense		(4 280)	(2 927)	(7 060)	(5 825)
Foreign exchange gain / (loss)		5	(91)	(345)	(785)
Net finance	9	25 452	(3 017)	22 380	(6 610)
Ordinary profit (loss) before taxes		27 344	617	23 249	(4 121)
Tax expense	7		83		9
Total net result		27 344	699	23 249	(4 112)

Consolidated statement of profit or loss and other comprehensive income

FOR THE SIX MONTHS ENDED 30 JUNE 2017

Group

USD '000

	Notes	(Unaudited) Q2 2017	(Unaudited) Q2 2016	(Unaudited) Cum Q2 2017	(Unaudited) Cum Q2 2016
Items that will never be reclassified to profit or loss					
Other comprehensive income					
Impact of revaluation model	6	(352)	(4 905)	(479)	(5 858)
Items that will never be reclassified to profit or loss		(352)	(4 905)	(479)	(5 858)
Items that may be reclassified subsequently to profit or loss					
Translation differences					
Items that may be reclassified subsequently to profit or loss					
Other comprehensive income, net of tax		(352)	(4 905)	(479)	(5 858)
Total comprehensive income for the year		26 992	(4 206)	22 770	(9 970)
Profit (loss) attributable to:					
Owners of the company		25 574	94	21 430	(2 734)
Non controlling interests		1 770	605	1 818	(1 378)
Profit (loss)		27 344	699	23 249	(4 112)
Total comprehensive income attributable to:					
Owners of the company		25 222	(4 811)	20 951	(8 592)
Non controlling interests		1 770	605	1 818	(1 378)
Total comprehensive income for the year		26 992	(4 206)	22 770	(9 970)
Earnings per share (in USD)					
Basic earnings per share (in USD)		1.03	0.03	0.87	(0.15)
Dilutive earning per share (in USD)		1.03	0.03	0.87	(0.15)

Consolidated statement of financial position

AS AT

Group

USD '000

	Notes	(Unaudited) 30.06.2017	31.12.2016
Assets			
Non-current Assets - Property, plant and equipment			
Investment in associates and joint ventures	11	15 876	22 197
Vessels and equipment	6	120 729	126 334
Total		136 605	148 531
Non-current Assets - Other			
Deferred tax assets	7	3 000	3 000
Intangible assets		1 163	1 336
Goodwill		9 300	9 300
Total	5	13 463	13 636
Total non current assets		150 069	162 167
Current Assets			
Trade receivables		3 536	4 828
Other receivables		6 472	11 307
Total Receivables		10 008	16 135
Cash and cash equivalents		8 147	3 514
Total current assets		18 155	19 650
Total assets		168 224	181 816

Consolidated statement of financial position

AS AT

Group		(Unaudited)	
USD '000		30.06.2017	2016
	Notes		
Equity and liabilities			
Share capital		2 595	2 595
Treasury shares		(257)	(257)
Share premium		1 304	1 304
Reserves		61 812	39 754
Revaluation reserve	6	(13 589)	(12 472)
Equity attributable to owners of the Company		51 865	30 924
Non-controlling interests	8	50 408	47 547
Revaluation reserve		(24 626)	(23 583)
Total non-controlling interests	6, 11	25 782	23 965
Total equity		77 646	54 889
Loans and borrowings	9	34 700	
Total non current liabilities		34 700	
First year installments	9	42 505	105 560
Trade payables		7 105	6 356
Tax payable	7		(65)
Public charges		679	353
Other current liabilities		5 588	14 723
Total current liabilities		55 877	126 927
Total liabilities		90 577	126 927
Total equity and liabilities		168 224	181 816

Consolidated statement of changes in equity

FOR THE SIX MONTHS ENDED 30 JUNE 2017

Group		(Unaudited)								
USD '000		30.06.2017	2016							
	Notes									
Equity at period opening balance (Number of shares: 29,593,259)				54 889	92 227					
Profit after taxes majority				21 430	(18 076)					
Profit after taxes minority				1 818	(5 256)					
Revaluation of assets	6			(479)	(11 159)					
Tax on revaluation reserve										
Translation differences										
Adjustments prior period										
Transactions with owners of the Company, recognised directly to equity										
Changes in non-controlling interests									(2 500)	
Prior year adjustments					(12)				(346)	
Equity issue										
Permanent diff										
Equity at period end (Number of shares: 29,593,259)				77 646	54 889					
Group										
USD '000										
		Share capital	Treasury shares	Share premium	Translation reserve	Other equity	Total other equity	Revaluation reserve	Non-controlling interests	Total equity
Equity at 31 December 2016		2 595	(257)	1 304		39 754	39 754	(12 472)	23 965	54 889
Profit and loss						22 070	22 070	(640)	1 818	23 249
Coverage of previous losses										
Other comprehensive income										
Effect of revaluation model								(479)		(479)
Tax on revaluation reserve										
Translation differences										
Total comprehensive income						22 070	22 070	(1 119)	1 818	22 770
Contributions by and distributions to owners										
Change in non controlling interests										
Dividends to non-controlling interests										
Adjustments prior year						(12)	(12)			(12)
Investments										
Issue of ordinary shares										
Equity per 30 June 2017		2 595	(257)	1 304		61 812	61 812	(13 589)	25 782	77 646

Consolidated statement of changes in equity

FOR THE SIX MONTHS ENDED 30 JUNE 2017

Group	USD '000								
	Share capital	Treasury shares	Share premium	Translation reserve	Other equity	Total other equity	Revaluation reserve	Non controlling interests	Total equity
Equity at 31 December 2015	2 595	(257)	1 304		47 678	47 678	9 185	31 722	92 227
Profit and loss					(7 579)	(7 579)	(10 497)	(5 256)	(23 333)
Coverage of previous losses									
Other comprehensive income									
Effect of revaluation							(11 159)		(11 159)
Tax on revaluation reserve									
Translation differences									
Total comprehensive income					(7 579)	(7 579)	(21 656)	(5 256)	(34 492)
Contributions by and distributions to owners									
Change in non controlling interests									
Dividends to non-controlling interests								(2 500)	(2 500)
Investments/Revaluation									
Adjustments prior period					(346)	(346)			(346)
Issue of ordinary shares									
Reclassify									
Equity per 31 December 2016	2 595	(257)	1 304		39 754	39 754	(12 472)	23 965	54 889

Interim condensed consolidated statement of cash flows

FOR THE SIX MONTHS ENDED 30 JUNE 2017

Group	USD '000		
	Notes	(Unaudited) 30.06.2017	(Unaudited) 30.06.2016
Net result after increase (decrease) of carrying amount from revaluation of assets		23 249	(4 112)
Decrease of carrying amount from revaluation of vessels		1 683	8 488
Tax			(9)
Ordinary profit (loss) before taxes and revaluation		24 932	4 367
Depreciation and amortization of tangible assets	5, 6	4 147	4 771
Tax paid	7	65	(64)
Net income of associates	11	(76)	(9 862)
Write off assets		66	(27)
Change in trade receivables		1 292	2 598
Change in other receivables		368	1 083
Change in trade payables		683	1 963
Change in other accruals		(99)	(1 530)
Items classified as investing/financing activities		(12)	
Financial income without cash effect		(29 785)	
Interests without cash effect		219	863
Other changes		(555)	53
Net cash flow from operating activities		1 245	4 215
Cash out due to investments		(395)	(2 723)
Cash in due to disposals		60	339
Cash in due to investments	5, 6	10 652	
Net cash flow from investing activities	6	10 317	(2 384)
	11		
Issuance of new debt			981
Repayment of debt		(6 929)	(4 215)
Net cash flow from financing activities		(6 929)	(3 234)
Effect of changes to exchange rates on cash and cash equivalents	9		(4)
Net change in cash and equivalents		4 633	(1 407)
Cash and equivalents at start of period		3 514	5 165
Cash and equivalents at end of period**		8 147	3 758

* Oceanteam Bourbon 4 AS has a credit and guarantee facility agreement with several banks which has various covenant including minimum free cash of USD 500.000.

** The consolidated group's total cash is USD 8.2 million out of which USD 5.3 million belongs to Oceanteam Bourbon 4 AS.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Corporate information

Oceanteam is an offshore service provider. Oceanteam provides high-quality support to offshore contractors all over the world through its fleet of large and advanced offshore vessels (Oceanteam Shipping, both through subsidiaries and investments in JVs and associates) and its expertise in marine equipment, cable logistics and design engineering (Oceanteam Solutions).

The Company is comprised of two operating segments, Oceanteam Shipping and Oceanteam Solutions. Oceanteam Shipping owns, charters and manages deep-water offshore support vessels and fast support vessels. Oceanteam Solutions provides its client with complete offshore solutions. Oceanteam focuses on economically and technically challenging projects for clients in the oil and gas, renewables and civil industries. In addition, we are among the few companies in the world to combine high-end engineering knowhow, DNV GL certified shipping and expertise, DNV ISO certified solutions and special purpose equipment in a single 'one-stop shop' service, if required.

Oceanteam has offices in Amsterdam, Velsen and Schiedam in the Netherlands, and in Ciudad del Carmen in Mexico. The corporate headquarter is in Bergen, Norway. The Company is a public limited company incorporated and domiciled in Norway. The Company is listed at the Oslo Stock Exchange and is traded under the ticker code "OTS". The address of its registered office is Tveiteråsveien 12, 5232 Paradis, Norway.

The interim condensed consolidated financial statements of Oceanteam Group ASA and its subsidiaries (collectively, the Group) for the six months ended 30 June 2017 were authorised for issue in accordance with a resolution of the directors on 30 August 2017, and are based on the assumptions of going concern.

Note 2 - Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2017 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2016.

Note 3 - New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Note 4 - Operating segment information

The Group has two segments, Oceanteam Shipping and Oceanteam Solutions. Oceanteam Solution consists engineering and equipment business. The current segments are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the Group's Board (the chief operating decision maker) reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments.

The following tables present revenue and profit information for the Group's operating segments for the six months ended 30 June 2017 and 2016, respectively.

USD '000

	Oceanteam Shipping		Oceanteam Solutions		Total	
	Cum Q2 2017	2016 Year	Cum Q2 2017	2016 Year	Cum Q2 2017	2016 Year
Revenue	10 136	20 328	6 558	21 541	16 694	41 869
Net income from associates/joint ventures	90	10 041	(14)	(55)	76	9 986
Operating cost	(961)	(550)	(4 631)	(14 830)	(5 592)	(15 380)
G&A	(2 065)	(8 615)	(2 348)	(5 646)	(4 413)	(14 260)
EBITDA	7 200	21 205	(435)	1 011	6 765	22 215
Intersegment revenue	177	2 239	27	168	204	2 407
Intersegment cost	(27)	(168)	(177)	(2 239)	(204)	(2 407)
Depreciation and Amortisation	(2 881)	(6 599)	(1 265)	(2 450)	(4 147)	(9 049)
Write off/Impairment		(1 433)	(66)	(202)	(66)	(1 635)
Reportable segment operating profit before impact of revaluation	4 468	15 244	(1 916)	(3 712)	2 552	11 531
Increase (decrease) of carrying amount of revaluation of vessels	(1 683)	(20 591)			(1 683)	(20 591)
Reportable segment profit after impact of revaluation	2 785	(5 347)	(1 916)	(3 712)	869	(9 060)
Financial income	29 861	635	(76)	(396)	29 785	239
Financial expense	(6 748)	(11 145)	(313)	(465)	(7 060)	(11 610)
Foreign exchange effects	(134)	(107)	(211)	(510)	(345)	(617)
Net finance	22 979	(10 617)	(600)	(1 370)	22 380	(11 987)
Pre-tax profit/(loss)	25 764	(15 964)	(2 515)	(5 083)	23 249	(21 047)
Income tax		(121)		(2 164)		(2 286)
Net result	25 764	(16 085)	(2 515)	(7 247)	23 249	(23 333)
Reportable segments assets	131 648	144 954	36 576	36 862	168 224	181 816
Reportable segments liabilities	(52 490)	(90 783)	(38 086)	(36 144)	(90 577)	(126 927)
Capital Expenditure	10	243	385	2 837	395	3 080
Investment in equity accounted investees	15 876	22 293		(96)	15 876	22 197

The Shipping segment consists of two operating CSV vessels, one Pipelay vessel (sold during June 2017) and four FSV crew boats. One of the CSV vessels and the Pipelay vessel are consolidated according to equity method, while the other CSV vessel, CSV Southern Ocean, is fully consolidated. Administration expenses in Oceanteam ASA are allocated to the Shipping segment since material resources from Oceanteam ASA are allocated to Shipping segment. The Oceanteam Solutions segment consist of engineering services from KCI the Engineers BV and equipment business from RentOcean BV, an equipment department organized under Oceanteam Shipping BV. Administration expenses in Oceanteam Shipping BV are allocated to equipment business due to RentOcean BV.

Comparison of Q2 2017 vs Q2 2016 has not been disclosed on the basis that neither segment is considered to have highly seasonal activities

Note 5 - Non-current assets - Other

The Group performed its annual impairment test for 2016 year-end balances in April/May 2017. The Group's impairment test for goodwill and other intangible assets with indefinite lives is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year ended 31 December 2016, which was reported to Oslo stock exchange on June 23, 2017. There were no further impairment triggers identified for "non-current assets-other" since the last impairment test conducted.

USD '000	Deferred tax	Goodwill	Customer relations	IP licences, concept, etc	OTS Designs	Total
Historical cost 1 January 2017	6 000	13 000	4 400	573	1 772	25 745
Additions - Internally developed						
Additions - Acquired separately					5	5
Disposals						
Historical cost 30 June 2017	6 000	13 000	4 400	573	1 777	25 750
Accumulated amortisation 1 January 2017			(4 400)	(266)	(755)	(5 421)
Amortisation				(51)	(125)	(176)
Impairments/reversals						
Accumulated Amortisation 30 June 2017			(4 400)	(317)	(880)	(5 597)
Accumulated impairments 1 January 2017	(3 000)	(3 700)		10		(6 690)
Impairments/reversals						
Accumulated impairments 30 June 2017	(3 000)	(3 700)		10		(6 690)
Book value 30 June 2017	3 000	9 300		266	897	13 463
Amortization rates	Not Amortized	Not Amortized	3 years	5 years	5 years	
Amortization Method			Linear	Linear	Linear	

Note 6 - Non-current Assets - Property Plant and Equipment

USD '000	Southern Ocean	Fast Support Vessels, Machinery & other	Total
Carrying values			
Consolidation method	Subsidiary	Subsidiaries	
Carrying values per 1 January 2017	103 642	22 692	126 334
Additions		391	391
Disposals		(694)	(694)
Depreciation tangible asset	(2 278)	(1 561)	(3 839)
Disposals depreciation		623	623
Change in revaluation-recognized in operating profit and loss	(2 086)		(2 086)
Change in revaluation-recognized in other comprehensive income			
Carrying values per 30 June 2017	99 279	21 450	120 729

Vessel and equipment	Southern Ocean	Fast Support Vessels, Machinery & other	Total
Historical cost 1 January 2017	169 557	50 775	220 332
Additions		391	391
Disposals		(694)	(694)
Historical Cost 30 June 2017	169 557	50 472	220 029
Accumulated depreciation 1 January 2017	(14 280)	(18 440)	(32 720)
Depreciation	(2 278)	(1 561)	(3 839)
Disposals depreciation		623	623
Accumulated depreciation 30 June 2017	(16 558)	(19 378)	(35 936)
Accumulated impairments 1 January 2017		(9 644)	(9 644)
Impairments/reversals	(53 721)		(53 721)
Accumulated impairments 30 June 2017	(53 721)	(9 644)	(63 365)
Carrying amount 30 June 2017 if CSV's were stated at historical cost	99 279	21 450	120 729

Revaluation per 30 June 2017	Southern Ocean, Oceanteams working interest (50%)	Revaluation for Bourbon Oceanteam 101	Revaluation for North Ocean 105	Total
Total carrying amount per 30 June 2017	99 279	21 450		120 729
Depreciation rates	5-25 years	3-15 years		
Depreciation method	linear	linear		

Revaluation reserves	Revaluation for Southern Ocean, Oceanteams working interest (50%)	Revaluation for Bourbon Oceanteam 101	Revaluation for North Ocean 105	Total
Gross Revaluation reserve 1 January 2017	(23 583)	10 801	311	(12 471)
Change in revaluation	(1 043)	(479)	403	(1 119)
Change in revaluation - disposal			(714)	(714)
Gross Revaluation reserve 30 June 2017	(24 626)	10 322		(14 304)
Accumulated depreciation premium values 1 January 2017	(2 237)	(6 430)	(714)	(9 381)
Depreciation premium values	(118)	(136)		(253)
Depreciation premium values - disposal			714	
Total depreciation premium values	(2 354)	(6 566)		(9 635)
Total net revaluation reserve 30 June 2017	(26 980)	3 757		(23 224)
Accumulated depreciation over P&L	2 354	6 566		9 635
Total net Revaluation 30 June 2017	(24 626)	10 322		(13 589)

Revaluation reserves	Revaluation for Southern Ocean, Oceanteams working interest (50%)	Revaluation for Southern Ocean, Non controlling interests (50%)	Total
Gross Revaluation reserve 1 January 2017	(23 583)	(23 583)	(47 166)
Change in revaluation	(1 043)	(1 043)	(2 086)
Gross Revaluation reserve 30 June 2017	(24 626)	(24 626)	(49 252)
Accumulated depreciation premium values 1 January 2017	(2 235)	(2 235)	(4 469)
Depreciation premium values	(118)	(118)	(236)
Total depreciation premium values	(2 352)	(2 352)	(4 705)
Total impairment 30 June 2017	(26 978)	(26 978)	(53 957)
Accumulated depreciation over P&L	2 352	2 352	4 705
Total net Revaluation 30 June 2017	(24 626)	(24 626)	(49 252)

USD '000

Impact in profit and loss and OCI	Revaluation for Southern Ocean, Oceanteams working interest (50%)	Revaluation for Southern Ocean, Non controlling interests (50%)	Revaluation for Bourbon Oceanteam 101	Revaluation for North Ocean 105	Total
Movement in Profit and Loss	(1 043)	(1 043)		403	(1 683)
Movement in OCI			(479)		(479)
Total	(1 043)	(1 043)	(479)	403	(2 162)

Fair Value Measurements

The Group is conducting quarterly fair value measurements for the Construction Support Vessels. All vessels in this category are equity accounted except for the CSV Southern Ocean, in OB 4 AS, which is 100 percent consolidated into group numbers. The fair values are derived from both observable and unobservable inputs, which are shown in the table below. The fair values are based on calculation of future cash flows from estimated time charter rates and bare-boat charter rates deducted for operating expenses. Estimated contract rates are based on signed contract only and do not include contract options. The implied charter rates are applied for the period after contract expiration by deducting assumed operating expenses with a growth rate. Implied rates are calculated based on valuations provided by external brokers. Future cash flows are calculated throughout the vessels lifetime with WACC, as discounted rate to find the net present values. The totals of net present values from ending reporting date and throughout vessels lifetime ends up in the fair values for the vessels as shown below.

Valuation process of the Group

The Group's finance department includes a team that performs the fair value measurement process which involves assessment of the inputs used in revaluation model every quarter. Discussions and analyses quarter to quarter are held within the finance team and CEO and final result will be presented for board approval.

USD '000

Recurring Fair Value Measurements	Southern Ocean	North Ocean 105	Bourbon Oceanteam 101	Total
Consolidation method	Subsidiary	Associate 25%	Joint Venture 50%	
Fair values per 1 January 2017	103 642	11 497	31 317	146 458
Additions			171	171
Disposals		(12 211)	(51)	(12 262)
Depreciation tangible asset	(2 278)		(1 196)	(3 474)
Depreciation Premium vessel value			(136)	(136)
Depreciation Premium vessel value - disposal				
Change in revaluation-recognized in operating profit and loss		714		(2 086)
Change in revaluation-recognized in other comprehensive income	(2 086)		(479)	(479)
Fair values per 30 June 2017	99 279		29 626	128 194

USD '000

Inputs/Assumptions	Intervals in USD'000
External broker values	58 000 - 87 000
Utilization	65% - 95%
Opex	1 800 - 5 200
WACC	8.40%
Annual charter rates	14 000 - 21 000
Annual Implied Bareboat rates	11 200 - 14 200
Remaining useful life	15 - 18 years
Residual value	10 000
Inflation	2% - 3%

Significant inputs and assumptions for recurring fair value measurements are categorized as level 3 of the fair value hierarchy according to FRS 13.92.(b).

Sensitivity in fair value measurements in the volatile markets

There is a relative lack of liquidity in the Sale and Purchase market for offshore units. Information on comparable Sale and Purchase transactions and market demand has, where available, been very limited. In addition the oil price volatility has made the assessment of values more uncertain.

Note 7 - Income Tax

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Confirmation from the tax authorities of a deferred tax loss of NOK 1.4 billion has been received in January 2017. The Company is utilizing its deferred tax losses where applicable and with increased earnings projected for the future, the Company expects to utilize it further. Deferred tax balance USD 3.0 million in the balance sheet includes tax losses on operations in the Netherlands and the Company is in process of increasing this asset by increased profitability and securing new contracts in the Oceanteam Solutions segment.

Note 8 - Investments in Subsidiaries

USD '000

	Oceanteam Bourbon 4 AS
Operating segment	Shipping
Principal place of business	Bergen, Norway
Ownership interest held by non-controlling interests	50%
Voting rights held by non-controlling interests	40%

The following is summarised financial information for Oceanteam Bourbon 4 AS based on the company's financial statements prepared according to Norwegian GAAP.

The information is before intercompany eliminations with other companies in the Group.

USD '000

	Oceanteam Bourbon 4 AS	
	Cum Q2 2017	2016 Year
Operating income	10 110	20 152
Operating expenses	(916)	(1 860)
Depreciation	(2 042)	(4 087)
Net finance costs	(1 086)	(2 398)
Tax on ordinary result		(2)
Net profit/(loss) for the year	6 066	11 805
Adjustments made at group level:		
Increase (decrease) of carrying amount from revaluation of vessels	(2 086)	(20 187)
Depreciation on premium value	(236)	(1 559)
Profit after increase (decrease) of carrying amount from revaluation of assets	3 744	(9 941)
Other comprehensive income		
Total comprehensive income	3 744	(9 941)
Profit attributable to non-controlling interests		
	1 872	(4 971)
Current assets	6 951	6 242
Non current assets	70 490	72 533
Current liabilities	(51 620)	(59 019)
Non-current liabilities		
Net assets	25 822	19 755
Adjustment made at group level:		
Fair value adjustments	28 788	29 552
Fair value of Net assets	54 610	49 307
Net assets attributable to non-controlling interests		
	27 305	24 654

Oceanteam Bourbon 4 AS has a credit and guarantee facility agreement with several banks which has various covenant including minimum free cash of USD 500.000.

The consolidated Group's total cash is USD 8.2 million out of which USD 5.3 million belongs to Oceanteam Bourbon 4 AS.

Note 9 - Loans and borrowings

During the first half of the year, the Board of Directors undertook a review of the Company's ability to meet the requirements of the newly signed bond loan's financial covenants. There are three financial covenants to comply with in the amended bond loan agreement. 1) Equity to Total Assets, 2) Gearing (Debt to EBITDA) and 3) Debt Service Coverage Ratio (EBITDA to Interest and Interest amortisation). As part of the new bond loan agreement, the Company has attained temporary waivers for the book equity, market adjusted book equity and gearing ratios for a period of time (details available on company website). Furthermore, as a result of the new bond loan agreement being signed, earlier breaches of financial ratio covenants as per year end, are now being remedied. At 30th June 2017, Oceanteam was in compliance with book equity, market adjusted equity and debt service coverage ratios.

Gearing ratio was 5.4 for the period ending 30th June 2017. Temporary waivers secured by Oceanteam on "gearing ratio" will become effective from 1st October 2017 starting with the requirement to be below 7.5 and gradually reducing to below 5 until 2Q 2018.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual cash flows including interests representing nominal value at payment date. There is none net-settled derivative financial liabilities.

USD '000

	Q3 - Q4 2017	2018	2019	2020	2021	2022	Total
At 30 June 2017							
Total outstanding on loan	42 505					73 180	115 685
Total outstanding on loan	42 505	0	0	0		73 180	115 685
At 31 December 2016	Q1	Q2	Q3-Q4	2018	2019	2020	Total
Total outstanding on loan	105 560						105 560
Total outstanding on loan	105 560	0	0	0			105 560

As at 31 December 2016, the total loan amount was due in first quarter of 2017 by operation of default. The Bond Loan (USD 57.5 million) has been re-negotiated which turned this loan into long-term liability.

Loans/Currency of loan	True rate of interest	Description	30 June 2017	31 December 2016
Oceanteam ASA	Senior Unsecured	LIBOR + margin Senior Callable Bond Issue 2012/2017	34 700	
Capitalized finance cost (unwinded)*				
Total long term debt			34 700	
Oceanteam ASA	Senior Unsecured	LIBOR + margin Senior Callable Bond Issue 2012/2017		57 103
CSV Southern Ocean (USD)	Secured	LIBOR + margin* SpareBank 1 SMN Bank USD 81 million	42 525	46 575
Oceanteam Solutions	Secured	NIBC Bank N.V and Rabobank Amsterdam U.A		195
Oceanteam ASA	Secured	SpareBank 1 SMN Bank USD 2.7 million		2 700
Capitalized finance cost (unwinded)**			(20)	(1 013)
Total long term debt			42 505	105 560

* 50% of the LIBOR interest rate is fixed.

** Borrowing costs related to refinancing goes to reduction of long-term debt according to IFRS.

Financial costs	Cum Q2 2017	2016
CSV Southern Ocean (USD)	1 085	2 398
Bond loan (USD)	5 678	8 746
Oceanteam Solutions (EUR)	313	362
Other	(16)	104
Total Financial Expense*	7 060	11 610

* Total financial expense includes USD 1 million for third party Senior Bond Loan restructuring transaction cost.

FRN Oceanteam ASA Senior Callable Bond Issue 2012/2022 - USD 57,5 million

FRN Oceanteam ASA Senior Callable Bond Issue became effective on 21 June 2017. Some of the terms with financial impact are as follows: - Extending maturity from 24 October 2017 to 2 May 2022. Making the bond loan a long-term liability. - Amending the interest rate from 3 month LIBOR + 11,25% per annum to 7% per annum payable in arrears, of which 6% may be payable in new bonds (PIK (Payment in Kind), not cash), reducing both interest expense and cash outflows for the company. - Deferral of past due interest payment 24 October 2016, and interest payments 24 January 2017 and 24 April 2017 in the form of PIK Bonds. The three interest payments will be added to bond principal amount and payment due was extended to bond maturity date at 2 May 2022. The revised bond loan allows for security to be granted to bond holders including a pledge over Oceanteam's shares held in Oceanteam Bourbon 101 AS (50% share) and Oceanteam Bourbon 4 AS (50% share). It also imposes maximum annual management compensation amounts for Oceanteam ASA Chairman, CEO and CFO. The Company has incurred USD 1 million transactional costs directly related to Senior Bond Loan refinancing and there were paid during July 2017.

SpareBank 1 SMN Bank - USD 2.7 million overdraft - Oceanteam ASA

This loan balance USD 3 million (this includes accrued interest) has been fully repaid during June 2017 from proceeds of North Ocean 105 call option.

Cöoperatieve Rabobank Amsterdam U.A - EUR 1.5 million overdraft - Oceanteam Shipping B.V.

This loan balance of USD 0.9 million has been fully repaid in June 2017 from proceeds of North Ocean 105 sale.

NIBC Bank N.V - EUR 1.000.000 Revolver Facility - RentOcean BV

This loan balance of USD 0.2 million has been fully repaid in June 2017 from proceeds of North Ocean 105 sale.

First Year Instalments - Total short term debt

For the purpose of 2017 Interim Group financial report, OB 4 AS (100% consolidated subsidiary) loan has been reported as "First year instalment" due to the fact that this loan refinancing was not effective as of 30 June 2017 and hence it was in default. This loan will be reported as long term loan in the next reporting cycle.

USD '000

Senior Bond Loan Valuation Techniques	Applied Fair value measurements at the end of the reporting period		Valuation Technique	Bond Loan Latest Traded at %	Discount Rate	Bond Loan Nominal Value, USD millions	PIK Bond Loan Nominal Value	Senior Bond loan incl PIK Fair Value, USD millions
Senior Bond Loan	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Combination of Market Bond trading information and Discounted Cash Flow	42%	14%	57.5	6.9	34.7

Senior Bond Loan refinancing falls under category of "major modification to the existing loan" as per the requirements of IAS 39. The Company applied 10% quantitative test which is the main criteria set in IFRS to conclude if the changes made to the old bond loan are to be considered as major modification to the existing loan. The 10 % test required to identify if the present value of the cash flows under the terms of the new debt instrument are at least 10 percent different from the present value of the remaining cash flows under the terms of the original financial instrument (senior bond loan). Our assessment indicated that the fair value of the new bond loan liability is at least 20% lower than the fair value of the old loan.

In accordance with the requirements of IAS 39 senior bond loan refinancing was accounted as an extinguishment of the old bond loan, with a gain recognised in the consolidated statement of profit or loss and reduction to the total loan amount. The fair valuation approach follows the requirements of IFRS 13.

Discount rate assumption of 14% used in valuation of the Company Senior Bond Loan is highly subjective as it should reflect the Company credit rating risk associated with this loan. Increasing/decreasing interest by each 1% will increase the financial gain/loss to be recognized in consolidated company accounts by USD 1 million. The Company applied combined market value and discounted cash flow method for Senior Bond Loan liability valuation process. This approach has resulted in more conservative financial gain of USD 29 million recognized in 2Q 2017 compared with significantly higher USD 40 million financial gain to be recognized if the Company applied only recent market trading information for this loan.

USD '000

Loan Fair Value Measurements	30 June 2017	31 December 2016
Senior Callable Bond 2012/2022	57 500	57 500
PIK Bond Loan	6 880	
Non-recurring fair value adjustment	(29 680)	
Capitalized finance cost (unwinded)		(397)
Long Term Loan Balance at at end of reporting period	34 700	57 103

Note 10 - Events After Balance Sheet Date

JV Fleet refinancing

The refinancing of loans for CSV Bourbon Oceanteam 101 and CSV Southern Ocean has been completed and became effective on 17 July 2017. As per the revised loan agreement the maturity of the loan has been extended until 2022 or 6 months prior to maturity of our Bond (whichever expires earlier); with interest rate being increased from Libor +3.4% to Libor + 3.75%; the minimum cash is 500,000 per vessel at all times; repayment is also triggered if the charter hire remains outstanding for longer than 60 days.

Execution of the revised loan "waterfall" mechanism

The proceeds from North Ocean 105 transaction has been used in accordance with the revised loan agreement in the following order:

- Critical vendors were allocated with USD 4.0 million of which USD 3.1 million has been used during July and August 2017 to cover aged payables within Shipping and Solutions segment.
- The following loans were paid in June 2017: SMN USD 2.7 million plus interest of USD 0.38 million, Equipment Loans Rabobank USD 0.9 million and NIBC USD 0.18 million.
- Bond Loan restructuring transaction cost agreed with bond loan owners in total of USD 1.0 million which was paid during July 2017.

As per 31 July 2017, Diederik Legger has been appointed as a member of the Board of Directors of Oceanteam. He is replacing Bote de Vries, who stepped down only two months after joining the Board as his particular responsibilities have required and will require more time than initially expected.

Note 11 - Investment in joint ventures, associates and subsidiaries

The following is summarised financial information for Oceanteam Bourbon 101 AS and North Ocean 105 AS based on the USD as their functional currency, modified for fair value adjustments on acquisition and differences in Group's accounting policies.

Investments in joint ventures and associates	Investment in Oceanteam Bourbon 101 AS	Partici- pation in LV 105	DOT Shipping GROUP	Investment in Oceanteam Bourbon Investments AS	Total
Consolidation method	Associate	Associate	Joint venture	Joint venture	
Carrying amount of investment per 31 Dec 2016	11 483	6 840	2 674	(96)	20 899
Change in investments-disposal		(6 185)			(6 185)
Net result from investment per 30 June 2017	667	(655)	78	(14)	76
Depreciation premium value	(136)				(136)
Total carrying amount excluding revaluations 30 June 2017	12 014		2 752	(110)	14 654

The table above summarizes the investments in the Group. The following sections in this note describes the different categories of investments more thoroughly.

USD '000

Revaluations for joint ventures and associates	Investment in Oceanteam Bourbon 101 AS	Partici- pation in LV 105	DOT Shipping GROUP	Investment in Oceanteam Bourbon Investments AS	Total
Consolidation method	Associate	Associate	Joint venture	Joint venture	
Carrying amount of net revaluations	1 700	(403)			1 297
Change in investments					
Net result from investment in 2016					
Change in net revaluation in 2016	(479)				(479)
Change in revaluation - disposal		403			403
Total carrying amount 31 December 2016	1 221				1 221
Total Investments including revaluations	13 235		2 752	(110)	15 876

Joint ventures

DOT Shipping, is a joint venture with Diavaz, consisting of DOT Holdings AS, DOT Shipping AS, DOT Shipping BV, DOT S.A. de C.V. and DOT Radiance PTE LTD. These entities will be presented together under DOT Shipping companies.

Oceanteam Bourbon Spares & Equipment AS is an unlisted joint arrangement in which the Group has joint control and a 50 percent ownership interest. This company is founded in October 2012 by Oceanteam ASA and Bourbon Offshore Norway AS. The Group has classified its interest in Oceanteam Bourbon Investments AS as a joint venture.

All companies mentioned above are equity accounted in the Group.

	DOT Shipping companies	Oceanteam Bourbon Investments AS
Nature of relationship with the Group	FSV Icos FSV Cobos CSV large under construction	Equipment business
Principal place of business	Mexico	Bergen, Norway
Ownership interest	40%	50%
Voting rights held	50%	50%

The following is summarised financial information for DOT Shipping companies and Oceanteam Bourbon Investments AS, based on their respective financial statements prepared with USD as the functional currency, modified for fair value adjustments and differences in the Group's accounting policies.

USD '000	DOT Shipping companies		Oceanteam Bourbon Investments AS	
	Q2 2017	2016	Q2 2017	2016
Revenue	2 094	4 071	(630)	1 260
Profit before tax	195	(382)	(28)	(110)
Tax				
Net result	195	(382)	(28)	(110)
Current asset	3 250	3 450	722	523
Non current assets	35 016	32 527	1 579	2 149
Current liabilities	(3 476)	(4 522)	(2 241)	(2 184)
Non-current liabilities	(21 420)	(20 815)	(285)	(685)
Net assets	13 369	10 641	(225)	197

	DOT Shipping companies		Oceanteam Bourbon Investments AS	
	Q2 2017	2016	Q2 2017	2016
Group's interest in net assets of investee at beginning of year		2 674	2 827	(96)
Investments				(41)
Total comprehensive income attributable to the Group		78	(153)	(14)
Total other comprehensive income attributable to the Group				(55)
Dividends received during the year				
Carrying amount of interest in investee at 31 December 2016	2 752	2 674	(110)	(96)

Oceanteam's joint-venture partner McDermott has given written notice of utilisation of its option to purchase all of Oceanteam's interest in North Ocean 105 AS, the company owning the LV North Ocean 105. The transaction was closed on 20 June 2017. The proceeds from this transaction were USD 10.7 million and loss originated as a result of this transaction was USD 1.2 million, impacting Net Income from JVs and Associates.

Note 12 - Related Party Transactions

Genzo BV

Genzo is controlled by Catharina Petronella Johanna Pos, director of Oceanteam ASA. Transactions consist mainly of invoicing for board fees and other consulting services provided.

Feastwood Holding Ltd (1)

Feastwood Holding Ltd is controlled by Hessel Halbesma, chairman of Oceanteam ASA and Haico Halbesma, CEO of Oceanteam ASA. Transactions consist of invoicing for services provided by Hessel Halbesma and recharges related to disbursements. These services provided include board services, providing exclusive access to his network and long time business partners, maintenance and development of partnership arrangements, sourcing and strategic development related to financing the group, Intellectual property expansion, initiation and steering of change management and general support to various management functions within the group.

The year 2016 charge includes USD 693 000 resulting from a hourly rate increase for 2015 services and beyond from EUR 300 to EUR 500 per hour.

Feastwood Holding Ltd (2)

Feastwood Holdings Ltd also issued invoices in 2016 relating to services provided by Haico Halbesma. The 2016 cost consists of CEO charges for 2015 incentives of EUR 450 000 (USD 499 589) and additional CFO functions performed by the CEO from January - October 2016 at EUR 17 500 per month totalling EUR 175 000 (USD 190 357). The 2015 annual bonus was approved by the Board in June 2016.

Heer Holland BV

Heer Holland BV is controlled by Haico Halbesma, CEO of Oceanteam ASA. Transactions consists mainly of invoicing of monthly management services in accordance with a service agreement. The annual fee was EUR 330 000 (EUR 27 500 per month) from January to June 2016 and increased to EUR 360 000 (EUR 30 000 per month) from July 2016 onwards. The total fee for the 2016 was EUR 345 000 (USD 392 209).

Groom Hill

Groom Hill is 33% owned by James Wingett Hill, former director of Oceanteam ASA (resigned 9 May 2017). Transactions consisted mainly of invoicing for board fees and other consulting services provided.

Challenger Management Services S.A.M.

Challenger Management Services S.A.M is controlled by Hessel Halbesma and Haico Halbesma. Transactions consist of invoicing for communication services and rental of office space.

Toha Invest BV

Toha Invest BV is controlled by Haico Halbesma and Hessel Halbesma. Transactions consist of invoicing for the rental of office space.

Imperator AS

Imperator AS is controlled by Wilhelm Bøhn, interim CFO of Oceanteam ASA (Suspended). Interim CFO Wilhelm Bøhn, who had been hired as a consultant to perform certain pre-defined tasks including the management of the refinancing process. After a series of incidents we obtained external advice on this matter and with the interests of all stakeholders in mind we were left with no other option than to suspend Mr Bøhn and make a fair settlement offer. Closure of the case is now in the hands of our corporate lawyers. Transactions consist of invoices in accordance with a consultancy service agreement.

4C Offshore Ltd

4C Offshore Ltd is controlled by Hessel Halbesma, chairman of Oceanteam ASA and Haico Halbesma, CEO of Oceanteam ASA. The transactions with 4C Offshore Ltd consist mainly of invoices for consultancy work, IT maintenance and licensing fees.

Annerieke Vonk

Annerieke Vonk, long term partner of Haico Halbesma, CEO of Oceanteam ASA, and Haico Halbesma rented their private apartment to two Oceanteam employees from 1 April 2015.

USD '000

Company	Income/recharge expense		Cost	
	Cum Q2 2017	2016 Year	Cum Q2 2017	2016 Year
Cenzo BV			(38)	(124)
Feastwood Holding Ltd (1)	16	190	(284)	(1 855)
Feastwood Holding Ltd (2)	21			(691)
Heer Holland BV			(195)	(392)
Groom Hill S.A.R.L			(30)	(118)
Challenger Management Services S.A.M			(24)	(96)
Toha Invest BV			(315)	(305)
Imperator AS			(452)	(75)
4C Offshore Ltd			(34)	(223)
Annerieke Vonk			(4)	(25)

USD '000

Company	Vendor & accrued balance	
	30.06.2017	31.12.2016
Cenzo BV	(99)	(82)
Feastwood Holding Ltd (1)	(178)	(16)
Feastwood Holding Ltd (2)	(713)	(691)
Heer Holland BV	(94)	(28)
Groom Hill S.A.R.L	(88)	(84)
Challenger Management Services S.A.M	(7)	(56)
Toha Invest BV	(351)	2
Imperator AS	(369)	(37)
4C Offshore Ltd	(372)	(312)
Annerieke Vonk		(12)

Pursuant to the amended and restated bond agreement effective per 21 June 2017, among others, the following limitations have been imposed on Feastwood Holding Ltd and Haico Halbesma:

- To not sell or otherwise dispose of their shares in Oceanteam ASA.
- With respect to the Chief Executive Officer maximum annual remuneration of USD 450 000. The Board including Chairman and CEO voted down the bond holders proposed maximum subordinated claim of USD 1 000 000 per annum payable after repayment of the bond loan. It was decided not to grant this and focus on the company instead.
- With respect to Chairman of the board, maximum annual remuneration of USD 250 000. The Board including Chairman and CEO voted down the bond holders proposed maximum subordinated claim of USD 1 000 000 per annum payable after repayment of the bond loan. It was decided not to grant this and focus on the company instead.
- At all times to be represented with one board member in the board of Oceanteam ASA;
- The so appointed board member to vote together with the bondholders' appointed director, subject to law and fiduciary duties, any matter relating to capital structure, cost savings initiatives, liquidation or insolvency filings for the duration of the bond agreement.

Post balance sheet events relating to Related Parties

Haico Halbesma, became entitled to a EUR 300 000 bond and bank loan restructuring bonus in July 2017 following successful completion of the restructuring strategy. This cost is not included in the January to June figures above.

Hessel and Haico Halbesma have agreed to defer overdue and unpaid receivables for the period 2014 - 2017 in the amount of EUR 1 000 269 plus interest and convert them into a long term loan to the company.

The sum consists of

- Incentive fee of EUR 450 000 for Haico Halbesma for 2015 charged through Feastwood Holding Ltd in 2016,
- A fee for the performance of CFO tasks by Haico Halbesma of EUR 175 000 charged through Feastwood Holding Ltd in 2016
- Phantom shares awarded in 2014 to Chairman and CEO in the amount of EUR 75 269
- Company re-financing incentive for CEO Haico Halbesma of EUR 300 000 becoming due in July 2017
- Interest

Status of Related Parties investigations

Oceanteam and KPMG AS have continued to work together to resolve matters outstanding from the 2016 annual report. Subsequent to the finalisation of the 2016 annual report, Oceanteam ASA has provided information to support that Heleos Energy BV, and two non-disclosed companies are not related parties according to IFRS and the Norwegian Public Limited Liability Act. Transactions took place with a non-disclosed related party in 2014 and 2015 however there have been no transactions with this company in 2016 and 2017. There are no further matters which have been brought to the attention of Oceanteam ASA.

APPENDIX: ASSETS

OCEANTEAM ASSETS

VESSELS



CSV BOURBON OCEANTEAM 101

Since delivery in December 2007, this DP2 Construction Support Vessel has been operating as a field support vessel in Angola. The first of the standard design North Ocean 100 series is jointly owned by Oceanteam and Bourbon Offshore Norway. The ship is 125 meters at length with a 27 meter beam. It has excellent seafaring capabilities, two heave compensated cranes of 150 tonnes and 100 tonnes, moon pool, 2000m² free deck space and 120 accommodation which enables the 101 to be utilized for field support, construction, installation and IRM support.



CSV SOUTHERN OCEAN

The vessel was delivered in Q4 2010 and immediately commenced its first project in Australia. This DP2 Construction Support/Flexible Product Installation vessel combines a moon pool, two large heave compensated cranes of 250 tonnes and 110 tonnes. 2500m² deck space, 120 accommodation and excellent seafaring capabilities, enabling her to be utilized for field support, construction, installation and IRM.



FSV ICACOS / FSV COBOS

These innovative Fast Support Vessels (FSV's) were delivered and started operation in Mexico in March 2015. The vessels are capable of transporting 96 POB and cargo at a cruising speed of 25 knots with largely improved fuel efficiency.



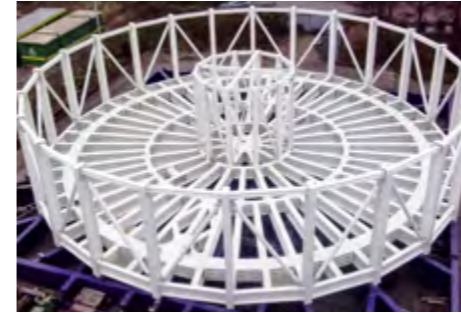
FSV MANTARRAYA / FSV TIBURON

These innovative Fast Support Vessels (FSV's) are operational. The vessels are capable of transporting 75 POB and cargo at a cruising speed of 25 knots with largely improved fuel efficiency.



CSV TAMPAMACHOCO I

The large offshore construction support vessel is fully financed and has secured a long-term time charter in Mexico. DOT Shipping has come to an agreement with seller Pacific Radiance to postpone the delivery of the CSV Tampamachoco 1 (T1) to the end of 2017 with an option to delay until the end of 2018.



UP TO 5000T DEMOUNTABLE TURNTABLES & RELATED EQUIPMENT

The new patented turntable series is designed for flexibility and quick mobilisation on standard PSV/CSV with limited deck load. The modular systems are delivered to the mobilisation site in 40ft containers. All system components are "plug and play" and interchangeable.

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