ANNUAL REPORT

OCEAN YIELD

2013


FAR STATESMAN
UT 731 CD

CONTENTS

OCEAN YIELD IN BRIEF

Ocean Yield is a ship owning company with investments within oil-service and industrial shipping. The Company focuses on modern assets with long-term charters to solid counterparties and has a significant contract backlog, which offers visibility with respect to future earnings and dividend capacity. Ocean Yield has an ambition to pay attractive and growing dividends to its shareholders.

The Ocean Yield Group was established on March 31st 2012 with a portfolio of assets previously controlled by Aker ASA. An experienced board of directors and management team were recruited and additional capital was raised in the bond market for further growth. Several investments were completed during the fall of 2012, including investment in two newbuilding PCTC vessels on long-term charters and an offshore construction and cable-lay vessel, also with long-term employment. During the spring of 2013, additional two AHTS vessels were acquired, both with long term charters to a leading supply company based in Norway, and during the autumn of 2013, Ocean Yield entered into newbuilding contracts for another two PCTC vessels, with long term charters, for delivery in 2016.

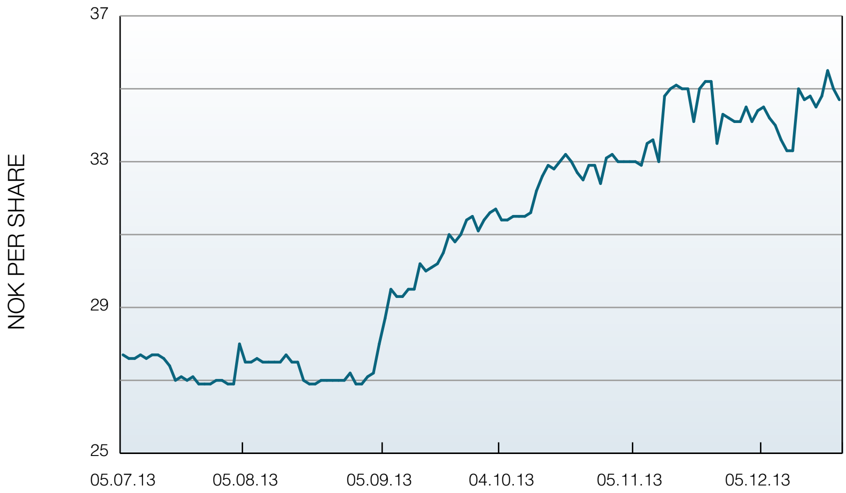
In July 2013, the Company completed an IPO, raising approximately USD 150 million in new equity. The Company was listed on the Oslo Stock Exchange on July 5th 2013, with a mix of institutional international investors and Norwegian retail investors as new shareholders. At the time of listing, the Company had approximately 3,600 shareholders, with Aker ASA being the majority owner, holding 73.46%. Ocean Yield has a multi segment strategy, with the aim to invest in oil-service and industrial shipping assets on long-term charters, to counterparties of solid credit quality. The Company focuses mainly on bareboat charters with duration from five to fifteen years. The Company will continue to develop and diversify its portfolio of long-term charters going forward.

Consolidated key numbers - USD million	Q4 2013	Q3 2013	Q2 2013	Q1 2013	2013	2012 (pro-forma)
Revenues	60.6	61.8	60.0	56.6	239.0	188.0
EBITDA	52.7	55.6	50.6	48.8	207.7	151.4
Net profit before tax	22.4	20.2	19.8	17.8	80.2	44.6
Net profit after tax	26.5	19.1	19.9	17.1	82.7	44.7
Basic and diluted earnings per share – USD	0.20	0.14	0.20	0.17	0.71	0.45
Average no. of shares (million)	133.8	132.3	100.0	100.0	116.7	100.0
Cash	132.9	148.7	60.1	63.7	132.9	104.6
Total assets	1 672.2	1693.4	1 604.6	1 539.2	1 672.2	1498.4
Interest bearing debt	871.8	911.8	964.0	893.9	871.8	858.4
Net interest bearing debt	718.9	740.9	883.9	830.2	718.9	733.8
Total equity	703.7	687.8	522.0	546.8	703.7	533.0
Equity Ratio	42.1%	40.6%	32.5%	35.5%	42.1%	35.6%

From the day of listing on Oslo Stock Exchange. From left, Trond Brandsrud, Chairman, Bente Landsnes, CEO Oslo Stock Exchange, Lars Solbakken CEO Ocean Yield and Axel Busch- Christensen, VP -Ocean Yield.

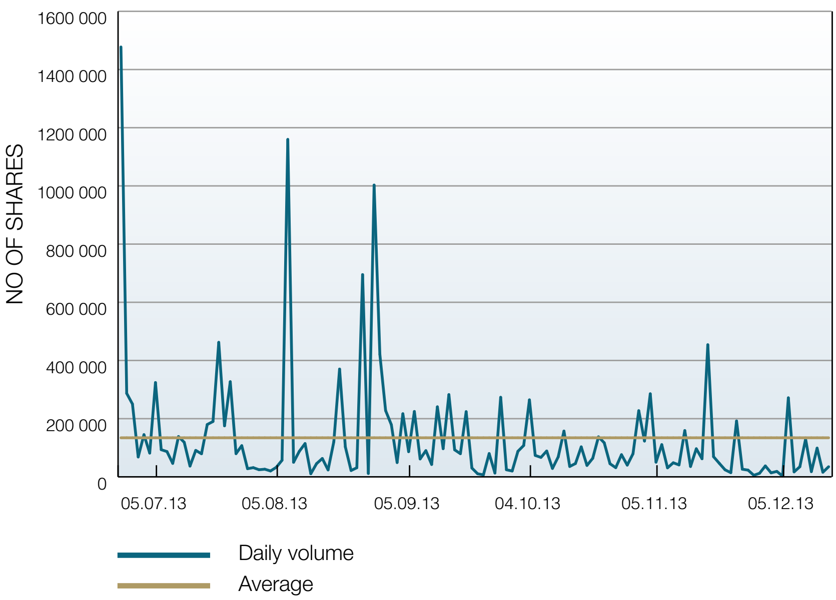
OCEAN YIELD SHARE PRICE 2013

The share price of Ocean Yield has developed positively during 2013, with the share closing at NOK 34.70 on December 30th 2013, compared to the initial IPO price of NOK 27.00 per share.



DAILY VOLUME OCY SHARE

Average daily volume traded during the year was 134,259 shares



DIVIDENDS

Ocean Yield has an ambition to pay high and increasing dividends to its shareholders. In connection with the Q3 2013 financial results, the Company paid a quarterly dividend of USD 0.12 per share, and in connection with the Q4 2013 financial results, the Company announced a dividend of USD 0.1225 per share. On an annualized basis, this equaled USD 0.49 per share, which is above Ocean Yield's previously communicated annual dividend target of USD 0.46 per share.

CHARTER BACKLOG

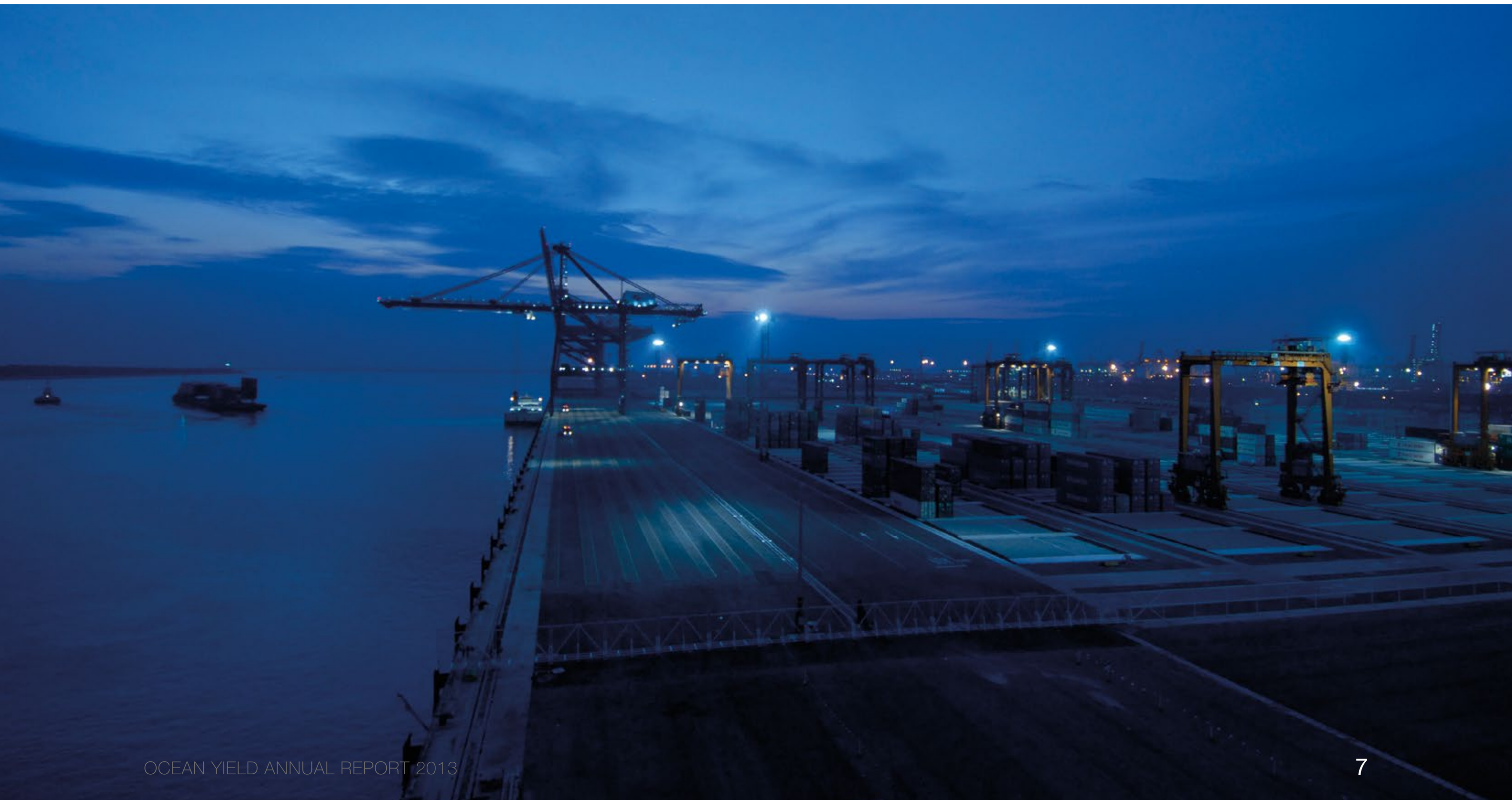
At year-end 2013, the Company owns a fleet of 10 vessels, including 4 newbuildings due for delivery in 2014 and 2016. All vessels are chartered out on long-term contracts, providing a high degree of earnings stability. The table below shows the Company's charter backlog, specified per vessel and counterpart. As per the end of 2013, the Company's charter backlog was USD 1.88 billion in revenues and USD 1.74 billion in EBITDA. Average contract tenor (weighted by EBITDA) was 7.1 years.

Updated per end: Q4 2013

Unit	Counterparty	Contract type	Firm period ends	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Dhirubhai-1	Reliance	Bareboat/O&M	Sep-18															
Wayfarer	Aker Solutions	Bareboat	Sep-20															
Lewek Connector	EMAS/Ezra Holding	Bareboat	Oct-22															
Höegh 4401	Höegh Autoliners	Bareboat	Apr-26															
Höegh 4402	Höegh Autoliners	Bareboat	Aug-26															
FAR Senator	Farstad Supply	Bareboat	Mar-25															
FAR Statesman	Farstad Supply	Bareboat	Jun-25															
Höegh XSI462E	Höegh Autoliners	Bareboat	Jan-28															
Höegh XSI462F	Höegh Autoliners	Bareboat	Apr-28															
Geco Triton	WesternGeco	Bareboat	Dec-15															

Contract start for Höegh 4401/4402 is expected to be April 2014 and August 2014 respectively and for Höegh XSE / XSF January 2016 and April 2016 respectively.

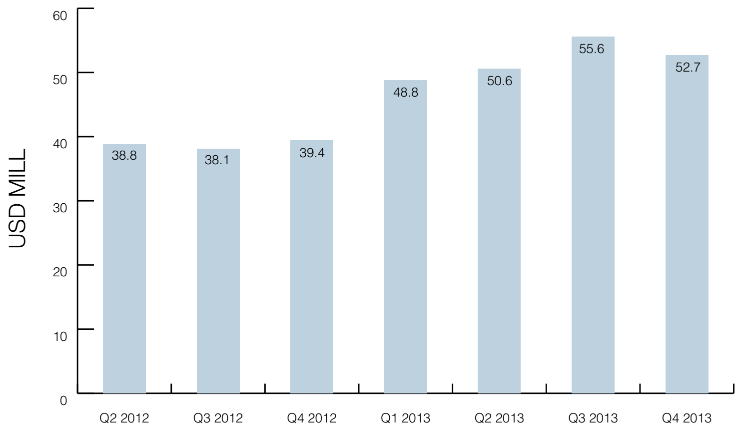
Figures are based on management's estimates regarding operating expenses on the Dhirubhai-1 which may be subject to change, in addition to the assumption that certain purchase options in bareboat charter contracts are not being exercised.



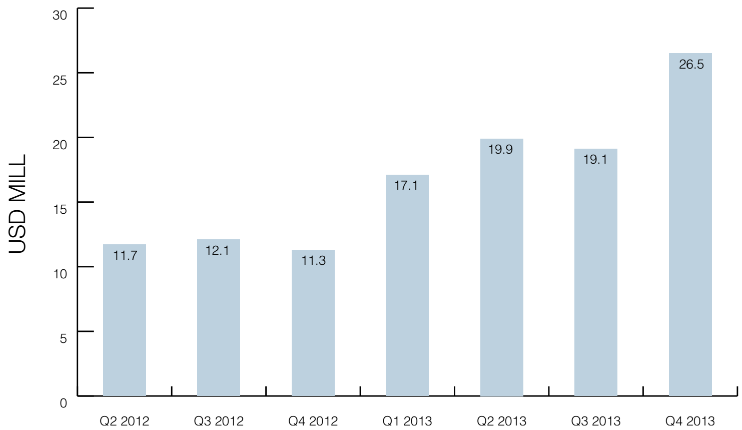
All the Company's vessels, except for the FPSO Dhirubhai-1, are chartered out on so-called bare-boat charter contracts, where the operating risk lies on the charterer. For the FPSO, the Company has full operation of the vessel, through its subsidiary, Aker Floating Production AS.

Since the inception in 2012, the Company has grown its quarterly EBITDA by 32%, reflecting additional vessel investments. Net profit has grown by 103% since the beginning, as shown in the two graphs below.

EBITDA per quarter



Net profit per quarter



Company Facts as of 31.12.2013	
Ticker	OCY.OL
No of shares outstanding	133 783 514
No of shareholders approx	3 600
Market capitalization USD	770 million
Market capitalization NOK	4 700 million
Free float	26.57%
Largest shareholder (Aker ASA)	73.43%

HISTORICAL TIMELINE

MARCH 2012

Establishment of Ocean Yield based on oil-service assets with long term-charters previously owned by Aker ASA. Management and board of directors were recruited.

JULY 2012

Successful placement of NOK 600 million in senior unsecured bonds with maturity in 2017. Coupon of NIBOR + 6.50% p.a.

SEPTEMBER 2012

Announcement of investment in two newbuilding PCTC vessels of 6,500 CEU capacity with 12-year bareboat charters to Höegh Autoliners, scheduled for delivery in April and August 2014.

OCTOBER 2012

Announcement of the acquisition of the offshore construction and cable lay vessel Lewek Connector with 10-year bareboat charter to the Ezra Group.

MARCH 2013

Announcement of investment in two new Anchor handling tug supply vessels (AHTS) with 12 year charters to Farstad Supply AS.

JUNE 2013

Launch of Initial Public Offering.

JULY 2013

Successful closing of Initial Public Offering and listing of the Company on the Oslo Stock Exchange, with net proceeds of USD 145 million. New Board of Directors in place from the time of listing.

SEPTEMBER 2013

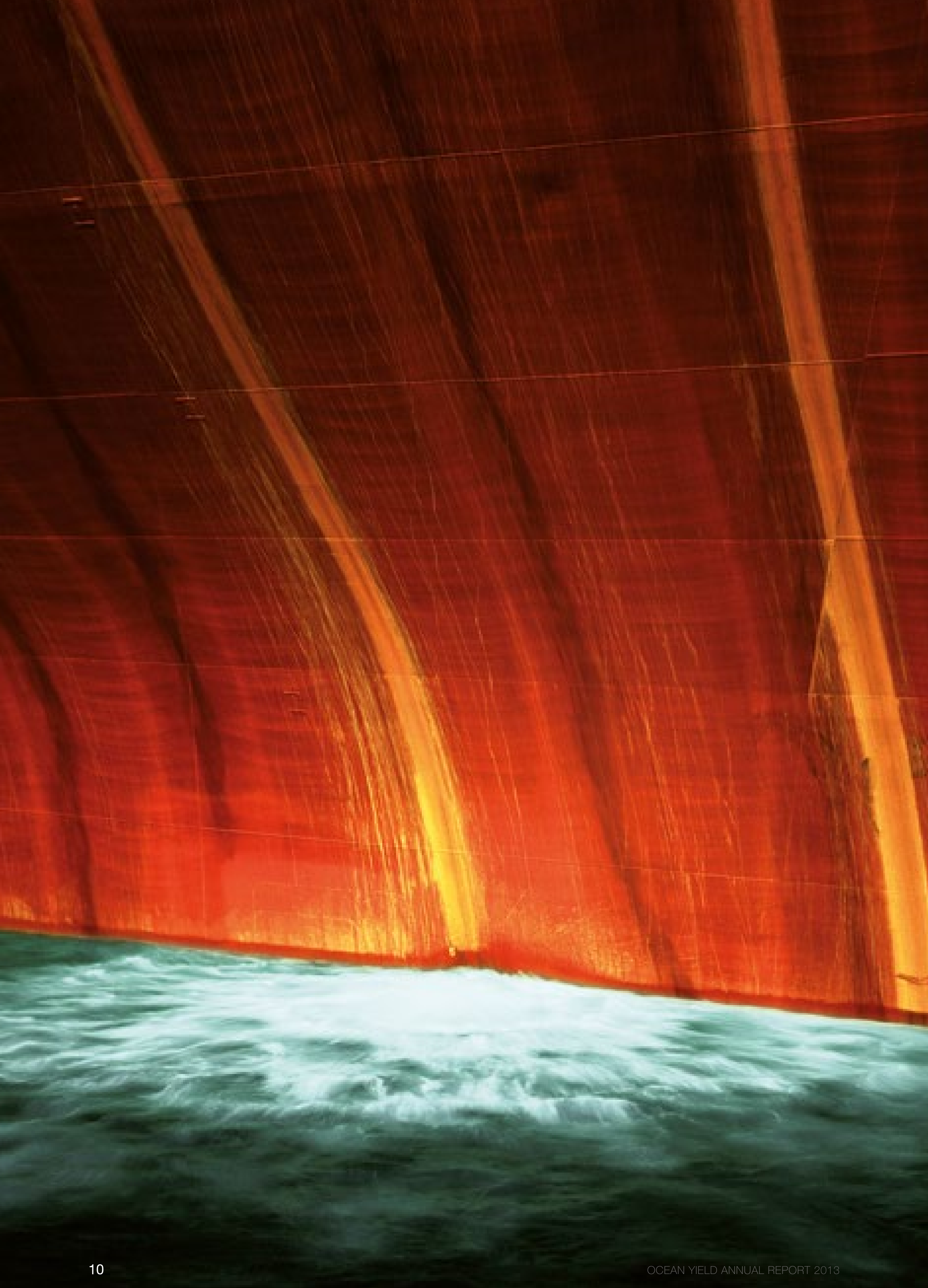
Announcement of investment in two newbuilding PCTC vessels of 8,500 CEU capacity with 12-year bareboat charters to Höegh Autoliners, scheduled for delivery in 2016.

NOVEMBER 2013

Initiating quarterly dividends to its shareholders.

DECEMBER 2013

Announced recapitalisation of American Shipping Company including amendments to the bond agreement.



MESSAGE FROM THE CEO

Following the establishment of Ocean Yield in Q1 2012, we have managed to build a company with a modern and diversified fleet with long-term charter contracts. A substantial contract backlog gives visibility with respect to future earnings and together with a solid balance sheet, make the Company well positioned both for further growth and to pay attractive and growing dividends.

LARS SOLBAKKEN
CHIEF EXECUTIVE OFFICER

The year of 2013 was a hectic and exciting year for Ocean Yield.

The most important event of the year was the stock-listing of the Company. Despite difficult equity markets in June, we managed to successfully raise USD 150 million in new equity and to list the Company on the Oslo Stock Exchange. The Company was listed with an initial listing price of NOK 27.00 per share whereas the closing price on December 30th 2013 was NOK 34.70. This is an increase of 31.2% adjusted for dividends paid in Q4 2013.

In November, we initiated quarterly dividends to our shareholders. The dividend for Q3 2013 was USD 0.12 per share, whereas the Q4 2013 dividend was 0.1225 per share. On an annualized basis, the Q4 dividend equals USD 0.49 per share, which is above our previously announced dividend target for 2014 of USD 0.46 per share. Our goal is that the Ocean Yield share shall be an attractive instrument for investors, combining predictable earnings with growing, quarterly dividends to our shareholders.

The fleet continued to grow during the year, with the purchase of two new Anchor Handling Tug Supply vessels on long-term charter to Farstad Supply and investments in two additional newbuildings with long-term contracts to Höegh Autoliners. Since March 2012 we have now invested about USD 790 million in new assets, which will contribute positiv ly to our earnings and dividend capacity going forward.

One of our most important assets, the FPSO Dhirubhai-1, continued to show stable production and strong utilization during the year. In 2012 the strategy of Aker Floating Production was changed to focus only on the operation of Dhirubhai-1, and this has resulted in substantial cost reductions and improvements in financial results. The combination of increased production, substantial new gas discoveries on the KG-D6 block and an increased gas price in India effective from April 2014, are all positive developments. We believe this increases the probability of an extended life for the field where Dhirubhai-1 is operating, beyond the end of the firm contract in September 2018.

The bonds in American Shipping Company ASA (AMSC) also increased in value during the year. Following the improvement in the market for Jones Act product tankers, American Shipping Company completed a full recapitalization, raising USD 162 million in new equity. The market capitalization of AMSC increased from approximately USD 10 million in January 2013 to USD 431 million on February 24th 2014 and the improved credit quality of AMSC also increased the value of the bonds.

STRATEGY AND OUTLOOK

Our strategy is to invest in modern assets with long-term charter contracts. At year end we had an EBITDA contract backlog of USD 1.7 billion and we aim to further increase this during 2014. At the end of 2013 we had an equity ratio of 42.1% and a cash position of USD 132.9 million. In addition to a strong cash position we owned bonds in American Shipping Company with a book value of USD 168.3 million. Our strong balance sheet and liquidity position will enable Ocean Yield to make substantial new investments without raising new equity and thereby increasing both earnings and dividend capacity per share.

We are currently evaluating several new investment opportunities and are confident that we will continue to increase our portfolio of vessels with long-term charter contracts during 2014.

From left: Jens Ismar, Annicken Gann Kildahl, Trond Brandsrud, Anne-Christin Døvigen and Kjell Inge Røkke.

BOARD OF DIRECTORS' REPORT

2013 was a positive year for Ocean Yield, as the Company continued to grow and diversify its portfolio and completed an IPO on the Oslo Stock Exchange. Ocean Yield is developing in a promising way and in accordance with the plans and expectations of the Board.

The Company completed two new investments within oil-service and the car carrier sectors during 2013 and has invested approximately USD 790 million since the inception in March 2012. The Company raised about USD 150 million in an IPO and was listed on the Oslo Stock Exchange in July 2013. Ocean Yield will continue to develop and diversify its portfolio of assets, with the aim to become a large company with substantial dividend capacity and a portfolio of diversified assets.

THE GROUP'S OPERATIONS AND FLEET

Ocean Yield's existing business consists of several investments within the maritime sector. Upon establishment in March 2012, the Group had ownership of one FPSO, the Dhirubhai-1, one offshore-construction vessel, the Aker Wayfarer, one seismic vessel, the Geco Triton and an investment in American Shipping Company's unsecured bond (AMSC 07/18 FRN C). The Dhirubhai-1 is on long-term charter to Reliance Ltd., which includes a Bareboat contract and an Operations & Maintenance contract. The Aker Wayfarer is on long-term charter to Aker Solutions ASA, while the Geco Triton is on long term charter to Western Geco, a subsidiary of Schlumberger.

After the establishment, Ocean Yield has entered into several transactions, whereby it has acquired the offshore construction and cable lay vessel Lewek Connector, with long-term charter to a subsidiary of Ezra Holdings Ltd. and entered into newbuilding contracts for four PCTC vessels with long-term charter from delivery to Höegh Autoliners. In addition, the Company has acquired two AHTS vessels, delivered in 2013, with long term employment to Farstad Supply AS.

Ocean Yield's head office is in Oslo, Norway.

REVIEW OF 2013

In March 2013, Ocean Yield entered into an agreement with Farstad Supply AS ("Farstad Supply"), a subsidiary of Farstad Shipping ASA ("Farstad Shipping") for the acquisition of two newbuilding Anchor Handling Tug Supply (AHTS) vessels, with twelve-year charters from delivery to Farstad Supply. The first AHTS vessel (the Far Senator) was delivered in March 2013, whereas the second AHTS vessel (the Far Statesman) was delivered in June 2013.

In June 2013, Ocean Yield launched an Initial Public Offering ("IPO"), where a total of 33.5 million new shares were offered. During the subscription period of the IPO, the financial

Far Statesman

markets became quite turbulent, as a result of an announced cut back of the stimulus program in the US. Despite the market turbulence, the Company managed to complete the IPO, raising gross proceeds of approximately USD 150 million. The Company was listed on the Oslo Stock Exchange on July 5th 2013. The main investor base consisted of institutional international funds and Norwegian retail investors. At the time of listing, Ocean Yield had approximately 3,600 shareholders, with Aker remaining the largest shareholder, holding 73.46%.

In September 2013, Ocean Yield entered into newbuilding contracts for two Pure Car Truck Carriers (PCTC) of 8 500 car capacity with Xiamen Shipbuilding Co. in China. The vessels are scheduled for delivery in January and April 2016, respectively and will after delivery be employed on 12-year bareboat charter contracts to Höegh Autoliners ("HAL"). HAL will be responsible for the shipbuilding supervision. HAL owns and operates around 60 PCTC vessels (Pure Car and Truck Carriers) in a global trade system, and is regarded as one of the global leaders in deep sea car transportation. Ocean Yield secured long-term financing with banks for approximately 70% of the investment. The remaining amount is funded with equity.

In November 2013, Ocean Yield announced its first quarterly dividend to its shareholders. The initiation of quarterly dividends was made possible following a change in the Norwegian Public Limited Companies Act, which became effective from July 1st 2013. An Extraordinary General Meeting was summoned, which authorised the Board of Directors of Ocean Yield to resolve and declare dividends for the financial quarters up until the next ordinary general meeting in April 2014. A dividend of USD 0.12 per share was paid, which at the time of declaration, equaled a dividend yield of approximately 8.5% on an annualized basis (annualized dividend divided by the closing share price). In 2013, Ocean Yield has paid USD 56 million in dividends. This includes the dividend for 2012 of USD 40 million (USD 0.4 per share). A dividend of USD 0.1225 per share, or USD 16.4 million in total, was approved by the Board of Directors on February 24th 2014 related to the Q4 2013 financial results. This was paid on March 13th 2014. The dividend in Q4 2013 compares to earnings per share of USD 0.20, which is a pay-out ratio of 61%. This provides for continued growth of the Company's investment capacity and provides a buffer for continued growth in dividends going forward. The General Meeting in April 2014 will vote on a new authorization to the Board, for payment of quarterly dividends up until the General Meeting in 2015.

In December 2013, the Company announced amendments to the bond agreement with American Shipping Company ASA that became effective in January 2014. American Shipping Company ASA ("AMSC") raised approximately USD 162 million in new equity in December 2013 and January 2014, substantially reducing the counterparty risk for Ocean Yield related to the AMSC bonds. Ocean Yield holds 93.05% of the unsecured bonds (ISIN NO 001 035651.2 – the "Bonds") issued by American Shipping Company ("AMSC") in 2007.

The Bonds had a nominal value as of the end of 2013 of approximately USD 188 million and were held at book value of USD 168.3 million. The book value as of Q4 2013 reflects the fair value of the bonds.

The FPSO Dhirubhai-1 showed high utilization in 2013, with only minimal operational downtime. The operational utilisation was 99.9% in 2013, which is a confirmation of the robustness of the FPSO and the quality of operations.

FINANCIAL REVIEW

CONSOLIDATED FIGURES - INCOME STATEMENT

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as approved by the European Union, their interpretations adopted by the International Accounting Standards Board (IASB) and the additional requirements of the Norwegian Accounting Act as of 31st December 2013. The functional currency of Ocean Yield ASA was changed from NOK to USD 1 July 2013.The establishment of the Ocean Yield Group, through combinations of businesses under common control of the Aker ASA Group are recorded in the accompanying financial statements as if all the businesses had always been a part of the Group for all periods presented using assets and liabilities historically presented within the Aker ASA Group

Operating revenues for the year 2013 was USD 239.0 million compared to USD 188.0 million for the year 2012. Operating Profit before depreciation and amortization was USD 207.7 million, compared to USD 151.4 million for the year 2012.

Financial income was USD 19.7 million in 2013, compared to USD 8.9 million for 2012. The majority share of financial income is related to interest earned on the bonds issued by American Shipping Company AS, where Ocean Yield owns 93.05% of the bonds outstanding. The bonds carry a coupon of NIBOR + 4.75 % per annum and interest may be "Paid-in-Kind". For 2012, interest income from the bonds in American Shipping Company is included from the date of acquisition by Ocean Yield, being the end of Q1 2012.

Financial expenses were USD 45.6 million compared to USD 41.6 million for the year 2012. The increase in interest expenses is mainly related to loans related to financing of additional vessels. The comparable figures for 2012 are strongly influenced by interest expenses and foreign exchange losses of approximately USD 14.9 million in total, related to a USD 308 million shareholder loan from Aker ASA, which was converted to equity on March 31st 2012.

Also included in the financial expenses is a negative change in mark-to-market of derivatives of USD 10.0 million in 2013, compared to USD 1.7 million in 2012. Net profit after tax for the year was hence USD 82.7 million, compared to USD 27.7 million for 2012. Basic and diluted earnings per share were USD 0.71 per share, based on a weighted average of 116.7 million shares outstanding in the year. This compares to basic and diluted earnings per share of USD 0.11 per share in 2012, based on 100 million shares outstanding that year.

BUSINESS SEGMENTS

Ocean Yield defines operating segments based on the Group's internal management- and reporting structure. Ocean Yield introduced a new reporting structure in 2013 with the following segments;

- *FPSO*
- *Other Oil Service*
- *Car Carriers*
- *Other*

FPSO

Aker Floating Production AS, which controls the FPSO Dhirubhai-1, reported Operating Revenues of USD 139.2 million in 2013, compared to USD 133.1 million for the year 2012. Operating profit before depreciation and amortisation was USD 116.1 million, compared to USD 98.9 million in 2012. Operating profit was USD 50.7 million, compared to USD 27.4 million in 2012. Net profit after tax for the year was USD 44.1 million, compared to USD 2.7 million in 2012. The improved net profit is a result of reduced costs and conversion of a USD 308 million shareholder loan from Aker ASA into equity in 2012. The operational utilization for the Dhirubhai-1 was 99.9% in 2013, compared to 99.9% in 2012. The figure for 2012 excludes a planned maintenance shutdown of 6.75 days in November 2012.

OTHER OIL SERVICE

The segment Other Oil Service consists of Ocean Yield's investments in offshore construction, seismic and anchor handling vessels that operate within the oil-service sector. More specifically, this is related to the subsea construction vessel Aker Wayfarer, the subsea construction and cable-lay vessel Lewek Connector, the seismic vessel Geco Triton, and the anchor-handling-tug-supply vessels Far Senator and Far Statesman. Other Oil Service had operating revenues of USD 99.8 million in 2013, compared to USD 54.9 million in 2012. The increase is related to acquisition of the Lewek Connector in Q4 2012 and delivery of two AHTS vessels in Q1 2013 and Q2 2013. Operating Profit before depreciation and amortisation was USD 99.4 million, compared to USD 34.6 million in 2012. Net profit after tax was USD 44.0 million in 2013, compared to USD 25.9 million in 2012.

CAR CARRIERS

Ocean Yield's investments in car carrier vessels are related to four newbuilding contracts, where two PCTC vessels of 6 500 CEU capacity are scheduled for delivery in April and August 2014. The second pair of vessels, of 8 500 CEU capacity, are scheduled for delivery in January and April 2016. Hence, this segment had no Operating Revenues in 2013. Operating profit before depreciation and amortization was negative USD 0.1 million compared to zero in 2012. Net profit after tax was negative USD 1.6 million in 2013, compared to zero in 2012. The negative profit for the year relates to negative mark-to-market of interest rate swaps relating to the long-term financing of the vessels.

OTHER

This segment includes all other investments, with the most significant being the bonds issued by American Shipping Company ASA, where Ocean Yield owns 93.05% of the bonds.

AMSC bareboat charters ten vessels to Overseas Shipholding Group, Inc. ("OSG"). On 14th November 2012, Overseas Shipholding Group, Inc. ("OSG") filed for Chapter 11 under the United States Bankruptcy Code. Later, on January 15th 2013, AMSC released a notice to its investors that the bankruptcy court had approved OSG's request to continue to perform all of its obligations under the bareboat charters with AMSC. AMSC also confirmed in the release that

OSG, so far, has continued to make all of its charter payments to AMSC on time, which is in line with our expectations since we believe the existing charter rates are favourable to OSG.

In December 2013, AMSC organized a recapitalization that was completed in January 2014, consisting of sales of shares in a private placement of USD 120 million combined with conversion of loans into equity of USD 29 million, which resulted in a substantial strengthening of AMSC's balance sheet. In addition USD 12 million was raised in a subsequent offering. At the same time, Ocean Yield entered into an amendment agreement with AMSC, whereby the terms of the bond agreement were changed. The main amendments were change of currency from NOK to USD; increase in bond margin from 4.75% p.a. to 6.00% p.a.; initiation of 50% cash interest payment and 50% as payment-in-kind, increasing to 100% cash interest payment subject to certain conditions. In addition AMSC was granted an option to potentially extend the maturity of the bond from February 2018 to February 2021 against an increase of 2.50% p.a. in the bond margin. In addition the margin will increase by 0.5 % p.a. for every 12 month period the bond is outstanding after the extension option is exercised. Finally, AMSC was granted a prepayment option, whereby the bonds can be prepaid at 101% of par value until 30th June 2016.

As this segment consists of mainly the investment in AMSC bonds, there are no operating revenues. Financial income related to the AMSC bonds were USD 17.3 million in 2013, compared to USD 10.1 million in 2012, as the bonds were acquired by Ocean Yield at the end of Q1 2012. As a result of the amendments to the bond agreement with AMSC announced in December 2013, a positive value adjustment of USD 8.4 million after tax has been recorded in Other Comprehensive Income in 2013. It is expected that the Company will have a positive effect in the Profit and Loss statement for Q1 2014, based on the amendment being effective on January 3rd 2014. Due to the amended terms of the bond, the bond in AMSC will for accounting purposes be derecognized in 2014 and a new bond will be recognized in the balance sheet at fair value.

FINANCIAL POSITION AS OF DECEMBER 31ST 2013

The Ocean Yield Group had total assets as of December 31st of USD 1,672.2 million, compared to USD 1,498.4 million for 2012. Book Equity was USD 703.7 million, resulting in an equity ratio of 42.1 %. Cash and Cash equivalents at year end were USD 132.9 million and Total interest bearing debt was USD 871.8 million. Net interest bearing debt was USD 718.8 million, compared to USD 733.8 million in 2012.

CASH FLOW

Net Cash flow from operating activities was USD 156.5 million in 2013, compared to USD 118.7 million, for 2012. The difference between the Operating profit before depreciation and amortisation of USD 207.7 million and Net cash flow from operating activities is mainly due to mobilisation fees recognized of USD 15.0 million for the year and net interest paid of USD 26.9 million, in addition to net change in working capital of USD 9.0 million. Cash flow from investing activities was USD -260.0 million for the year, compared to USD -316.1 million for 2012, as a result of investment in the two AHTS vessels and the newbuilding car carriers described earlier. Net cash flow from financing was USD 133.6 million, compared to USD 238.3 million for 2012. This includes repayment of debt

of USD 132.3 million, payment of dividends of USD 56.0 million and new equity of USD 143.3 million in the year. This compares to issuance of new long term debt of USD 334.9 million and repayment of debt of USD 96.6 million in 2012. Net cash flow for the year 2013 was USD 30.1 million, resulting in cash and cash equivalents of USD 132.9 million at the end of the year. The Company's operating cash flow is sufficient to cover ordinary instalments under the Company's debt facilities. The Company normally finances new investments with a combination of debt and equity, where the operating cash flow from each new investment is sufficient to cover the debt assumed for the relevant project. In addition, the Company had USD 20.1 million of restricted cash deposits. The Group held no marketable securities at the end of the year. The Group has capital expenditure commitments related to its newbuilding car carriers of USD 198.2 million, where a total of USD 186 million in long-term financing is secured.

PARENT COMPANY – OCEAN YIELD ASA

The net profit after tax for the parent company Ocean Yield ASA was USD 37.5 million for the year 2013. The result is mainly due to dividends from Ocean Yield's subsidiaries. Total assets were USD 896.2 million. Total equity was USD 695.2 million resulting in an equity ratio of 77.6% in the parent company. Total long term debt was USD 167.9 million, of which USD 70.5 million is long term liabilities to Group companies. The functional currency of Ocean Yield ASA was changed from NOK to USD on 1st July 2013 as USD is the dominating currency within the shipping and offshore industry.

PRESENTATION OF ANNUAL ACCOUNTS

Ocean Yield's annual accounts comprise the following main parts: income statement, balance sheet, cash flow statement, change in equity and total comprehensive income of the Ocean Yield Group and its parent company Ocean Yield ASA. Ocean Yield's consolidated Group financial statement has been prepared and presented in accordance with International Financial Reporting Standards (IFRS), adopted as accounting standards by the EU. The financial statements of the parent company Ocean Yield ASA have been prepared and presented in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

GOING CONCERN ASSUMPTION

Pursuant to section 3-3a of the Norwegian accounting act, it is confirmed that the annual accounts have been prepared based on the assumption that Ocean Yield is a going concern and the Board confirms that this assumption continues to apply.

FINANCING

During 2013, the Company entered into several new debt agreements.

In March 2013, Ocean Yield entered into a NOK 916.2 million term loan and guarantee facility agreement for the part financing of the acquisition of the AHTS vessels Far Senator and Far Statesman.

In September 2013, Ocean Yield entered into an agreement with a bank for a loan of up to USD 94 million. The purpose of the loan is to provide part financing of the two PCTC vessels under construction at Xiamen Shipbuilding Co. Ltd., scheduled for delivery in January and April 2016, respectively.

In October 2013, the Company replaced Eksportfinans, the original lender under the Company's guarantee and term loan facility for the financing of the Aker Wayfarer with Eksportkreditt as lender, as of expiry of the fixed margin period under the loan. The replacement of Eksportfinans as lender under the facility results from the establishment by the Norwegian Government of Eksportkreditt, a state-funded scheme for export credit financing to replace the export credit financing function of Eksportfinans.

RISK AND RISK MANAGEMENT

MARKET RISK

All of Ocean Yield's vessels are on long-term contracts and are hence not directly exposed to short- or medium-term market risk, as these contracts typically have a fixed charter rate throughout the entire period. The Company is, however exposed to market risk and residual value risk related to its vessels upon expiry or renewal of a charter contract.

OPERATING RISK

As most of Ocean Yield's vessels are on bareboat charter contracts, the Company is not exposed to operating risk for these vessels, as this is the responsibility of the charterer. However, for the FPSO "Dhirubhai-1", the Company is responsible for the operations and maintenance of the vessels and hence has full operating risk. There have been no particular operational or technical challenges during 2013. Dhirubhai-1 2013 operations have been successful with an average uptime of 99,9% which is a confirmation of the robustness of the FPSO and the quality of the operations. The average utilisation since the Final Acceptance Certificate 1st July 2009 is 99,2 %.

FINANCIAL RISK

Ocean Yield's strategy is to mitigate financial risk, where appropriate, using derivative instruments. This is mainly related to interest rate risk and currency risk. The Company will enter into fixed interest rate agreements for portions of its debt facilities from time to time, in order to protect the Company's dividend capacity from large fluctuations in interest rates. The ratio of fixed interest rate contracts to its total debt portfolio may vary from time to time, depending on the Company's view of the market.

Ocean Yield's financial accounts are presented in USD and most of its revenues are denominated in USD, hence there is limited currency exchange risk in the Company. However, three of the vessels, the Aker Wayfarer, Far Senator and Far Statesman are on long term bareboat charter contracts which are denominated in NOK. The investment in bonds in American Shipping Company ASA was denominated in NOK up until year end 2013, but this has with effect from January 3rd 2014 been changed into USD. Ocean Yield's bond loan is issued in NOK, but has been swapped into floating USD. In addition, the Company has some exposure to NOK through

office rental expenses and salaries for Norwegian personnel at its head office in Oslo. Through Aker Floating Production AS, the Company has some exposure to Indian Rupees for expenses locally in India. As such, Ocean Yield may from time to time, enter into derivative contracts in order hedge currency risk related to its fixed revenues.

COUNTERPARTY RISK

Ocean Yield has inherent credit risk or counterparty risk through the fact that a counterpart may not be able to meet its obligations under a long term charter contract. In order to mitigate this, the Company charters out the vessels to internationally well recognized companies within the shipping and offshore industry, where several of them are listed on international stock exchanges and have a public rating. In addition to credit risk related to trade receivables, the Company has credit risk exposure related to the bonds in AMSC. AMSC raised approximately USD 162 million in new equity in December 2013, which substantially improved the credit quality of the counterparty for Ocean Yield and also increased the value of the bonds. The Company's cash and cash equivalents are placed with major international banks with strong credit ratings.

SUSTAINABILITY AND CORPORATE RESPONSIBILITY

Ocean Yield's activities are exposed to sustainability challenges and opportunities in the areas where we operate and through our supply chain. We work to proactively manage sustainability risks in all our Group's activities and strive to adhere to good practice in the industry.

OUR PRINCIPLES

We acknowledge the principles of the UN Global Compact in the areas of human rights, labour rights, environment and anti-corruption. Our goal is to follow good practice for the industry in these areas. This involves that we support and respect the protection of internationally proclaimed human rights and labour rights and work to ensure that no breaches occur in our operations. We take our environmental responsibility seriously and we are committed to ensuring that our business operations have a limited negative effect on the environment.

Ocean Yield is opposed to all forms of corruption and will continue to make active efforts to ensure that it does not occur in the Company's business activities. This commitment is stated in our Code of Conduct, which lays out the requirements for personal conduct and business practice within our company and the relations to our stakeholders. All employees are briefed on the Code of Conduct upon joining the Company and a whistle-blower hotline is in the process of being established.

HOW WE WORK

Our corporate values and ethical guidelines make Health, Safety & Environment responsibility and ethical business conduct an integral facet of our business. Our policies in these areas are communicated to all employees, and performance followed up on by management in our day-to-day operations and in quality audits. As the majority of our vessels are chartered out on bareboat contracts, the responsibility for operation, health, safety and environment lies fully with the charterer of the relevant vessel, which are reputable international companies with focus on their environmental responsibility. However, we focus on investments in modern, fuel efficient assets with low emissions where possible, in order to minimise negative impact on the environment. With regards to the FPSO Dhirubhai-1, the Group has full operation, which is handled through the subsidiary Aker Floating Production.

Through our subsidiary Aker Floating Production (AFP), we have a presence in Kakinada in India. Aker Floating Production has a constant focus on HSE awareness and efforts to avoid accidents which could lead to personnel injury or damage to the environment and the community in which AFP operates. Aker Floating Production is ISO 14001 certified and works continuously to reduce its environmental footprint. Operational key performance indicators with targets and monthly follow-up (measure, control and reporting) have been agreed with the charterer of the FPSO Dhirubhai-1, including environmental indicators related to oil spillage, produced water quality (Oil-in-Water) and fuel gas consumption. All suppliers are required to have a documented HSE program and all crew members are required to conduct HSE training before and during employment. AFP has established rules and routines for HSE and ethics based on international best practice in its personnel handbooks, policies and HR administration manuals. HSE performance is linked with remuneration policies for all employees in Aker Floating Production.

Subject	Target 2013	Actual 2013
Fatal injuries	0	0
Lost Time Incidents (LTI)	0	0
Sickness/occupational diseases	< 2% of total man-hours	< 2%
Annual oil spill	0 ltr	0 ltr
Produced water quality (Oil-in-Water)	< 40 ppm	24 ppm
Fuel gas consumption	< 7000 mmbtu/d	3882 mmbtu/d

Table: KPI achievement 2013, Health, Safety, Environment and Quality (HSEQ)

For 2013, there were no lost time incidents on board the Dhirubhai-1, no reported injuries and no environmental incidents as a result of AFP's operations. AFP reached its key environmental targets of zero oil spillage, level of produced water quality and fuel gas consumption. There were no reported incidents related to any breaches of our Code of Conduct.

Local community relations are important to us, and we support local initiatives in Andhra Pradesh. Since 2011 we have made yearly contributions to the Maharshi Sambamurty Institute of Social and Development Studies in Kakinada, a school for physically challenged girls, and the Association for the Care of the Aged-Kakinada.

CONTINUOUS IMPROVEMENT

AFP's Environmental Policy and ISO 14001 certification gives rise to expectations to environmental performance internally as well as by its clients. To fulfil these requirements, the past years AFP have strived to manage environmental aspects systematically and to improve performance by setting targets, training of personnel and environmental process monitoring. This work will continue in the coming year.

To enhance our work within sustainability we are in the process of establishing a Group Policy for Sustainability and Corporate Responsibility, which will further specify our commitments and priorities in this area.

DIVERSITY

Equal opportunity for men and women is a clear policy in Ocean Yield. Women accounted for 11% of the total number of employees as of December 31st 2013. The Company seeks to have a more balanced number of men versus women in the Group over time. Three new employees joined the Group in 2013, of which all were women. The Board of Directors consists of three men and two women.

Ocean Yield shall be a stimulating workplace that offers an inclusive and diverse working environment. We do not tolerate any form of discrimination, harassment or degrading treatment of employees. Ocean Yield's Code of Conduct sets out ethical guidelines for employees, and principles relating to human rights, employee rights and social conditions. We expect our staff to be familiar and comply with our ethical guidelines. Conduct that breaches our corporate values will have consequences for employees.

RESEARCH AND DEVELOPMENT

Ocean Yield has not engaged in research and development during 2013.

CORPORATE GOVERNANCE

The Company has adopted and implemented a corporate governance regime which, in all material respects, complies with the Norwegian Code of Practice for Corporate Governance Code. A copy of the Corporate Governance statement can be found on the Company's web site, www.oceanyield.no

ALLOCATION OF PROFIT AND DIVIDEND FOR OCEAN YIELD ASA

In 2013, Ocean Yield has paid USD 56 million in dividends, which includes a quarterly dividend of USD 0.12 per share that was paid in December 2013, and the dividend for 2012 of USD 40 million (USD 0.4 per share). A dividend of USD 0.1225 per share, or USD 16.4 million in total, was approved by the Board of Directors on February 24th 2014 related to the Q4 2013 financial results. This was paid on March 13th 2014 and is reflected in the accounts of the parent company Ocean Yield ASA.

The Board of Directors proposes the following allocation of net profit: USD 32.5 million in dividends and USD 5.0 will be transferred to retained earnings.

Photo: EMAS/AMC

Lewek Connector.

FUTURE PROSPECTS

Ocean Yield has 100% of its vessels on long-term charter. With the planned delivery of two car carriers with long-term employment to Höegh Autoliners in April and August this year, we expect to further increase our earnings in 2014, compared with 2013.

Ocean Yield expects to continue to invest in additional vessels with long-term charter going forward and based on the substantial contract backlog, forecasted increase in earnings and a solid balance sheet, the Board of Directors anticipates continuing to increase the dividends in 2014.

OSLO, 19 MARCH 2014
OCEAN YIELD ASA

TROND BRANDSRUD
CHAIRMAN

KJELL INGE RØKKE
DIRECTOR

JENS ISMAR
DIRECTOR

ANNE-CHRISTIN DØVIGEN
DIRECTOR

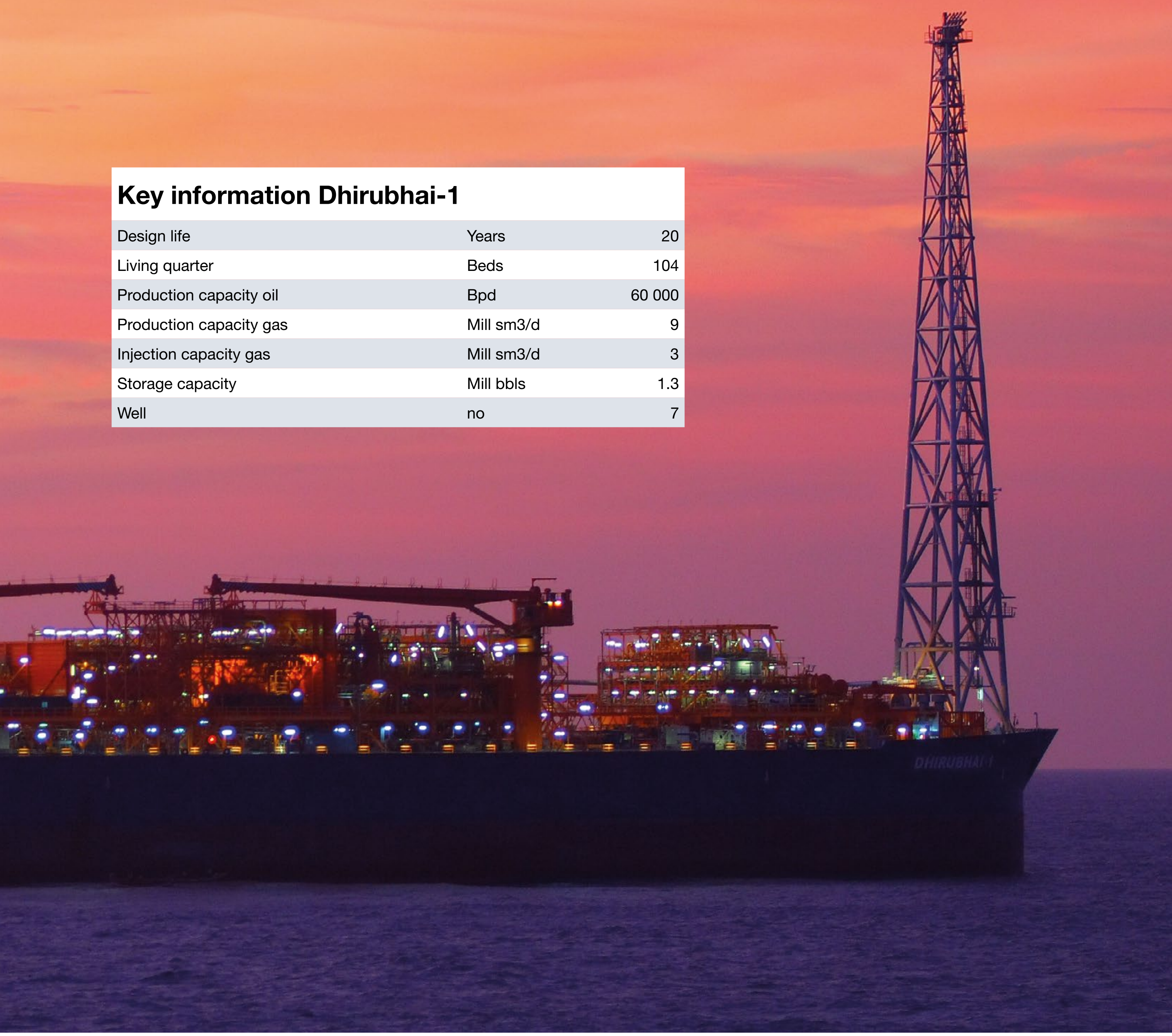
ANNICKEN GANN KILDAHL
DIRECTOR

LARS SOLBAKKEN
CEO

AKER FLOATING PRODUCTION AS
BACKGROUND

Aker Contracting FP ASA converted the Suezmax tanker Polar Alaska into the Floating Production Storage and Offloading (FPSO) unit Dhirubhai-1 (DB-1) in 2007-2008. The FPSO is chartered out to the Indian oil company Reliance Industries Ltd. for a firm period of 10 years. The contract is split between a Bareboat-charter contract and an Operations and Maintenance contract. Aker Contracting FP ASA is the formal owner of DB-1 and the Bareboat charter contract, while AFP Operations AS is managing the Operation and Maintenance Contract. Both companies are 100% owned by the holding company Aker Floating Production AS. Until March 2012, Aker Floating Production AS was a public company listed on the Oslo Stock Exchange. As from March 2012, the company delisted and is today 100% owned by Ocean Yield ASA. The objective of Aker Floating Production AS is to manage the ownership of DB-1 and the related contracts and agreements.

DB-1 is located off the east coast of India, 52 km from the city of Kakinada in the Indian state Andhra Pradesh. Reliance Industries Ltd. is the operator of the gas/condensate/oil field called the MA-field, located within the KG-D6 block. Reliance has a 60 % share in the license while the partners British Petroleum and Niko Resources have a 30% and 10% share, respectively. DB-1 started production on 21st September 2008.



Key information Dhirubhai-1

Design life	Years	20
Living quarter	Beds	104
Production capacity oil	Bpd	60 000
Production capacity gas	Mill sm3/d	9
Injection capacity gas	Mill sm3/d	3
Storage capacity	Mill bbls	1.3
Well	no	7

ORGANISATION

DB-1 is operated and managed by an integrated organisation. Aker Floating Production has through continuous focus on health, safety, security, environment and quality (HSEQ) and criticality analysis developed a robust operation with an excellent track record.

DB-1 is managed from Aker Floating Production's offices in Oslo, Norway. The onshore organisation includes 15 persons in the Oslo office and 12 persons employed by a third party management company in the Kakinada base facility. The base has successfully supported DB-1 with all logistical needs on a "24/7" basis and handles all materials and personnel movements to and from the FPSO.

Through real time transfer of data and by use of an integrated management system, efficient and timely support is offered to DB-1 around the clock from the onshore organisations. A total of 101 persons are working at DB-1 on a rotational basis. Operational personnel on board at any one time are 60-65 persons. The employees in Oslo are Norwegian nationals while the employees at the base organisation in Kakinada are Indian nationals. To maintain the HSEQ and utilisation track record, the organisation is focusing on proactive identification of potential future operational and maintenance challenges, in combination with relevant training.

HSEQ

Our operational philosophy is based on the belief that a strong and continued focus on HSEQ in recording, reporting, planning and work execution creates an operational and technical awareness, resulting in enhanced production uptime. HSEQ issues observed during operations are recorded and reported methodically and encouraged and rewarded. The trends are closely monitored and used to guide safety campaigns and improve working procedures and routines. Risk assessments and root cause analysis is an integrated part of all work and daily operations. Aker Floating Production AS is certified in accordance with ISO 9001, ISO 14001 and the International Safety Management (ISM) code, which drives the focus within our operations.

Auditing is used as a proactive tool to control internal deliverables as well as deliverables from our subcontractors. During 2013, 10 audits were completed with subcontractors and 2 internal.

As from 2009, DB-1 has had an excellent HSEQ track record. On 31st December 2013 it was 1711 days since the last Lost time Incident (LTI). In 2013 the company had no fatalities, serious injuries or harm to the environment and no LTIs were recorded.

DB1 OPERATIONS

There have been no particular operational or technical challenges during 2013. Operations have been successful with an average uptime of 99.9% which is a confirmation of the robustness of the facility and the quality of the operations. The average uptime since Final Acceptance Certificate 1st July 2009 is 99.2 %. We have a stable and dedicated offshore workforce where many of the crew members have been employed since the start of contract in 2008. The stability of the crew has allowed us to develop a training program for the on board personnel to secure in-house specialized personnel to maintain and operate the facility efficiently at all times and thereby reducing potential downtime.

During the year we have had particular focus on renewal of 5-yearly classification certificates and compressor maintenance, which have been completed successfully. Upon request from Reliance we have also completed various studies related to compressor modification and gas lift.

COMMERCIAL

The contract with Reliance runs for 10 years and expires on 20th September 2018. RIL has the option to purchase the DB-1 at any time during the contract period, with the final option being USD 255 million in 2018. There is no option for extension of the present contract beyond September 2018 plus the cumulative shut-down days experienced in the contract period. Aker Contracting FP ASA and AFP Operations AS received full day rate and 100% bonus throughout the year. The total operating revenue in 2013 was USD 139.2 million. The EBITDA was USD 114.8 million. A total of USD 72.7 million was made in loan repayments during the year. Interest bearing debt as of 31st December was USD 272.5 million and the book value of the Dhirubhai-1 was USD 554.1 million, including goodwill of USD 38.1 million.

Håvard Garseth
Head of Aker Floating Production

«The strong performance of the Dhirubhai-1 in 2013, with an average uptime of 99,9% is a confirmation of the robustness of the facility and the quality of our operations.»

VESSEL OVERVIEW

FAR SENATOR AND FAR STATESMAN

Vessel type:	*Anchor Handling Tug Supply (AHTS)*
Built:	*Far Senator delivered in March 2013, and Far Statesman delivered in June 2013*
Key features:	
LOA:	*87.4m*
Breadth Moulded:	*21m*
Main Engines:	*2 x 4500KW + 4 x 2230KW = 24371.2BHP*
Gross tonnage:	*6107mt*
Deck dimensions:	*754.72m²*
Bollard pull:	*258mt*
Yard:	*Vard Langsten*

The Farstad AHTSs are high-end AHTS vessels built at Vard Langsten, Norway. The first vessel, the Far Senator, was delivered in March 2013 and the second vessel, the Far Statesman, was delivered in June 2013. The vessels are specially designed for towing and anchoring of rigs and other offshore installations. The table above sets out certain key technical data relating to the vessels. Both vessels are chartered out long-term to Farstad Supply AS.

LEWEK CONNECTOR

Vessel type:	*Ultra deepwater multi-purpose, flex-lay subsea construction vessel / DP3.*
Built/converted:	*2011*
Key features:	• *2 subsea cranes (400mt/100 mt capacity)* • *Carousels, 6 000 mt above deck* • *3 000 mt below deck* • *DP3* • *140 people accommodation* • *2100m² deck area* • *156.9 meters length* • *32 meters width*
Yard:	*STX*

The Lewek Connector is a large and sophisticated subsea construction vessel. The vessel is equipped for subsea installation in harsh environments and can operate down to 3,000 meters water depth. It is further outfitted with Dynamic Positioning, class 3 (DP3) technology for operations in harsh environments. The Lewek Connector is able to install power cables and umbilicals using its two heave-compensated offshore cranes and a vertical lay system with pay-load capacity of 9,000 tons. The table above sets out certain key technical data relating to the vessel.

AKER WAYFARER

Vessel type:	*Multi-purpose construction vessel*
Built/converted:	*2010*
Key features:	• *2 subsea cranes (400mt/100mt capacity)* • *DP3* • *140 people accommodation* • *2 210 m2 deck area.*
Yard:	*STX, Langsten*

The Aker Wayfarer is an offshore construction vessel designed for ultra-deepwater with state of the art equipment. The vessel is environmental friendly with low fuel consumption, low exhaust emissions, and has precautions in accordance with DNV's "Clean" class requirements incorporated into the vessel design. The size and transit speed of the 157 meter long vessel along with DP3 and IMO MODU code classification makes for a secure and flexible working platform with a large operational window for installation and construction work in rough weather conditions around the world. The table above sets out certain key technical data relating to the vessel.

HÖEGH 4401 / 4402

Vessel type:	*Pure Car and Truck Carrier (PCTC)*
Built:	*To be delivered in April and August 2014*
Key features:	*6 500 car capacity*
Yard:	*Daewoo Shipbuilding & Marine Engineering*

The Höegh 4401 and 4402 are PCTCs with 6,500 car capacity. The vessels are being built at Daewoo-Mangalia Heavy Industries S.A., Daewoo Shipbuilding & Marine Engineering's shipyard in Mangalia, Romania. The charterer, Höegh Autoliners, has previously taken delivery of a series of ten PCTCs from Daewoo Shipbuilding & Marine Engineering and the two contracted newbuildings will be built based on the same specifications with relevant updates. The vessels are expected to be delivered in April and August 2014, respectively. The table above sets out certain key data relating to the vessels.

HÖEGH XSI462E / XSI462F

Vessel type:	*Pure Car and Truck Carrier (PCTC)*
Built:	*To be delivered in January and April 2016*
Key features:	*8 500 car capacity*
Yard:	*Xiamen Shipbuilding Industry Co. Ltd*

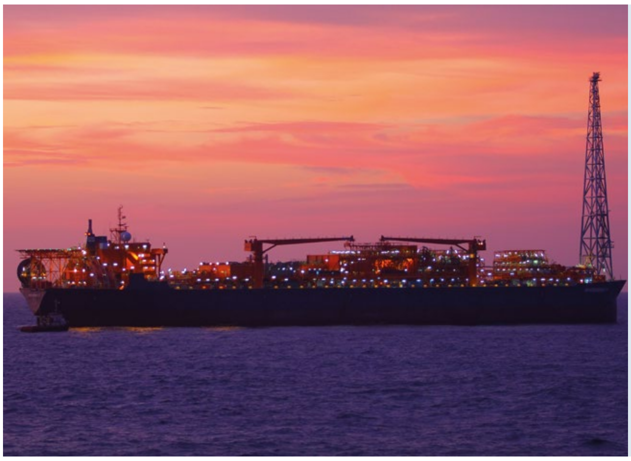
The Höegh XSI462E and XSI462F are PCTCs with 8,500 car capacity. The vessels are being built at Xiamen Shipbuilding Industry Co. Ltd. in China. The charterer, Höegh Autoliners, has previously taken delivery of a series of five PCTCs from Xiamen Shipbuilding Industry Co. Ltd. and the two contracted newbuildings will be built based on the same specifications with relevant updates. The vessels are expected to be delivered in January and April 2016, and are part of a series of vessels ordered by Höegh at the same yard. The table above sets out certain key data relating to the vessels.

GECO TRITON

Vessel type:	*Seismic*
Converted:	*Converted into a seismic vessel in 1998*
Key features:	*8 streamers*
Yard:	*Jurong*

The Geco Triton is a seismic vessel. The vessel was rebuilt from a fishing vessel into a seismic vessel in 1998. The vessel is used on worldwide seismic operations with the charterer, Western Geco, a subsidiary of Schlumberger.

DHIRUBHAI-1



Vessel type:	*FPSO*
Built/converted:	*2008*
Key features:	
Water depth:	*1200 meters at FPSO location*
Mooring:	*Disconnectable turret*
Oil Production Capacity:	*60 000 bopd*
Gas Export Capacity:	*300 mmscufd (9 million cbm/d)*
Yard:	*Jurong Shipyard*

The Dhirubhai-1 is an FPSO. FPSOs are floating vessels used by the offshore oil and gas industry for the processing of hydrocarbons and for storage of oil. An FPSO is designed to receive hydrocarbons produced from nearby platforms or subsea template, process them and store oil until it can be offloaded onto a tanker or, less frequently, transported through a pipeline. FPSOs are preferred in frontier offshore regions as they are easy to install, and do not require a local pipeline infrastructure to export oil. FPSOs can be a conversion of an oil tanker or can be a vessel built specially for the application. The Dhirubhai-1 is operating offshore on the east coast of India at 1,200 meters water depth and more than 50 people have their daily working place on the vessel. The vessel was converted from an oil tanker into an FPSO in 2008. For further information, see separate chapter regarding the FPSO within this annual report. The table above sets out certain key technical data relating to the vessel.

MANAGEMENT

LARS SOLBAKKEN

CEO

Before joining Ocean Yield, Mr. Solbakken served as CEO of Norwegian Car Carriers ASA from 2009 through March 2012. From 2006 to 2009 he served as CEO of Ship Finance Management AS and through that position, he also served as CEO of Ship Finance International Limited. In the period from 1997 through 2006, Mr. Solbakken was employed as General Manager of Fortis Bank in Norway and was also responsible for the bank's shipping and oil service activities in Scandinavia. From 1987 to 1997, Mr. Solbakken served in several positions in Nordea Bank (previously Christiania Bank). He was Senior Vice President and Deputy for the shipping and offshore and aviation group, head of equity issues and merger and acquisition activities and General Manager for the Seattle Branch. Prior to joining Nordea Bank, Mr. Solbakken worked five years in Wilh. Wilhelmsen ASA as Finance Manager. Mr. Solbakken has a Master of Science degree from the Norwegian School of Economics (NHH).

EIRIK EIDE

CFO

Before joining Ocean Yield, Mr. Eide served as CFO of Ship Finance Management AS, and through that position, he served as CFO of Ship Finance International Ltd. Mr. Eide has more than 15 years' experience from shipping and finance. His employment background includes the position as Head of Shipping and Corporate Finance at Orkla Finans AS, Director Fortis Bank (Nederland) N.V., Oslo Branch and Senior Vice President, DnB NOR (Oslo and London). Mr. Eide has a Master of Science degree from the Norwegian School of Management (BI).

OTHER KEY PERSONNEL

AXEL BUSCH-CHRISTENSEN

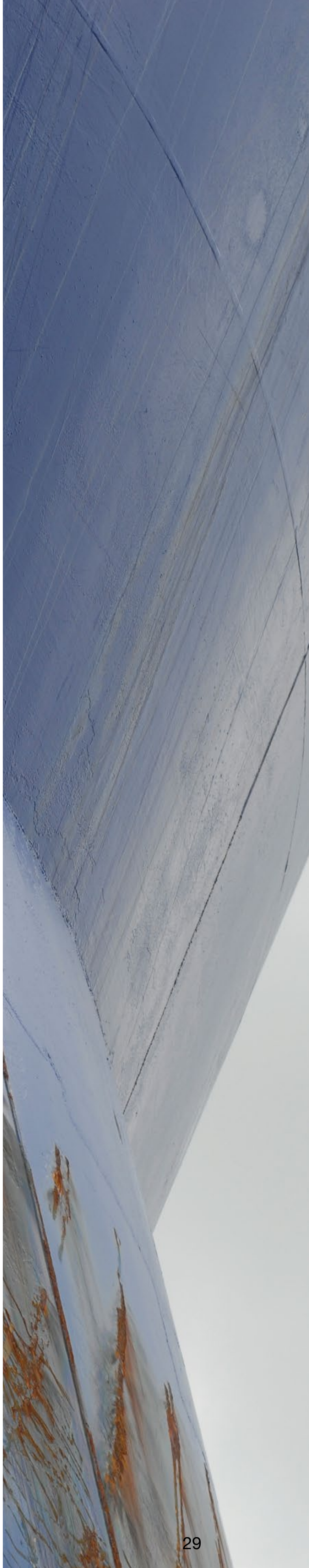
VP INVESTMENTS

Before joining Ocean Yield, Mr. Busch worked in McKinsey & Company as a consultant serving primarily the oil and gas industry. Prior to McKinsey Mr. Busch worked with M&A in Carnegie, a Nordic investment bank. Mr. Busch has a bachelor degree from the Norwegian School of Economics (NHH). Prior to his bachelor Mr. Busch attended the Petty Officer School of the Norwegian Royal Navy.

KRISTINE KOSI

CHIEF ACCOUNTING OFFICER

Before joining Ocean Yield, Ms. Kosi was Group Accounting Manager in Umoe AS, an investment company involved in industrial investments, shipping, food production and catering. Before that she worked as Senior Associate with PwC AS, working as an auditor. Ms. Kosi has a Master of Science degree from the Norwegian School of Management (BI) and is a Chartered Accountant.



BOARD OF DIRECTORS

TROND BRANDSRUD

CHAIRMAN

Trond Brandsrud joined Aker ASA in April 2010 after three years as CFO in Seadrill Limited. Prior to joining Seadrill in 2007, Mr. Brandsrud worked for Royal Dutch Shell for more than 20 years. At Shell, he held several key finance positions in Norway as well as internationally. He also has extensive experience from major offshore field development projects and held several senior management roles in Shell's upstream and downstream sectors. Mr. Brandsrud has a MSc degree from the Norwegian School of Economics (NHH).

KJELL INGE RØKKE

DIRECTOR

Kjell Inge Røkke (born 1958) is an entrepreneur and industrialist, and has been a driving force in the development of Aker since the 1990s. Mr. Røkke owns 67.8 percent of Aker ASA through The Resource Group TRG AS and subsidiaries which he co-owns with his wife. He is Chairman of Aker ASA, board member of Aker Solutions ASA, Kværner ASA, Det norske oljeselskap ASA and Ocean Yield ASA. He holds no shares in Ocean Yield ASA, and has no stock options. Mr Røkke is a Norwegian citizen.

ANNE-CHRISTIN DØVIGEN

DIRECTOR

Anne-Christin Døvigen is currently Joint Head of Business Development at Tufton Oceanic (Middle East) Ltd, a fund management firm. Anne-Christin has extensive experience from the international investment banking industry and has held senior positions at JPMorgan, HSBC and Jefferies International. Mrs. Døvigen has throughout her professional career worked on a number of capital markets and other investment and corporate banking transactions within the maritime sector. She holds a Bachelor with Honours in Economics and Finance from Strathclyde University in Scotland.

JENS ISMAR

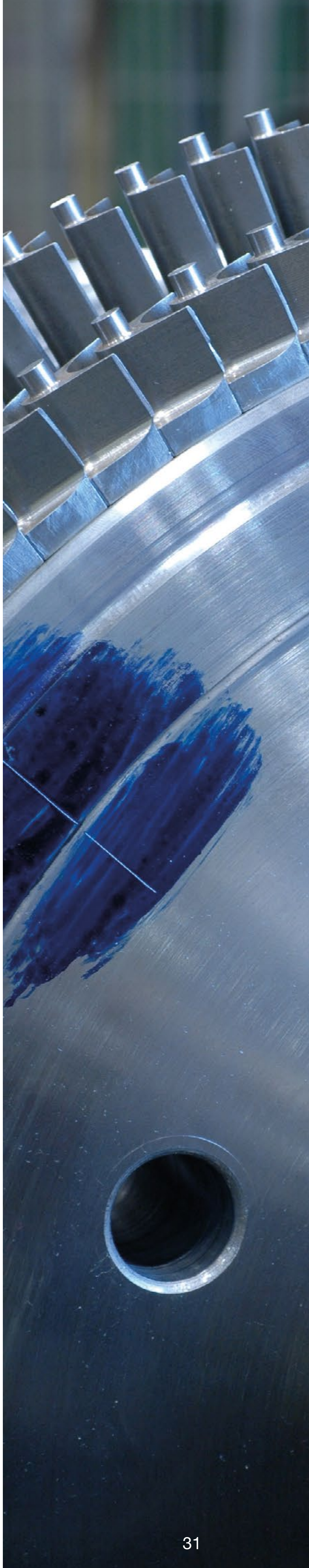
DIRECTOR

Jens Ismar is the CEO of Western Bulk AS, a Norwegian stock-listed dry bulk company with a commercially controlled fleet of over 120 vessels. Mr. Ismar has a long and diversified background from the shipping industry. Before joining Western Bulk in September 2008, he was with BW Gas as Director for the Chartering and Operations Division. He has also been employed by Inge Steensland AS, Stemoco Shipping AS and Lorentzen & Stemoco AS. Mr Ismar has a Bachelor of Business Administration from the Lund University in Sweden.

ANNICKEN GANN KILDAHL

DIRECTOR

Annicken Gann Kildahl is the CFO at Grieg Star, a Norwegian shipping company with one of the world's largest open hatch fleets. Mrs. Kildahl has held the position as CFO since 2003 after joining the Grieg Group in 2000. Mrs. Kildahl has extensive experience in corporate finance, asset management and international financing, primarily in relation to the shipping industry. She has previously held positions in the shipping department in Sparebanken NOR and the Torvald Klaveness Group. Mrs. Kildahl has a Master of Business and Economics from the Norwegian School of Management (BI) and is an authorised finance analyst (AFA) from the Norwegian School of Economics (NHH).



DIRECTOR'S RESPONSIBILITY STATEMENT

Today, the Board of Directors and the Company's chief executive officer reviewed and approved the board of directors' report and the consolidated and separate annual financial statements of Ocean Yield ASA for the year ending and as of 31st December 2013.

Ocean Yield's consolidated financial statements have been prepared in accordance with IFRSs and IFRICs adopted by the EU as well as additional disclosure requirements in the Norwegian Accounting Act and as such are to be applied per 31st December 2013. The separate financial statements of Ocean Yield ASA have been prepared in accordance with the Norwegian Accounting Act and Norwegian accounting standards as of 31st December 2013. The board of directors' report for the Group and the parent company meets with the requirements of the Norwegian Accounting Act and Norwegian accounting standard no. 16, as of 31st December 2013.

TO THE BEST OF OUR KNOWLEDGE:

- *The consolidated and separate annual financial statements for 2013 have been prepared in accordance with applicable accounting standards.*
- *The consolidated and separate annual financial statements give a true and fair view of the assets, liabilities, financial position and profit/loss as a whole per 31st December for the Group and for the parent company.*
- *The board of directors' report includes a true and fair review of the*
  - *development and performance of the business and the position of the Group and the parent company,*
  - *the principal risks and uncertainties the Group and the parent company may face.*

OSLO, 19 MARCH 2014
OCEAN YIELD ASA

TROND BRANDSRUD
CHAIRMAN

KJELL INGE RØKKE
DIRECTOR

JENS ISMAR
DIRECTOR

ANNE-CHRISTIN DØVIGEN
DIRECTOR

ANNICKEN GANN KILDAHL
DIRECTOR

LARS SOLBAKKEN
CEO

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

Income statement and total comprehensive income

Income statement

Continuing operations

Amounts in USD million	Note	2013	2012
Operating revenues	9	239.0	188.0
Vessel operating expenses		-14.2	-16.3
Wages and other personnel expenses	10	-9.5	-10.1
Other operating expenses	10	-7.6	-10.2
Operating profit before depreciation and amortization		**207.7**	**151.4**
Depreciation and amortization	14,15	-101.6	-85.9
Impairment changes	11	-	-5.9
Operating profit		**106.1**	**59.7**
Financial income	12	19.7	8.9
Financial expenses	12	-45.6	-41.6
Net financial items	**12**	**-26.0**	**-32.7**
Net profit before tax		**80.2**	**26.9**
Income tax expense	13	2.5	0.8
Net profit after tax		**82.7**	**27.7**
Attributable to:			
Equity holders of the parent		82.7	27.7
Non-controlling interests		-	-
Net profit after tax		**82.7**	**27.7**
Basic earnings per share (USD)	19	**0.71**	**0.28**
Diluted earnings per share (USD)	19	**0.71**	**0.28**

Total comprehensive income

Amounts in USD million	Note	2013	2012
Net profit after tax		82.7	27.7
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX			
Items that will not be reclassified to the income statement			
Remeasurements of defined benefit liability (asset)		0.1	-
Total for items that will not be reclassified to the income statement		0.1	-
Items that may be reclassified to the income statement			
Change in fair value of available for sale financial assets		8.4	-
Currency translation differences		-9.7	9.4
Total for items that may be reclassified to the income statement		-1.3	9.4
Total change in other comprehensive income, net of income tax		-1.3	9.4
Total comprehensive income		**81.4**	**37.1**
Attributable to:			
Equity holders of the parent		81.4	37.1
Non-controlling interests		-	-
Total comprehensive income		**81.4**	**37.1**

Balance sheet at 31 December

Amounts in USD million	Note	2013	2012
ASSETS			
Vessels and other fixed assets	14	**1 281.1**	1 157.7
Intangible assets	15	**38.3**	38.3
Deferred tax assets	13	**10.5**	10.1
Interest-bearing long term receivables	16	**188.4**	171.8
Other non-current assets		**4.5**	-
Total non-current assets		**1 522.9**	1 377.9
Trade receivables and other interest-free receivables	17	**16.4**	15.8
Cash and cash equivalents	18	**132.9**	104.6
Total current assets		**149.3**	120.4
Total assets		**1 672.2**	1 498.4

Amounts in USD million	Note	2013	2012
EQUITY AND LIABILITIES			
Share capital		**221.6**	175.6
Other paid-in capital		**452.6**	400.4
Total paid-in capital	**19**	**674.2**	576.0
Translation and other reserves		**-2.3**	-1.0
Retained earnings		**31.8**	-42.0
Total equity attributable to equity holders of the parent		**703.7**	**533.0**
Interest-bearing loans	22	**744.8**	746.6
Deferred tax liabilities	13	**0.2**	-
Pension liabilities	23	**0.4**	1.6
Other interest-free long term liabilities	24	**68.9**	88.5
Total non-current liabilities		**814.3**	836.7
Interest-bearing short term debt	22	**127.0**	111.8
Trade and other payables	25	**27.1**	17.0
Total current liabilities		**154.1**	128.7
Total liabilities		**968.4**	965.4
Total equity and liabilities		**1 672.2**	1 498.4

OSLO, 19 MARCH 2014
OCEAN YIELD ASA

TROND BRANDSRUD
CHAIRMAN

KJELL INGE RØKKE
DIRECTOR

JENS ISMAR
DIRECTOR

ANNE-CHRISTIN DØVIGEN
DIRECTOR

ANNICKEN GANN KILDAHL
DIRECTOR

LARS SOLBAKKEN
CEO

Statement of changes in Equity

Amounts in USD million	Share capital	Share Premium	Translation reserve	Fair value reserve	Retained earnings	Shareholders equity	Non-controlling interests	Total
Balance at 31 December 2011	**-**	**111.8**	**-10.4**	**-**	**-59.8**	**41.6**	**-4.5**	**37.2**
Profit for the year	-	-	-	-	27.7	27.7	-	**27.7**
Other comprehensive income	-	-	9.4	-	-	9.4	-	**9.4**
Total comprehensive income	**-**	**-**	9.4	**-**	27.7	37.0	**-**	**37.0**
Conversion of debt payable to parent to equity	175.6	288.6	-	-	-5.5	458.7	-	**458.7**
Acquisition of minority interest		-	-	-	-4.5	-4.5	4.5	**-**
Balance at 31 December 2012	**175.6**	**400.4**	**-1.0**	**-**	**-42.0**	**532.9**	**-**	**532.9**
Profit for the year	-	-	-	-	82.7	82.7	-	**82.7**
Other comprehensive income	-	-	-9.7	8.4	0.1	-1.3	-	**-1.3**
Total comprehensive income	-	-	-9.7	8.4	82.7	81.4	**-**	**81.4**
Issuance of ordinary shares	55.3	92.9	-	-	-	148.1	-	**148.1**
Expenses related to raising new equity, net of tax	-	-3.5	-	-	-	-3.5	-	**-3.5**
Dividend	-	-16.0	-	-	-40.0	-56.0	-	**-56.0**
Impact of implementing IAS 19R, net of tax	-	-	-	-	0.8	0.8		**0.8**
Change functional currency Ocean Yield ASA (see note 7)	-9.3	-21.1	-	-	30.3	-		**-**
Balance at 31 December 2013	**221.6**	**452.6**	**-10.7**	**8.4**	**31.8**	**703.7**	**-**	**703.7**

Statement of Cash Flows

Amounts in USD million	Note	2013	2012
Net profit before tax		**80.2**	26.9
Taxes paid		**-0.2**	-0.1
Net interest expenses (+)		**8.8**	17.7
Interest paid		**-27.4**	-17.1
Interest received		**0.5**	1.1
Sales losses/gains (-) and write-downs	14,15	**-**	6.0
Depreciation and amortization	14,15	**101.6**	85.9
Unrealized foreign exchange gain/loss and other non-cash items		**0.4**	7.2
Changes in other net operating assets and liabilities		**-7.3**	-9.1
Net cash flow from operating activities		**156.5**	**118.7**
Proceeds from sales of vessels and other fixed assets		**-**	11.2
Acquisition of vessels and other fixed assets	14,15	**-255.5**	-327.3
Net cash flow from long term receivables		**-4.5**	-
Net cash flow from investing activities		**-260.0**	**-316.1**
Proceeds from issuance of long-term interest-bearing debt	22	**178.7**	334.9
Repayment of long-term interest-bearing debt	22	**-132.3**	-96.6
Proceeds from issuance of short-term interest-bearing debt	22	**20.0**	-
Repayment of short-term interest-bearing debt	22	**-20.0**	-
Dividend paid		**-56.0**	-
Net proceeds from issuance of ordinary shares		**143.3**	-
Net cash flow from financing activities		**133.6**	**238.3**
Net change in cash and cash equivalents		**30.1**	40.8
Effects of changes in exchange rates on cash		**-1.7**	2.2
Cash and cash equivalents at 1 January		**104.6**	61.5
Cash and cash equivalents at 31 December	18	**132.9**	**104.6**

NOTE 1 CORPORATE INFORMATION

Ocean Yield ASA is a Norwegian company, domiciled in Oslo, Norway, with business address Fjordalleén 16, Oslo. The Ocean Yield Group was established at the end of March 2012, with Ocean Yield ASA as the parent company. In July 2013 the Company was listed on Oslo Stock Exchange.

The 2013 consolidated financial statements of Ocean Yield ASA incorporate the financial statements of the Company and its subsidiaries owned as of 31st December 2013 (referred to collectively as the "Group" and separately as group companies).

The Group has investments in vessels within oil-service and industrial shipping. All vessels are at end of 2013 chartered out on long term contracts.

NOTE 2 BASIS FOR PREPARATION AND NEW AND AMENDED STANDARDS

STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as approved by the European Union, their interpretations adopted by the International Accounting Standards Board (IASB) and the additional requirements of the Norwegian Accounting Act as of 31st December 2013.

The consolidated financial statements for 2013 were approved and authorized for issue by the Board of directors on 19th March 2014. The consolidated financial statements will be presented to the Annual General Meeting on 28 April 2014 for approval.

BASIS OF PREPARATION

The establishment of the Ocean Yield Group, through a combination of businesses under common control, is recorded in the accounts as if the businesses had always been part of the same group for all periods presented using values reflected in the group accounts of Aker ASA. For information regarding the transactions related to the formation of the Ocean Yield Group see note 6.

The accounting principles presented herein have been applied consistently for the period and companies presented in the consolidated financial statements. Comparative figures are reclassified if necessary in accordance with any changes in accounting principles.

BASIS OF MEASUREMENT

Preparation of the financial statements is based on historical cost, with the following exceptions:

- *Derivative financial instruments are measured at fair value*
- *Financial assets available for sale are measured at fair value*

Principles used to determine fair value are described in greater detail in note 4.

FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

These consolidated financial statements are presented in United States Dollars (USD), which is the functional currency of Ocean Yield ASA and most of the group companies. Some group companies have NOK as functional currency.

The functional currency of Ocean Yield ASA was changed from NOK to USD from 1 July 2013. See note 7 Functional currency for information regarding the change.

All financial information presented in USD has been rounded to the nearest million with one decimal, except when otherwise stated. Due to rounding differences there may be some minor inconsistency between figures, percentages and total lines.

USE OF ESTIMATES AND JUDGMENT

Preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of guidelines and principles, as well as the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are considered relevant under the circumstances. The resulting accounting estimates will, by definition, seldom accurately match actual results, but are based on the best estimate at the time.

Estimates and underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognized in the period in which the estimates are revised if the change affects that period, or prospectively for changes in estimates such as the useful lives of vessels or in estimated salvage values.

Estimates and assumptions that could have a significant impact on the carrying amounts of assets and liabilities within the next financial year are discussed below.

IMPAIRMENT OF VESSELS

Ocean Yield has significant investments in vessels. At every balance sheet date the Group considers whether there are any indications of impairment on the book values of these vessels. If such indications exist, a valuation is performed to assess whether the vessel is impaired or not. Evaluating whether a vessel is impaired or if an impairment should be reversed, requires a high degree of judgment and may to a large extent depend upon the selection of key future assumptions. References are made to note 14 Vessels and other fixed assets.

IMPAIRMENT OF GOODWILL

In accordance with applicable accounting principles, the Group performs impairment tests at each annual balance sheet date or more frequently if impairment indicators are identified, to determine whether goodwill recorded in the balance sheet is subject to any impairment. The recoverable amount is determined based on the present value of estimated cash flows for the cash-generating unit. Such determination requires the use of estimates that are consistent with the market valuation of the Group. References are made to note 15 Intangible assets.

CLASSIFICATION OF LEASE AGREEMENTS

All of the Group's vessels are chartered on long term contracts. At the inception of the lease agreements an assessment is carried out evaluating whether the agreements should be classified as either operating leases or finance leases. This assessment involves the use of estimates and assumptions about fair values of the leased vessels and expected future values. This includes estimates of the fair value of the vessels at the end of the lease periods and calculations of the present value of the minimum lease payments. In lease agreements where there are purchase options, an assessment is made whether it is reasonably certain that any of the purchase options will be exercised by the lessee. References are made to note 9 Operating lease revenue.

DEFERRED TAX ASSETS

The Group has a significant amount of tax losses carried forward. Valuation of deferred tax assets is dependent on management's assessment of future taxable income which includes an evaluation of the Group's earnings history. Expected recoverability is a result of expected taxable income in the near future or planned transactions. Economic conditions may change and lead to a different conclusion regarding recoverability, and such change may affect the result for each future reporting period. References are made to note 13 Tax.

FINANCIAL ASSETS MEASURED AT FAIR VALUE

When prices are not directly observable in an active market, the fair value of financial assets is calculated by the Group based on internal assumptions as well as directly observable market information, including forward and yield curves for currencies and interest rates. Changes in internal assumptions and forward curves could materially impact the internally computed fair value of the financial assets. References are made to note 25 Financial instruments.

NEW AND AMENDED STANDARDS NOT YET ADOPTED BY THE GROUP

A number of standards, amendments to standards and interpretations are not yet effective for the period ended 31 December 2013, and have not been applied in preparing these consolidated financial statements:

- *IFRS 10 Consolidated Financial statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosures of Interests in Other Entities, in addition amendments to the standards IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures. These new and amended standards are effective from 1 January 2014. IFRS 10 introduces changes to the control definition used when determining whether an entity is controlled and should be consolidated or not. The standard is not considered to lead to significant changes in entities deemed to be controlled by Ocean Yield ASA. The adoption of IFRS 10, IFRS 11 and IFRS 12 with their respective amendments and the amendments to IAS 27 and IAS 28 will not have significant impact on the financial statements of Ocean Yield ASA.*

NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

The Ocean Yield Group has as of 1 January 2013, implemented revised IAS 19 Employee benefits (IAS 19R), IFRS 13 Fair Value Measurement and amendments to IAS 1 Presentation of Financial Statements.

IAS 19R

The Group has previously employed the "corridor" method for accounting of unamortized estimate deviations. The corridor method is no longer permitted and, in accordance with IAS 19R, all actuarial gains and losses are to be recognized under other comprehensive income (OCI). Return on pension plan assets was previously calculated on the basis of a long-term expected return on the pension plan assets. Due to the application of IAS 19R, the net interest cost of the period is now calculated by applying the discount rate applicable to the liability at the start of the period on the net liability. Thus, the net interest cost comprises interest on the liability and return on the pension plan assets, both calculated with the discount rate. Changes in net pension liabilities due to premium payments and pension benefits are taken into consideration. The difference between actual return on the pension plan assets and the recognized return is recognized against the OCI on an on-going basis. The changes in IAS 19R required retrospective implementation, but have been assessed to be immaterial as regards their impact on Ocean Yield´s, 46 financial statements for previous reporting periods. Consequently prior periods' information has not been restated to reflect the impact of the implemented standards and amendments.

IFRS 13

IFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7. As a result, the Group has included additional disclosures in this regard (see note 25 financial Instruments)

In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Group's assets and liabilities.

AMENDMENT TO IAS 1

The main change resulting from the amendments to IAS 1 is a requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

NOTE 3 ACCOUNTING PRINCIPLES

GROUP ACCOUNTING AND CONSOLIDATION PRINCIPLES

SUBSIDIARIES

Subsidiaries are entities over which the Group has control. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated accounts from the day control is achieved and until control ceases.

Transactions that meet the definition of a business combination are accounted for by applying the acquisition method. For further description regarding measurement of goodwill see section Intangible assets.

Purchases of companies, which are not defined as a business combination, are recorded as asset acquisitions. The cost of such purchases are allocated between the individual identifiable assets and liabilities acquired based on their fair value at the date of acquisition. Goodwill is not recognized on such purchases, nor is deferred tax recognized on differences arising on the recognition of these assets.

TRANSACTIONS ELIMINATED ON CONSOLIDATION

Intra-Group balances and transactions, and any unrealized income and expenses arising from intra-Group transactions, are eliminated in preparing the consolidated financial statements.

FOREIGN CURRENCY TRANSLATION AND TRANSACTIONS

FUNCTIONAL CURRENCY

Initial recording of items included in the financial statements of each subsidiary is in its functional currency, i.e., the currency that best reflects the economic substance of the underlying events and circumstances relevant to that subsidiary. The consolidated financial statements are presented in United States Dollars (USD), which is the functional currency of the parent company.

TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the entities functional currency using the exchange rates prevailing at the date of each transaction. Monetary assets and liabilities in foreign currencies are translated into the entities functional currency using the exchange rates on the balance sheet date. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement as foreign exchange gains/losses.

GROUP COMPANIES

Financial statements of group companies whose functional currencies are different from the presentation currency (USD) are translated to USD in the following way:

- *Balance sheet items are translated using the exchange rates on the balance sheet date.*
- *Profit or loss items are translated using the average exchange rates for the period (if the average exchange rates for the period does not provide a fair estimate of the transaction rate, the actual transaction rate is used).*
- *All resulting translation differences are recognized in other comprehensive income.*

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and impairment losses. Acquisition costs for an item of property, plant and equipment are recognized as an asset if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be reliably measured. Acquisition cost includes expenditures directly attributable to the asset's acquisition. Borrowing costs attributable to the acquisition, construction or production of a qualifying asset is recognized as part of the acquisition cost of that asset. Other borrowing costs are expensed.

When significant parts of an item of property, plant, and equipment have different useful lives, major components are accounted for as separate items of property, plant, and equipment.

SUBSEQUENT COST

Ordinary repairs and maintenance costs are charged to the profit and loss in the financial period when they are incurred. The cost of major upgrades and rebuilding projects is included in the asset's carrying amount when it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. Major upgrades and rebuilding projects are depreciated over the useful lives of the related assets.

DEPRECIATION

Depreciation is recognized in profit and loss on a straight-line basis over the estimated useful lives of each major component of an item of property, plant and equipment.

Estimated useful lives for the current and comparative periods are as follows:

Vessels 10-25 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting period.

DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT

Gains and losses on the disposal of assets are determined by comparing the disposal proceeds with the carrying amount.

LEASE AGREEMENTS (AS LESSOR)

All vessels owned by the Group at year-end 2013 are chartered out on long term contracts. All the agreements are classified as either operating leases or finance leases based on an assessment of the terms of the lease agreements. When assessing whether an agreement is an operating lease or a finance lease, estimates of the fair value of the vessels at the end of the lease periods and calculations of the present value of the minimum lease payments is the most important factors. In lease agreements where there are purchase options, an assessment is made whether it is reasonably certain that any of the purchase options will be exercised by the lessee.

OPERATING LEASE

Leases in which a significant portion of the risks and rewards of ownership are retained by Ocean Yield are classified as operating leases. Payments received under operating leases, net of any incentives paid to the charterer, are recognized in the profit and loss on a straight-line basis over the period of the lease term. Lease assets held pursuant to an operating lease are included in the balance sheet based on the nature of the asset. Direct costs incurred in establishing the operating lease are included in the leased asset's carrying amount and are expensed over the term of the lease on the same basis as the rental income.

FINANCE LEASE

Leases in which substantially all of the risks and rewards of ownership are transferred to the charterer are classified as finance leases. At the inception of the lease the net present value of the minimum lease payments and any discounted unguaranteed residual value are recognized as a non-current receivable. Over the lease term interest on the net investment is recognized in the profit and loss as operating income in a way that produces a constant rate of return on the investment. At year-end 2013 the Group has no finance lease agreements.

LEASE AGREEMENTS (AS LESSEE)

OPERATING LEASE

Leases in which a significant proportion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases, net of any incentives received from the lessor, are charged to the profit and loss account on a straight-line basis over the period of the lease term.

INTANGIBLE ASSETS

GOODWILL

All business combinations in the Group are recognized using the acquisition method. Goodwill on acquisitions of subsidiaries represents the difference between the cost of the acquired entity and the fair value of the net identifiable assets acquired. In subsequent measurements goodwill is valued at acquisition cost, less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment. Negative goodwill arising on an acquisition is recognized directly in the income statement.

FINANCIAL ASSETS

The Group classifies its non-derivative financial assets into the following three categories: loans and receivables, financial assets at fair value through profit and loss and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Financial assets are presented as current if they contractually will expire or otherwise are expected to be recovered within 12 months after the balance sheet date, or if they are held for the purpose of being traded. Otherwise they are classified as non-current. The Group initially recognizes loans and receivables and deposits on the date that they originate. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

LOANS AND RECEIVABLES

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. At year-end 2013 loans and receivables comprise trade and other receivables.

CASH AND CASH-EQUIVALENTS

Cash and deposits on call with banks and other short-term highly liquid investments with original maturities of three months or less, constitute cash and cash equivalents.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

A financial instrument is classified as recorded at fair value through profit and loss if it is designated as such at initial recognition or held for trading. Financial instruments are designated at fair value through profit and loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognized in profit and loss as incurred upon initial recognition. Financial assets at fair value through profit and loss are measured at fair value and changes therein are recognized in profit and loss. At year-end 2013 the Group does not have any financial assets at fair value through profit and loss.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the other categories. Subsequent to initial recognition, they are measured at fair value. Impairment losses are recognized in the income statement as they arise. Any other variation in value is recorded through other comprehensive income. Interest on available-for-sale assets is calculated using the effective interest method. The interest income is recognized in the income statement. When an investment is derecognized, the c mulative gain or loss in the fair value reserve is transferred to the income statement. At year-end 2013 available-for-sale financial assets comprise debt securities.

FINANCIAL DERIVATIVES

The Group uses financial derivative instruments to hedge its exposure to foreign exchange and interest-rate risks. No hedge accounting is applied as of year-end 2013. Derivatives are recognized initially at fair value; attributable transaction costs are recognized in the income statement as they are incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit and loss.

SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Where any Group company purchases the Company's own equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs, is deducted from equity.

FINANCIAL LIABILITIES

The Group classifies its non-derivative financial liabilities into the financial liabilities measured at amortized cost category. Such financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition these financial liabilities are measured at amortized cost using the effective interest method. At year-end 2013 non-derivative financial liabilities comprise loans and borrowings and trade and other payables.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

CURRENT AND DEFERRED INCOME TAX

Income tax on the profit and loss statement for the year comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current tax is the anticipated tax payable on the taxable income for the year, using current tax rates at the balance sheet date, and any adjustment to tax payable related to previous years.

Deferred income tax is stated, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets are recognized for all deductible temporary differences and all carry-forwards of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which such deductible temporary differences and carry-forwards can be used. Deferred tax is not recognized for the following temporary differences:

- *Initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit.*
- *Differences relating to investments in subsidiaries and jointly controlled entities, to the extent that it is probable that they will not reverse in the foreseeable future.*
- *Tax-increasing temporary differences upon initial recognition of goodwill.*

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred tax is measured on an undiscounted basis.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on current tax rates (and tax laws) at the balance sheet date. Tax consequences relating to items recognized directly in equity are recognized in other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities, and if the deferred tax relates to the same taxable entity or the same tax authority.

Most of the Groups vessels qualify under the Norwegian Tax Tonnage regime, where operating results are subject to a tax of approximately 0%. Financial income within the regime is taxable at a rate of 28% (changed to 27% from 1.1.2014).

EMPLOYEE BENEFITS

As described in note 2, section New and amended standards adopted by the Group, the Ocean Yield Group implemented revised IAS 19 Employee benefits (IAS 19R) as of 1 January 2013.

DEFINED BENEFIT PLANS

For defined benefit plans, the liability recognized is the present value of the defined benefit obligation at the balance sheet date, less the fair value of plan assets. The defined benefit obligation is calculated by independent actuaries and is measured as the present value of estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

The cost of providing pensions is charged to the profit and loss so as to spread the regular cost over the service lives of employees. Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions, and amendments to pension plans are charged or credited to equity in other comprehensive income in the period in which they arise.

DEFINED CONTRIBUTION PLANS

For defined contribution plans, contributions are paid into pension insurance plans. Once the contributions have been paid, there are no further payment obligations. Contributions to defined contribution plans are charged to the profit and loss in the period to which the contributions relate.

SHARE-BASED PAYMENTS

Share-based payments are accounted for in accordance with IFRS 2 Share-based Payment. Share-based payment expense is measured at fair value over the service period. All changes in fair value are recognized in the income statement.

SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be measured reliably.

PROVISIONS

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economics benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

REVENUE RECOGNITION

Revenue is recognized only if it is probable that future economic benefits will flow to Ocean Yield, and that these benefits can be measured reliably.

OPERATING LEASE REVENUE

Revenue related to vessel charter agreements that are classified as operating leases are recognized on a straight line basis over the lease term, and are classified as operating revenues in the income statement. Contingent rental income, such as bonuses earned based on utilisation, is recognized in profit and loss as earned. Payments received from mobilization fees and change orders are recognized on a straight-line basis over the lease term. The remaining part is recognized in the balance sheet as deferred income.

Income related to the Dhirubhai-1 FPSO is recognized net of local with-holding tax, as this represents the gross inflows of economic benefits received by the Group.

FINANCE LEASE REVENUE

For vessel charter agreements that are classified as finance leases the net present value of the minimum lease payments and any discounted unguaranteed residual value are recognized as a non-current receivable. Over the lease term interest on the net investment is recognized in the profit and loss as operating revenue in a way that produces a constant rate of return on the investment. As of yearend 2013 the Group has no finance lease agreements.

IMPAIRMENT

NON-FINANCIAL ASSETS

The carrying amounts of the Group's assets, other than deferred tax assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If an indication of impairment exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated annually.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a relevant pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For assets that do not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognized whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the profit and loss. Recognition of impairment losses of cash-generating units is allocated first to reduce the carrying amount of any goodwill and then to reduce the carrying amount of the other assets in the unit.

An impairment loss on goodwill is not reversed. For assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's balance sheet carrying amount does not exceed the carrying amount, net of depreciation or amortization, calculated as if no impairment loss had been recognized.

FINANCIAL ASSETS

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of the asset that can be estimated reliably.

The recoverable amount of the Group's financial assets carried at amortized cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short term to maturity are not discounted.

An impairment loss on financial assets carried at amortized cost, is reversed if a subsequent increase in the recoverable amount can be objectively connected to an event occurring after the impairment loss was recognized in the profit and loss.

DIVIDENDS

Dividends are recorded in the Group's financial statements in the period in which they are approved by the Group's shareholders.

EARNINGS PER SHARE

The calculation of ordinary earnings per share is based on the profit attributable to ordinary shares using the weighted average number of shares outstanding during the year, after deduction of the average number of treasury shares held over the period. The calculation of diluted earnings per share is consistent with the calculation of ordinary earnings per share, and gives effect to all dilutive potential ordinary shares that were outstanding during the period, that is:

- *The net profit for the period attributable to ordinary shares is increased by the after-tax amount of dividends and interest recognized in the period in respect of the dilutive potential ordinary shares, and adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares.*
- *The weighted average number of additional ordinary shares that would have been outstanding, assuming the conversion of all dilutive potential ordinary shares, increases the weighted average number of ordinary shares outstanding.*

NOTE 4 DETERMINATION OF FAIR VALUE

Accounting principles and note disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods described below. When applicable, further information on the assumptions made in determining fair values is disclosed in the notes specific to the asset or liability.

The Group has implemented the new standard IFRS 13, and all fair value estimates have been calculated in accordance with this standard. In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Not withstanding the above, the change had no significant impact on the measurements of the Group's assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- *In the principal market for the asset or liability, or*
- *In the absence of a principal market, in the most advantageous market for the asset or liability*

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- *Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.*
- *Level 2 Valuation techniques for which input that is significant to the fair value measurement is directly or indirectly observable.*
- *Level 3 Valuation techniques for which input that is significant to the fair value measurement is unobservable.*

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair values have been estimated using the following methods:

VESSELS AND OTHER FIXED ASSETS

The fair value of vessels and other fixed assets recognized as a result of a business combination is based on market prices for similar items. When determining the fair value of vessels the vessels expected useful life, the vessels condition compared to similar vessels and the amount of tonnage in the segment is considered.

GOODWILL

Goodwill resulting from business combinations is initially recognized at fair value at the acquisition date as part of the business combination, and subsequently re-measured as part of impairment testing using discounted cash flows.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

The fair value of available-for-sale financial assets is based on their listed market price, if available. If a listed market price is not available the fair value is estimated as the present value of future cash flows, discounted with an applicable discount rate. At year end 2013 available for sale financial assets consist of the bonds in American Shipping Company ASA. The fair value calculation of the bonds is explained in greater detail in note 16 Interest-bearing long term receivables.

TRADE AND OTHER RECEIVABLES

The fair value of trade receivables and other receivables is estimated at the present value of future cash flows of principal and interests, discounted at the market rate of interest at the balance sheet date.

DERIVATIVES

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, the fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of interest rate swaps is based on the present value of future cash flows, calculated based on observable market rates and exchange rates on the reporting date, including accrued interest.

NON-DERIVATIVE FINANCIAL LIABILITIES

Fair value is determined for disclosure purposes. The fair value of liquid listed bonds is based on quoted market prices, while the fair value of other liabilities is calculated based on the present value of future cash flows of principal and interests, discounted at the market rate of interest at the balance sheet date.

SHARE-BASED PAYMENTS*

The Group has at year-end 2013 a cash settled share based payments arrangement. During the vesting period, at the end of each reporting period, the services acquired and the liability incurred are measured at the fair value of the liability. The fair value of the liability is calculated as the difference between the base price (NOK 27.44 in 2013) and the closing price of the shares at each reporting date, multiplied by the number of synthetic shares allocated to the scheme participant. For more information see note 29 Share-based payment arrangements.

NET PENSION LIABILITIES

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

* *Measurements and disclosure requirements of IFRS 13 does not apply to share-based payments. It is however included here as the liability is measured at fair value.*

NOTE 5 FINANCIAL RISK AND EXPOSURE

FINANCIAL RISK

The Ocean Yield Group is exposed to different types of financial risk including credit-, liquidity- and market risk (e.g. interest- and currency risk). The purpose of risk management is to measure and manage financial risk in a reliable manner, thereby increasing predictability and reducing negative effects on Ocean Yield's financial results. The Group is using different financial instruments to actively manage its financial exposure.

Ocean Yield ASA has developed a policy on how the financial risk is monitored. The risk is monitored continuously and reported on a regular basis. The main companies in the Group have developed similar policies and guidelines based on the individual company's exposure to the different kinds of financial risks.

CAPITAL MANAGEMENT

One important objective of Ocean Yield finance policy is to secure financial headroom both on a short- and long term basis to be able to achieve strategic goals. Ocean Yield wants to maintain a strong capital base and aims at a conservative investment strategy with limited risks. Key investment criteria will among others be:

- *Firm contracts with a duration of 5-12 years*
- *Targeted segments are oil service and industrial shipping*
- *Limited direct market exposure*

Ocean Yield has an intention to pay regular and increasing dividends to its shareholders reflecting the expected long-term earnings and cash flows. As a consequence, Ocean Yield started paying quarterly dividends from Q3 2013. This was made possible following a change in the Norwegian Public Limited Companies Act, which became effective from July 1st 2013. An Extraordinary General Meeting was held, which authorized the Board of Directors of Ocean Yield to resolve and declare dividends for the financial quarters up until the next ordinary general meeting in April 2014. A dividend of USD 0.12 per share was declared in connection with the announcement of the Q3 2013 results. In February 2014, in connection with the announcement of the Q4 2013 results, Ocean Yield declared a dividend of USD 0.1225 per share, which at the time of declaration, equaled a dividend yield of approximately 8.3% on an annualized basis.

The Aker Floating Production AS Group ('AFP') has a secured bank loan, where the agreement contains restrictions on dividend payments. AFP is restricted from distributing dividends in excess of 50% of the excess cash resulting from payments received under the charter contract for the Dhirubhai-1, less instalments and interest payments on the bank loan and certain other items. Extraordinary charter-hire payments are not included. Any dividends or other distribution in a financial year may only be made if AFP applies an amount equal to 50% of excess cash to further reduce the amount outstanding under facility A (see note 22) in that financial year. As of year-end 2013 AFP has available funds from such extraordinary charter-hire payments which may be distributed.

CREDIT RISK

The management of Ocean Yield ASA and its main companies have developed policies and guidelines in regards to credit risk. The exposure to credit risk is monitored on an ongoing basis within the Group guidelines.

The Group's principal financial assets are bank deposits and cash, bonds, trade and other receivables and derivatives. The Group's exposure to credit risk is mainly related to bonds in American Shipping Company ASA ("AMSC") and trade receivables.

The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and their assessment of the current economic environment. Credit assessments are performed on all customers requesting credit over a certain amount.

FINANCIAL INTEREST-BEARING NON-CURRENT ASSETS

Financial interest-bearing non-current assets consist of the bonds in AMSC. AMSC raised approximately USD 162 million in new equity in December 2013 and January 2014, which substantially improved the credit quality of the counterparty for Ocean Yield and also improved the value of the bonds.

TRADE RECEIVABLES

Ocean Yield's maximum exposure to credit risk for trade receivables against industrial customers with a rating of BBB or lower was USD 13.9 million at end of 2013 (USD 6.9 million year-end 2012).

CASH AND CASH EQUIVALENT

Cash and cash equivalents are held with banks and financial institutions with sound credit-ratings. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligations.

DERIVATIVE FINANCIAL INSTRUMENTS

Transactions involving derivative financial instruments are with counterparties with sound credit-ratings. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligation.

EXPOSURE TO CREDIT RISK

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. The maximum exposure to credit risk at the reporting date was:

Maximum exposure to credit risk:

		2013			
Amounts in USD million	**Note**	**Available for sale financial assets**	**Receivables at amortized cost**	**Cash and long-term deposits**	**Total**
Financial interest-bearing non-current assets	16	168.3	-	20.1	188.4
Trade receivables, other interest-free short term receivables		-	16.4	-	16.4
Cash and cash equivalents	18	-	-	132.9	132.9
Total		168.3	16.4	152.9	**337.6**

		2012			
Amounts in USD million	**Note**	**Available for sale financial assets**	**Receivables at amortized cost**	**Cash and long-term deposits**	**Total**
Financial interest-bearing non-current assets	16	151.8	-	20.0	171.8
Trade receivables, other interest-free short term receivables		-	15.8	-	15.8
Cash and cash equivalents	18	-	-	104.6	104.6
Total		151.8	15.8	124.6	**292.2**

The aging trade receivables and provisions for impairment loss are as follows:

Amounts in USD million	Gross trade receivables 2013	Provision for impairment Loss 2013	Gross trade receivables 2012	Provision for impairment Loss 2012
Not past due	12.4	-	6.6	-
Past due 0-30 days	0.0	-	0.4	-
Past due 31-120 days	0.1	-	-	-
Past due 121 - 365 days	1.3	-	-	-
Past due more than one year	1.1	-1.1	1.1	-1.1
Total trade receivables	**14.9**	**-1.1**	8.0	-1.1

The movement in allowance for impairment loss during the year was:

Amounts in USD million	2013	2012
Balance 1 January	**1.1**	3.0
Impairment loss recognized in profit and loss	-	1,3
Reversal or use of previously recognized impairment loss	-	-3,2
Balance 31 December	**1.1**	**1.1**

The recognized impairment loss on trade receivables is included in Other operating expenses in the income statement in 2012.

LIQUIDITY RISK

Liquidity risk is the risk that the Group will be unable to fulfill its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its obligations when due. Management monitors monthly forecasts of the Group's liquidity reserve on the basis of expected cash flows.

The figures in the table below represents the contractual undiscounted cash flows related to the Groups liabilities. Interests have been calculated using the interest rates year end.

Overview of contractual maturities of financial liabilities, including estimated interest payments specified per category of interest-bearing liabilities:

	2013 Contractual cash flows incl. estimated interest payments						
Amounts in USD million	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
Secured loans	774.4	-831.4	-81.9	-64.0	-128.8	-274.6	-282.2
Unsecured bond issues	97.4	-128.7	-4.2	-4.2	-8.3	-112.0	-
Interest rate swaps	2.1	-14.6	-0.9	-1.0	-1.9	-7.3	-3.5
Foreign exchange contracts	9.1	-3.8	0.2	0.2	0.5	-4.7	-
Trade and other payables	15.9	-15.9	-15.9	-	-	-	-
Total contractual cash flows for liabilities	**898.9**	**-994.4**	**-102.7**	**-68.9**	**-138.6**	**-398.5**	**-285.7**
Long term interest-free liabilities	69.5						
Total liabilities	**968.4**						

Long term interest-free liabilities include USD 68.9 million in deferred revenue.

Overview of contractual maturities of financial liabilities, including estimated interest payments specified per category of interest-bearing liabilities:

		2012 Contractual cash flows incl. estimated interest payments					
Amounts in USD million	**Carrying amount**	**Contractual cash flows**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**	**Over 5 years**
Secured loans	752.9	-819.1	-72.6	-53.8	-128.7	-330.2	-233.8
Unsecured bond issues	105.5	-150.6	-4.5	-4.6	-9.1	-132.5	-
Interest rate swaps	0.6	-0.9	-0.1	-0.1	-0.3	-0.4	-
Foreign exchange contracts	1.2	2.6	0.5	0.5	0.9	0.7	-
Trade and other payables	15.2	-15.2	-15.2	-	-	-	-
Total contractual cash flows for liabilities	**875.3**	**-983.2**	**-91.9**	**-58.1**	**-137.1**	**-462.3**	**-233.8**
Long term interest-free liabilities	90.1						
Total liabilities	**965.4**						

Long term interest-free liabilities include USD 86.7 million in deferred revenue.

CURRENCY RISK

Ocean Yield operates in the international market which leads to various types of currency exposure for the Group. Currency risks arise through ordinary, future business transactions, capitalized assets and liabilities and when such transactions have been made against payment in a currency other than the functional currency of the respective group company. In addition, currency risk may arise from investments in foreign subsidiaries.

Ocean Yield defines levels for the hedging of expected future cash flows. The Company may from time to time utilize currency forward contracts and currency option contracts to reduce currency exposure.

EXPOSURE TO CURRENCY RATE RISK

The functional currencies of Ocean Yield ASA and its subsidiaries reflect the primary economic environment in which the entities operates. Ocean Yield ASA and most of its subsidiaries have USD as functional currency. Some group companies have NOK as functional currency. For the subsidiaries with functional currency in USD the revenues and interest bearing debt are denominated in USD. For the subsidiaries with functional currency in NOK the revenues and interest bearing debt are denominated in NOK. Hence there is limited currency risk related to the subsidiaries of Ocean Yield ASA. The bond loan in Ocean Yield ASA is denominated in NOK. If the USD had appreciated with 10% versus the NOK at year-end 2013 the foreign exchange loss after tax would have been USD 8 million higher (reducing the equity with USD 8 million). To reduce this effect Ocean Yield ASA has entered into an interest and currency swap for the NOK bond loan with maturity in July 2018, where the bond loan has been swapped from NOK to USD. The interest rate on the bond loan, which is 3M NIBOR + 6.50% has been swapped to 3M LIBOR + 7.07%.

The consolidated financial statements are presented in USD. As some entities have NOK as functional currency the Group recognizes translation differences due to changes in the NOK exchange rate. The table below illustrates Ocean Yield Group's sensitivity to translation differences. If the USD had been 10% stronger through 2013, the effects in the consolidated financial statement would have been as shown in table:

Amounts in USD million	**Operating revenue**	**Profit before tax**	**Equity**
USD	183.3	35.4	475.3
NOK	55.7	44.8	227.1
Total	**239.0**	**80.2**	**702.4**
Change with USD 10% appreciation versus NOK	6.2	5.0	25.2
Ocean Yield with 10% USD appreciation	**245.2**	**85.1**	**727.7**

INTEREST RATE RISK

The Group's interest rate risk arises from long term borrowings and receivables. Borrowings and receivables issued at variable rates expose the Group to cash flow interest rate risk.

The Group has prepared guidelines for management of interest rate risks. The interest rate policy of Ocean Yield defines levels for the hedging of expected future cash flows. To manage some of the interest rate risk the Group has entered into interest rate swaps related to vessel financings, where floating rate payments have been swapped to fixed rate payments. The Group has not applied hedge accounting.

EXPOSURE TO INTEREST RATE RISK

As at 31 December the interest rate profile of the Group's interest-bearing financial instruments were as follows:

Amounts in USD million	2013	2012
Fixed rate instruments:		
Financial assets	**-**	-
Financial liabilities (see note 22)	**-418.6**	-
Net fixed rate instruments	**-418.6**	-
Variable rate instruments:		
Financial assets	**321.2**	276.4
Financial liabilities (see note 22)	**-453.2**	-858.4
Net variable rate instruments	**-132.0**	-582.0
Net interest-bearing debt (-) / asset (+)	**-550.6**	-582.0

SENSITIVITY ANALYSIS RELATED TO INTEREST RATES

Borrowings and receivables issued at variable rates expose the Group to cash flow interest rate risk. At year-end 2013 the Group has USD 132 million in net variable rate instruments. An increase in the LIBOR and NIBOR rates of 100 basis points would increase the Group's annual interest expenses of USD 0.1 million and USD 1.3 million, respectively.

NOTE 6 BUSINESS COMBINATIONS

2013:

NO BUSINESS COMBINATIONS OCCURRED IN 2013.

2012: ESTABLISHMENT OF THE OCEAN YIELD GROUP

Ocean Yield ASA acquired control of Aker Shiplease AS, Aker Shiplease 1 AS (Aker Wayfarer) and Aker Shiplease 2 AS, New Pollock Inc. (Geco Triton) and the holding companies Aker Invest II KS, Aker Invest AS and American Champion Inc in December 2011.

In the first quarter of 2012 Ocean Yield ASA acquired control of Aker Floating Production AS, including its subsidiaries Aker Contracting FP ASA, Aker Smart FP AS, AFP Operations AS and Aker Floating Operations Publ. Ltd. In the same quarter Ocean Yield ASA also acquired 93% of the outstanding, unsecured bonds issued by American Shipping Company ASA.

The establishment of the Ocean Yield Group, through combinations of businesses under common control of the Aker ASA Group is recorded in the accompanying financial statements as if all the businesses had always been a part of the Group for all periods presented using assets and liabilities historically presented within the Aker ASA Group. This includes the acquisition of Aker Shiplease AS, Aker Shiplease 1 AS (Aker Wayfarer) Aker Shiplease 2 AS, New Pollock Inc. (Geco Triton), Aker Invest II KS, Aker Invest AS, American Champion Inc and Aker Floating Production AS, including its subsidiaries. The acquisition of the bonds issued by American Shipping Company ASA from within the Aker ASA Group was an asset acquisition. Therefore the bonds were recognized at their fair value at the date of acquisition.

NOTE 7 FUNCTIONAL CURRENCY

CHANGE OF FUNCTIONAL CURRENCY IN OCEAN YIELD ASA

The functional currency of Ocean Yield ASA was changed from NOK to USD 1 July 2013.

IAS 21 states that the functional currency of an entity should be the primary economic environment in which an entity operates. Since the establishment of Ocean Yield in 2012 the Company has acquired three new vessels; Lewek Connector, Far Senator and Far Statesman and four newbuildings; Höegh 4401, Höegh 4401, Höegh XS1462E and Höegh XS1462F. All vessels and newbuildings have bareboat contracts in USD, except for Far Senator and Far Statesman. Based on vessel values approximately 70% of the investments have been USD investments. Further, as vessel values and day rates worldwide are quoted in USD, this is the dominating currency within the shipping and offshore industry. As a consequence of the above, the functional currency of Ocean Yield ASA was changed from NOK to USD 1 July 2013 as the expectation is that the majority of the income and financing activities of Ocean Yield ASA will be USD denominated.

NOTE 8 OPERATING SEGMENTS

Ocean Yield defines operating segments based on the Group's internal management- and reporting structure. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The Group's chief operating decision maker, responsible for the allocation of resources and assessment of performance in the different operating segments, is defined as the Board of directors, CEO and CFO.

Recognition and measurement applied to segment reporting are consistent with the accounting principles applied when preparing the consolidated financial statements. Transactions between segments are conducted at market terms and conditions.

Ocean Yield introduced a new reporting structure in 2013 replacing the old segments. Previously each vessel was treated as a separate segment, but from 2013 the segments are based on the markets the vessels serve. The following new segments have been introduced in 2013;

- *FPSO*
  This segment relates to the Group´s, investment in floating production, storage and offloading vessels (FPSO). As of 31 December 2013 this segment consists of the FPSO Dhirubhai-1.
- *Other Oil Service*
  Vessels operating within the oil sector, except for FPSOs are included in this segment. As of 31 December 2013 this segments includes the two anchor handling tug supply vessels (AHTS) Far Senator and Far Statesman, the construction vessel Aker Wayfarer, the offshore construction and cable lay vessel Lewek Connector and the seismic vessel Geco Triton.
- *Car Carriers*
  This segment includes the Group's investments in car carriers. As of 31 December 2013 the Group has entered into newbuilding contracts for four pure car truck carriers (PCTC), where the first two will be delivered in 2014 and the second two in 2016.
- *Other*
  This segment includes all other investments, with the most significant being the bonds issued by American Shipping Company ASA, where the Group owns 93% of the bonds. American Shipping Company ASA has ten product tankers operating under long term bareboat charter contracts with the Overseas Shipholding Group (OSG) in the US. The bonds (AMSC 07/18 FRN C) mature in February 2018.

Comparable figures have been adjusted to reflect the new segments.

2013 - Operating segments

Income statement

Amounts in USD million	FPSO	Other Oil Service	Car Carriers	Other and eliminations	Total
Operating revenues	139.2	99.8	-	-	**239.0**
Operating expenses	-23.0	-0.4	-0.1	-7.8	**-31.3**
Operating profit before depreciation and amortization	116.1	99.4	-0.1	-7.8	**207.7**
Depreciation and amortization	-65.4	-36.1	-	-	**-101.6**
Impairment changes	-	-	-	-	**-**
Operating profit	50.7	63.3	-0.1	-7.8	**106.1**
Financial income	0.4	3.5	-	15.9	**19.7**
Financial expenses	-7.3	-22.7	-1.6	-14.1	**-45.6**
Net profit before tax	43.8	44.1	-1.7	-6.0	**80.2**
Income tax expense	0.3	-0.1	0.1	2.1	**2.5**
Net profit after tax	44.1	44.0	-1.6	-3.9	**82.7**

Balance Sheet

Amounts in USD million	FPSO	Other Oil Service	Car Carriers	Other and eliminations	Total
ASSETS					
Vessels and other fixed assets	515.8	713.7	51.7	-	**1 281.1**
Goodwill	38.3	-	-	-	**38.3**
Deferred tax assets	-	4.4	0.1	6.0	**10.5**
Interest-bearing long term receivables	20.1	-	-	168.3	**188.4**
Interest-bearing long term receivables, internal	-	60.7	-	-60.7	**-**
Other non-current assets	-	-	4.5	-	**4.5**
Total non-current assets	574.2	778.8	56.3	113.6	**1 522.9**
Trade receivables and other interest-free receivables	16.4	1.4	-	-1.3	**16.4**
Cash and cash equivalents	50.9	37.3	0.3	44.3	**132.9**
Total current assets	67.3	38.7	0.3	43.0	**149.3**
Total assets	641.5	817.5	56.6	156.6	**1 672.2**
EQUITY AND LIABILITIES					
Total equity	303.2	191.0	15.6	193.9	**703.7**
Interest-bearing long term debt	195.6	451.7	-	97.4	**744.8**
Interest-bearing long term debt, internal	17.0	89.9	12.7	-119.7	**-**
Deferred tax liabilities	-	0.2	-	-	**0.2**
Pension liabilities	0.3	-	-	0.1	**0.4**
Other interest-free long term liabilities	42.7	28.0	-	-1.8	**68.9**
Total non-current liabilities	255.6	569.9	12.7	-24.0	**814.3**
Interest-bearing short term debt	76.9	50.2	-	-	**127.0**
Interest-bearing short term debt, internal	-	-	25.2	-25.2	**-**
Trade and other payables	5.8	6.4	3.1	11.8	**27.1**
Total current liabilities	82.7	56.5	28.3	-13.4	**154.1**
Total liabilities	338.3	626.4	41.1	-37.4	**968.4**
Total equity and liabilities	641.5	817.5	56.6	156.6	**1 672.2**

2012 - Operating segments

Income statement

Amounts in USD million	FPSO	Other Oil Service	Car Carriers	Other and eliminations	Total
Operating revenues	133.1	54.9	-		**188.0**
Operating expenses	-34.1	-0.1	-	-2.3	**-36.6**
Operating profit before depreciation and amortization	98.9	54.8	-	-2.3	**151.4**
Depreciation and amortization	-65.7	-20.2	-	-	**-85.9**
Impairment changes	-5.9	-	-	-	**-5.9**
Operating profit	27.4	34.6	-	-2.3	**59.7**
Financial income	0.1	2.8	-	6.0	**8.9**
Financial expenses	-24.8	-11.9	-	-4.9	**-41.6**
Net profit before tax	2.7	25.5	-	-1.3	**26.9**
Income tax expense	-	0.4	-	0.4	**0.8**
Net profit after tax	2.7	25.9	-	-0.9	**27.7**

Balance Sheet

Amounts in USD million	FPSO	Other Oil Service	Car Carriers	Other and eliminations	Total
ASSETS					
Vessels and other fixed assets	578.6	566.8	12.3	-	**1 157.7**
Goodwill	38.3	-	-	-	**38.3**
Deferred tax assets	-	4.0	-	6.1	**10.1**
Interest-bearing long term receivables	20.0	-	-	151.8	**171.8**
Interest-bearing long term receivables, internal	-	54.8	-	-54.8	**-**
Other non-current assets	-	-	-	-	**-**
Total non-current assets	637.0	625.5	12.3	103.1	**1 377.9**
Trade receivables and other interest-free receivables	11.0	0.5	1.8	2.5	**15.8**
Cash and cash equivalents	60.7	22.1	8.8	12.9	**104.6**
Total current assets	71.7	22.6	10.7	15.4	**120.4**
Total assets	708.7	648.1	23.0	118.5	**1 498.4**
EQUITY AND LIABILITIES					
Total equity	302.5	191.8	15.0	23.7	**533.0**
Interest-bearing long term debt	271.0	370.2	-	105.5	**746.6**
Interest-bearing long term debt, internal	-	-	-	-	**-**
Deferred tax liabilities	-	-	-	-	**-**
Pension liabilities	1.5	-	-	0.1	**1.6**
Other interest-free long term liabilities	51.7	36.9	-	-	**88.5**
Total non-current liabilities	324.1	407.1	-	105.6	**836.7**
Interest-bearing short term debt	73.7	38.1	-	-	**111.8**
Interest-bearing short term debt, internal	-	5.4	8.0	-13.4	**-**
Trade and other payables	8.5	5.8	-	2.7	**17.0**
Total current liabilities	82.2	49.3	8.0	-10.7	**128.7**
Total liabilities	406.2	456.4	8.0	94.8	**965.4**
Total equity and liabilities	708.7	648.1	23.0	118.5	**1 498.4**

Geographical areas

Amounts in USD million	2013	2012
Operating revenue based on location of customer:		
Norway	**100.8**	55.4
India	**138.2**	132.6
Total	**239.0**	188.0
Total property, plant, equipment and intangibles by company location:		
Norway	**1 305.8**	1 180.8
USA	**13.7**	15.3
Total	**1 319.5**	1 196.1

IMPORTANT CUSTOMER

The Group has three customers that have been invoiced USD 139 million, USD 40 million and USD 38 million, respectively and thus each account for more than 10% of the Group revenue in 2013.

NOTE 9 OPERATING LEASE REVENUE

Leases in which a significant portion of the risks and rewards of ownership are retained by Ocean Yield are classified as operating leases. The lease agreements represent an obligation to deliver goods and services not yet produced and give Ocean Yield contractual rights to future deliveries.

Total operating lease revenue per segment:

Amounts in USD million	FPSO	Other Oil Service	Car Carriers	Total 2013	2012
Ordinary lease revenue	103.0	93.6	-	**196.6**	146.0
Contingent rent	5.2	-	-	**5.2**	4.7
Total operating lease revenue	108.1	93.6	-	**201.8**	150.7
Other operating revenue	19.4	-	-	**19.4**	18.4
Sale of assets	1.0	-	-	**1.0**	-
Mobilization fee, advances and deferred revenue	10.6	6.2	-	**16.8**	18.9
Total operating revenue	139.2	99.8	-	**239.0**	188.0

Future minimum lease payments under non-cancellable operating lease agreements

Amounts in USD million	FPSO	Other Oil Service	Car Carriers	Total 2013	2012
Duration less than one year	101.7	101.7	8.4	**211.8**	182.0
Duration between one and five years	380.3	390.5	103.4	**874.2**	793.0
Duration over five years	-	343.2	260.4	**603.6**	393.0
Total future minimum lease payments	482.0	835.4	372.3	**1 689.7**	1 368.0
Other order backlog	123.0	-	-	**123.0**	125.0
Total	605.0	835.4	372.3	**1 812.7**	1 493.0

FPSO

The Ocean Yield Group has entered into a charter contract and an operation and maintenance contract with Reliance Industries Ltd. for the lease and operations of the FPSO Dhirubhai-1 for a 10 year period that started in September 2008. Reliance has an option to purchase the FPSO, exercisable at any point over the time of the duration of the contracts.

The charter contract is treated as an operating lease and included in the revenue from operating leases above. The operation and maintenance contract is not classified as an operating lease agreement under IAS 17, and the revenue from this contract is reported under other operating revenue in the table above.

The agreements contain mechanisms for lease rental adjustment for downtime and shutdowns. The lease rental and the operating dayrate is payable in full at 95% uptime (or 5% downtime) of Dhirubhai-1. In case of shutdowns, the lease rental is not payable in the shutdown period. Furthermore lease rental payable on a monthly basis is adjusted for downtime experienced during the month. Downtime is a function of monthly loss of production measured against targeted production and is a consequence of reduction, stoppage in the oil and/or gas production or gas flaring for reasons attributable to Aker Floating Production ("AFP"), such as equipment break-down, maintenance and acts and omissions of AFP personnel. At downtime less than 5%, the monthly compensation is increased by a bonus where maximum achievable bonus is 5%. At downtime exceeding 5% the charter contract monthly compensation will be reduced in 1% steps up to 9%. With downtime above 9% the monthly compensation will be reduced by a percentage equal to the downtime. For the operation and maintenance contract the monthly compensation will be reduced by steps of 1% up to 15% downtime. For downtime above 15% the monthly compensation will not exceed 10%.

Budgeted downtime is included in the calculation of the non-cancellable future lease payments reported above. This has been estimated based on the experience from the first five years of operations. In 2013, the downtime was 0%. The

estimated downtime includes planned shutdowns for maintenance in 2014 and 2016. Potential bonus is not included in the non-cancellable lease rental income reported above.

OTHER OIL SERVICE

The Group's subsea, construction vessel Aker Wayfarer operates on a ten year bareboat charter to a wholly owned subsidiary of Aker Solutions ASA until 2020. The agreement does not contain any purchase options or contingent rent components.

The Group acquired the offshore construction vessel and cable lay vessel Lewek Connector in October 2012 and entered into a 10-year bareboat charter with EMAS AMC AS, a wholly-owned subsidiary of Ezra Holdings Ltd. ("Ezra"). The bareboat charter is fully guaranteed by Ezra. EMAS has options to acquire the vessel during the charter period, with the first option being exercisable after five years. The agreement does not contain any contingent rent components.

The Group has in 2013 acquired two anchor handling tug supply vessels, Far Senator and Far Statesman. The vessels have been chartered on 12-year bareboat charter contracts to Farstad Supply AS. Farstad has options to acquire the vessels during the charter period, with the first options being exercisable after five years. The agreements do not contain any contingent rent components.

The seismic vessel Geco Triton is chartered to the Schlumberger subsidiary Western Geco until December 2015. The agreement does not contain any purchase options or contingent rent components.

CAR CARRIERS

The Group entered in 2012 into newbuilding contracts for two pure car truck carriers (PCTC) of 6,500 car capacity with Daewoo Shipbuilding & Marine Engineering's. The vessels will be delivered in April and August 2014, and will after delivery be chartered on 12-year bareboat charter contracts to Höegh Autoliners. Höegh Autoliners has options to acquire the vessels during the charter period, with the first options being exercisable after five years. The agreements do not contain any contingent rent components.

The Group has in 2013 entered into newbuilding contracts for two pure car truck carriers (PCTC) of 8,500 car capacity with Xiamen Shipbuilding Industry Co. Ltd. The vessels will be delivered in January and April 2016, and will after delivery be chartered on 12-year bareboat charter contracts to Höegh Autoliners. Höegh Autoliners has options to acquire the vessels during the charter period, with the first options being exercisable after five years. The agreements do not contain any contingent rent components.

NOTE 10 WAGES, PERSONNEL EXPENSES AND OTHER OPERATING EXPENSES

Wages and personnel expenses consist of the following:

Amounts in USD million	2013	2012
Wages	**7.6**	7.6
Social security contributions	**1.0**	1.1
Pension costs	**0.5**	1.0
Other expenses	**0.3**	0.3
Total	**9.5**	10.1
Average number of employees	**18**	24
Number of employees at year end	**19**	19

Geographical split of number of employees per region

Norway	**18**	18
Other regions	**1**	1
Total	**19**	19

Other operating expenses consist of the following:

Amounts in USD million	2013	2012
External consultants and services other than audit	**2.8**	2.7
Services from related parties	**0.8**	0.7
Hired services (workforce)	**-**	1.8
Other operating expenses	**4.0**	5.0
Total	**7.6**	10.2

Payments/fees to auditors of the Ocean Yield Group included in other operating expenses above, are distributed as follows:

Amounts in USD thousand	Ordinary auditing	Other assurance services	Tax advisory services	Other non-audit services	2013	2012
Ocean Yield ASA *	86.9	-	2.3	421.2	**510.4**	83.7
Other consolidated companies	126.3	91.9	22.7	20.0	**260.8**	200.4
Total	213.2	91.9	25.0	441.2	**771.2**	284.1

The figures are exclusive of VAT.
*Other non audit services include USD 296 thousand which have been recognized directly against equity

NOTE 11 IMPAIRMENT CHARGES

Impairment charges include write-down of goodwill, impairment losses and reversal of impairment losses on vessels and other fixed assets.

Amounts in USD million	2013	2012
Impairment loss on vessels and other fixed assets (note 14)	-	**-5.9**
Sales loss	-	**-**
Total	**-**	**-5.9**

Impairment on fixed assets of USD 5.9 million in 2012 was due to write down of FPSO candidate (SMART 2) hull and equipment in Aker Floating Production. FPSO candidate (SMART 2) was sold in 2012.

NOTE 12 FINANCIAL INCOME AND FINANCIAL EXPENSES

Net financial income/expense recognized in profit and loss:

Amounts in USD million	2013	2012
Interest income on unimpaired investments available for sale	**17.3**	7.8
Interest income on bank deposits and receivables at amortized cost	**0.5**	0.9
Net other financial income	**1.9**	0.2
Total financial income	**19.7**	8.9
Interest expense on financial obligations measured at amortized cost to external companies	**-26.5**	-18.5
Interest expense on financial obligations measured at amortized cost to related parties	**-**	-7.9
Net foreign exchange loss (-) / gain(+)	**-0.1**	-7.4
Change in mark to market of derivatives	**-10.0**	-1.7
Net other financial expenses	**-9.0**	-6.1
Total financial expenses	**-45.6**	-41.6
Net financial items	**-26.0**	**-32.7**

The financial income and expenses above include the following interest income and costs in respect of assets (liabilities) not recognized at fair value through profit and loss:

Total interest income on financial assets	**17.8**	8.7
Total interest cost on financial liabilities	**-26.5**	-26.4

Financial items in other comprehensive income consist of the following:

Amounts in USD million	2013	2012
Change in fair value reserve, before tax	**11.5**	-
Total	**11.5**	-

NOTE 13 TAX

Income tax expense

Amounts in USD million	2013	2012
Current tax expense:		
Tax expense current year	**-0.4**	-0.2
Total current tax expense	**-0.4**	-0.2
Deferred tax expense:		
Origination and reversal of temporary differences	**3.3**	0.9
Change in tax rate	**-0.4**	-
Total deferred tax expense	**2.9**	0.9
Total income tax expense	**2.5**	0.8

Temporary differences consist of		
Vessels and other fixed assets	**159.0**	179.7
Receivables	**-3.5**	-6.8
Capital gains and loss reserve	**-18.2**	-25.4
Deferred income	**-42.3**	-55.5
Withholding tax	**-94.7**	-82.3
Other differences	**6.3**	-2.2
Total	**6.6**	7.5
Tax losses	**-326.6**	-346.7
Deferred tax base assets	**-319.9**	-339.3
Deferred tax assets	**86.4**	95.0
Deferred tax assets and liabilities not been recognised	**-76.1**	-84.9
Net deferred tax assets and liabilities	**10.3**	10.1

Net deferred tax assets and liabilities recorded as follows:

Deferred tax assets	**10.5**	10.1
Deferred tax liabilities	**-0.2**	-
Net deferred tax assets and liabilities	**10.3**	10.1

Deferred income tax assets are recognized for all deductible temporary differences and all carry-forwards of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which such deductible temporary differences and carry-forwards can be used. Estimates of future taxable profits show that the Group may be able to utilize significant parts of the tax loss carry forwards. However, as a consequence of limited historic taxable earnings, the Group has recognized only a limited amount as of 31 December 2013 and 2012.

The tax losses carried forward reported above is mainly related to Norwegian entities, and has no expiration date. Withholding tax paid in India on revenue related to Dhirubhai -1 is reported in the temporary differences above in the line withholding tax. This can be deducted from tax payables in Norway for the next five years.

The tax rate in Norway will change from 28% to 27% from 1 January 2014. The new tax rate of 27% has been used when calculating deferred taxes as of 31 December 2013.

The tax (charge)/credit relating to components of other comprehensive income is as follows:

Amounts in USD million	Comprehensive income before tax	Tax 2013	Comprehensive income after tax
Changes in fair value of available for sale financial assets	11.5	-3.1	8.4
Remeasurements of defined benefit liability (asset)	0.1	-	0.1
Currency translation differences	-9.7	-	-9.7
Other comprehensive income	**1.9**	**-3.1**	**-1.3**

Amounts in USD million	Comprehensive income before tax	Tax 2012	Comprehensive income after tax
Currency translation differences	9.4	-	9.4
Other comprehensive income	**9.4**	**-**	**9.4**

The income tax (charged)/credited directly to equity during the year is as follows:

Amounts in USD million	Before tax Tax	Tax 2013	After tax tax
Expenses related to raising new equity	-4.8	1.3	-3.5
Impact of implementing IAS 19R	1.1	-0.3	0.8
Total	**-3.8**	**1.0**	**-2.7**

Amounts in USD million	Before tax Tax	Tax 2012	After tax tax
	-	-	-
Total	**-**	**-**	**-**

Reconciliation of effective tax rate

Amounts in USD million	2013	2012
Profit before tax	**80.2**	26.9
Nominal tax rate in Norway 28%	**-22.4**	-7.5
Effect of tax rates in foreign jurisdictions	**-0.3**	-0.3
Expenses not deductible for tax purposes	**-0.8**	-1.2
Adjustment to gross revenue -due to withholding tax in India	**-1.6**	-1.6
Utilization of previously unrecognized tax losses	**10.5**	5.2
Tax losses for which no deferred income tax asset was recognized	**-0.5**	-4.3
Companies within tonnage tax legislation	**11.8**	7.9
Other differences	**5.9**	2.6
Total income tax expenses	**2.5**	0.8

The tax figures are based on preliminary estimates of non-taxable income, non-tax deductible items and temporary differences between the financial accounts and the tax accounts. The final result will be calculated in relation to the tax return and may differ from the estimates above.

Movement in net deferred tax assets and liabilities is as follows:

31.12.2013

Amounts in USD million	Net balance at 1 January	Recognized in profit and loss	Recognized in OCI	Recognized directly in equity	Translation difference	Net balance at 31 December
Vessels and other fixed assets	-50.3	7.4	-	-	-	**-42.9**
Receivables	1.9	2.2	-3.1	-	-	**0.9**
Capital gains and loss reserve	7.1	-2.2	-	-	-	**4.9**
Deferred income	15.5	-4.1	-	-	-	**11.4**
Withholding tax	23.0	2.5	-	-	-	**25.6**
Other differences	0.6	-3.3	-	1.0	-	**-1.7**
Tax losses	97.1	-8.4	-	-	-0.5	**88.2**
Deferred tax assets and liabilities not recognized	-84.9	8.9	-	-	-	**-76.1**
Net deferred tax assets (+) and liabilities (-)	**10.1**	**2.9**	**-3.1**	**1.0**	**-0.6**	**10.3**

31.12.2012

Amounts in USD million	Net balance at 1 January	Recognized in profit and loss	Recognized in OCI	Recognized directly in equity	Translation difference	Net balance at 31 December
Vessels and other fixed assets	-56.3	6.0	-	-	-	-50.3
Receivables	2.8	-0.9	-	-	-	1.9
Capital gains and loss reserve	2.5	4.6	-	-	-	7.1
Deferred income	16.9	-1.4	-	-	-	15.5
Withholding tax	16.2	6.8	-	-	-	23.0
Other differences	0.3	0.4	-	-	-	0.6
Tax losses	99.9	-3.4	-	-	0.6	97.1
Deferred tax assets and liabilities not recognized	-73.7	-11.2	-	-	-	-84.9
Net deferred tax assets (+) and liabilities (-)	8.6	0.9	-	-	0.6	10.1

NOTE 14 VESSELS AND OTHER FIXED ASSETS

	Vessels		Advances on vessels under construction	Machinery, vehicles	
Amounts in USD million	**FPSO**	**Other Oil Service**	**Car Carriers**	**FPSO**	**Total**
Cost balance at 1 January 2012	920.4	302.6	-	4.8	**1 227.8**
Capital expenditure	-	315.0	12.3	-	**327.3**
Disposals	-44.6	-	-	-	**-44.6**
Effect of movements in foreign exchange	-	17.2	-	-	**17.2**
Cost balance at 31 December 2012	875.8	634.8	12.3	4.8	**1 527.7**
Capital expenditure	1.3	208.2	39.3	1.4	**255.5**
Disposals	-	-	-	-3.5	**-3.5**
Effect of movements in foreign exchange	-	-34.0	-	-0.2	**-34.2**
Cost balance at 31 December 2013	877.1	814.3	51.6	2.5	**1 745.6**
Accumulated depreciation and impairment losses at 1 January 2012	-258.9	-45.9	-	-4.6	**-309.4**
Depreciation charge of the year	-65.5	-20.2	-	-0.1	**-85.8**
Impairment	-5.9	-	-	-	**-5.9**
Disposals	33.1	-	-	-	**33.1**
Effect of movements in foreign exchange	-	-1.9	-	-	**-1.9**
Accumulated depreciation and impairment losses at 31 December 2012	-297.2	-68.0	-	-4.7	**-369.9**
Depreciation charge of the year	-65.3	-36.1	-	-0.2	**-101.6**
Impairment	-	-	-	-	**-**
Disposals	-	-	-	3.5	**3.5**
Effect of movements in foreign exchange	-	3.5	-	0.1	**3.6**
Accumulated depreciation and impairment losses at 31 December 2013	-362.5	-100.6	-	-1.3	**-464.4**
Balance at 31 December 2012	**578.6**	**566.8**	**12.3**	**0.1**	**1 157.8**
Balance at 31 December 2013	**514.6**	**713.7**	**51.6**	**1.2**	**1 281.1**

CAPITAL EXPENDITURE

The Group has in 2013 acquired two anchor handling tug supply vessels (AHTS). The vessels were delivered in March and June 2013 and are chartered on 12-year bareboat charter contracts to Farstad Supply AS. Farstad Supply has options to acquire the vessels during the charter period, with the first options being exercisable after five years. The total price of the vessels were NOK 1 232 million.

The Group has in 2013 entered into newbuilding contracts for two pure car truck carriers (PCTC) of 8,500 car capacity with Xiamen Shipbuilding Industry Co. Ltd. The vessels will be delivered in January and April 2016, and will after delivery be chartered on 12-year bareboat charter contracts to Höegh Autoliners. Höegh Autoliners has options to acquire the vessels during the charter period, with the first options being exercisable after five years. The contract price will be paid in four installments, where 70% of the contract price will be paid upon completion and delivery. During the construction period the title to and the risk of the vessels is with the ship builder. In 2013 USD 12.6 million have been paid in advances. In addition USD 0.2 million in borrowing costs have been capitalized as part of the acquisition cost of the vessels. This has been calculated using an interest rate of LIBOR +7.07%.

The Group entered in 2012 into newbuilding contracts for two pure car truck carriers (PCTC) of 6,500 car capacity with Daewoo Shipbuilding & Marine Engineering's. The vessels will be delivered in April and August 2014, and will after delivery be chartered on 12-year bareboat charter contracts to Höegh Autoliners. Höegh Autoliners has options to acquire the vessels during the charter period, with the first options being exercisable after five years. The contract price will be paid in four installments, where 70% of the contract price will be paid upon completion and delivery. During the construction period the title to and the risk of the vessels is with the ship builder. In 2013 USD 24.6 million have been paid in advances. In addition USD 1.9 million in borrowing cost has been capitalized as part of the acquisition cost of the vessels. This has been calculated using an interest rate of LIBOR +7.07%.

DEPRECIATIONS

Depreciation is recognized in profit and loss on a straight-line basis over the estimated useful lives of each major component of an item of property, plant and equipment.

Estimated useful lives for the current and comparative periods are as follows:

Vessels: 10-25 years

Machinery, vehicles: 3-15 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting period.

EFFECT OF EXCHANGE RATE FLUCTUATIONS

This translation difference is attributable to the fluctuations in the NOK/USD ratio for three vessels owned by companies with NOK as the functional currency.

Contractual obligations

The Group has the following contractual obligations related to the purchase of vessels:

Amounts in USD million	FPSO	Other Oil Service	Car Carriers	Total
Due in 2014	-	-	98.6	**98.6**
Due in 2015	-	-	12.5	**12.5**
Due in 2016	-	-	87.2	**87.2**
Total	**-**	**-**	198.2	**198.2**

The obligations above are related to four Pure Car Truck Carrier vessels. For more information about the vessels see section Capital expenditure above. Long term financing have been secured for all the vessels for a total amount of USD 186 million. For more information regarding the financing see note 22.

NOTE 15 INTANGIBLE ASSETS

Movements in intangible assets are shown below:

	Goodwill	
Amounts in USD million	**2013**	**2012**
Cost balance at 1 January	**125.8**	125.8
Cost balance at 31 December	**125.8**	125.8
Accumulated amortization and impairment losses at 1 January	**-87.5**	-87.5
Accumulated amortization and impairment losses at 31 December	**-87.5**	-87.5
Carrying amount at 31 December	**38.3**	38.3

IMPAIRMENT TESTING FOR CASH GENERATING UNITS CONTAINING GOODWILL

The Company is reviewing goodwill for impairment on a yearly basis or more frequently if circumstances indicate any impairment. The test is performed at year end. An impairment loss is recognized if the estimated recoverable amount is lower than the carrying amount of the asset.

The main objective for the Ocean Yield Group in making impairment calculations is to ensure consistency in the assumptions being used. Any changes in the assumptions from prior periods are explained.

On 31 December 2013, goodwill of USD 38.3 million is related to the subsidiary Aker Floating Production.

AKER FLOATING PRODUCTION

At the end of 2013 goodwill related to Aker Floating Production is USD 38.3 million. No write-downs were made in 2013 or 2012. The goodwill originates from the acquisition of Aker Contracting FP ASA in 2006, which had developed the AKER S.M.A.R.T concept for constructing a generic, cost effective FPSO.

The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. For Aker Floating Production this is found by calculating the value in use. This has been determined by estimating the contractual discounted cash flows. The calculations are based on future cash flows, budgets and strategic objectives. Currently the FPSO is on a contract with Reliance Industries Ltd. that expires in September 2018. The projected cash flows used in the calculations cover the period until this contract expires, and are based on Aker Floating Production`s, long term budget. The cash flows represent management's best estimate and reflect the organization's experience with current operations.

The projected cash flows are estimated using dayrates as defined by the charter and the operation and maintenance contracts, where the dayrates from the operation and maintenance contract annually increase with five percent. Bonus has been included based on estimated FPSO downtime. The estimated FPSO downtime includes planned shutdowns for maintenance in 2014 and 2016 and additional estimated shutdowns with a reduction in bonus payments at specific intervals every year. The achieved uptime in 2013 was 99.9%, and the average uptime since final acceptance certificate 1st July 2009 has been 99.2%.

Operating expenses have been included with an annual increase of three to five percent. In addition, expenses due to wear and tear of equipment have been included. Other indirect expenses are estimated with an annual increase of two percent. As terminal value in the calculation, the purchase option price in 2018 of USD 255 million is used. The cash flows are adjusted with estimated tax expenses.

The cash flows used in the calculations is after tax. Thus, the applied discount rate is also after tax. The discount rate used is 6.51%, which equals a pre tax rate of 7.34%. The discount rate is estimated as a weighted average of the required return on equity and expected borrowing costs (WACC), at an expected long-term equity ratio of 35 percent. The equity ratio has been increased from 30 percent in 2012. The capital asset pricing model for a peer group of companies within the same sector has been applied when calculating the WACC. As debt cost a five year USD swap rate has been used, with a margin that reflects long term financing in current market.

Calculating the value in use, by estimating the contractual discounted cash flows requires subjective judgments. The calculation is also subject to estimates that may fluctuate. A sensitivity analysis is performed based on two key scenarios that management considers to be the most obvious and relevant to show how changes in the base assumptions influence the value in use:

A) An increase in the discount rate of 50 percent

B) An increase in downtime to 5 percent throughout the period i.e. bonus is not payable any months in the period

Neither scenario A nor B caused any impairment.

Consequently, the remaining goodwill of USD 38.3 million is adequately supported by the projected cash flows from the FPSO Dhirubhai-1 contract.

NOTE 16 INTEREST-BEARING LONG TERM RECEIVABLES

Amounts in USD million	2013	2012
Restricted deposits 1)	**20.1**	20.0
American Shipping Company ASA bonds 2)	**168.3**	151.8
Total	**188.4**	171.8

1) Restricted deposits relates to the loan agreement in Aker Floating Production of USD 20.1 million.

2) Ocean Yield owns 93,05% of the unsecured bonds American Shipping Company ASA 07/18, (ISIN NO0010356512), with maturity in 2018 (the "Bonds"). The Bonds carry interest at NIBOR + 4.75% p.a. and AMSC can choose to pay interest as Payment in Kind ("PIK"), where accrued interest is added to the principal outstanding each quarter.

   In December 2013 AMSC carried out a recapitalization of the Company where the bond loan agreement was amended with effect from 3 January 2014. In the amended bond loan agreement the Bond loan is denominated in USD with an interest of LIBOR + 6.00% p.a. The structure of the loan was changed from an all-PIK-interest structure to 50/50 PIK/cash interest. The cash interest portion will further increase to 70% as from the refinancing of AMSC's external bank debt (which matures in June 2016), and to 90% as from 12 months after such refinancing. Finally, 100% of interest will be payable in cash as from 24 months after such refinancing has taken place. Until the refinancing of the senior secured bank facility, AMSC will have an option to extend the maturity date of the Bonds from 28th February 2018 to 28th February 2021. If this extension option is exercised the margin of the Bonds will increase by 2.5% p.a. In addition the margin will increase by 0.5% p.a. for every 12-month period the Bond is outstanding after the extension option is exercised.

The Bonds have been classified as an available-for-sale financial asset, presented at fair value in the balance sheet. As there are limited observable prices for the Bonds the fair value has been calculated by discounting the estimated cash flows with an applicable discount rate. The estimated cash flows used in the calculations reflect the amendments to the bond loan agreement. The three months forward LIBOR curve has been applied in the calculations. It is further assumed that the cash interests increases to 70% in September 2016. In the amended bond loan agreement, AMSC has been given the option to extend the maturity of the loan from February 28th 2018 to February 28th 2021.This has not been included in the estimated cash flows. If this option is exercised the interest margin will increase with 250 basis points and all interest will be payable in cash. The estimated cash flows are discounted using a discount rate of 11%. This gives a fair value of USD 168.3 million, which equals 89.6% of the amount outstanding as of 31 December 2013.

NOTE 17 TRADE AND OTHER SHORT TERM INTEREST-FREE RECEIVABLES

Trade and other short term interest-free receivables comprise of the following items:

Amounts in USD million	2013	2012
Trade receivables	**14.9**	8.0
Provision for impairment of trade receivables	**-1.1**	-1.1
Other short term interest-free receivables	**2.5**	8.9
Total	**16.4**	15.8

NOTE 18 CASH AND CASH EQUIVALENTS

The Group has the following amount of cash and cash equivalents:

Amounts in USD million	2013	2012
Total cash and cash equivalents	**132.9**	104.6

Of this is USD 0.3 million restricted. In addition the Group has USD 20 million in restricted cash classified as long term assets (see note 16).

NOTE 19 EARNINGS PER SHARE, DIVIDEND PER SHARE AND PAID-IN EQUITY

Earnings per share

Calculation of profit from continued and discontinued operations to equity holders of the Group:

Amounts in USD million	2013	2012
Continued operations:		
Net profit (loss) after tax from continued operations	**82.7**	27.7
Non-controlling interests		-
Profit from continued operations attributable to equity holders of the Group	**82.7**	**27.7**
Discontinued operations		
Net profit (loss) after tax from discontinued operations	**N/A**	N/A
Non-controlling interests	**N/A**	N/A
Profit from discontinued operations attributable to equity holders of the Group	**-**	-
Total profit attributable to equity holders of the Group	**82.7**	**27.7**
Ordinary shares outstanding at 31 December	**133 783 514**	100 000 000
Weighted average number of shares (basic)	**116 733 050**	100 000 000
Basic earnings per share (USD)	**0.71**	0.28
Weighted average number of shares	**116 733 050**	100 000 000
Effect of shares from incentive scheme on issue*	**1 001**	-
Weighted average number of shares (diluted)	**116 734 051**	100 000 000
Diluted earnings per share (USD)	**0.71**	0.28

*In 2013, Ocean Yield ASA implemented an incentive scheme pursuant to which the members of the Executive team and certain other key employees are entitled to bonuses calculated on the basis of the development of the market price of the shares and dividends paid on the shares. A part of the share price increase bonus is settled in shares. In addition the scheme participant can require that the share price increase bonus are settled in shares rather than cash and the parties can agree to settle any dividend bonus in shares rather than cash. In cases of settlement of bonus in shares, the settlement shares shall be subscribed or purchased by the scheme participant at a price equal to the closing price less 20%. The shares must be held by the scheme participant for three years. For more details regarding the management incentive scheme see the consolidated financial statements for Ocean Yield Group ASA, note 27. As of year-end 2013 a provision of USD 1.9 million was made related to the share price increase bonus. In February 2014 parts of this bonus was settled in shares, and 365 428 new shares were issued. These shares have been included in the calculation of diluted earnings per share.

Dividends

	2013	2012
Paid dividend per share (USD)	**0.52**	-
Total dividend paid (USD million)	**56.0**	-
Proposed dividend per share for the 4th quarter 2013 (USD)	**0.12**	-
Proposed dividend for the 4th quarter 2013 (USD million)	**16.4**	-
Proposed dividend per share year-end (USD)	**-**	0.4
Proposed dividend year-end (USD million)	**-**	40

Ocean Yield ASA has in 2013 initiated quarterly dividends to its shareholders.

Paid in capital

At 31 December 2013 Ocean Yield ASA share capital consists of the following:

	in NOK	in USD
Number of ordinary shares	133 783 514	133 783 514
Par value	10	1.7
Total par value (million)	**1 337.8**	**221.6**
Share premium (million)	2 373.9	393.4
Other paid in capital (million)	355.2	59.2
Total paid in capital (million)	**4 067.0**	**674.2**

All shares have equal voting rights and are entitled to dividends.

Change in number of shares:

	2013	2012
Number of shares outstanding 1.1	**100 000 000**	100 000 000
IPO	**33 736 110**	-
Issuance of shares related to management incentive scheme	**47 404**	-
Number of shares outstanding 31.12	**133 783 514**	100 000 000

Current board authorisations

At an extraordinary general meeting on 30 May 2013, Ocean Yield ASA's shareholders gave the board an authorization to increase the share capital with maximum NOK 130 million. The authorization is valid until the 2014 annual general meeting. In the period 30 May 2013 to 19 March 2014 the share capital has been increased with NOK 1.3 million and the share premium with NOK 10.1 million related to this authorization.

The 20 largest shareholders as of 31 December 2013

Shareholders	Number of shares	Percent
Aker ASA[1)]	98 242 575	73.4%
Goldman Sachs & Co Equity Segregat	11 152 277	8.3%
J.P. Morgan Luxembourg S.A.	4 833 560	3.6%
Euroclear Bank S.A./N.V. ('Ba')	3 477 275	2.6%
J.P. Morgan Chase Bank N.A. London	1 666 524	1.2%
Fidelity Funds-Nordic Fund/Sicav	1 295 200	1.0%
J.P. Morgan Clearing Corp.	1 216 411	0.9%
Goldman Sachs & Co - Equity	890 200	0.7%
SEB Private Bank S.A. (Extended)	617 310	0.5%
Mp Pensjon Pk	535 113	0.4%
Morgan Stanley & Co Llc	524 292	0.4%
Skandinaviska Enskilda Banken Ab	287 249	0.2%
Schroder Internation.Selection FD	268 544	0.2%
Finmarine AS[2)]	218 083	0.2%
Nergaard Investment Partners AS	211 030	0.2%
Vpf Nordea Norge Verdi	195 723	0.1%
Skandinaviska Enskilda Banken Ab	188 200	0.1%
UBS AG	174 100	0.1%
KBC Securities NV	154 651	0.1%
GTBA Forvaltning AS	130 000	0.1%
Other	7 505 197	5.6%
Total	**133 783 514**	**100%**

[1)] Kjell Inge Røkke controls 67.8% of the shares in Aker ASA through his ownership of the TRG companies.

[2)] Finmarine AS is owned by the CEO Lars Solbakken.

NOTE 20 GROUP ENTITIES

The subsidiaries in the Ocean Yield Group accounts at end of 2013 are presented in the table below. Companies owned directly by Ocean Yield ASA are highlighted.

			Business address	
Amounts in USD million	**Group's ownership in%**	**Group's share of votes in%**	**City location**	**Country**
Aker Floating Production AS	100.00	100.00	Oslo	Norway
AFP Operations AS	100.00	100.00	Oslo	Norway
Aker Contracting FP ASA	100.00	100.00	Oslo	Norway
Aker Floating Operations Publ Ltd	100.00	100.00	Limassol	Cyprus
Aker Smart FP AS	100.00	100.00	Oslo	Norway
Aker Invest AS	100.00	100.00	Oslo	Norway
Aker Invest II KS	100.00	100.00	Oslo	Norway
American Champion Inc	100.00	100.00	Seattle	USA
New Pollock LP Inc	99.00	99.00	Seattle	USA
Aker ShipLease AS	100.00	100.00	Oslo	Norway
Aker ShipLease 1 AS	100.00	100.00	Oslo	Norway
Aker ShipLease 2 AS	100.00	100.00	Oslo	Norway
Connector 1 Holding AS	100.00	100.00	Oslo	Norway
Connector 1 AS	100.00	100.00	Oslo	Norway
F-Shiplease Holding AS	100.00	100.00	Oslo	Norway
F-Shiplease AS	100.00	100.00	Oslo	Norway
LH Shiplease AS	100.00	100.00	Oslo	Norway
LH Shiplease 1 AS	100.00	100.00	Oslo	Norway
Ocean Holding AS	100.00	100.00	Oslo	Norway
OCY Albany AS	100.00	100.00	Oslo	Norway

NOTE 21 FOREIGN CURRENCY EXCHANGE RATES

In the consolidated accounts of Ocean Yield, the following exchange rates have been applied in translating the accounts of subsidiaries with functional currency other than USD.

Country	Currency		Average rate 2013	Rate at 31 Dec. 2013	Average rate 2012	Rate at 31 Dec. 2012
Norway	NOK	100	17.02	16.48	17.18	17.93
The European Union	EUR	1	1.33	1.38	1.29	1.32

The average rate and rate at 31 December have been applied in translation of profit and loss and balance sheet items, respectively. The average rate is used in translation of profit and loss. If the average exchange rate for the period does not provide a fair estimate of the transaction rate, the actual transaction rate is used.

NOTE 22 INTEREST-BEARING LOANS AND LIABILITIES

Interest-bearing loans and liabilities are allocated between group companies and external as follows:

Amounts in USD million	2013	2012
Secured bank loans	**774.4**	752.8
Unsecured bond loans	**97.4**	105.5
Total	**871.8**	858.4

Whereof 1. year installments:

Amounts in USD million	2013	2012
Secured bank loans	**127.0**	111.8
Total	**127.0**	111.8
Long- term Interest-bearing liabilities	**744.8**	746.6

Change in the Group´s interest-bearing liabilities:

Amounts in USD million	Secured loans	Unsecured bond loans	Short-term interest bearing liabilities, related parties	2013	2012
Interest- bearing liabilities at 1 January	752.8	105.5	-	**858.4**	909.9
Debt converted to equity	-	-	-	**-**	-323.1
New loans	178.7	-	20.0	**198.7**	346.6
Instalments	-132.3	-	-20.0	**-152.3**	-96.6
Amortization of loan fees	5.5	0.6	-	**6.1**	-3.4
Effect of movement in foreign exchange	-30.3	-8.7	-	**-39.0**	25.0
Interest-bearing liabilities at 31 December	**774.4**	**97.4**	**-**	**871.8**	858.4

Amounts in million	Type	Collateral	Book value of asset used as collateral	Currency	Nominal interest rate	Maturity	Carrying amount in million nominal currency	Carrying amount USD million
FPSO								
DNB syndicated loan	Secured loan	Dhirubhai-1	514.6	USD	Libor + 1.50%	2018	272.5	**272.5**
Total FPSO			514.6					**272.5**
Other Oil Service								
Eksportkreditt Norge AS	Secured loan	Aker Wayfarer	206.2	NOK	Nibor + 1.05%	2022	924.5	**152.4**
Eksportkreditt Norge AS	Secured loan	Lewek Connector	297.5	USD	Libor + 1.38%	2024	187.2	**187.2**
DNB Livsforsikring	Secured loan	Lewek Connector		USD	Libor + 1.50%	2024	17.5	**17.5**
Eksportkreditt Norge AS	Secured loan	Far Senator	97.8	NOK	3.69%	2025	439.4	**72.4**
Eksportkreditt Norge AS	Secured loan	Far Statesman	98.5	NOK	3.69%	2025	439.4	**72.4**
Total Other Oil Service			**699.9**					**501.9**
Ocean Yield ASA								
Unsecured bond issue 12/17 FRN	Unsecured bond loan			NOK	3 mnth Nibor + 6.50%	July 6 2017	590.9	**97.4**
Total Ocean Yield ASA							**590.9**	**97.4**
Total interest-bearing liabilities								**871.8**
Whereof 1. year installments								**127.0**
Total interest-bearing long-term liabilities								**744.8**

FPSO

DHIRUBHAI-1

The bank loan is secured in the vessel Dhirubhai-1.The loan is repaid in instalments payable every third month and matures on the earliest of (i) the expiry of the charter contract of Dhirubhai-1, for any reason, and (ii) 31 May 2018. In addition to the quarterly installments the loan agreement contains a cash sweep provision pursuant to which the loan shall be repaid with 50% of the Aker Contracting FP ASA's excess cash for each financial year.

The loan agreement comprise of a term loan facility (facility A) of up to USD 565 million and a guarantee facility (facility B) of up to USD 18 million for Aker Contracting FP ASA's obligations under the charter contract and the operation and maintenance agreement for the Dhirubhai-1. In 2013 an additional subordinated facility (Facility C) of USD 17 million was included in the loan agreement. At year end 2013 Ocean Yield ASA was the counterparty of this new facility.

Facility A carries an interest rate of LIBOR plus 1.50% per annum. The Company has used interest rate derivatives in order to effectively fix the LIBOR interest rate under facility A for a principal amount of USD 50 million at 0.869% (until July 2016), and USD 50 million at 0.6% (until February 2016). Under the guarantee facility, facility B, a guarantee commission of the aggregate of 0.60% per annum and incurred costs or fees is paid. Facility C carries an interest rate of LIBOR plus 4.0% per annum.

The facility includes financial covenants on Aker Floating Production Group, which include a blocked cash account with a deposit of USD 20 million, a debt service cover ratio of minimum 1.15, minimum book equity (on a consolidated basis) of USD 200 million and an equity ratio of at least 25%. The Group was in compliance with covenants at year end 2013 and 2012.

The facility is not guaranteed by Ocean Yield ASA.

OTHER OIL SERVICE

WAYFARER

The bank loan is secured in the vessel Aker Wayfarer. In addition the shares in Aker Ship Lease 1 AS (the owner of Aker Wayfarer) has been used as pledge (book value 31.12.13 USD 161 million). The facility comprise of a term loan facility of NOK 1,238 million, which is guaranteed in full by a NOK 247.6 million commercial guarantee issued by DNB Bank as original commercial guarantor, and a NOK 990.4 million guarantee policy issued by GIEK. The term loan carries an interest of NIBOR + 1.05%. The guarantee commission to GIEK and DnB accrues at a rate of 1.75% per annum.

Installments and interest are paid semi-annually. The facility matures in October 2022, but the portion guaranteed by DnB has to be renewed after five years, which will be in 2015. Previously the loan was funded by Eksportfinans ASA, but was moved to Eksportkreditt Norge AS in September 2013.

The facility is not guaranteed by Ocean Yield ASA.

The facility includes financial covenants which include a minimum liquidity of NOK 10 million, and a debt to equity ratio in Aker ASA which cannot exceed 0.8. The Group was in compliance with covenants at year end 2013 and 2012.

LEWEK CONNECTOR

The bank loans are secured in the vessel Lewek Connector. In addition the shares in Connector 1 AS (the owner of Lewek Connector) has been used as pledge (book value 31.12.13 USD 80 million). The facility comprises of a facility A tranche of approximately USD 215 million with Eksportkreditt Norge AS as lender, and a facility B tranche of approximately USD 19 million with DNB Livsforsikring AS as lender. The facility A tranche is guaranteed in full by a commercial guarantee of USD 85 million issued by DNB Bank as commercial guarantor and a guarantee policy issued by GIEK of USD 130 million.

The facility A tranche carries an interest rate of NIBOR plus 1.38% per annum and the facility B tranche carries an interest of NIBOR plus 1.5% per annum. The Company has used interest rate derivatives in order to effectively fix the interest rate under the facility for a principal amount of USD 50 million at 0.71% (until May 2017), USD 50 million at 0.885% (until December 2016) and USD 75 million at 1.275% (Until August 2017). The commercial guarantee and the GIEK guarantee is subject to a guarantee commission of 1.60% per annum.

Installments on both facilities are paid semi-annually. The loan matures in May 2024. The commercial guarantee is, however, subject to renewal in May 2017.

Ocean Yield ASA has guaranteed the borrower's obligations under the facility.

The facility includes financial covenants under which the borrower (on a consolidated basis) must maintain an interest cover ratio of no less than 1.2:1. In addition the Ocean Yield Group must maintain an equity ratio of minimum 25% on a consolidated basis, an aggregate book value of total equity of at least USD 300 million, an interest cover ratio of no less than 2:1, a positive working capital and a minimum liquidity above USD 25 million, or USD 40 million in the event the interest cover ratio is less than 2.5:1, of which at least 50% shall be held in the borrower and/or Ocean Yield ASA. Further, the minimum fair market value of the vessel shall not be less than 125% of the outstanding loans under the facility. The Group was in compliance with covenants at year end 2013 and 2012.

FAR SENATOR/FAR STATESMAN

The bank loans are secured in the vessels Far Senator and Far Statesman. In addition the shares in F-Shiplease AS (the owner of Far Senator and Far Statesman) has been used as pledge (book value 31.12.13 USD 0.0 million). The facility comprise of two term loan facilities split in sub-facilities: a term loan facility A of up to NOK 916.2 million with Eksportkreditt Norge AS as lender, divided into a facility A1 commitment of NOK 458.1 million and a facility A2 commitment of NOK 458.1 million; and a term loan facility B of up to NOK 68.7 million with Swedbank AB as lender, divided into a facility B1 commitment of up to NOK 34.3 million and a facility B2 commitment of up to NOK 34.3 million. The facility A tranche is guaranteed by commercial guarantees of NOK 300 million issued by Swedbank AB and NOK 100 million issued by Sparebanken Møre and guarantee issued by GIEK of NOK 516.2 million.

The facility A loans carry fixed interest rates of 3.69% per annum, whereas the facility B loans carry floating interest rates of NIBOR plus 3.5% per annum. Guarantee commissions of 1.60% per annum accrue from day to day in respect of the commercial guarantees and the GIEK guarantees.

Installments on facility A are paid semi-annually. The facility A matures in 2025. Facility B shall be paid in full five years after delivery of the vessels, unless extended. The commercial guarantees are subject to renewal after five years from the delivery of the respective vessel.

Ocean Yield ASA has guaranteed the borrower's obligations under the facility.

The facility includes financial covenants as to equity ratio, interest cover ratio and minimum liquidity at the Ocean Yield Group level. At all times, the Groups equity ratio shall not be less than 25%, the interest cover ratio not less than 2.00:1, and the minimum liquidity not less than the higher of USD 25 million and 3% of net interest-bearing debt. Further, the minimum fair market value of the vessels shall not be less than 120% of the outstanding loans under the facility. The Group was in compliance with covenants at year end 2013 and 2012.

CAR CARRIERS

HÖEGH 4401/ 4402

The Ocean Yield Group has entered into a USD 92 million pre- and post-delivery term loan facility with Skandinaviska Enskilda Banken as agent to finance the two Pure Car Truck Carriers that will be delivered in 2014. The facility comprise of two tranches of USD 6.15 million each, which are available prior to the delivery of the vessels, and two tranches of USD 39.85 million each to be made available borrower upon vessel delivery.

The loans under the facility carry an interest rate of LIBOR plus 3.25% per annum. Each loan shall be repaid in quarterly consecutive instalments of 1/60 of the outstanding loan, with the final maturity date falling five years from vessel delivery. The Company has used interest rate derivatives in order to effectively fix the interest rate under the facility for a principal amount of USD 46 million at an average rate of 1.63% (until April 2018).

The PCTC vessels will be used as collateral under the facility. Ocean Yield ASA has guaranteed the borrower's obligations under the facility.

The facility includes financial covenants as to equity ratio, interest coverage ratio and minimum liquidity and equity at Ocean Yield Group level. At all times, the Groups equity ratio shall not be less than 25%, the interest cover ratio not be less than 2.00:1, the minimum liquidity not less than the higher of USD 25 million and 3% of its net interest-bearing debt, and the total book equity not less than USD 300 million. Further, the minimum fair market value of the vessels shall at no times be less than 120% of the outstanding loans under the facilities.

As of 31 December 2013, no amounts had been drawn under the Facility.

HÖEGH XS1462E/XS1462F

The Ocean Yield Group has entered into a USD 94 million term loan and revolving facility with Nordea Bank Norge ASA as agent to finance the two Pure Car Truck Carriers that will be delivered in 2016. The facility comprise a term loan facility (facility A), which will be available in two loans in an amount of up to USD 37 million each, and a revolving credit facility (facility B) in the aggregate of USD 20 million.

The loans under the facility carry an interest rate of LIBOR plus 2.85% per annum. Facility A shall be repaid in quarterly consecutive instalments of USD 783,334 and Facility B shall be repaid upon the final maturity date. The final maturity date is five years from delivery of the second vessel. The Company has used interest rate derivatives in order to effectively fix the interest rate under the facility for a principal amount of USD 47 million at 1.892% (until January 2021), and USD 47 million at 2.128% (until January 2021).

The PCTC vessels will be used as collateral under the facility. Ocean Yield ASA has guaranteed the borrower's obligations under the facility.

The facility includes financial covenants as to equity ratio, interest coverage ratio and minimum liquidity and equity at Ocean Yield Group level. At all times, the Groups equity ratio shall not be less than 25%, the interest cover ratio not be less than 2.00:1, the minimum liquidity not less than the higher of USD 25 million and 3% of its net interest-bearing debt, and the total book equity not less than USD 300 million. Further, the minimum fair market value of the vessels shall at no times be less than 120% of the outstanding loans under the facilities.

As of 31 December 2013, no amounts had been drawn under the Facility.

OTHER

OCEAN YIELD ASA

The senior unsecured bond issue of NOK 600 million listed on Oslo Stock Exchange has maturity date on 6 July 2017. The bonds have a floating coupon of 3 month NIBOR + 6.50% per annum. However, Ocean Yield ASA has entered into an interest and currency swap where NOK 590 million of the bond loan has been swapped fromNOK to USD (USD 102.6 million). The interest rate on the bond loan has been swapped to 3M LIBOR + 7.07% per annum.

The bond loan is subject to covenants customary in the Norwegian bond market with respect to, among other things, corporate actions, preservation of equity and restrictions on further encumbrances and financial indebtedness. Under the bond loan Ocean Yield shall not, during the term of the bond loan, make any dividend payment or similar equity distribution unless the liquidity, immediately after any such distribution exceeds the higher of USD 40 million and 3% of net interest-bearing debt. Ocean Yield shall further, at all times during the term of the bond loan, maintain on a consolidated basis, (a) a minimum equity ratio of 25%, (b) a liquidity of no less than the higher of USD 25 million and 3% of net interest-bearing debt, and (c) an interest rate coverage ratio (EBITDA to net interest cost) of no less than 2.0:1. Ocean Yield was in compliance with covenants at year end 2013 and 2012.

NOTE 23 PENSION EXPENSES AND PENSION LIABILITIES

The Ocean Yield Group's Norwegian companies mainly cover their pensions through group pension plans in life insurance companies. Under IAS 19, Employee benefits plans have been treated, for accounting purposes, as defined benefit plans. The Norwegian companies in the Group are subject to the Norwegian law of mandatory occupational pension and the Group meets the requirements of this legislation. The Group's companies outside Norway have pension plans based on local practice and regulations.

Certain companies have pension plans for which the employer provides an agreed-upon contribution that is managed in separate pension savings plans (defined contribution plans) or makes contributions that are included in joint plans with other employers (multi- employer plans). The contributions are recorded as pension expenses for the period. The Group also has uninsured pension liabilities for which provisions have been made.

The Ocean Yield Group has as of 1 January 2013, implemented revised IAS 19 Employee benefits (IAS 19R). The Group previously employed the "corridor" method for accounting of unamortized estimate deviations. The corridor method is no longer permitted and, in accordance with IAS 19R, all actuarial gains and losses are to be recognized under other comprehensive income (OCI). Return on pension plan assets was previously calculated on the basis of a long-term expected return on the pension plan assets. Due to the application of IAS 19R, the net interest cost of the period is now calculated by applying the discount rate applicable to the liability at the start of the period on the net liability. Thus, the net interest cost comprises interest on the liability and return on the pension plan assets, both calculated with the discount rate. Changes in net pension liabilities due to premium payments and pension benefits are taken into consideration. The difference between actual return on the pension plan assets and the recognized return is recognized against the OCI on an on-going basis. The changes in IAS 19R required retrospective implementation, but have been assessed to be immaterial as regards their impact on Ocean Yields financial statements for previous reporting periods. Consequently prior periods' information has not been restated to reflect the impact of the implemented standards and amendments.

The discount rate in 2013 is based on the Norwegian high-quality corporate bond rate. The assumptions used are in line with the recommendations of the Norwegian Accounting Standards Board. Actuarial calculations have been made to determine pension liabilities and pension expenses in connection with the Group's defined benefit plans. The following assumptions have been made when calculating liabilities and expenses in Norway.

	Balance 2013	Profit/loss 2013 and balance 2012	Profit/loss 2012
Expected return	**4.1%**	4.0%	4.8%
Discount rate	**4.1%**	3.8%	3.3%
Wage growth	**3.8%**	3.5%	4.0%
Pension adjustment	**1.9%**	1.9%	2.5%

Pension expense recognized in profit and loss:

Amounts in USD million	2013	2012
Expense related to benefits earned in this period	**0.4**	0.7
Interest expense accrued on pension liabilities	**0.1**	0.2
Expected return on pension funds	**-**	-0.1
Effect of changes in estimates and pension plans (actuarial gains and losses)	**-**	-
Social security contribution	**-**	0.1
Pension expense recognized from defined benefit plans	**0.4**	**0.9**
Contribution plans (employer's contribution)	**0.1**	0.1
Total pension expense recognized in profit and loss	**0.5**	**1.0**

Changes in present value for benefit based pension liability:

Amounts in USD million	2013	2012
Pension liabilities as at 1 January	**1.5**	3.0
Included in profit and loss		
Expense related to pensions vested this period	**0.4**	0.7
Interest expense on pension liabilities	**-**	0.2
Included in OCI		
Remeasurements (loss)/ gain	**-0.3**	-2.4
Effect of movement in exchange rate	**-0.1**	-
Pension liabilities as at 31 December	**1.6**	1.5

Change in fair value pension funds:

Amounts in USD million	2013	2012
Fair value of pension funds as at 1 January	**1.1**	1.9
Included in profit and loss		
Expected return on pension funds	**-**	0.1
Administration	**-**	-
Included in OCI		
Remeasurements (loss)/ gain	**-0.1**	-1.3
Effect of movement in exchange rate	**-0.1**	
Other		
Contribution paid by the employer	**0.3**	0.3
Fair value of pension funds as at 31 December	**1.2**	1.1

Net pension fund and liabilities

Amounts in USD million	2013	2012
Defined benefit obligation at 31 December	**-1.6**	-1.5
Fair value of plan assets at 31 December	**1.2**	1.1
Unrecognized net actuarial gains and losses	**-**	-1.1
Pension liabilities at 31 December	**-0.4**	**-1.6**

The major categories of plan assets as a percentage of the fair value of total plan assets is as follows:

	2013	2012
Bonds	36.40%	22.58%
Hold to maturity bonds	0.00%	1.39%
Bonds - loans and receivables	44.00%	59.06%
Money market	11.70%	6.13%
Equities	5.50%	8.11%
Other	2.70%	2.73%

NOTE 24 OTHER INTEREST FREE LONG-TERM LIABILITIES

Other long term debt and liabilities comprise the following items:

Amounts in USD million	2013	2012
Interest-free long term debt to related party	**25.4**	35.1
Other interest-free long term debt	**43.5**	53.4
Total	**68.9**	88.5

Long term interest-free debt to related party is the remainder of a prepayment from a subsidiary of Aker Solutions to Ocean Yield ASA's subsidiary Aker Ship Lease related to lease of the vessel Aker Wayfarer.

Other interest-free long term debt mainly consists of deferred income in Aker Floating Production. At year-end 2013 USD 42.7 mill was related to Aker Floating Production.

NOTE 25 FINANCIAL INSTRUMENTS

See also note 5 Financial risk and exposure.

Fair value and carrying amounts

The estimates of fair value together with the carrying amounts shown in the balance sheet are as follows: Fair value information for financial assets and financial liabilities not measured at fair value is not included if the carrying amount is a reasonable approximation of fair value.

31.12.2013	**Carrying Amount**					**Fair Value**		
Amounts in USD million	**Designated at fair value**	**Loans and receivables**	**Available for sale**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets carried at fair value								
Available for sale financial assets	-	-	168.3	-	168.3	-	-	168.3
Total financial assets carried at fair value	-	-	168.3	-	168.3	-	-	168.3
Financial assets carried at amortized cost								
Trade and other short term receivables	-	16.4	-	-	16.4	-	-	-
Cash and cash equivalents (including long term restricted deposits, see note 16)	-	153.0	-	-	153.0	-	-	-
Total financial assets carried at amortized cost	-	169.4	-	-	169.4	-	-	-
Financial liabilities carried at fair value								
Interest rate swaps	2.1	-	-	-	2.1	-	2.1	-
Foreign exchange contracts	9.1	-	-	-	9.1	-	9.1	-
Total financial liabilities carried at fair value	11.2	-	-	-	11.2	-	11.2	-
Financial liabilities carried at amortized cost								
Bonds and convertible loans	-	-	-	97.4	97.4	105.3	-	-
Other interest-bearing debt	-	-	-	774.4	774.4	-	780.0	-
Interest-free short term financial liabilities	-	-	-	15.9	15.9	-		-
Total financial liabilities carried at amortized cost	-	-	-	887.7	887.7	105.3	780.0	-

31.12.2012	Carrying Amount					Fair Value		
Amounts in USD million	**Designated at fair value**	**Loans and receivables**	**Available for sale**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets carried at fair value								
Available for sale financial assets	-	-	151.8	-	151.8	-	-	151.8
Total financial assets carried at fair value	-	-	151.8	-	151.8	-	-	151.8
Financial assets carried at amortized cost								
Trade and other short term receivables	-	16.0	-	-	16.0	-	-	-
Cash and cash equivalents (including long term restricted deposits, see note 16)	-	125.0	-	-	125.0	-	-	-
Total financial assets carried at amortized cost	-	141.0	-	-	141.0	-	-	-
Financial liabilities carried at fair value								
Foreign exchange contracts	1.8	-	-	-	1.8	-	1.8	-
Total financial liabilities carried at fair value	1.8	-	-	-	1.8	-	1.8	-
Financial liabilities carried at amortized cost								
Bonds and convertible loans	-	-	-	105.5	105.5	107.6	-	-
Other interest-bearing debt	-	-	-	752.9	752.9	-	754.8	-
Interest-free short term financial liabilities	-	-	-	16.0	16.0	-		-
Total financial liabilities carried at amortized cost	-	-	-	874.4	874.4	107.6	754.8	-

There were no transfers between levels 1 and 2, or 2 and 3 during 2013 and 2012.

The change in fair value of assets/liabilities categorized within level 3 is as follows:

Amounts in USD million	Available for sale financial assets	Total
Acquisition of AMSC bonds	141.0	**141.0**
PIK Interests recognized in profit and loss as financial income	9.5	**9.5**
Write down recognized in profit and loss as impairment charges	-1.9	**-1.9**
Translation differences	3.3	**3.3**
At 31 December 2012	151.8	**151.8**
PIK Interests recognized in profit and loss as financial income	18.2	**18.2**
Change in fair value recognized in other comprehensive income	11.5	**11.5**
Translation differences	-13.2	**-13.2**
At 31 December 2013	168.3	**168.3**

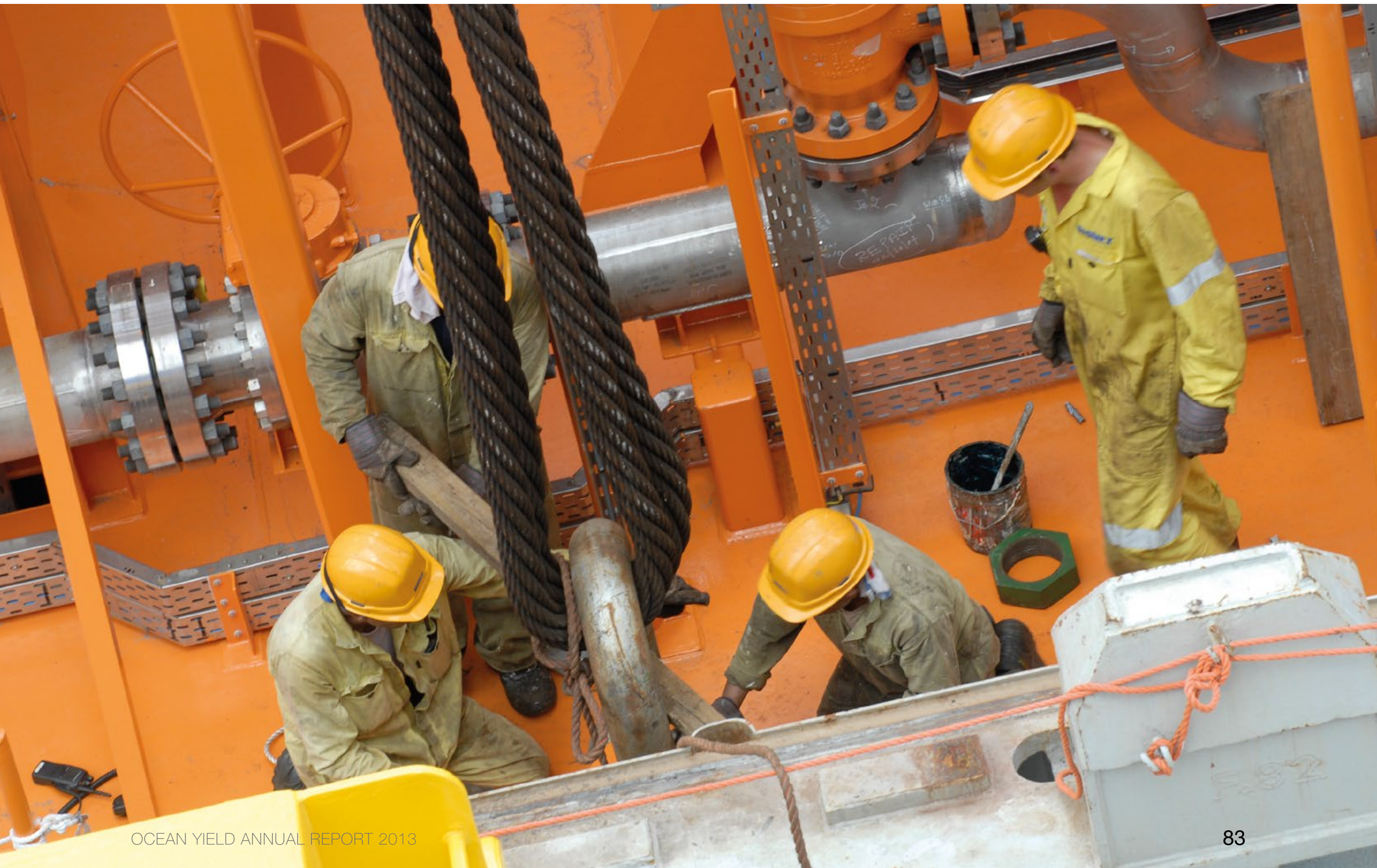
The available for sale financial assets consist of the bonds in AMSC. This was categorized within level 2 of the fair value hierarchy in 2012. A reassessment of this classification has placed the fair value calculation of the bonds within level 3. Both in 2012 and 2013 the fair value has been calculated by discounting the estimated cash flows with an applicable discount rate. The fair value calculation is based on few observable inputs, and the bonds are thus placed within level 3. The fair value calculation of the bonds is explained in greater detail in note 16. The most significant unobservable inputs used in the fair value calculation are as follows:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
AMSC Bonds	Discounted cash flows: The fair value has been calculated by discounting the estimated cash flows with an applicable discount rate.	• Discount rate (2013:11%, 2012: 12%) • Forecasted cash flows do not include extension from February 2018 to February 2021.	The estimated fair value would increase (decrease) if: • The discount rate were lower (higher) • AMSC exercises the option to extend the bond loan agreement to February 2021.

Sensitivity analysis

For the fair value of the AMSC bonds reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant would have the following effects:

	OCI, net of tax	
Effect in USD million	**Increase**	**Decrease**
Change in discount rate (100 basis points)	-4.09	4.31
Include extension from February 2018 to February 2021.	5.91	



NOTE 26 TRANSACTIONS AND AGREEMENTS WITH RELATED PARTIES

Ocean Yield's largest shareholder is Aker ASA, with 73% of the shares. Aker ASA's main shareholder is TRG Holding AS, controlled by Kjell Inge Røkke and his family through The Resource Group AS (TRG AS). All companies controlled by Kjell Inge Røkke are considered as related parties for the Aker group, and thus related parties for Ocean Yield. In addition all subsidiaries and associated companies of Aker ASA are considered to be related parties for the Ocean Yield Group.

TRANSACTIONS WITH KJELL INGE RØKKE

Ocean Yield does not have any material outstanding accounts, neither has there been any transactions during 2013 with Kjell Inge Røkke except remuneration as a board member in Ocean Yield ASA (see note 27).

TRANSACTION WITH AKER ASA

Ocean Yield ASA rents office space and has a service agreement with Aker ASA which provides certain accounting, financial and administration services to Ocean Yield ASA and its subsidiaries. As of year-end 2013 Ocean Yield does not have any commitments or material outstanding accounts with Aker ASA. Neither has any guarantees been given or received between the parties.

In the first quarter of 2012 Ocean Yield ASA purchased 100% of the shares in Aker Floating Production AS from Aker ASA at a price of NOK 1,758 million. In the same quarter Ocean Yield ASA also purchased 93% of the outstanding, unsecured bonds issued by American Shipping Company ASA from Aker ASA at a price of NOK 808 million.

TRANSACTIONS WITH AKER SOLUTIONS

In 2009, Aker and Aker Solutions entered into a 10 year bareboat charter contract for the vessel Aker Wayfarer. In 2011 Ocean Yield acquired the shares in Aker Ship Lease witch are the owner of Aker Wayfarer, and the Ocean Yield Group are now the counterparty to Aker Solutions. Aker Wayfarer is an offshore construction vessel designed for ultra-deep water with state of the art equipment. Total contract value was NOK 2.4 billion and the ship was delivered in 2010. A lease prepayment was paid in 2009 and is included in other interest free long-term liabilities in the balance sheet with USD 25.4 million.

Ocean Yield, entered on 12 October 2012 into an agreement to acquire the offshore construction and cable lay vessel Lewek Connector from AMC Connector AS for a total consideration of USD 315 million. The seller of the vessel, AMC Connector AS, was a 50/50 joint venture between Ezra and Aker Solutions ASA. Aker ASA directly owns 6 per cent and indirectly 28 per cent in Aker Solutions ASA through Aker Kværner Holding AS. The transaction was executed according to Aker's principles for related party transactions. The board of Aker Kværner Holding approved the transaction according to the prevailing shareholder agreement.

TRANSACTIONS WITH AMERICAN SHIPPING COMPANY ASA

Ocean Yield owns 93% of the outstanding, unsecured bonds issued by American Shipping Company, for more information see note 16.

The CEO of Ocean Yield, Lars Solbakken is a member of the Board in American Shipping Company ASA.

TRANSACTIONS WITH EMPLOYEES OF OCEAN YIELD ASA

The Executive team of Ocean Yield ASA and certain other key employees have acquired shares in Ocean Yield ASA during 2013. In the IPO in July 2013 the employees were offered to subscribe shares at a subscription price equal to the offer price less 20%. The shares must be held by the employees for three years. In 2013, Ocean Yield ASA implemented an incentive scheme pursuant to which the members of the Executive team and certain other key employees are entitled to bonuses calculated on the basis of the development of the market price of and dividends paid on the shares. The scheme participants can require that share price increase bonuses are settled in shares rather than cash, with a discount of 20%, since the share purchase has a three year lock-up period. For more information regarding the incentive scheme and shares owned by the executive team see note 27, 28 and 29.

NOTE 27 SALARY AND OTHER REMUNERATION TO THE BOARD OF DIRECTORS, CEO AND OTHER EMPLOYEES IN OCEAN YIELD'S EXECUTIVE TEAM

Remuneration to the board of directors	**2013**		**2012**	
	NOK	**USD**	**NOK**	**USD**
Trond Brandsrud (Chairman of the board from 27. April 2013)[2]	-	-	150 000	25 777
Kjell Inge Røkke [2]	-	-	150 000	25 777
Jens Ismar (Board member from 5.July 2013)	-	-	-	-
Anne-Christin Døvigen (Board member from 5. July 2013)	-	-	-	-
Annicken Gann Kildahl (Board member from 5 July 2013)	-	-	-	-
Svein Aaser (Chairman of the board until 27. April 2013) [1]	193 151	32 877	750 000	128 886
Tom Grøndahl (Board member until 27. April 2013) [1]	90 137	15 342	350 000	60 147
Katrine Mourud Klaveness (Board member until 5. July 2013) [2]	-	-	150 000	25 777
	283 288	48 219	1 550 000	266 364

1) One year remuneration in 2012

2) Half year remuneration in 2012

Ocean Yield ASA elected three new board members at an Extraordinary General Meeting 23 May 2013. The board members started 5 July 2013, when Ocean Yield ASA was listed on Oslo Stock Exchange. None of the current board members have received remuneration in 2013. The remuneration for 2013/2014 will be presented at the General Meeting in April 2014 for approval.

According to policy in Aker, fees to directors employed in Aker companies will be paid to the Aker companies, not to the directors in person. Therefore Trond Brandsrud and Katrine Mourud Klaveness, receives no remuneration for directorships in Ocean Yield. In 2012 Aker ASA received NOK 150 000 for Trond Brandsrud and NOK 150 000 for Katrine Mourud Klaveness. No payments have been made to Aker ASA in 2013. The board fee for Kjell Inge Røkke was paid to The Resource Group in 2012. No payments have been made to The Resource Group in 2013.

ORGANIZATIONAL STRUCTURE IN OCEAN YIELD

The executive team of Ocean Yield at the end of 2013 consists of CEO Lars Solbakken and CFO Eirik Eide.

DIRECTIVE OF REMUNERATION OF THE CEO AND THE COMPANY'S EXECUTIVE TEAM

The accumulated remuneration to the executives consists of a fixed salary, standard pension- and insurance terms for employees and a variable salary (see section Incentive scheme). The main purpose of the system for management remuneration is to stimulate a strong and lasting profit oriented culture leading to an increasing value of the Company. The Executive team is member of a collective pension and insurance scheme applicable to all employees. The collective pension and insurance scheme is for salaries up to 12G. The Company offers standard employment contracts and standard employment conditions with respect to notice period and severance pay for the CEO and others in the Executive team. The employment contract of the members of the executive team can be terminated with 3 month notice.

The remuneration to the CEO and executive team in 2013 was according to the guidelines of Ocean Yield.

INCENTIVE SCHEME

In 2013, Ocean Yield ASA implemented an incentive scheme pursuant to which the members of the Executive team and certain other key employees are entitled to bonuses calculated on the basis of the development of the market price of the shares and dividends paid on the shares. Under the incentive scheme, a specified number of synthetic shares are allocated to the scheme participants. Each scheme participant annually receives a cash bonus equal to the difference of a base price and the closing price of the shares on the Oslo Stock Exchange on the last trading day during a relevant year, multiplied by the number of synthetic shares allocated to that scheme participant (a “share price increase bonus”). Each scheme participant further receives an amount equal to the dividend paid per share multiplied by the number of synthetic shares allocated to that scheme participant, as of the date of payment of any such dividend on the shares (a “dividend bonus”). A part of the share price increase bonus is settled in shares. In addition the scheme participant can require that the share price increase bonus are settled in shares rather than cash and the parties can agree to settle any dividend bonus in shares rather than cash. In cases of settlement of bonus in shares, the settlement shares shall be subscribed or purchased by the scheme participant at a price equal to the closing price less 20%. The shares must be held by the scheme participant for three years.

REMUNERATION TO THE CEO AND CFO

Lars Solbakken was appointed CEO from 23 March 2012. The appointment can be terminated by both parties with 3 months' notice. If the contract is terminated by the Company, Lars Solbakken has the right to 3 months' notice and 3 months' salary from the date of termination. This salary will not be paid if he continues in another company within the Aker group.

The remuneration plan for Lars Solbakken includes a fixed salary, standard pension- and insurance plan for employees and he is part of the incentive scheme implemented in 2013. Lars Solbakken has been allocated 1,100,000 synthetic shares under the incentive scheme. In 2013 Lars Solbakken received a fixed salary of USD 590,478 (USD 411,754 in 2012), and a bonus of USD 800,393 (USD 0 in 2012). The value of additional remuneration was USD 3,848 in 2013 (USD 4,058 in 2012) and net pension expense in 2013 for Lars Solbakken was USD 56,600 (USD 29,788 in 2012).

CFO Eirik Eide accepted the position as CFO in Ocean Yield on 19 March 2012. The appointment can be terminated by both parties with 3 months' notice. The remuneration plan for Eirik Eide includes a fixed salary, standard pension and insurance plan for employees and he is part of the incentive scheme implemented in 2013. Eirik Eide has been allocated 350,000 synthetic shares under the incentive scheme. In 2013 Eirik Eide received a fixed salary of USD 318,464 (USD 220,028 in 2012), and a bonus of USD 276,622 (USD 0 in 2012).The value of additional remuneration was USD 3,597 in 2013 (USD 2,224 in 2012) and the net pension expense for Eirik Eide was USD 44,850 in 2013 (USD 20,925 in 2012).

The CEO and CFO have no other remuneration than what is described above. Accordingly they have no loans, guarantee, stock option rights or profit sharing in their contracts.

NOTE 28 SHARES OWNED BY THE BOARD OF DIRECTORS, CEO AND OTHER EMPLOYEES IN THE EXECUTIVE TEAM

As at 31 December 2013 the board of directors, CEO and other members of the Executive team owned the following amount of shares in Ocean Yield ASA:

Lars Solbakken, CEO[1)]	218 083
Eirik Eide, CFO	47 505
Trond Brandsrud, Chairman of the Board[2)]	37 037

[1)] Shares owned by the company Finmarine AS, which is controlled by Lars Solbakken

[2)] Shares owned by the company Nordbrand Invest AS, which is controlled by Trond Brandsrud

Director Kjell Inge Røkke, together with his wife owns 100% of The Resource Group TRG AS (TRG AS) which in turn owns 99.45% of TRG Holding AS, which again owns 66.66% of Aker ASA. Aker ASA is the largest shareholder of Ocean Yield ASA, with 73% ownership. In addition TRG AS owns 1.14% in Aker ASA directly.

NOTE 29 SHARE-BASED PAYMENT ARRANGEMENTS

At 31 December 2013 the Group had the following share-based payment arrangements:

SHARE PRICE INCREASE BONUS (CASH SETTLED)

In 2013, Ocean Yield ASA implemented an incentive scheme pursuant to which the members of the Executive team and certain other key employees are entitled to bonuses calculated on the basis of the development of the market price of the shares and dividends paid on the shares. For more information regarding the incentive scheme see note 27.

Each scheme participant annually receives a cash bonus equal to the difference of a base price and the closing price of the shares, multiplied by a number of synthetic shares allocated to that scheme participant (a "share price increase bonus"). As this bonus is based on the development of the market price of the shares in Ocean Yield, it is accounted for in accordance with IFRS 2. A part of the bonus is settled in shares, and the scheme participant can require that the entire share price increase bonus is settled in shares rather than cash. However, as the Group has an obligation so settle most of the bonus in cash, the bonus is treated as a cash settled arrangement.

The share price increase bonus is calculated based on the development of the share price during a relevant year. This is the vesting period, as the bonus is earned year-end. During the vesting period, at the end of each reporting period, the services acquired and the liability incurred are measured at the fair value of the liability. Changes in fair value are recognized in profit and loss as operating expenses.

The fair value of the liability is calculated as the difference of the base price (NOK 27.44 in 2013) and the closing price of the shares at each reporting date (NOK 34.70 year-end 2013), multiplied by the number of synthetic shares allocated to the scheme participant.

Expenses recognized in profit and loss:

USD million	2013	2012
Cash-settled share-based payment liability	2.0	-
Total expenses related to share-based payments	2.0	-

NOTE 30 CONTINGENCIES AND LEGAL CLAIMS

No material contingencies have been recorded at the end of the year.

NOTE 31 EVENTS AFTER THE BALANCE SHEET DATE

The amendments to the bond loan agreement with American Shipping Company became effective on 3 January 2014. The book value of the bonds was USD 168.3 million by the end of Q4 2013, which is approximately 89.6% of par value. A positive change in the fair value of USD 8.4 million after tax have been recognized in other comprehensive income year-end 2013. This is expected to be recognized in the profit and loss in Q1 2014. For more details regarding the bonds in AMSC see note 16 and 25.

On 17 March 2014 Ocean Yield ASA successfully completed a new unsecured bond issue of NOK 600 million with maturity in March 2019. The bond has a coupon of 3 months NIBOR + 3.90% p.a. The net proceeds from the bond issue will be used to refinance existing bonds and for general corporate purposes. As of 17 March 2014, in connection with the placement, the company has purchased NOK 432 million of the existing bond loan in Ocean Yield ASA (OCY01, ISIN NO 0010654379).

OCEAN YIELD ASA FINANCIAL STATEMENTS AND NOTES

Income statement

Amounts in USD million	Note	2013	2012
Total revenues		**-**	-
Salaries and other personnel related expenses	4,12	**-5.9**	-1.3
Other operating costs	5	**-2.0**	-1.0
Operating profit (+)/loss (-)		**-8.0**	-2.3
Income from investment in subsidiaries	6,9	**62.5**	31.9
Financial Income	6	**2.1**	0.7
Financial Expenses	6	**-25.2**	-12.2
Net profit before tax		**31.4**	18.2
Income tax expenses (-) / Income (+)	7	**6.1**	0.1
Net profit after tax		**37.5**	18.3
Allocation of profit/loss for the year:			
Profit (+) / loss (-)		**37.5**	18.3
Dividend	11	**-32.5**	-40.0
Transferred from (+) / allocated to (-) retained earnings		**-5.0**	21.7
Total		**-**	-

Balance sheet at 31 December

Amounts in USD million	Note	2013	2012
ASSETS			
Deferred tax asset	7	**10.7**	4.8
Shares in subsidiaries	8	**685.4**	826.7
Long-term interest bearing receivables from Group companies	9	**144.9**	5.4
Total non-current assets		**841.0**	836.9
Short-term interest free receivables from Group companies	9	**13.1**	60.0
Other short-term receivables		**-**	0.2
Cash and cash equivalents	10	**42.1**	10.6
Total current assets		**55.2**	70.9
Total assets		**896.2**	907.7
EQUITY AND LIABILITIES			
Share capital		**221.6**	175.6
Share premium reserve		**393.4**	320.9
Other paid-in equity		**59.2**	79.5
Total paid-in equity		**674.2**	576.0
Other equity		**21.0**	13.3
Total retained earnings		**21.0**	13.3
Total equity	11	**695.2**	589.2
Long term interest bearing liabilities to Group companies	9,13	**70.5**	159.4
Bond loan	13	**97.4**	105.5
Pension liabilities	12	**0.1**	0.1
Total non-current liabilities		**167.9**	264.8
Short-term interest free liabilities to Group companies	9	**1.5**	10.0
Dividend	11	**16.4**	40.0
Other short-term liabilities	15	**15.1**	3.6
Total current liabilities		**33.0**	53.6
Total equity and liabilities		**896.2**	907.7

OSLO, 19 MARCH 2014
OCEAN YIELD ASA

TROND BRANDSRUD
CHAIRMAN

KJELL INGE RØKKE
DIRECTOR

JENS ISMAR
DIRECTOR

ANNE-CHRISTIN DØVIGEN
DIRECTOR

ANNICKEN GANN KILDAHL
DIRECTOR

LARS SOLBAKKEN
CEO

Cash Flow Statement

Amounts in USD million	Note	2013	2012
Profit before tax		**31.4**	18.2
Dividends and group contributions from subsidiaries	9	**-62.5**	-31.9
Write down/reversed write down of shares in subsidiaries		**2.2**	-
Net interest expenses		**10.0**	9.7
Interest paid		**-9.0**	-2.4
Interest received		**0.6**	-
Change in other short term items		**14.6**	-1.0
Cash flow from operating activities		**-12.7**	-7.4
Acquisition of shares in subsidiaries		**-**	-94.8
Dividends and group contributions received from subsidiaries	9	**44.1**	
Net change in long-term interest-bearing receivables from Group Companies	9	**-95.9**	-5.3
Net change in short-term interest-bearing receivables from Group Companies	9	**-**	-7.6
Cash flow from investing activities		**-51.8**	-107.7
Issuance of interest-bearing long-term external debt	13	**-**	101.0
Issuance of interest-bearing long-term debt to Group companies	9	**8.7**	18.5
Issuance of interest bearing short-term debt, related parties		**20.0**	-
Repayment of interest bearing short-term debt, related parties		**-20.0**	-
Dividends paid	11	**-56.0**	-
Net proceeds from issuance of ordinary shares	11	**143.3**	-
Cash flow from financing activities		**96.0**	119.5
Cash flow for the year		**31.5**	4.4
Exchange rate differences		**-**	0.6
Cash and cash equivalents at January 1.		**10.6**	5.7
Cash and cash equivalents at December 31.	10	**42.1**	10.6

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 ACCOUNTING PRINCIPLES

Ocean Yield ASA is a company domiciled in Norway. The financial statements are prepared in accordance with Norwegian legislations and Norwegian generally accepted accounting principles.

FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The functional currency and presentation currency of Ocean Yield ASA is USD, as this is the primary economic environment in which Ocean Yield ASA and its subsidiaries operate. The functional currency of Ocean Yield ASA was changed from NOK to USD 1 July 2013. This is explained in greater detail note 3.

REVENUE RECOGNITION

Revenue is recognized when the service is provided. The Company is providing certain management services and other services to its subsidiaries. These services comprise of advisory services in areas of business strategy, financing and accounting.

INVESTMENTS IN SUBSIDIARIES

Subsidiaries are entities over which Ocean Yield ASA has control. Investments in subsidiaries are accounted for using the cost method in the parent company accounts. The investments are valued at cost less impairment losses. Write-down to fair value are according to good accounting practice recognized when the impairment is not considered to be temporary and reversed if the basis for the write-down is no longer present.

DIVIDENDS FROM SUBSIDIARIES

Dividends, group contributions and other distributions from subsidiaries are recognized in the same year as they are recognized in the financial statement of the provider. Dividends, group contributions and other distributions are usually recognized in the profit and loss as financial income. Whenever dividends exceeds the share of retained profit after the acquisition, the excess represents a refund of invested capital, and the dividend is subtracted from the value of the investment in the balance sheet.

CLASSIFICATION AND VALUATION OF BALANCE SHEET ITEMS

Current assets and short term liabilities comprise of items that are due within one year from the time of acquisition. Other items are classified as non-current asset / long term liability.

Current assets are valued at the lower of acquisition cost and fair value. Short-term debt is recognized at its nominal value at the time of recognition.

Non-current assets are valued at acquisition cost but written-down to fair value if impairment is not expected to be temporary. Long-term debt is initially recognized at its nominal value. Subsequent to initial recognition, interest-bearing long-term debt is stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowing on an effective interest basis.

RECEIVABLES

Trade receivable and other receivables are carried at par value after subtraction of provision for expected loss. Provision for loss is made based on individual assessments of each receivable.

FOREIGN CURRENCY

Ocean Yield ASA's functional currency and presentation currency is US Dollars (USD). Transactions in foreign currency are translated into USD using the exchange rate at the time of transaction. Monetary items in foreign currency are valued at the rate of foreign exchange on the balance sheet date. Non-monetary items that are measured at historic cost in foreign currency are translated into USD using the exchange rate on the balance sheet date. Non-monetary items that are measured at fair value in a foreign currency are translated into USD using the exchange rate at the date of measurement. Valuation changes due to exchange rate fluctuations are recorded on a continuous basis under other financial items.

DERIVATIVES

Foreign exchange contracts that do not qualify for hedge accounting are recognized at fair value. Other derivatives that do not qualify for hedge accounting are recognized at the lowest of fair value and cost. Changes in fair value are reported as financial income/expense.

PENSION LIABILITY

DEFINED BENEFIT PLANS

For defined benefit plans, the liability recognized is the present value of the defined benefit obligation at the balance sheet date, less the fair value of plan assets. The defined benefit obligation is calculated by independent actuaries and is measured as the present value of estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

The cost of providing pensions is charged to the profit and loss so as to spread the regular cost over the service lives of employees. Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions, and amendments to pension plans are charged or credited to equity in the period in which they arise.

TAX

The tax cost in the profit and loss statement includes both tax payable for the period and changes in deferred tax.

The tax rate in Norway will change from 28% to 27% from 1 January 2014. The new tax rate of 27% has been used when calculating the deferred tax. Deferred tax is calculated with 27% based on the temporary differences that exist between accounting and tax values, and tax losses carried forward at the end of the accounting year. Tax increasing and tax decreasing temporary differences which reverse or can be reversed in the same period are offset. Net deferred tax assets are recognized to the extent that it is probable that they can be utilized.

CASH FLOW STATEMENT

The cash flow statement is prepared according to the indirect method. Cash and cash equivalents consist of cash, bank deposits and other current, liquid investments.

THE USE OF ESTIMATES

The preparation of the financial statements, under the generally accepted accounting principles, requires that management uses the best estimates and assumptions that affect the profit and loss statement, the valuation of assets and liabilities as well as information regarding disclosure of contingent assets and liabilities on balance sheet date.

Contingent losses that are probable and quantifiable are expensed on an ongoing basis.

NOTE 2 FINANCIAL MARKET RISK

The Company is exposed to several types of financial risk, the most significant of which are credit, liquidity, foreign exchange and interest rate risk. The purpose of risk management is to measure and manage financial risks in a reliable manner, in order to increase predictability and simultaneously minimise any negative impacts on Ocean Yield's financial results.

CREDIT RISK

Credit risk relates to loans to subsidiaries, guarantees to subsidiaries and deposits with external banks.

Cash and cash equivalents are held with banks and financial institutions with sound credit-ratings. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligations.

LIQUIDITY RISK

Liquidity risk is the risk that Ocean Yield ASA will be unable to fulfill its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due. Management monitors monthly forecasts of the liquidity reserve on the basis of expected cash flows.

CURRENCY RISK

Ocean Yield ASA and its subsidiaries operate in the international market which leads to various types of currency exposure. Ocean Yield ASAs functional currency is USD. The currency exposure in Ocean Yield ASA is primarily related to NOK. Operating expenses and the bond loan are denominated in NOK. To reduce the currency effect Ocean Yield ASA has entered into an interest and currency swap for the NOK bond loan with maturity in July 2016. The bond loan has been swapped from NOK to USD and the interest rate on the bond loan has been swapped from 3M NIBOR + 6.50% into 3M LIBOR +7.07%.

INTEREST RATE RISK

Ocean Yield's interest rate risk arises from external borrowings, internal borrowings and internal receivables. Borrowings and receivables issued at variable rates expose Ocean Yield ASA to cash flow interest rate risk.

Ocean Yield ASA has prepared guidelines for management of interest rate risks. The interest rate policy of Ocean Yield defines levels for the hedging of expected future cash flows. As of yearend 2013 none of the interest rate risk has been hedged.

Also see Note 5 in the consolidated financial statements for Ocean Yield ASA Group.

NOTE 3 FUNCTIONAL CURRENCY

CHANGE OF FUNCTIONAL CURRENCY

The functional currency of Ocean Yield ASA was changed from NOK to USD 1 July 2013.

NRS 20 states that the functional currency of an entity should be the primary economic environment in which an entity operates. Since the establishment of Ocean Yield in 2012 the Company has acquired three new vessels; Lewek Connector, Far Senator and Far Statesman and four newbuildings; Höegh 4401, Höegh 4401, Höegh XS1462E and Höegh XS1462F. All vessels and newbuldings have bareboat contracts in USD, except for Far Senator and Far Statesman. Based on vessel values approximately 70% of the investments have been USD investments. Further, as vessel values and day rates worldwide are quoted in USD, this is the dominating currency within the shipping and offshore industry. As a consequence of the above, the functional currency of Ocean Yield ASA was changed from NOK to USD 1 July 2013 as the expectation is that the majority of the income and financing activities of Ocean Yield ASA will be USD denominated.

NOTE 4 SALARIES AND OTHER PERSONNEL EXPENSES

Salaries and other personnel expenses consist of the following:

Amounts in USD million	2013	2012
Salaries	**5.1**	0.8
Social security contribution	**0.4**	0.1
Pension cost (see note 12)	**0.1**	0.1
Other benefits	**0.3**	0.3
Total salaries and other personnel expenses	**5.9**	1.3
Average number of employees	**3**	3
Average full time employee equivalents	**3**	2

NOTE 5 OTHER OPERATING EXPENSES

Auditor's fee is included in other expenses consists of the following:

Amounts in USD thousand	2013	2012
Ordinary audit	**86.9**	26.8
Tax advisory services	**2.3**	34.0
Other services*	**421.2**	22.9
Total	**510.4**	83.7

*Other services include USD 296 thousand which have been recognized directly against equity

The figures are exclusive of VAT

NOTE 6 FINANCIAL ITEMS

Amounts in USD million	2013	2012
Dividends and group contributions from subsidiaries	**62.5**	31.9
Income from investment in subsidiaries	**62.5**	31.9
Interest income from companies within the Group	**2.0**	-
Other interest income	**0.1**	0.5
Other financial income	**0.0**	0.2
Financial income	**2.1**	0.7
Interest expenses to companies within the Group	**-3.5**	-5.8
Other interest expenses	**-8.6**	-4.4
Foreign exchange loss	**-1.1**	-0.6
Unrealized loss on interest and currency exchange swap	**-8.4**	-1.1
Write down of shares in subsidiaries*	**-2.2**	-
Other interest and finance expenses	**-1.4**	-0.3
Financial expenses	**-25.2**	-12.2

* Write down in 2013 is related to the investment in Aker Ship Lease AS. Specification of shares in subsidiaries can be found in note 8.

NOTE 7 DEFERRED TAX

The table below shows the difference between accounting and tax values at the end of 2013 and 2012 respectively, as well as changes in the differences, deferred tax assets at the end of each year and the change in deferred tax assets.

Amounts in USD million	2013	2012
Differences in interest and currency swap	**-9.1**	-1.2
Net pension liability	**-0.1**	-0.1
Capital gains and loss reserve	**0.5**	0.7
Total differences	**-8.6**	**-0.5**
Tax losses carried forward	**-30.9**	-16.6
Total deferred tax basis	**-39.5**	**-17.2**
Net deferred tax asset (27% in 2013, 28% in 2012)	**-10.7**	**-4.8**
Recognized deferred tax asset	**-10.7**	**-4.8**

Deferred tax asset is incorporated in the balance sheet if budgets indicate that the asset will be used in the future.

The tax losses carried forward has no expiration date.

The tax rate in Norway will change from 28% to 27% from 1 January 2014. The new tax rate of 27% has been used when calculating the deferred tax asset.

Estimated taxable profit

Amounts in USD million	2013	2012
Profit before tax	**31.4**	18.2
Permanent differences in net non-taxable income (-) / expenses (+)	**-55.1**	-18.7
Change in temporary differences	**8.1**	1.4
Utilization of accumulated tax losses	**-**	-0.9
Estimated taxable income	**-15.6**	**-**
Tax payable (28%) in the profit and loss account	-	-

Income tax expense / income:

Amounts in million	2013	2012
Tax payable in the profit and loss account	-	-
Change in deferred tax	**6.1**	0.1
Total tax expense (-) / income (+)	**6.1**	**0.1**

The 2013 figures above are based on estimates of different non-deductible taxable income, non-deductible items and differences between accounting and tax items. The final calculations will be made in the income-tax return and may differ from estimates above.

Explanation as to why tax expense / income differs from 28% of profit before tax:	2013	2012
28% tax on profit before tax	**-8.8**	4.7
Utilization of previously unrecognized tax losses	**-**	0.3
28% tax on permanent differences	**15.4**	-4.9
Tax on expenses recognized directly against equity	**-1.3**	-
Change in tax rate	**-0.4**	-
Correction from previous years	**1.1**	-
Estimated tax expense (-) / income (+)	**6.1**	**0.1**

Effective tax rate (tax expense compared with profit / loss before tax)	**19.4%**	0.5%

NOTE 8 SHARES IN SUBSIDIARIES

Shares in subsidiaries include the following companies at December 31 2013:

Amounts in USD million	Ownership in%	Votin share in%	Location, city	Equity as of Dec. 31.2013	Profit before tax 2013	Book value
Aker Floating Production AS	100.00	100.00	Oslo	303.2	43.8 [1]	**292.4**
Aker Invest AS	100.00	100.00	Oslo	12.5	5.2	**15.5**
Aker Invest II KS	90.00	90.00	Oslo	37.2	5.8 [1]	**33.7**
Aker Ship Lease AS	100.00	100.00	Oslo	50.7	19.4 [1]	**111.3** [2]
Connector 1 Holding AS	100.00	100.00	Oslo	100.6	16.0 [1]	**77.4**
F-Shiplease Holding AS	100.00	100.00	Oslo	2.4	2.9 [1]	**-**
LH Shiplease AS	100.00	100.00	Oslo	14.7	-0.4 [1]	**14.4**
Ocean Holding AS	100.00	100.00	Oslo	154.0	17.2	**140.8**
OCY Albany AS	100.00	100.00	Oslo	-1.3	-1.3	**-**
Total						**685.4**

[1] 100% of the Group's equity as of December 31, and the Group's profit before tax 2013

[2] Book value includes USD 2.2 million in impairment charges

NOTE 9 RECEIVABLES, BORROWINGS AND TRANSACTIONS WITH GROUP COMPANIES

Long-term interest bearing receivables from Group companies consist of the following items:

Amounts in USD million	2013	2012
F-Shiplease Holding AS	**49.0**	-
Aker Ship Lease 1 AS	**36.8**	-
LH Shiplease 1 AS	**25.2**	-
Aker Contracting FP ASA	**17.0**	-
OCY Albany AS	**12.7**	-
Connector 1 AS	**4.2**	5.4
Long-term interest bearing receivables from Group companies	**144.9**	5.4

The receivables have a maturity of more than one year. Interest terms on the receivables are according to market.

Short-term interest free receivables from Group companies consist of the following items:

Amounts in USD million	2013	2012
Group Contribution Ocean Holding AS	**9.9**	9.9
Group Contribution F-Shiplease Holding AS	**0.4**	-
Group Contribution Aker Shiplease 1 AS	**-**	40.0
Short-term interest-bearing receivable LH Shiplease AS	**-**	8.0
Other short-term receivable Group companies	**2.7**	2.2
Short-term interest free receivables from Group companies	**13.1**	60.0

Long-term interest bearing liabilities to Group companies consist of the following items:

Amounts in USD million	2013	2012
Aker Ship Lease AS	**39.5**	41.4
New Pollock LLP	**21.2**	13.3
Aker Invest AS	**9.8**	-
Aker Invest II KS	**-**	104.6
Long-term interest bearing liabilities to Group companies	**70.5**	159.4

Long term liabilities to Group companies have a maturity of more than five years and interest is set at market terms.

Short-term interest free liabilities to Group companies consist of the following items:

Amounts in USD million	2013	2012
Group Contribution Ocean Holding AS	**-**	9.9
Other short-term liabilities Group companies	**1.5**	0.1
Short-term interest free liabilities to Group companies	**1.5**	10.0

Dividends and group contributions received from Group companies, recognized in profit and loss consist of the following items:

Amounts in USD million	2013	2012
Dividend from Aker Floating Production AS	**44.1**	-
Dividend from Aker Invest II KS	**8.0**	-
Group Contribution from Aker Ship Lease 1 AS	**-**	26.2
Group Contribution from Ocean Holding AS	**9.9**	5.7
Group Contribution from F-Shiplease Holding AS	**0.4**	-
Dividends and Group contributions received from Group companies	**62.5**	31.9

NOTE 10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are distributed as follows:

Amounts in USD million	2013	2012
Cash restricted	**0.2**	0.1
Cash unrestricted	**42.0**	10.5
Total	**42.1**	10.6

NOTE 11 SHAREHOLDERS' EQUITY

Changes in shareholders' equity is as follows:

	Share capital	Other paid in capital	Retained earnings	Total equity
Shareholders' equity 31 December 2011	-	111.4	21.9	**133.3**
Share issue	175.6	-	-	**175.6**
Converted debt	-	283.1	-	**283.1**
Dvividend	-	-	-40.0	**-40.0**
Profit for the year	-	-	18.3	**18.3**
Translation differences	-	5.9	13.1	**19.0**
Shareholders' equity 31 December 2012	175.6	400.4	13.2	**589.2**
Share issue	55.3	92.9	-	**148.1**
Expenses related to raising new equity, net of tax	-	-3.5	-	**-3.5**
Dividend	-	-16.0	-16.4	**-32.5**
Profit for the year	-	-	37.5	**37.5**
Translation differences	-	-	-43.6	**-43.6**
Change of functional currency	-9.3	-21.1	30.3	**-**
Shareholders' equity 31 December 2013	**221.6**	**452.6**	**21.0**	**695.2**

Paid in capital

At 31 December 2013 Ocean Yield ASA's share capital consists of the following:

	in NOK	in USD
Number of ordinary shares	133 783 514	133 783 514
Par value	10	1.7
Total par value (million)	**1 337.8**	**221.6**
Share premium (million)	2 373.9	393.4
Other paid in capital (million)	355.2	59.2
Total paid in capital (million)	**4 067.0**	**674.2**

All shares have equal voting rights and are entitled to dividends.

Change in number of shares:

	2013	2012
Number of shares outstanding 1.1	100 000 000	100 000 000
IPO	33 736 110	-
Issuance of shares related to management incentive scheme	47 404	-
Number of shares outstanding 31.12	**133 783 514**	100 000 000

In 2013, Ocean Yield ASA implemented an incentive scheme pursuant to which the members of the Executive team and certain other key employees are entitled to bonuses calculated on the basis of the development of the market price of the shares and dividends paid on the shares. A part of the share price increase bonus is settled in shares. In addition the scheme participant can require that the share price increase bonus are settled in shares rather than cash and the parties can agree to settle any dividend bonus in shares rather than cash. In cases of settlement of bonus in shares, the settlement shares shall be subscribed or purchased by the scheme participant at a price equal to the closing price less 20%. The shares must be held by the scheme participant for three years. For more details regarding the management incentive scheme see the consolidated financial statements for Ocean Yield Group ASA, note 27. As of yearend 2013 a provision of USD 1.9 million was made related to the share price increase bonus. In February 2014 parts of this bonus was settled in shares, and 365 428 new shares were issued.

The 20 largest shareholders as of 31 December 2013

Shareholders	Number of shares	Percent
Aker ASA	98 242 575	73.4%
Goldman Sachs & Co Equity Segregat	11 152 277	8.3%
J.P. Morgan Luxembourg S.A.	4 833 560	3.6%
Euroclear Bank S.A./N.V. ('Ba')	3 477 275	2.6%
J.P. Morgan Chase Bank N.A. London	1 666 524	1.2%
Fidelity Funds-Nordic Fund/Sicav	1 295 200	1.0%
J.P. Morgan Clearing Corp.	1 216 411	0.9%
Goldman Sachs & Co - Equity	890 200	0.7%
SEB Private Bank S.A. (Extended)	617 310	0.5%
MP Pensjon PK	535 113	0.4%
Morgan Stanley & Co Llc	524 292	0.4%
Skandinaviska Enskilda Banken Ab	287 249	0.2%
Schroder Internation.Selection FD	268 544	0.2%
Finmarine AS	218 083	0.2%
Nergaard Investment Partners AS	211 030	0.2%
VPF Nordea Norge Verdi	195 723	0.1%
Skandinaviska Enskilda Banken Ab	188 200	0.1%
UBS AG	174 100	0.1%
KBC Securities NV	154 651	0.1%
GTBA Forvaltning AS	130 000	0.1%
Other	7 505 197	5.6%
Total	**133 783 514**	**100%**

1) Kjell Inge Røkke controls 67.8% of the shares in Aker ASA through his ownership of the TRG companies.

2) Finmarine AS is owned by the CEO Lars Solbakken.

Dividends

	2013	2012
Paid dividend per share (USD)	**0.52**	-
Total dividend paid (USD million)	**56.0**	-
Proposed dividend per share for the 4th quarter 2013 (USD)	**0.12**	-
Proposed dividend for the 4th quarter 2013 (USD million)	**16.4**	-
Proposed dividend per share yearend (USD)	**-**	0.4
Proposed dividend yearend (USD million)	**-**	40.0

Ocean Yield ASA has in 2013 initiated quarterly dividends to its shareholders.

NOTE 12 PENSION COSTS AND PENSION LIABILITIES

According to the Norwegian law on occupational pensions, (Lov om tjenestepensjon) the Company is required to provide a pension plan for all its employees. The Company's pension plans do meet the legal requirements set out by the law.

Ocean Yield ASA covers its pension liabilities mainly through a group pension plan in a life insurance company. For accounting purposes the plan has been treated as a defined benefit plan.

The schemes provide defined future benefits. These benefits depend mainly on the number of years the individual is a member of the plan, the level of salary at time of retirement and the level of the benefits provided by the Norwegian National Insurance scheme.

Actuarial calculations have been made based on the following assumptions:

	2013	2012
Expected return	**4.1%**	4.0%
Discount rate	**4.1%**	3.8%
Wage growth	**3.8%**	3.5%
Pension adjustment	**1.9%**	1.9%
Number of employees that are part of the pension scheme yearend	**4**	3

Pension expense recognized in profit and loss:

Amounts in USD million	2013	2012
Expense related to benefits earned in this period	**0.1**	0.1
Interest expense accrued on pension liabilities	**-**	-
Social security contribution	**-**	-
Total pension expense recognized in profit and loss	**0.1**	0.1

Changes in present value for benefit based pension liability:

Amounts in USD million	2013	2012
Pension liabilities as at 1 January	**0.1**	-
Expense related to pensions vested this period	**0.1**	0.1
Interest expense on pension liabilities	**-**	-
Remeasurements (loss)/ gain	**-**	-
Effect of movement in exchange rate	**-**	-
Pension liabilities as at 31 December	**0.2**	0.1

Change in fair value pension funds:

Amounts in USD million	2013	2012
Expected return on pension funds	-	-
Remeasurements (loss)/ gain	-	-
Contribution paid by the employer	0.1	-
Fair value of pension funds as at 31 December	**0.1**	-

Net pension fund and liabilities

Amounts in USD million	2013	2012
Defined benefit obligation at 31 December	0.2	0.1
Fair value of plan assets at 31 December	0.1	-
Pension liabilities at 31 December	**0.1**	0.1

NOTE 13 INTEREST-BEARING DEBT

Interest-bearing debt consist of the following:

Amounts in USD million	2013	2012
Long term interest bearing liabilities to Group companies, see note 9	70.5	159.4
Bond loan	97.4	105.5
Total	**167.9**	264.8

The senior unsecured bond issue of NOK 600 million listed on Oslo Stock Exchange has maturity date on 6 July 2017. The bonds have a floating coupon of 3 month NIBOR + 6.50%. However, Ocean Yield ASA has entered into an interest and currency swap where the bond loan has been swapped from NOK to USD. The interest rate on the bond loan has been swapped to 3M LIBOR + 7.07%. At yearend the fair value of the swap was negative USD 9 million.

Ocean Yield ASA has loan and guarantee commitments that contain certain financial covenants. At yearend 2013, Ocean Yield ASA is in compliance with all such financial covenants. For more details regarding the financial covenants see note 22 in the consolidated financial statements for Ocean Yield ASA Group.

NOTE 14 MORTGAGES AND GUARANTEE OBLIGATIONS

Guarantee obligations are as follows:

Amounts in USD million	2013	2012
Loan guarantees Connector 1 Holding AS	204.6	224.1
Loan guarantees F-Shiplease Holding AS	144.9	-
Loan guarantees LH Shiplease AS [1]	-	-
Loan guarantees OCY Albany [2]	-	-
Total guarantee obligations	**349.5**	224.1

[1] Up to USD 92 million, undrawn at 31 December 2013

[2] Up to USD 94 million, undrawn at 31 December 2013

NOTE 15 OTHER SHORT TERM LIABILITIES

Other short-term liabilities consist of the following:

Amounts in USD million	2013	2012
Accrued interest external	**1.9**	2.1
Unrealized loss on interest and currency exchange swap	**9.1**	1.2
Other	**4.1**	0.3
Total	**15.1**	3.6

NOTE 16 SALARY AND OTHER REMUNERATION TO THE BOARD OF DIRECTORS, CEO AND OTHER EMPLOYEES IN OCEAN YIELD'S EXECUTIVE TEAM

See note 27 in the consolidated financial statements for Ocean Yield ASA Group.

NOTE 17 SHARES OWNED BY THE BOARD OF DIRECTORS, CEO AND OTHER EMPLOYEES IN THE EXECUTIVE TEAM

See note 28 in the consolidated financial statements for Ocean Yield ASA Group.

NOTE 18 TRANSACTIONS AND AGREEMENTS WITH RELATED PARTIES

Ocean Yield's largest shareholder is Aker ASA, with 73% of the shares. Aker ASA's main shareholder is TRG Holding AS, controlled by Kjell Inge Røkke and his family through The Resource Group AS (TRG AS). All companies controlled by Kjell Inge Røkke are considered as related parties for the Aker group, and thus related parties for Ocean Yield. In addition all subsidiaries and associated companies of Aker ASA are considered to be related parties for Ocean Yield ASA.

TRANSACTIONS WITH KJELL INGE RØKKE

See note 26 in the consolidated financial statements for Ocean Yield ASA Group.

TRANSACTION WITH AKER ASA

See note 26 in the consolidated financial statements for Ocean Yield ASA Group.

TRANSACTIONS WITH EMPLOYEES OF OCEAN YIELD ASA

See note 26 in the consolidated financial statements for Ocean Yield ASA Group.

TRANSACTIONS WITH SUBSIDIARIES OF OCEAN YIELD ASA

Ocean Yield has loans to and from several of its subsidiaries. For more details regarding the amounts and counterparties see note 9.

All transactions with related parties are done at market rates and in accordance with the arm's lengths principle.

NOTE 19 CONTINGENCIES AND LEGAL CLAIMS

No material contingencies have been recorded at the end of the year.

NOTE 20 EVENTS AFTER THE BALANCE SHEET DATE

See note 31 in the consolidated financial statements for Ocean Yield ASA Group.

KPMG AS
P.O. Box 7000 Majorstuen
Sørkedalsveien 6
N-0306 Oslo

Telephone +47 04063
Fax +47 22 60 96 01
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the Annual Shareholders' Meeting of Ocean Yield ASA

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Ocean Yield ASA, which comprise the financial statements of the parent company Ocean Yield ASA and the consolidated financial statements of Ocean Yield ASA and its subsidiaries. The parent company's financial statements comprise the balance sheet as at 31 December 2013, the income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The consolidated financial statements comprise the balance sheet as at 31 December 2013, and the income statement and the statement of total comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the CEO's Responsibility for the Financial Statements

The Board of Directors and the CEO are responsible for the preparation and fair presentation of the parent company financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and for the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as the Board of Directors and the CEO determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion on the separate financial statements

In our opinion, the parent company's financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Ocean Yield ASA as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Ocean Yield ASA and its subsidiaries as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and the statements on Corporate Governance and Corporate Social Responsibility

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Accounting Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 19 March 2014
KPMG AS

Tom Myhre
State Authorized Public Accountant

OCEAN YIELD

HEADQUARTER
Fjordalleen 16
Oslo, Norway

POSTAL ADRESS
PO Boks 1423 VIka
NO-0115 Oslo
Norway

Tel.: +47 24 13 00 00
Fax: +47 24 13 01 01

www.oceanyield.no