Q1

2018 REPORT

OCEAN YIELD

Contents

FIRST QUARTER RESULTS 2018

Fornebu, 3rd May 2018, Ocean Yield ASA ("Ocean Yield" or the "Company") announces results for the first quarter ending 31st March 2018.

HIGHLIGHTS

- Declared a dividend of USD 0.1905 per share for Q1 2018. This is an increase of 0.10 cents per share compared with the previous quarter.
- EBITDA for Q1 2018 was USD 77.8 million, and EBITDA adjusted for finance lease effects was USD 86.8 million.
- Net profit before tax for Q1 2018 was USD 35.7 million and Net profit after tax was USD 33.3 million. Adjusted net profit was USD 33.9 million.
- Acquisition of four VLCC crude tankers with 15-year bareboat charters to Okeanis Marine Holdings SA, with a 5-year sub-charter to the shipping arm of a large industrial conglomerate.
- Acquisition of two 2018 built handysize dry-bulk vessels with 12-year charters to the Louis Dreyfus Armateurs Group.
- Acquisition of five modern handysize dry-bulk vessels with 10-year bareboat charters to Interlink Maritime Corporation.
- Completed a private placement of 11 million shares, raising gross proceeds of NOK 759 million.
- The charter backlog at the end of Q1 2018 was USD 3.5 billion on an adjusted EBITDA basis with remaining average duration of 11.4 years.

Commenting on the first quarter results, Lars Solbakken, CEO of Ocean Yield, said:

"The first quarter was dominated by high investment activity, with the announcement of investment in another 11 vessels on long-term charters, being four VLCCs and seven dry-bulk vessels. In addition, we successfully raised approximately USD 96 million of new equity for future investments. The company has successfully continued to increase its charter backlog during the first quarter and is well positioned for further growth going forward."

SELECTED KEY FINANCIAL FIGURES

Amounts in USD million	Q4 2017	Q1 2018	Q1 2017	2017	2016
Revenues and other income	89.5	**89.2**	78.6	339.1	294.4
EBITDA	80.4	**77.8**	71.2	306.5	265.2
EBITDA adjusted for finance lease effects*	89.3	**86.8**	79.1	340.7	291.3
Net profit after tax	30.9	**33.3**	36.8	129.7	77.5
Adjusted net profit*	34.4	**33.9**	33.4	137.7	130.9
Equity ratio	34.0 %	**37.0 %**	35.2 %	34.0 %	31.7 %
EBITDA charter backlog (USD bn)**	3.0	**3.5**	2.8	3.0	3.1
Dividend declared per share (USD)	0.1895	**0.1905**	0.1850	0.7505	0.7000

*Definition on page 21

**Definition on page 6

MAIN EVENTS DURING THE FIRST QUARTER

- The Board of Directors has declared a quarterly dividend payment of USD 0.1905 per share for Q1 2018. The dividend is on an annualized basis equal to USD 0.762 per share. The dividend will be paid on or about 18th May 2018 to shareholders as of 7th May 2018 registered with the Norwegian Central Securities Depository (the "VPS") as of 9st May 2018 (the "Record Date"). The ex-dividend date will be 8th May 2018.
- In February, Ocean Yield agreed to acquire four VLCC crude tankers with 15-year bareboat charters to companies owned and guaranteed by Okeanis Marine Holdings SA ("Okeanis Marine Holdings"). All four vessels are sub-chartered to the shipping arm of a large industrial conglomerate for a period of 5 years. The gross purchase price is USD 83.75 million per vessel, which includes a seller's credit of USD 9.5 million, giving a net cash purchase price of USD 74.25 million. The vessels are scheduled for delivery by the yard, Hyundai Heavy Industries, South Korea, in Q2-Q3 2019. Okeanis Marine Holdings will have certain options to acquire the vessels during the charter period, with the first purchase option exercisable after seven years.
- Also in February, the Company agreed to acquire two 2018 built handysize dry bulk vessels with 12-year bareboat charters to companies owned and guaranteed by Louis Dreyfus Armateurs Group ("LDA"). The net cash purchase price was USD 18 million per vessel after seller's credits. LDA has options to acquire the vessels during the charter period, with the first purchase option exercisable after five years in addition to an obligation to repurchase the vessels at the end of year 12. LDA is a French family group engaged in maritime transportation and services, founded more than 160 years ago. The first vessel was delivered in Q1 2018 and the second post quarter end.
- Later in the first quarter, Ocean Yield agreed to acquire five modern handysize dry bulk vessels with 10-year bareboat charters to companies owned and guaranteed by Interlink Maritime Corporation ("Interlink Maritime"). The total purchase price was approximately USD 75 million net of pre-paid charter hire. One vessel is built in April 2018, three built in 2015 and one built in 2014. Interlink Maritime will have certain options to acquire the vessels during the charter period, with the first purchase option exercisable after five years in addition to an obligation to repurchase the vessels at the end of year 10. Interlink Maritime is an owner and provider of dry bulk vessels to various shipping companies and end-users, with a fleet of 28 handysize vessels, including two newbuildings. The company is majority owned by The Carlyle Group. The first four vessels were delivered to Ocean Yield during Q1 2018 and the fifth immediately after quarter end.
- The vessel *Connector* commenced its time-charter on Ørsted's Hornsea Project One for cable-lay installation. The firm contract period is 130 days plus 130 days option, where 59 days extension already has been exercised.
- In March, Ocean Yield successfully completed a private placement of 11 million new shares, raising gross proceeds of NOK 759 million. The share issue attracted strong interest and was heavily oversubscribed. As a result, Aker ASA's shareholding, held through the subsidiary Aker Capital AS, was reduced to 61.7%. The proceeds of the share issue will be used for further growth and general corporate purposes.

FIRST QUARTER FINANCIAL REVIEW

- **Operating revenues** were USD 66.3 million in Q1 2018 compared with USD 57.2 million in Q1 2017. The increase relates to vessel deliveries that have taken place during the past 12 months.

  For the vessel *Connector*, revenues were negatively impacted by the dry-docking and mobilisation phase for the new time-charter contract for cable installation on Ørsted's Hornsea Project One. USD 5.0 million of revenue has been recognized during the first quarter. Earnings for the vessel is expected to increase in the second quarter, as the vessel commenced operations on 20th February 2018.

- **Finance lease revenues** were USD 16.8 million in Q1 2018 compared with USD 16.1 million in Q1 2017. Due to several of the Company's long-term charters being classified as finance leases, the charter hire received is higher than what is reported as revenues according to IFRS, as only the interest income under a finance lease is recognized in the Profit & Loss. The five dry-bulk vessels delivered during the quarter and the two delivered post quarter end are accounted for as finance leases.

- **Income from investment in associates**, which is related to the 49.5% investment in Box Holdings Inc., were USD 6.1 million in Q1 2018 compared with USD 5.3 million in Q1 2017. The increase compared to Q1 2017 comes as a result of delivery of further newbuildings, as the final two container vessels were delivered in Q1 2017.

- **Total revenues** and other income for Q1 2018 were USD 89.2 million compared with USD 78.6 million for Q1 2017.

- **Vessel Operating Expenses** were USD 6.4 million in Q1 2018 compared with USD 4.2 million in Q1 2017. Of this, USD 2.1 million is related to the vessel *Connector*, which is now operating on a time-charter contract. The vessel had full operating expenses during the first quarter and was dry-docked in preparation for the new time charter contract in February 2018.

- **EBITDA** was USD 77.8 million in Q1 2018 compared with USD 71.2 million in Q1 2017. Adjusted for finance lease effects, the EBITDA was USD 86.8 million compared with USD 79.1 million in Q1 2017. The increase in EBITDA compared to the same quarter last year is related to delivery of further vessels to the fleet. Compared with Q4 2017, the EBITDA contribution from *Connector* was USD 1.2 million lower in Q1 2018.

- **Depreciation and amortization** was USD 26.7 million in Q1 2018, compared with USD 24.5 million in Q1 2017. The increase is related to vessel deliveries that took place between Q1 2017 and Q1 2018 and that are classified as operating leases.

- **Financial income** was USD 1.5 million in Q1 2018 compared with USD 9.2 million in Q1 2017. The decrease from Q1 2017 to Q1 2018 is mainly related to Ocean Yield's monetization of unsecured bonds issued by American Shipping Company ASA ("AMSC"), where Ocean Yield as of Q1 2018 held bonds with a book value of USD 49.1 million, compared with USD 197.5 million at the time of the transaction in Q1 2017. As described in the Q1 2017 Report, these bonds were refinanced by AMSC in February 2017 and a one-off profit of USD 5.7 million was recognized in connection with the sale, while cash proceeds of USD 156 million were received.

- **Financial expenses** were USD 18.7 million in Q1 2018, compared with USD 17.0 million in Q1 2017. The increase compared to Q1 2017 is mainly related to increased long-term debt as a result of vessel deliveries.

- **Foreign exchange** losses were USD 16.2 million in Q1 2018, compared with a loss of USD 0.6 million in Q1 2017. The foreign exchange movements are mainly a result of fluctuations in the USD/NOK exchange rate, as Ocean Yield's bond loans are denominated in NOK. The foreign exchange losses had no significant cash impact.

- **Change in fair value of financial instruments** were positive with USD 18.1 million in Q1 2018 compared with USD 2.1 million in Q1 2017. The Company's cross currency swaps related to bond loans had a positive change in fair value of USD 13.4 million in the quarter, while the Company's interest rate swaps related to vessel financings were positive with USD 4.7 million. The change in fair value of financial instruments had no significant cash impact.

- **The Net profit before tax** for Q1 2018 was USD 35.7 million compared with USD 40.5 million for Q1 2017. The deviation is mainly related to a one-off profit of USD 5.7 million related to the bonds in AMSC, which was recognized in Q1 2017.

- **Tax payable** was zero in Q1 2018 and in Q1 2017.

- **Change in deferred tax** was negative USD 2.4 million in Q1 2018, compared with USD 3.7 million in Q1 2017. The change in deferred tax is mainly a result of a positive taxable net profit on the FPSO. The change in deferred tax results in a reduction of deferred tax assets on the balance sheet.

- **The Net profit after tax** for Q1 2018 was USD 33.3 million compared with USD 36.8 million for Q1 2017. Adjusted for non-recurring items, currency fluctuations, change in fair value of financial instruments and change in deferred tax, the net profit after tax was USD 33.9 million as compared with USD 33.4 million in Q1 2017.

BALANCE SHEET ITEMS

For Balance Sheet items, comparisons are made with the previous quarter.

- **Trade receivables** were USD 41.5 million in Q1 2018 compared with USD 53.5 million in Q4 2017. USD 10.5 million of trade receivables are related to the vessel Connector and the start-up of the new time charter contract while USD 30.3 million of trade receivables are related to bonuses and other payments under the charter contract for the FPSO Dhirubhai-1, of which USD 17.2 million remains overdue.
- **Cash & cash equivalents** at the end of Q1 2018 were USD 124.4 million, compared with USD 98.7 million at the end of Q4 2017. In addition to the free cash, the Company had available undrawn credit facilities of USD 45.2 million and AMSC bonds available for sale with a book value of USD 49.1 million at the end of the quarter. If the AMSC bonds are included, total available liquidity was USD 218.7 million at the end of the quarter.
- **Book equity** was USD 939.6 million at the end of Q1 2018, compared with USD 831.5 million at the end of Q4 2017. The increase in book equity is mainly a result of the share issue of 11 million new shares completed during the first quarter. The equity ratio was 37.0% at the end of Q1 2018 compared with 34.0% in Q4 2017.
- **Fair value of derivatives** were in total negative USD 1.2 million at the end of Q1 2018, compared with negative USD 19.3 million at the end of Q4 2017. The decrease is related to movements in the USD NOK exchange rate and increasing USD interest rates.
- **Total assets** were USD 2,539.3 million in Q1 2018, compared with USD 2,443.1 million in Q4 2017.

CASH FLOW

- **Net cash used for investing activities** were USD 95.9 million during Q1 2018, while cash flow from financing was positive with USD 49.3 million. This resulted in net change in cash and cash equivalents of USD 25.7 million during the quarter. The vessels delivered during Q1 2018 has so far been funded with cash, while the Company well advanced in the process of establishing long-term bank financing for these vessels.

CHARTER BACKLOG

The EBITDA backlog* at the end of Q1 2018 was USD 3.5 billion with an average remaining contract duration of 11.4 years.

The total fleet counted 51 vessels at the end of the quarter, including nine vessels scheduled for delivery. Following quarter end, another two dry-bulk vessels have been delivered.

Six of the vessels in the fleet are owned 49.5% by Ocean Yield and one vessel is owned 75%.

RISKS

Ocean Yield is exposed to a number of risks, including counter-party risk, financing risk, interest rate risk, currency risk, vessel construction risk and residual value risk. The Company is also exposed to operating risk on the FPSO *Dhirubhai-1* and *Connector.* The Company may be subject to demobilisation and redeployment risk on the FPSO if the purchase option upon contract expiry is not exercised. The current contract expires on 21st September 2018. If the contract for the FPSO is not extended, or the Company is not able to secure a new long-term contract, or the purchase option is not exercised, the Company may be facing the risk of an impairment on the book value and reduced revenues relating to the FPSO.

For a more detailed description of risk factors, please refer to the annual report for 2017, which is available on www.oceanyield.no.

OUTLOOK

The Company has continued to expand and diversify its fleet of vessels on long-term charter in order to further increase the Company's earnings and dividend capacity.

Key focus areas for the next quarters will be to secure a positive outcome for the FPSO *Dhirubhai-1 and* continued fleet growth. The overall market conditions for new transactions are viewed as positive with overall good quality of new transactions towards acceptable counterparties. Following the share issue completed during the first quarter, the Company has increased its investment capacity and is well positioned to continue to grow its portfolio of vessels.

**Figures are based on management's estimates which may be subject to change. These include assumptions on operating expenses on the Dhirubhai-1, certain purchase options in bareboat charter contracts not being exercised, adjustments made for finance lease effects, investments in joint ventures, currency effects and the forward interest rates for floating rate lease agreements.*

3rd May 2018
Ocean Yield ASA

Frank O. Reite Chairman	Kjell Inge Røkke Director	Annicken Gann Kildahl Director
Anne Christin Døvigen Director	Jens Ismar Director	Lars Solbakken CEO

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The dry-bulk vessel Interlink Amenity was successfully delivered on 9 April 2018

Ocean Yield ASA Group condensed consolidated financial statement for the first quarter 2018

INCOME STATEMENT

Amounts in USD million	Note	4th Quarter 2017	1st Quarter 2018	1st Quarter 2017	Jan - Dec 2017
Operating revenues		66.0	66.3	57.2	248.4
Finance lease revenue		17.1	16.8	16.1	66.6
Income from investments in associates		6.4	6.1	5.3	24.1
Total revenues and other income	5	**89.5**	**89.2**	**78.6**	**339.1**
Vessel operating expenses		(4.8)	(6.4)	(4.2)	(18.2)
Wages and other personnel expenses		(1.5)	(2.5)	(1.8)	(7.4)
Other operating expenses		(2.9)	(2.5)	(1.4)	(7.1)
EBITDA	5	**80.4**	**77.8**	**71.2**	**306.5**
Depreciation and amortization	7	(26.7)	(26.7)	(24.5)	(102.6)
Operating profit (EBIT)		**53.7**	**51.1**	**46.8**	**203.8**
Financial income		1.4	1.5	9.2	13.4
Financial expenses		(18.7)	(18.7)	(17.0)	(72.0)
Foreign exchange gains/losses		10.0	(16.2)	(0.6)	(37.4)
Change in fair value of financial instruments	6	(10.9)	18.1	2.1	41.8
Net financial items		**(18.2)**	**(15.3)**	**(6.2)**	**(54.2)**
Net profit before tax		**35.5**	**35.7**	**40.5**	**149.7**
Tax payable		(2.0)	-	(0.0)	(2.0)
Change in deferred tax		(2.6)	(2.4)	(3.7)	(18.0)
Net profit after tax		**30.9**	**33.3**	**36.8**	**129.7**
Attributable to:					
Equity holders of the parent		30.4	32.9	36.4	128.2
Non-controlling interests		0.5	0.5	0.4	1.5
Net profit after tax		**30.9**	**33.3**	**36.8**	**129.7**
Weighted average number of shares outstanding		148.3	151.3	148.3	148.3
Earnings per share (USD)		**0.21**	**0.22**	**0.25**	**0.86**
Total number of shares outstanding, eksl. treasury shares		148.3	159.3	148.3	148.3

TOTAL COMPREHENSIVE INCOME

Amounts in USD million	4th Quarter 2017	1st Quarter 2018	1st Quarter 2017	Jan - Dec 2017
Net profit after tax for the period	30.9	33.3	36.8	129.7
Other comprehensive income, net of income tax				
Items that will not be reclassified to the income statement				
Remeasurements of defined benefit liability (asset)	(0.2)	-	-	(0.2)
Total for items that will not be reclassified to the income statement	(0.2)	-	-	(0.2)
Items that are or may be reclassified to the income statement				
Share of other comprehensive income from investment in associates	1.7	5.2	(0.6)	(2.3)
Change in fair value of available for sale financial assets	3.8	(0.3)	0.3	(0.8)
Currency translation differences	(1.6)	2.2	0.2	2.2
Total for items that are or may be reclassified to the income statement	3.8	7.1	(0.1)	(0.9)
Total change in other comprehensive income, net of income tax	3.6	7.1	(0.1)	(1.1)
Total comprehensive income for the period	**34.5**	**40.5**	**36.7**	**128.6**
Attributable to:				
Equity holders of the parent	34.1	40.0	36.4	127.1
Non controlling interests	0.5	0.5	0.4	1.5
Total comprehensive income for the period	**34.5**	**40.5**	**36.7**	**128.6**

BALANCE SHEET

Amounts in USD million	Note	31 December 2017	31 March 2018	31 March 2017
ASSETS				
Goodwill		9.8	9.8	9.8
Vessels and equipment	7	1 310.8	1 290.4	1 228.6
Investments in associates		188.7	194.2	186.6
Finance lease receivables and related assets	8	719.8	817.1	695.9
Investments in AMSC Bonds		49.0	49.1	50.7
Restricted cash deposits		1.5	0.1	23.3
Other interest-bearing long-term receivables		2.0	2.0	1.5
Fair value of derivatives	6	-	4.5	-
Shares in Solstad Farstad	6	6.5	6.1	12.5
Deferred tax assets		2.8	0.0	16.7
Total non-current assets		**2 290.8**	**2 373.4**	**2 225.5**
Trade receivables and other interest-free receivables		53.5	41.5	23.3
Cash and cash equivalents		98.7	124.4	96.1
Total current assets		**152.2**	**165.9**	**119.4**
Total assets		**2 443.1**	**2 539.3**	**2 344.9**
EQUITY AND LIABILITIES				
Share capital		239.6	253.7	239.6
Treasury shares		(0.0)	(0.1)	(0.1)
Other paid-in capital		351.4	478.0	434.5
Total paid-in capital	**11**	**591.0**	**731.6**	**674.1**
Retained earnings and translation reserves		230.2	197.1	139.4
Total equity attributable to equity holders of the parent		**821.1**	**928.7**	**813.5**
Non controlling interests		10.4	10.9	11.3
Total equity		**831.5**	**939.6**	**824.8**
Interest-bearing debt	10	1 401.4	1 307.3	1 256.7
Pension liabilities		0.4	0.0	0.4
Mobilization fee and advances		30.6	27.6	45.2
Fair value of derivatives	6	11.8	2.1	24.1
Non-current provisions (field abandonment)		30.1	30.3	28.9
Total non-current liabilities		**1 474.2**	**1 367.3**	**1 355.3**
Interest-bearing short term debt	10	109.0	206.5	106.2
Fair value of derivatives	6	7.5	3.6	41.3
Trade and other payables		20.8	22.3	17.3
Total current liabilities		**137.3**	**232.4**	**164.8**
Total liabilities		**1 611.5**	**1 599.7**	**1 520.1**
Total equity and liabilities		**2 443.1**	**2 539.3**	**2 344.9**

CHANGE IN EQUITY

Amounts in USD million	Share Capital	Share Premium	Treasury Shares reserve	Fair value reserve	Translation reserve	Retained earnings	Share-holders equity	Non controlling interests	Total equity
Balance at 31 December 2016	**239.6**	**461.8**	**(0.3)**	**-**	**(40.9)**	**144.0**	**804.2**	**11.0**	**815.2**
Net profit after tax for the period	-	-	-	-	-	128.2	128.2	1.5	129.7
Other comprehensive income	-	-	-	(0.8)	2.2	(2.5)	(1.1)	-	(1.1)
Total comprehensive income	**-**	**-**	**-**	**(0.8)**	**2.2**	**125.7**	**127.1**	**1.5**	**128.6**
Dividend	-	(110.2)	-	-	-	-	(110.2)	(2.1)	(112.3)
Treasury shares sold	-	-	0.1	-	-	(0.0)	0.1	-	0.1
Balance at 31st December 2017	**239.6**	**351.6**	**(0.2)**	**(0.8)**	**(38.6)**	**269.6**	**821.1**	**10.4**	**831.5**
IFRS 9 effects	-	-	-	(6.4)	-	6.4	-	-	-
Balance at 1st January 2018	**239.6**	**351.6**	**(0.2)**	**(7.2)**	**(38.6)**	**276.0**	**821.1**	**10.4**	**831.5**
Net profit after tax for the period	-	-	-	-	-	32.9	32.9	0.5	33.3
Other comprehensive income	-	-	-	(0.3)	2.2	5.2	7.1	-	7.1
Total comprehensive income	**-**	**-**	**-**	**(0.3)**	**2.2**	**38.1**	**40.0**	**0.5**	**40.5**
Dividend	-	(0.1)	-	-	-	(27.8)	(28.0)	-	(28.0)
Issuance of ordinary shares	14.1	83.0	-	-	-	-	97.1	-	97.1
Expenses related to issuance of shares, net of tax	-	(1.2)	-	-	-	-	(1.2)	-	(1.2)
Treasury shares acquired	-	-	(0.9)	-	-	-	(0.9)	-	(0.9)
Treasury shares sold	-	(0.1)	0.8	-	-	-	0.6	-	0.6
Transfer from retained earnings to share premium	-	45.2	-	-	-	(45.2)	-	-	-
Balance at 31st March 2018	**253.7**	**478.3**	**(0.4)**	**(7.4)**	**(36.5)**	**241.0**	**928.7**	**10.9**	**939.6**

Change in equity as of 31st March 2017

	Share Capital	Share Premium	Treasury Shares reserve	Fair value reserve	Translation reserve	Retained earnings	Share-holders equity	Non controlling interests	Total equity
Balance at 31 December 2016	**239.6**	**461.8**	**(0.3)**	**-**	**(40.9)**	**144.0**	**804.2**	**11.0**	**815.2**
Net profit after tax for the period	-	-	-	-	-	36.4	36.4	0.4	36.8
Other comprehensive income	-	-	-	0.3	0.2	(0.6)	(0.1)	-	(0.1)
Total comprehensive income	**-**	**-**	**-**	**0.3**	**0.2**	**35.8**	**36.4**	**0.4**	**36.7**
Dividend	-	(27.1)	-	-	-	-	(27.1)	-	(27.1)
Balance at 31st March 2017	**239.6**	**434.8**	**(0.3)**	**0.3**	**(40.7)**	**179.8**	**813.5**	**11.3**	**824.8**

CASH FLOW STATEMENT

Amounts in USD million	4th Quarter 2017	1st Quarter 2018	1st Quarter 2017	Jan - Dec 2017
Profit before tax	35.5	35.7	40.5	149.7
Depreciation, amortization and impairment charges	26.7	26.7	18.8	96.9
Income from investments in associates	(6.4)	(6.1)	(5.3)	(24.1)
Dividend received from investments in associates	5.6	5.8	5.6	20.5
Net interest expenses (+)	16.9	17.0	13.3	61.6
Interest paid	(17.2)	(16.8)	(15.6)	(63.9)
Interest received	0.2	2.7	3.6	6.6
Unrealized foreign exchange gain/loss	(10.4)	17.1	1.2	11.7
Change in fair value of financial instruments	10.9	(18.1)	(2.1)	(41.8)
Other changes in operating activities	(22.5)	9.0	(3.1)	(47.0)
Net cash flow from operating activities	**39.3**	**73.0**	**56.9**	**170.3**
Acquisition of vessels and equipment	(0.3)	(0.0)	(8.5)	(163.5)
Acquisition of vessels accounted for as finance lease receivables	0.0	(74.0)	-	(47.0)
Repayment on finance lease receivables	8.9	8.9	7.9	34.3
Investments in other non-current assets	-	(33.0)	(0.1)	(0.5)
Investments in associated companies	0.0	-	(57.7)	(57.7)
Net change in long-term interest-bearing receivables	(1.5)	1.4	153.1	175.2
Net cash flow from investing activities	**7.2**	**(96.6)**	**94.7**	**(59.3)**
Proceeds from issuance of long-term interest-bearing debt	0.5	-	(0.0)	224.9
Repayment of long-term interest-bearing debt	(37.2)	(18.0)	(194.0)	(290.8)
Dividend paid	(27.9)	(28.0)	(27.1)	(110.2)
Dividend paid to non-controlling interests	-	-	-	(2.1)
Net proceeds from issuance of new shares	-	95.5	-	-
Treasury shares sold	0.0	(0.3)	-	0.1
Net cash flow from financing activities	**(64.6)**	**49.3**	**(221.1)**	**(178.1)**
Net change in cash and cash equivalents	**(18.2)**	**25.7**	**(69.5)**	**(67.1)**
Exchange rate differences	(0.1)	0.1	0.2	0.3
Cash and cash equivalents at beginning of the period	116.9	98.7	165.5	165.5
Cash and cash equivalents at the end of the period	**98.7**	**124.4**	**96.1**	**98.7**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT FOR OCEAN YIELD ASA FOR THE FIRST QUARTER 2018

NOTE 1 INTRODUCTION – OCEAN YIELD ASA

Ocean Yield ASA is a company domiciled in Norway. The condensed consolidated interim financial statements for the first quarter and three months ending 31st March 2018 comprise Ocean Yield ASA and its subsidiaries (together referred to as the "Group").

The consolidated financial statements of the Group for the year ended 31st December 2017 and quarterly reports are available at www.oceanyield.no.

NOTE 2 STATEMENT OF COMPLIANCE

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed by EU, and the Norwegian additional requirements in the Securities Trading Act. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31st December 2017.

These condensed consolidated interim financial statements, which have not been subject to audit or review by independent accountants, were approved by the Board of Directors on 3rd May 2018.

A number of standards, amendments to standards and interpretations are effective from 1st January 2018 and have been applied in preparing these consolidated financial statements;

- The implementation of IFRS 9 Financial Instruments was mandatory from 1st January 2018. The standard addresses the classification, measurement and recognition of financial assets and financial liabilities, and have replaced the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 introduces a single approach for the classification and measurement of financial assets according to their cash flow characteristics and the business model they are managed in, and provides a new impairment model based on expected credit losses. The Group have used a modified implementation method, and cumulative impacts of the new standard have thus been recognized in retained earnings as of 1st January 2018. Comparative figures have not been restated. The new standard have however not had significant impact on the measurement of financial assets and changes in equity.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). Ocean Yield has financial assets in the following categories: amortized cost and fair value through other comprehensive income. The new standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale. At 31st December 2017, the Group had equity investments classified as available-for-sale with a fair value of USD 6.5 million. Under IFRS 9, the Group has designated USD 6.5 million of this as measured at FVOCI. Consequently, all fair value gains and losses will be reported in other comprehensive income, no impairment losses will be recognised in profit or loss and no gains or losses will be reclassified to profit or loss on disposal.

Further, IFRS 9 replaces the "incurred loss" model in IAS 39 with a forward-looking "expected credit loss" model. As most of the Group's lease income is prepaid the Group has limited amounts recognized as trade receivables and hence limited risk of loss on trade receivables. Each counterparty is assessed separately when estimating the loss allowance for the trade receivables as the Group has a limited number of counterparties and historically few losses. For the finance lease receivables the loans are in substance collateralised by the leased vessels. Most of the Group's finance lease receivables are net of seller credits and the amount recognized in the balance sheet are thus less than the fair value of the vessels. Hence, the expected credit loss on these receivables are limited.

- Implementation of IFRS 15 Revenue from Contracts with Customers was mandatory from 1st January 2018. The standard has replaced existing revenue recognition guidance, including IAS 18 Revenue. The standard does not apply to lease contracts that falls within the scope of IAS 17 Leases, and the new standard have hence not had significant impact on the financial statements of Ocean Yield. The Group has currently one contract that falls within the scope of IFRS 15; the operations and maintenance contract for the FPSO Dhirubhai-1.

A number of standards, amendments to standards and interpretations are not effective for the period ended 31st March 2018 and have not been applied in preparing these consolidated financial statements;

- Implementation of IFRS 16 Leases is mandatory from 1st January 2019. The new standard requires companies to bring most of its leases on-balance sheet, recognizing new assets and liabilities. The new standard is not expected to have significant impact on the financial statements of Ocean Yield. Ocean Yield is primarily a lessor and lessor accounting under IFRS 16 remains similar to current practice.

NOTE 3 SIGNIFICANT ACCOUNTING PRINCIPLES

The Group has as of 1st January 2018, implemented the new standards and amendments to standards specified in Note 2. Other accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31st December 2017.

NOTE 4 ESTIMATES

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The most significant judgments made by management in preparing these condensed consolidated interim financial statements in applying the Group's accounting policies, and the key sources of estimation uncertainty, are the same as those applied to the consolidated financial statements as of the year ended 31st December 2017.

NOTE 5 OPERATING SEGMENTS

Ocean Yield identifies segments based on the Group's management and internal reporting structure.

Total revenues and other income	4th Quarter	1st Quarter	1st Quarter	Jan - Dec
Amounts in USD million	2017	2018	2017	2017
FPSO	35.6	34.9	34.6	140.7
Other Oil Service	21.9	22.7	17.1	79.9
Car Carriers	10.2	10.0	9.9	39.9
Container vessels	6.4	6.1	5.3	24.1
Tankers	10.1	10.1	9.0	38.4
Other Shipping	5.2	5.3	2.6	16.2
Total revenues and other income	**89.5**	**89.2**	**78.6**	**339.1**

EBITDA	4th Quarter	1st Quarter	1st Quarter	Jan - Dec
Amounts in USD million	2017	2018	2017	2017
FPSO	28.9	28.6	28.9	115.9
Other Oil Service	21.4	20.0	17.0	79.1
Car Carriers	10.1	10.0	9.8	39.8
Container vessels	6.3	6.1	5.3	24.0
Tankers	9.9	10.1	9.0	36.4
Other Shipping	5.2	5.3	2.6	17.7
Other companies and eliminations	(1.5)	(2.2)	(1.5)	(6.3)
EBITDA	**80.4**	**77.8**	**71.2**	**306.5**

NOTE 6 CHANGE IN FAIR VALUE OF FINANCIAL INSTRUMENTS

All cross currency interest rate swaps are recorded at fair value, and are considered by the Group to be level 2 financial instruments under the fair value hierarchy.

The shares in Solstad Farstad ASA was in 2017 classified as “available-for-sale” financial assets, and measured at fair value. Impairment losses was recognized in profit and loss and any other variation in value was recorded through other comprehensive income. Under IFRS 9 the Group has designated the shares as measured at “fair value through other comprehensive income”. Consequently, all fair value gains and losses will be reported in other comprehensive income, no impairment losses will be recognised in profit or loss and no gains or losses will be reclassified to profit or loss on disposal.

Amounts in USD million	Change Q1 2018	Fair value as of 31 March 2018
Cross Currency Interest Rate Swaps	13.4	2.1
Forward exchange contracts	0.8	1.1
Interest rate swaps	3.9	(4.4)
Total	**18.1**	**(1.2)**

Amounts in USD million	Change Q1 2017	Fair value as of 31 March 2017
Cross Currency Interest Rate Swaps	1.2	(53.5)
Interest rate swaps	0.9	(11.8)
Total	**2.1**	**(65.4)**

NOTE 7 VESSELS AND EQUIPMENT

Material changes in vessels and equipment during 2018:

Amounts in USD million	FPSO	Other Oil Service	Car Carriers	Other Shipping	Other/elim	Total
Balance at 1 January	**288.1**	**555.6**	**298.3**	**159.0**	**9.7**	**1 310.8**
Acquisitions	0.0	-	-	-	-	0.0
Advances	-	-	-	-	-	-
Disposals	-	(0.3)	-	-	-	(0.3)
Depreciation	(14.2)	(7.5)	(3.4)	(1.4)	(0.3)	(26.7)
Impairment	-	-	-	-	-	-
Effect of movements in foreign exchange	-	6.6	-	-	-	6.6
Balance at 31st March 2018	**273.9**	**554.5**	**294.9**	**157.6**	**9.4**	**1 290.4**

Vessels defined as finance leases are not included in Note 7 but included in Note 8 Finance lease receivables and related assets.

NOTE 8 FINANCE LEASE RECEIVABLES AND RELATED ASSETS

Finance lease receivables and related assets of USD 817.1 million at 31st March 2018 are related to the vessel Aker Wayfarer, ten chemical tankers, four product tankers, one Suezmax tanker, five dry bulk vessels and four VLCC crude tankers under construction.

The four VLCCs on long-term charter to Okeanis Marine Holdings SA are accounted for as finance leases, and are included in the segment Tankers. Pre-delivery advances related to these vessels are presented with the finance lease receivables. The pre-delivery advances are at this point not included in the net investment used for calculating the finance lease interest, but will be included from the time of vessel delivery.

The two dry-bulk vessels on long-term charter to LDA are accounted for as finance leases and are included in the segment other shipping. As of 31st of March 2018, one out of two vessels were delivered, which is reflected in the table below.

Further, the five handysize dry bulk vessels with long-term charter to Interlink Maritime are also accounted for as finance leases and are included in the segment Other Shipping. As of 31st of March 2018, four out of five vessels were delivered, which is reflected in the table below.

The three Suezmax vessels scheduled for delivery in Q3-Q4 2018 are not yet included in the table below, as no payments have been made as of Q1 2018.

The net finance lease receivables as of 31st March 2018 was as follows:

	Other Oil Service			Tankers			Other shipping			Total
Amounts in USD million	**Gross Investment in finance lease receivables**	**Effect of dis-counting**	**Present value of minimum lease payments**	**Gross Investment in finance lease receivables**	**Effect of dis-counting**	**Present value of minimum lease payments**	**Gross Investment in finance lease receivables**	**Effect of dis-counting**	**Present value of minimum lease payments**	**Present value of minimum lease payments**
Less than one year	39.6		36.7	57.8		55.8	7.3		6.3	98.8
Between one and five years	133.4		90.5	224.2		184.6	29.1		24.9	300.0
More than five years	188.6		63.7	526.4		279.7	66.1		42.0	385.4
Total finance lease receivables	**361.5**	**(170.6)**	**190.9**	**808.4**	**(288.3)**	**520.0**	**102.5**	**(29.3)**	**73.2**	**784.1**
Pre-delivery instalments	-		-	33.0		33.0	-		-	33.0
Total finance lease receivables and related assets	**361.5**	**(170.6)**	**190.9**	**841.4**	**(288.3)**	**553.0**	**102.5**	**(29.3)**	**73.2**	**817.1**
Unguaranteed residual values included above	57.7		15.4	148.7		64.7	26.7		15.5	95.7

NOTE 9 CONTRACTUAL OBLIGATIONS

Ocean Yield had as per 31st March 2018 the following contractual obligations related to the purchase of vessels.

Amounts in USD million	FPSO	Other Oil Service	Car Carriers	Tankers	Other Shipping	Total
Already paid	-	-	-	33.0	-	33.0
2018	-	-	-	212.0	36.0	248.0
2019	-	-	-	181.5	-	181.5
Total contractual obligations	**-**	**-**	**-**	**426.5**	**36.0**	**462.5**
Total remaining payments	-	-	-	393.5	36.0	429.5

The obligations above related to the segment Tankers are related to three suezmax tankers and four VLCC crude tankers under construction.

The three suezmax tankers are scheduled for delivery in June, August and October 2018, and will from delivery be chartered to Nordic American Tankers Limited for a period of ten years. The net purchase price was USD 43.2 million per vessel.

The four VLCC crude tankers are scheduled for delivery in Q2-Q3 2019, and will from delivery be chartered to companies owned and guaranteed by Okeanis Marine Holdings SA for a period of 15 years. The net purchase price was USD 74.25 million per vessel.

The obligations above related to the segment Other shipping are related to two dry bulk vessels. Both vessels have been delivered in April 2018.

NOTE 10 INTEREST-BEARING DEBT

Material changes in interest-bearing debt (short- and long-term) during 2018:

Amounts in USD million	FPSO	Other Oil Service	Car Carriers	Tankers	Other Shipping	Other/elim	Total
Balance at 1 January	20.0	476.3	200.8	395.0	127.1	291.2	1 510.4
New loans	-	-	-	-	-	-	-
Paid loan fees	-	-	-	-	-	-	-
Instalments	-	(4.3)	(4.2)	(7.4)	(2.0)	-	(18.0)
Effect of movements in foreign exchange and loan fees amortized	-	4.6	0.2	0.4	0.1	16.2	21.4
Total interest-bearing liabilities 31st March 2018	**20.0**	**476.6**	**196.7**	**387.9**	**125.2**	**307.4**	**1 513.9**
Long-term	-	441.8	179.7	358.1	117.2	210.5	1 307.3
1st year instalments	20.0	34.9	17.0	29.8	8.0	96.9	206.5
Total interest-bearing liabilities 31st March 2018	**20.0**	**476.6**	**196.7**	**387.9**	**125.2**	**307.4**	**1 513.9**
Undrawn facilities	-	45.2	-	-	-	-	45.2

NOTE 11 SHARE CAPITAL AND DIVIDENDS

In February 2018 Ocean Yield successfully completed a private placement of 11 million new shares, raising gross proceeds of NOK 759 million. The share issue attracted strong interest and was heavily oversubscribed. As a result, Aker ASA's shareholding, controlled through the subsidiary Aker Capital AS, was reduced to 61.7%. The proceeds of the share issue will be used for further growth and general corporate purposes.

As of 31st March 2018 the Company had a share capital of NOK 1,593,514,320 divided into 159,351,432 ordinary shares, each having a par value of NOK 10.00. Total number of treasury shares held were 41,133.

In Q1 2018 USD 28.0 million was paid in dividends, following the announcement of the Q4 2017 results.

NOTE 12 EVENTS AFTER THE BALANCE SHEET DATE

Following quarter end, two dry-bulk vessels have been delivered. One vessel is on long-term charter to LDA and the other on long-term charter to Interlink Maritime.

USE AND RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures are defined as numerical measures that either exclude or include amounts that are not excluded or included in the comparable measures calculated and presented in accordance with GAAP (i.e. IFRS).

The following financial measure may be considered an alternative performance measure:

- EBITDA: Earnings before financial items, income taxes, depreciation, amortization and impairment charges

- EBITDA adjusted for finance lease effects: EBITDA adjusted for Repayment of finance lease receivables.

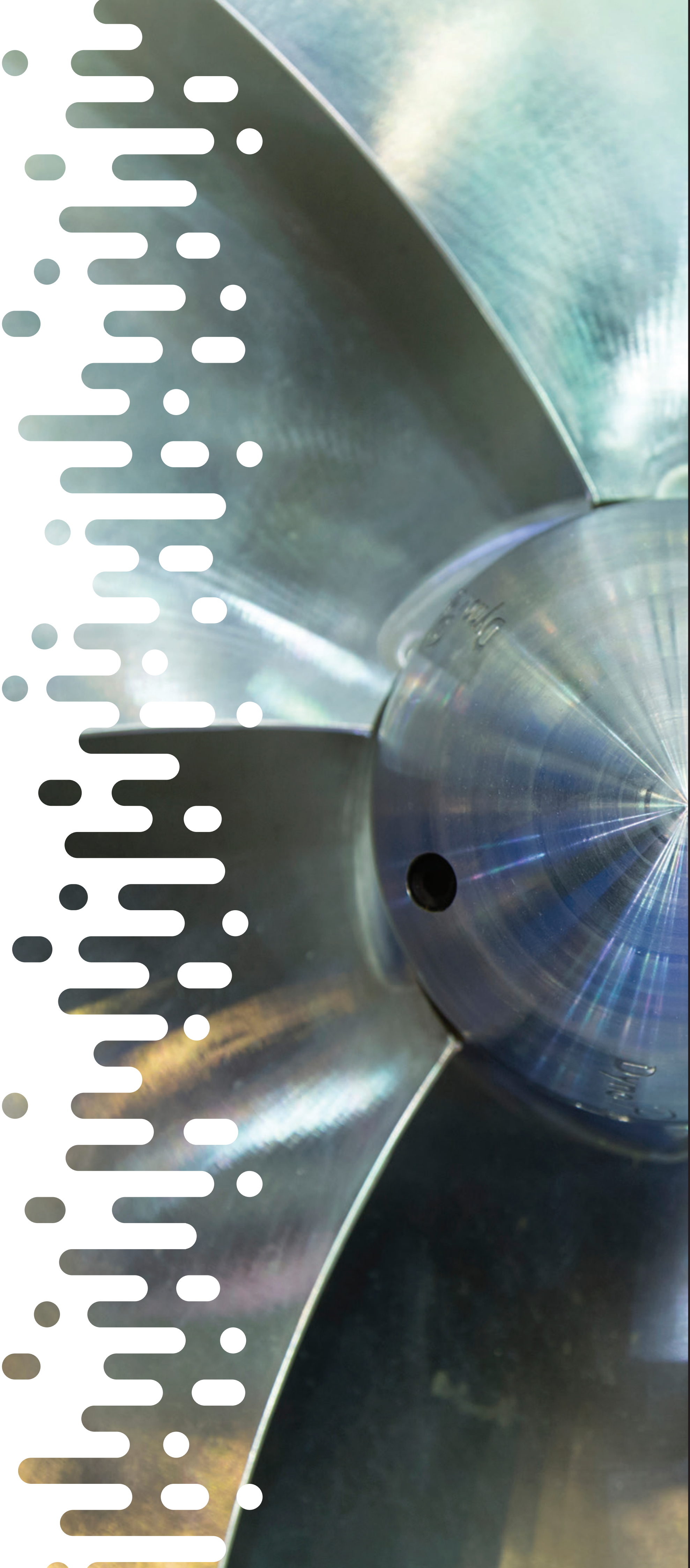
- EBIT: Earnings before financial items and income taxes

- Adjusted net profit: Net profit adjusted for impairment charges, foreign exchange gains/losses, fair value adjustments of derivatives, changes in deferred tax and non-recurring items.

The Company believes presenting EBITDA, EBITDA adjusted for finance lease effects, EBIT and Adjusted net profit as useful to investors as they provide other useful measures of Ocean Yield's profitability from its operations. Regarding EBITDA adjusted for finance lease effects, the Company believes it is useful for investors to present information showing all vessels accounted for on a consistent basis, as it will more closely reflect the Group's cash flows from operations. Regarding, Adjusted net profit, the Company considers Adjusted net profit to be a relevant performance criteria. The net profit is adjusted for significant non-cash and non-recurring items, and the Adjusted net profit is thus a useful measure when it comes to the Company's dividend capacity.

EBITDA and EBIT are disclosed in the condensed consolidated income statement as separate line items. Reconciliation of other alternative performance measures to the financial statements are as follows:

Amounts in USD million	4th Quarter 2017	1st Quarter 2018	1st Quarter 2017	Jan - Dec 2017
EBITDA	80.4	77.8	71.2	306.5
Repayment on finance lease receivables	8.9	8.9	7.9	34.3
EBITDA adjusted for finance lease effects	**89.3**	**86.8**	**79.1**	**340.7**
Net profit after tax	30.9	33.3	36.8	129.7
Gain AMSC	-	-	(5.7)	(5.7)
Foreign exchange gains/losses	(10.0)	16.2	0.6	37.4
Change in fair value of financial instruments	10.9	(18.1)	(2.1)	(41.8)
Change in deferred tax	2.6	2.4	3.7	18.0
Other non-recurring items	-	-	0.1	0.1
Adjusted Net profit	**34.4**	**33.9**	**33.4**	**137.7**



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