ANNUAL REPORT

2015

Ocean Yield

"Ocean Yield is a ship-owning company with focus on long-term charters to counterparties within the shipping and oil-service industry.

CONTENTS

OCEAN YIELD IN BRIEF

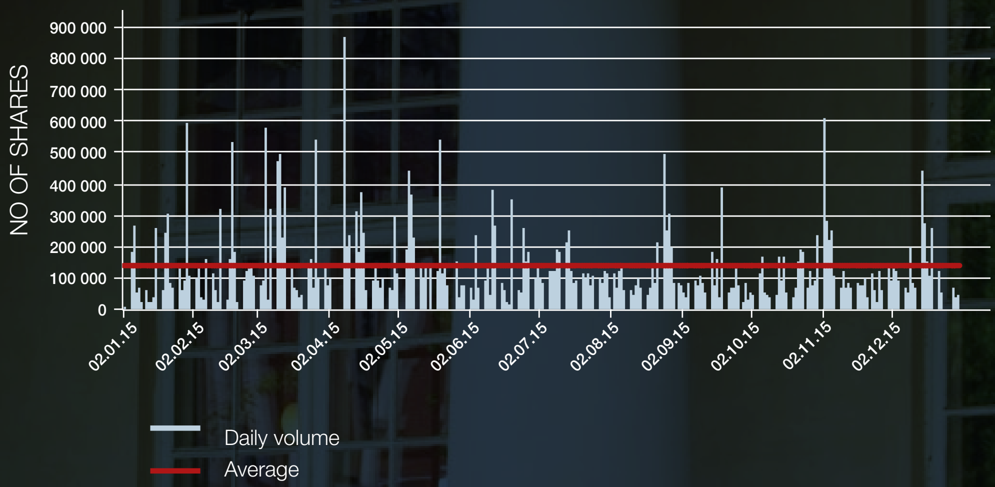
Ocean Yield is a ship-owning company with focus on long-term charters to counterparties within the shipping and oil-service industry. The Company focuses on investments within the maritime space, building a large and diversified contract backlog, which offers visibility with respect to future earnings and dividend capacity. Ocean Yield was established with the ambition to pay attractive and growing dividends to its shareholders and has delivered on this every quarter since the stocklisting of the Company in 2013.

The Ocean Yield Group was established on March 31st 2012 with a portfolio of oil-service assets previously controlled by Aker ASA. Since then, the Company has committed a total of USD 1.8 billion in new investments, all towards assets with long-term charters within shipping and oil-service. In July 2013, the Company completed an IPO with a listing on the Oslo Stock Exchange. The IPO raised approximately USD 150 million in new equity. A mix of institutional international investors and Norwegian retail investors joined Aker ASA as new shareholders. Ocean Yield has continued to raise capital in the bond market, which has been used to fund further investments within oil-service, car carriers, chemical tankers, product tankers and liquefied ethylene gas carriers. The Company's business strategy to enter into long-term charters gives clear visibility with respect to earnings and dividend capacity for the shareholders. The Company focuses mainly on bareboat charters with duration from ten to fifteen years. The Company will continue to grow and diversify its portfolio of long-term charters going forward with the aim to continue to pay attractive quarterly dividends.

Consolidated key numbers - USD million	Q4 2015	Q3 2015	Q2 2015	Q1 2015	2015	2014	2013
Revenues	65.6	65.3	63.2	62.6	256.7	249.3	239.0
EBITDA	56.6	56.4	56.0	55.2	224.2	216.7	207.7
Net profit before tax	3.9	22.7	25.8	28.2	80.4	103.6	80.2
Net profit after tax	28.3	22.7	25.8	28.1	105.0	100.8	82.7
Basic and diluted earnings per share – USD	0.21	0.17	0.19	0.21	0.77	0.75	0.71
Average no. of shares (million)	134.6	134.5	134.6	134.5	134.5	134.1	116.7
Cash	117.7	103.1	94.6	72.7	117.7	76.4	132.9
Total assets	2,024.8	1,986.1	1,869.7	1,770.1	2,024.8	1,810.9	1 672.2
Interest bearing debt	1,158.9	1,137.2	1,042.3	949.0	1,158.9	994.5	871.8
Net interest bearing debt	1,041.2	1,034.1	947.7	876.3	1,041.2	898.3	718.9
Total equity	708.8	727.6	730.7	723.2	708.8	718.7	703.7
Equity Ratio	35.0%	36.6%	39.1%	40.9%	35.0%	39.7%	42.1%
Dividends declared per share (USD)	0.1625	0.1575	0.1525	0.1475	0.62	0.54	

OCEAN YIELD SHARE PRICE IN 2015

The share price of Ocean Yield has developed positively also during 2015, with the share closing at NOK 68.50 on December 30th 2015, compared to the closing price on December 30th 2014 of NOK 44.0 per share. Including dividends this is a total return of 64.1 %. The initial IPO price in July 2013 was NOK 27.00 per share. From the IPO until 31 December 2015, the Ocean Yield share has generated a total return of 286.1% including dividends.



DIVIDENDS

Ocean Yield has an ambition to pay attractive dividends to its shareholders. During 2015, the Company paid a total dividend of USD 0.60 per share, with USD 0.1425 per share announced for Q4 2014, USD 0.1475 per share in connection with the Q1 2015 results, USD 0.1525 per share in connection with the Q2 2015 results and USD 0.1575 per share in connection with the Q3 2015 results.

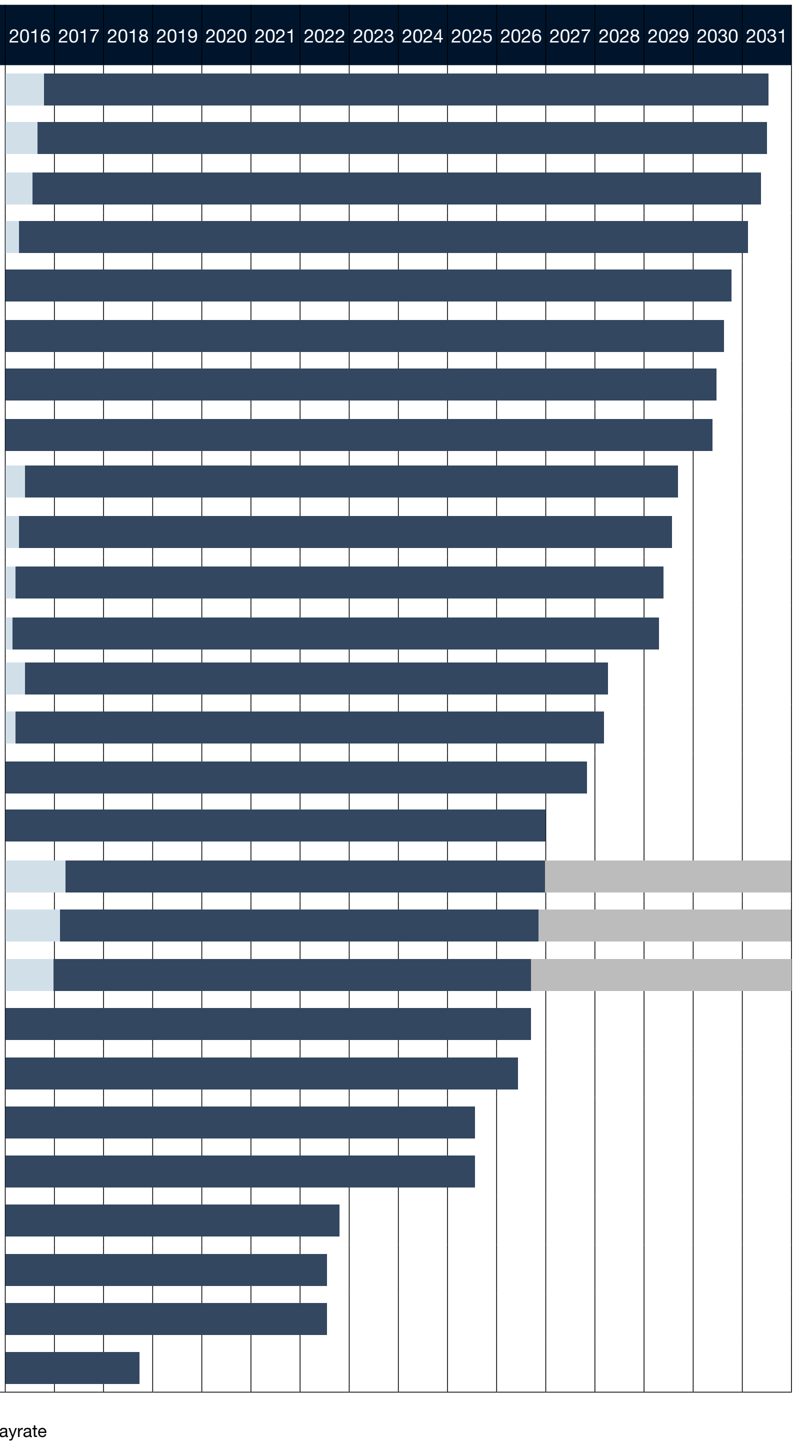
In connection with the announcement of the Q4 2015 financial results, a dividend of USD 0.1625 per share was announced. On an annualized basis, this equaled USD 0.65 per share.

CHARTER BACKLOG

At year-end 2015, the Company owns a fleet of 27 vessels, including 13 newbuildings due for delivery in 2016 and Q1 2017. 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 2015, the Company's charter backlog was USD 2.77 billion in revenues and USD 2.7 billion on an EBITDA* basis. Average remaining contract tenor (weighted by EBITDA) was 10.3 years.

The chart below shows the vessel name, type, duration of contract and counterparty for each vessel.

Unit	Type	Built	Counterparty
Navig8 Tanzanite	Chem, MR	2016	Navig8 Chemical Tanker
Navig8 Tourmaline	Chem, MR	2016	Navig8 Chemical Tanker
Navig8 Topaz	Chem, MR	2016	Navig8 Chemical Tanker
Navig8 Turquoise	Chem, MR	2016	Navig8 Chemical Tanker
Navig8 Azotic	Chem, 37k	2015	Navig8 Chemical Tanker
Navig8 Amessi	Chem, 37k	2015	Navig8 Chemical Tanker
Navig8 Aquamarine	Chem, 37k	2015	Navig8 Chemical Tanker
Navig8 Aronaldo	Chem, 37k	2015	Navig8 Chemical Tanker
Navig8 LR2 #4	LR2	2016	Navig8 Product Tanker
Navig8 LR2 #3	LR2	2016	Navig8 Product Tanker
Navig8 LR2 #2	LR2	2016	Navig8 Product Tanker
Navig8 LR2 #1	LR2	2016	Navig8 Product Tanker
Höegh XS C	PCTC	2016	Höegh Autoliner
Höegh XS D	PCTC	2016	Höegh Autoliner
Aker Wayfarer	OCV	2010	AKOFS/Akastor
SMB Installer	DSV	2013	SMB Offshore
LEG #3	LEG	2017	Hartmann SPV/SABIC
LEG #2	LEG	2017	Hartmann SPV/SABIC
LEG #1	LEG	2016	Hartmann SPV/SABIC
Höegh Jeddah	PCTC	2014	Höegh Autoliner
Höegh Jacksonville	PCTC	2014	Höegh Autoliner
FAR Senator	AHTS	2013	Farstad Supply
FAR Stateman	AHTS	2013	Farstad Supply
Lewek Connector	OCV	2011	EMAS AMC/Ezra Holding
Höegh Bejing	PCTC	2010	Höegh Autoliner
Höegh Xiamen	PCTC	2010	Höegh Autoliner
Dhirubhai-1	PCTC	2008	Reliance Industries



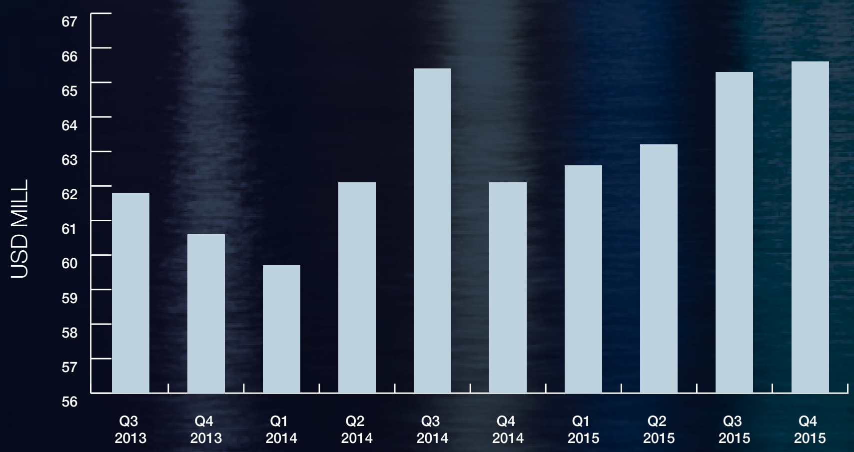
Contract start for Höegh XSE / XSF March 2016 and May 2016 respectively.

**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 and adjusted for finance lease effects.*

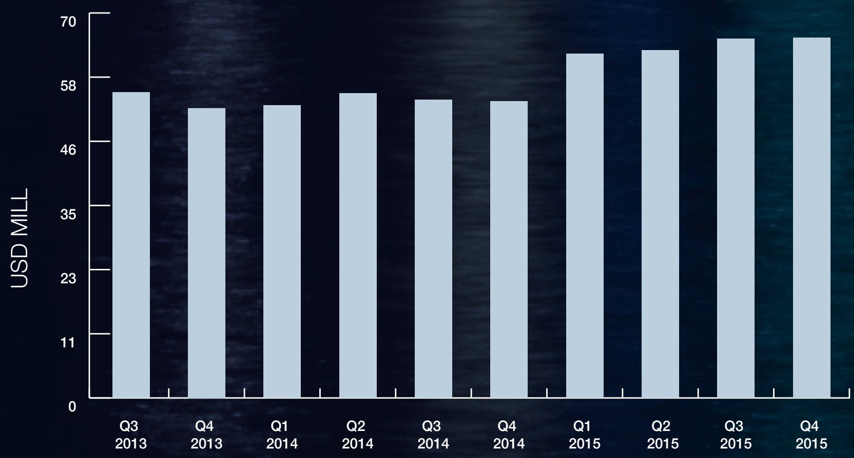
All the Company's vessels, except for the FPSO Dhirubhai-1, are chartered out on bareboat charter contracts, where the operating risk lies on the charterer. For the FPSO, the Company has full operational risk of the vessel, through its subsidiary, Aker Floating Production AS.

Since the inception in 2012, the Company has grown its quarterly EBITDA by 72%, reflecting additional vessel investments. Net profit, has grown to USD 28.3 million in Q4 2015. Net Profit is on a quarterly basis affected by currency fluctuations and mark-to-market of derivatives. Adjusted for these and for non-recurring items, the Adjusted Net Profit has developed from USD 22.4 million in Q2 2013 to USD 28.0 million in Q4 2015.

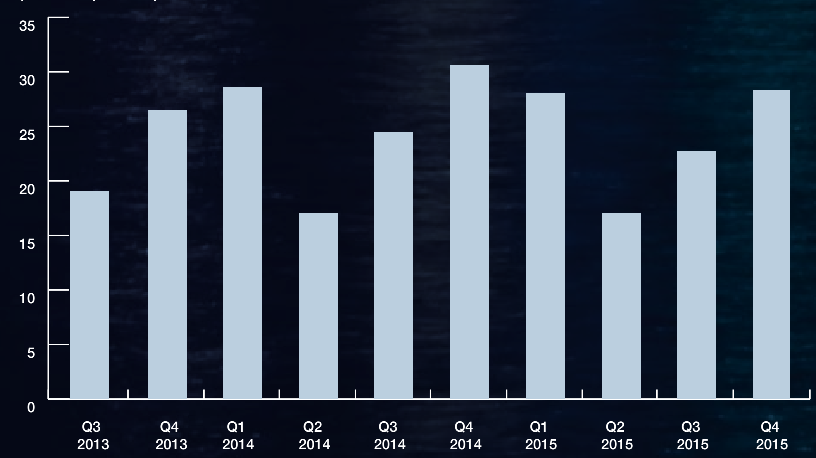
Revenues per quarter



EBITDA per quarter

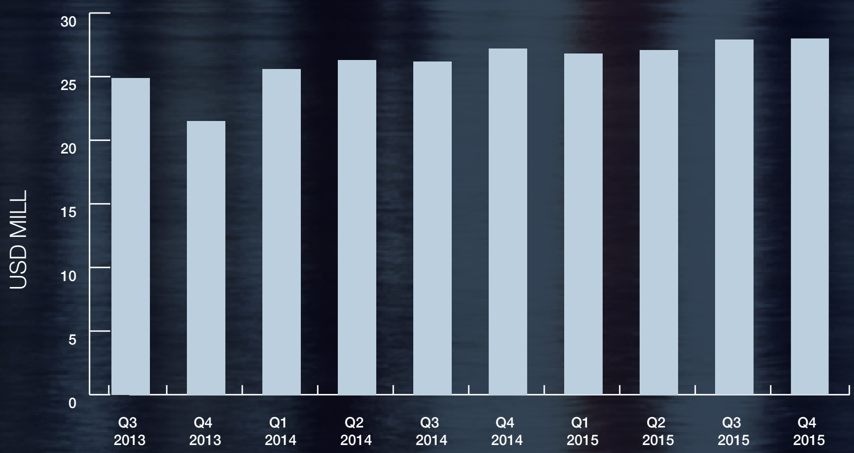


Net profit per quarter

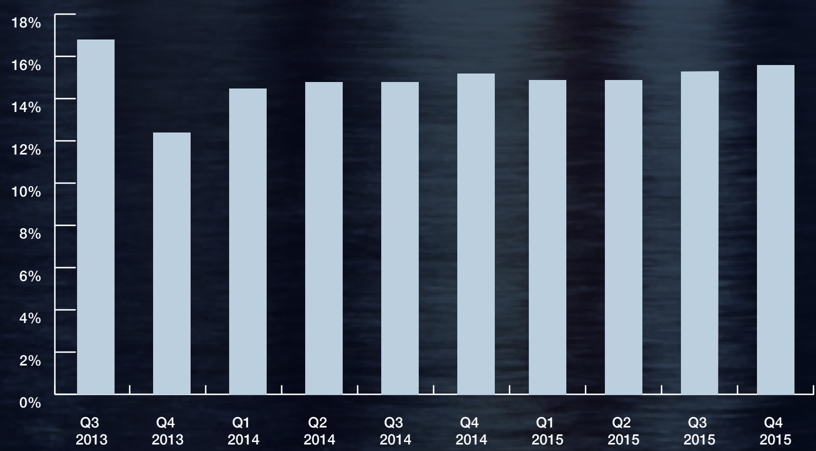


Adjusted net profit per quarter

The quarterly net profit, adjusted for non-recurring items, mark-to-market of derivatives and currency fluctuations, has developed as follows:



Return on equity



Company Facts as of 31.12.2015	
Ticker	OCY.OL
No of shares outstanding	134 628 575
No of shareholders approx	4 200
Market capitalization USD	1.04 billion
Market capitalization NOK	9.222 million
Free float	27.03%
Largest shareholder (Aker Capital AS)	72.97%

2012/15

HISTORICAL TIMELINE

2012

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

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

2013

MARCH
Announcement of investment in two new Anchor handling tug supply vessels (AHTS) with 12 year charters to Farstad Supply AS, with delivery in March and June 2013.

JUNE
Launch of Initial Public Offering.

JULY
Successful closing of Initial Public Offering and listing of the Company on the Oslo Stock Exchange, with net proceeds of USD145 million. New Board of Directors in place from the time of listing.

SEPTEMBER
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
Initiating quarterly dividends to its shareholders.

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

2014

MARCH
Successful placement of NOK 600 million in senior unsecured bonds with maturity in 2019. Coupon of NIBOR + 3.90% p.a. NOK 432 million of outstanding bonds maturing in 2017 were bought back and cancelled.

MAY 2014
Announced investment in three newbuilding gas carriers of 36,000 cbm with long term charters and investment in two 2010 built car carriers with long-term charters to Höegh Autoliners.

JULY 2014
Successful placement of NOK 400 million in senior unsecured bonds with maturity in 2019. The bonds were placed with an implicit pricing of NIBOR + 3.65% p.a. The remaining bonds with maturity in 2017 were called and cancelled.

SEPTEMBER 2014
Announced extension of the bareboat charter for “Aker Wayfarer” until 2027 in combination with a USD 90 million modification investment in the vessel.

DECEMBER
Announced investment in Diving Support and Offshore Contruction vessel with long term charter to SBM Offshore.

Announced the sale of the seismic vessel “Geco Triton” to Western Geco.

Successful closing of a new bank facility of up to USD 50.5 million related to the FPSO Dhirubhai-1.

2015

MARCH
Acquisition of eight newbuilding chemical tankers for a total consideration of USD 306 million in combination with 15-year “hell and high” bareboat charters to Navig8 Chemical Tankers Inc.

APRIL 2015
Signed a new revolving credit facility of USD 220 million for the long-term financing of the vessel Aker Wayfarer.

Successful placement of new unsecured bond issue of NOK 1,000 million with maturity date in April 2020, carrying a coupon of 3 months NIBOR + 4.00% p.a. with quarterly interest payments.

JULY 2015
Acquisition of four newbuilding 115,000 dwt LR2 product tankers for a total consideration of USD 198.1 million, in combination with 13 years “hell and high water” bareboat charters to Navig8 Product Tankers Inc.

DECEMBER 2015
Amendments to charter agreements with Höegh Autoliners where Ocean Yield agreed to sell its two vessels to Höegh and acquire two newbuilding sister vessels with earlier delivery.

> "Ocean Yield has in a very short period of time established itself as a leading dividend yield company with focus on investments in modern vessels on long-term charters.

MESSAGE FROM THE CEO

A YEAR OF FURTHER GROWTH AND DIVERSIFICATION

LARS SOLBAKKEN
CHIEF EXECUTIVE OFFICER

2015 proved to be another hectic year for Ocean Yield, with further growth related to new investments in vessels with long-term charters. Since the start-up in 2012 we have now committed more than USD 1.8 billion of new investments and we currently have a charter backlog on an EBITDA basis of about USD 2.75 billion. The substantial contract backlog gives visibility with respect to future earnings and together with a solid balance sheet, make the Company well positioned to continue to pay attractive dividends in a challenging market environment.

During the year, we committed to approximately USD 500 million of new investments, including eight chemical tankers and four product tankers, all being built at leading, high quality shipyards in Asia. Once delivered, these vessels will contribute to further diversification of our charter portfolio into new segments. The vessels were acquired at historically attractive prices, and have contracts of 13 years to Navigate Product Tankers Inc for the product tankers and 15 years to Navigate Chemical Tankers Inc. for the chemical tankers. Our two counterparties are separate legal entities, backed by different shareholders. All vessels are operated by the Navigate Group, which now is operating more than 300 vessels within many shipping segments. Four vessels were delivered already during 2015 and the remaining eight will come during 2016 and they will all contribute positively to our earnings and dividend capacity going forward.

We have also completed several major financing transaction during the year. In April, we raised another NOK 1,000 million in unsecured bonds at a coupon of NIBOR + 4.00% p.a. The transaction was heavily oversubscribed and placed in the Nordic bond market. Further, we completed a major refinancing of the loan facility related to the Aker Wayfarer and long-term financing of our newbuilding chemical and product tankers. Ocean Yield has established relationships with a number of new banks during 2015 and we are pleased with the strong support from our banks during the year.

During 2016 we will take delivery of the final two car carriers on charter to Höegh Autoliners, which will be vessel number five and six on contract to Höegh. The Chinese built 8,500 CEU capacity car carriers are impressive, in both design and capability, and will serve Höegh Autoliners in their global service for many years to come.

Our three newbuilding gas carriers with long-term bareboat charters to the Hartmann Group in Germany, which in turn has entered into a 10-year time charter agreements with SABIC, are also progressing on their construction in China. The vessels are expected to be delivered towards the end of 2016 and early in 2017. The vessels are innovative both with respect to design and propulsion and they will be used by SABIC to transport ethane from the US to their cracker in the UK.

Ocean Yield owns bonds in American Shipping Company ASA (AMSC) with a nominal value of about USD 200 million and with maturity in February 2018. AMSC completed a refinancing of its senior secured bank debt during 2015, totaling USD 450 million. Including the unsecured bonds, the total debt in the company is now approximately USD 665 million. The value of the fleet is estimated well above USD 1 billion. Our goal with this investment is to deploy the funds into new vessels on long-term charters, once the bonds have been refinanced or repaid at maturity.

Success does not come without hardworking employees. I am proud to acknowledge the achievements made during the year and the strong contributions by our employees. The personnel handling and monitoring the operations of the Dhirubhai-1 FPSO, have once again proven themselves as one of the best performers in the FPSO industry, giving us another year of stable and high performance. In addition, we have added key personnel on the accounting side during the year, which have been valuable contributions to the team. In our contact with investors, we strive to be as open and available as possible. I am therefore proud that this effort was acknowledged in the IR Nordic Markets 2015 study performed by Regi, where Ocean Yield was ranked the no.1 IR Company amongst the mid-cap companies listed on the Oslo Exchange.

The substantial reduction in the oil price has been followed by reduced activity within the oil-service sector. This gives grounds for some concern, as many companies are forced to lay-up vessels and reduce their activities. Ocean Yield is not directly affected by the low activity in the oil-service market, as all our vessels are chartered out on long-term bareboat charters. However, should the activity in the sector remain low for a longer period, some of our counterparties may be negatively affected. We are therefore closely monitoring certain of our oil-service investments and will be cautious with regards to expanding our presence within such segments where market conditions are challenging.

As a dividend yield company Ocean Yield has a strong commitment to deliver on its dividend policy. With a substantial contract backlog and a strong balance sheet, the Company should be well positioned to continue to pay attractive quarterly dividends going forward.

AKER FLOATING PRODUCTION

HIGH QUALITY - HIGH PERFORMANCE

Aker Floating Production 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 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, while AFP Operations AS is operating the vessel. 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 BP and Niko Resources have a 30% and 10% share, respectively. DB-1 started production on 21st September 2008.

ORGANISATION

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

DB-1 is managed from Aker Floating Production's offices in Bærum, Norway. The onshore organization includes 13 people at the Norwegian office and 12 people 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 organizations. A total of 101 people employed through a crewing agent are working on-board the DB-1 on a rotational basis. Operational personnel on board at any one time are 60-65 persons, including catering and service personnel. The offshore personnel are mainly Indian and Polish nationals. To maintain the HSEQ and utilisation track record, the organisation is focusing on pro-active identification of potential future operational and maintenance challenges, in combination with relevant training.

DB-1 OPERATIONS

DB-1 has been operating through 2015 without any lost time incidents or spill to the environment. At year end it was 2441 days since the last registered lost time incident. The technical average uptime in 2015 was 99.75%. In 10 of 12 months the uptime has been 100%. In two months the uptime has been 97.5% and 99.4% due to planned maintenance activities causing reduced production and hence registered as down time. There has been no planned total production shutdown for maintenance in 2015. A total production shutdown period of 3 days for maintenance was planned for May 2015, but postponed until 2016.

> "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.

At year-end 2015 4 out of 7 wells are producing.

Annual Class and Flag State renewals were completed and certificates are revalidated without any conditions. DNV Annual ISM and ISO verification audits were executed in September and the operating company is fully certified accordingly.

FPSO

KEY INFORMATION

DHIRUBHAI-1

20 YEARS
DESIGN LIFE

PRODUCTION CAPACITY GAS
9 MILL SM3/D

STORAGE CAPACITY
1.3 MILL BBLS

104
LIVING QUARTER

INJECTION CAPACITY GAS
3 MILL SM3/D

WELL
NO 7

PRODUCTION CAPACITY OIL
60 000 BPD

COMMERCIAL OPERATIONS

The contract with Reliance runs for 10 years and expires on 20th September 2018. Reliance 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, other than the cumulative shut-down days experienced in the contract period. Any extension will be subject to a agreement between the parties.

The total operating revenue in 2015 was USD 138.3 million. The EBITDA was USD 117.1 million. A total of USD 79.8 million was made in loan repayments during the year. Interest bearing debt as of 31st December was USD 167.5 million and the book value of the Dhirubhai-1 was USD 412.6 million, including goodwill of USD 9.8 million.

DELIVERY OF THE FIRST CHEMICAL TANKERS

The Navig8 Aquamarine pictured outside the shipyard Hyundai Mipo in South Korea.

During 2015, Ocean Yield took delivery of its first four chemical tankers from Hyundai Mipo Shipyard in Korea.

The first vessel, named Navig8 Aronaldo, was delivered in June 2015 with another three vessels, the Navig8 Aquamarine, Navig8 Amessi and Navig8 Azotic following in the remaining part of the year. Above is the 37,000 dwt. Navig8 Aquamarine after delivery from the shipyard in August 2015. All vessels immediately commenced their 15 year bareboat charters to Navig8 Chemical Tankers Inc. upon delivery.

During 2016, Ocean Yield will take delivery of another four 49,000 dwt chemical tankers and another four LR2 product tankers. In addition, two car carriers and one gas carrier is also scheduled for delivery in 2016, with another two gas carriers expected to be delivered in Q1 2017.

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 vessel is chartered out to EMAS AMC AS, a subsidiary of Ezra Holdings Ltd.

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 GL'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 vessel will in 2016 be modified and upgraded by a Norwegian yard to become a Deepwater Subsea Equipment Support Vessel. The table above sets out certain key technical data relating to the vessel. The vessel is chartered out to AKOFS Offshore AS, a subsidiary of Akastor ASA.

HÖEGH TRACER / TRAPPER

Vessel type: *Pure Car and Truck Carrier (PCTC)*

Built: *To be delivered in 2016*

Key features: *8 500 car capacity*

Yard: *Xiamen Shipbuilding Industry Co. Ltd*

The Höegh Tracer and Höegh Trapper 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. The vessels are expected to be delivered in 2016.

HÖEGH JACKSONVILLE/HÖEGH JEDDAH

Vessel type: *Pure Car and Truck Carrier (PCTC)*

Built: *Höegh Jacksonville was delivered in April 2014 and Höegh Jeddah was delivered in September 2014*

Key features: *6 500 car capacity*

Yard: *Daewoo Mangalia Heavy Industries S.A.*

The Höegh Jacksonville and Höegh Jeddah are PCTCs with 6,500 car capacity. The vessels were 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 vessels were built based on the same specifications with relevant updates. The vessels were successfully delivered in April and September 2014, respectively.

HÖEGH BEIJING / HÖEGH XIAMEN

Vessel type: *Pure Car and Truck Carrier (PCTC)*

Built: *2010*

Key features: *4,900 car capacity*

Yard: *Xiamen Shipbuilding Industry Co. Ltd*

The Höegh Beijing and Höegh Xiamen are PCTCs with 4,900 car capacity. The vessels were delivered from Xiamen Shipbuilding Industry Co. Ltd ("Xiamen") in 2010 and were acquired by Ocean Yield from Höegh Autoliners ("Höegh") in June 2014. The vessels are chartered on 8-year "hell and high water" bareboat charter contracts to Höegh Autoliners ("Höegh") until June 2022.

LEG CARRIERS (S1034/1035/1036)

Vessel type:	*Liquefied Ethylene gas carriers*
Built:	*To be delivered in 2016/2017*
Key features:	*36,000 cbm*
Yard:	*Sinopacific Offshore & Engineering, China*

Ocean Yield has entered into newbuilding contracts for three LEG (Liquefied Ethylene Gas) carriers of 36,000 cbm capacity, to be built at Sinopacific Offshore & Engineering, China. The vessels are scheduled for delivery in Q3-Q4 2016 and Q1 2017 respectively, and will after delivery be chartered on 15-year "hell and high water" bareboat charters to the Hartmann Group ("Hartmann"), Germany, where the first ten years have a fixed charter rate and the last five years a floating charter rate. Hartmann has sub-chartered the vessels for a 10 year period on Time Charter basis with additional five one-year options to SABIC Petrochemicals BV, a subsidiary of Saudi Arabian petrochemical company SABIC.

SBM INSTALLER

Vessel type:	*Offshore construction and diving support vessel*
Built:	*2013*
Key features:	*DP 3 class, 275 ton crane, 100 people accommodation , 12 man saturated diving system*
Yard:	*Keppel Singmarine, Singapore*

Ocean Yield has acquired the diving support and offshore construction vessel "SBM Installer". The vessel, which was built by Keppel Singmarine, Singapore, in 2013, was delivered to the company in December 2014. The vessel is chartered back to SBM Holding ("SBM") for a fixed period of 12 years on a "hell and high water" bareboat contract. Ocean Yield has established a single purpose company for the ownership of the vessel, in which SBM will owns 25%. SBM provides floating production solutions to the offshore energy industry, over the full product life-cycle.

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 which is operating offshore on the east coast of India at 1,200 meters water depth. More than 60 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 vessel is chartered to Reliance Industries Ltd.

NAVIG8 CHEMICAL TANKERS

Navig8 Aronaldo, Navig8 Aquamarine, Navig8 Amessi, Navig8 Azotic,
Navig8 Turquoise, Navig8 Topaz, Navig8 Tourmaline, Navig8 Tanzanite

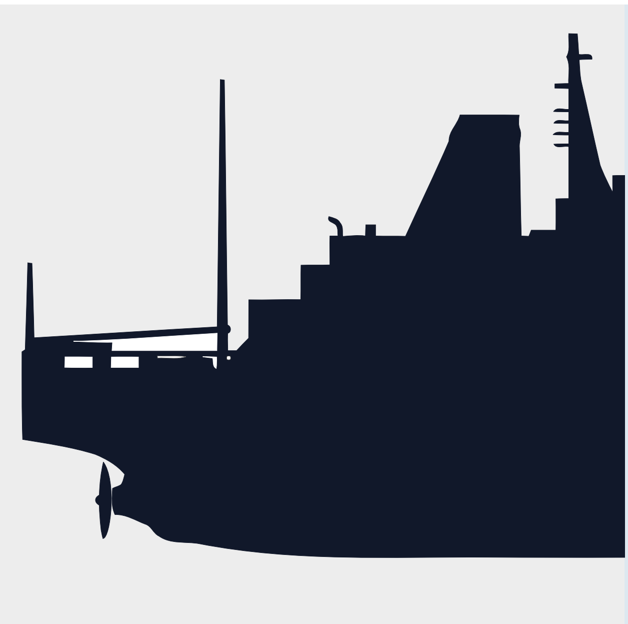
Vessel type:	*Chemical Tankers*
Built:	*2015 / 2016*
Key features:	*• IMOII • 4x Interline coating with 18 segregations • 4x Epoxy coating with 22 segregations*
Yard:	*Hyundai Mipo Dockyard / STX*

Ocean Yield has agreed to acquire eight newbuilding chemical tankers for a total consideration of USD 306.8 million in combination with 15-year "hell and high" bareboat charters to Navig8 Chemical Tankers Inc. ("Navig8 Chemical Tankers").

The first four vessels, being 37,000 dwt IMO II chemical carriers built by Hyundai Mipo Dockyard, Korea, were delivered during Q2 and Q3 2015. The last four vessels, being 48,000 dwt IMO II chemical carriers built by STX Korea, are scheduled for delivery in Q1-Q3 2016.

NAVIG8 PRODUCT TANKERS

Navig8 Symphony, Navig8 Sanctity, Navig8 Steadfast, Navig8 Supreme



Vessel type:	*LR2 Product Tankers*
Built:	*Q1-Q2 2016*
Key features:	*• Cargo tank capacity (incl slop tanks): 127,000.0 cbm • Main Engine: MAN B&W 6G60ME C9.2 • Nominal rating: 16,080 kW x 97.0 rpm • Specified max continuous rating (SMCR): 11,350 kW x 80.0rpm • Normal continuous rating (NCR): 9,648 kW x 75.8 rpm • Consumption: 25.0 mts (at 12.5 knots) • Accommodation: 30 + 6 (Suez Crew)*
Yard:	*Sungdong Shipbuilding & Marine Engineering, Korea*

Ocean Yield ASA has agreed to acquire four newbuilding LR2 product tankers for a total consideration of USD 198.1 million, in combination with 13 years "hell and high water" bareboat charters to Navig8 Product Tankers Inc.

The four vessels are being built at Sungdong Shipbuilding & Marine Engineering Co., Ltd, Korea, and are scheduled for delivery in Q1–Q3 2016.

MANAGEMENT

LARS SOLBAKKEN

CEO

Mr. Solbakken (born 1957) has served as CEO of Ocean Yield since the inception in 2012. 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

Mr. Eide (born 1970) has served as CFO of Ocean Yield since the inception in 2012. 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 been working with shipping and finance for 18 years, with broad transaction and corporate experience. 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

Mr. Busch Christensen (born 1983) serves as VP Investments, with responsibility for existing and new investments in the Company. 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.

MARIUS MAGELIE

VICE PRESIDENT

Mr. Magelie (born 1982) serves as Vice President, with main focus on Investor Relations. Before joining Ocean Yield, Mr. Magelie worked in the Nordic investment bank ABG Sundal Collier since 2008 as an equity analyst and later as partner, focusing on companies and sub-sectors within the shipping and cruise industry. Prior to ABGSC, Mr. Magelie worked with equity research in Kaupthing, a Nordic investment bank. Mr. Magelie has a Master of Science in Financial Economics from Norwegian School of Management (BI.

KRISTINE KOSI

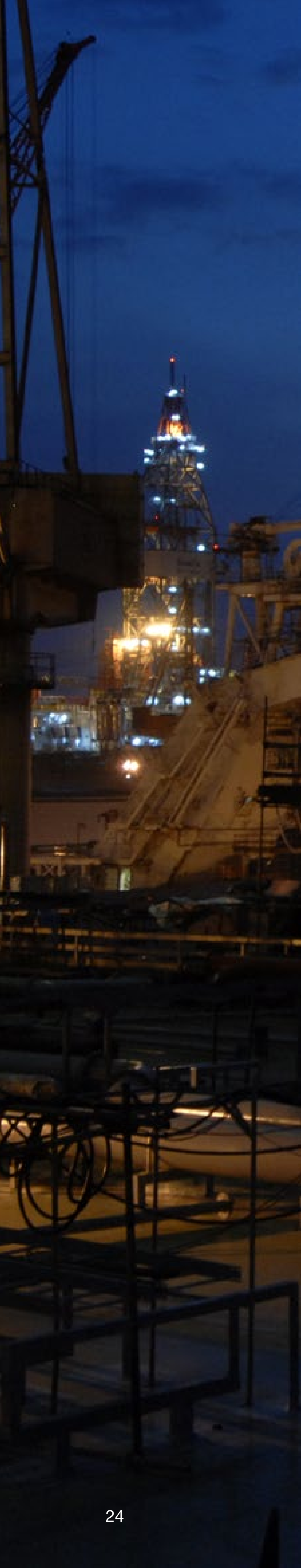
CHIEF ACCOUNTING OFFICER

Before joining Ocean Yield, Ms. Kosi (born 1983) 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.

HÅVARD GARSETH

MANAGING DIRECTOR
– AKER FLOATING PRODUCTION AS

Mr. Håvard Garseth (born 1956) is Managing Director of Aker Floating Production. Previously he was the company's Senior Vice President and Operation Manager and Project Manager for the FPSO Dhirubhai-1. Prior to this he has held various positions in Vetco Aibel (2000 – 2006) most recently as Manager Projects and Services, in Technology and Products department. He has also worked in Shell International (Holland, Oman and Djibouti) and Saga Petroleum in Norway. He is a graduate of the Norwegian institute of Technology (NTNU) in Trondheim and holds a Master Degree (Msc) in Petroleum Engineering.



BOARD OF DIRECTORS

TROND BRANDSRUD

CHAIRMAN

Trond Brandsrud (born 1958) is Group CFO in Lindorff. He was CFO in Aker ASA from 2010 to 2015. Prior to joining Aker he served as CFO in Seadrill for 3.5 years. 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), Aker ASA's main owner, has been a driving force in the development of Aker since the 1990s. Mr. Røkke launched his business career with the purchase of a 69-foot trawler in the United States in 1982, and gradually built a leading worldwide fisheries business. In 1996, the Røkke controlled company, RGI, purchased enough Aker shares to become Aker's largest shareholder, and later merged RGI with Aker. Mr. Røkke owns 67.8 percent of Aker ASA through The Resource Group TRG AS and subsidiaries which he co-owns with his wife. Mr. Røkke is currently chairman of Aker ASA, director of Aker Solutions, Kværner, Akastor and Det norske oljeselskap.

ANNE-CHRISTIN DØVIGEN

DIRECTOR

Anne-Christin (born 1965) 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

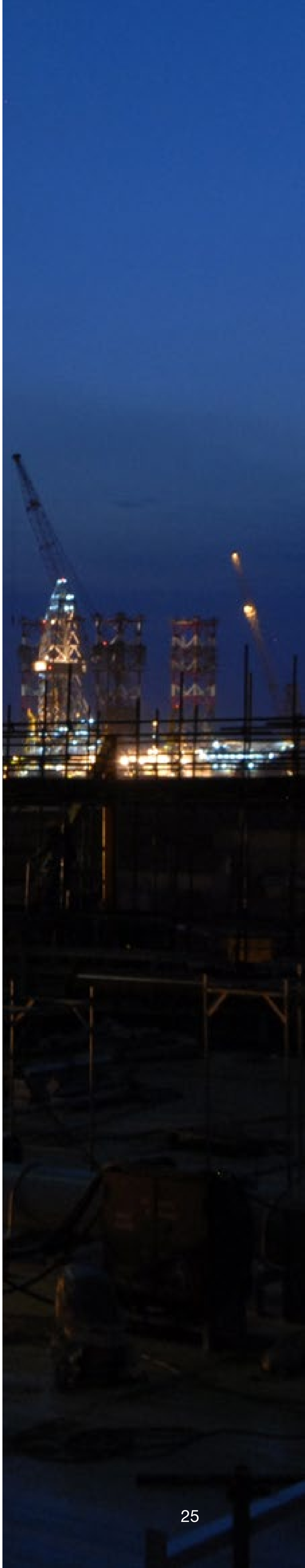
DIRECTOR

Jens Ismar (born 1957) is the CEO of Western Bulk Chartering AS, a Norwegian dry bulk company with a commercially controlled fleet of over 150 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 (born 1968) 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).



BOARD OF DIRECTORS' REPORT

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

2015 was another strong year for Ocean Yield as the Company continued to expand and diversify its portfolio of long-term charters, reaching a total of USD 1.8 billion of committed investments since the start up in 2012. During the year, Ocean Yield completed investments in both the chemical- and product tanker sectors, all with long term charters to solid counterparties. During 2016, the Company has a number of newbuildings scheduled for delivery, which will contribute to further strengthen the Company's earnings and dividend capacity going forward.

Ocean Yield committed to investments in a total of 12 vessels during the year for a total amount of more than USD 500 million. One investment was made within the chemical tanker segment and one within the product tanker segment. In addition, the Company raised another NOK 1,000 million of unsecured bonds in the market, at an attractive cost of NIBOR + 4.00% p.a. These funds have and will be utilized to fund further growth. The Company's cost of capital has continued to reduce since the start up in 2012, which enables it to be even more competitive when bidding for new long-term business.

Ocean Yield's quarterly dividend model has been well received among investors. The Company expects to continue to develop and diversify its portfolio of assets going forward, with the aim to continue to expand dividend capacity.

THE GROUP'S OPERATIONS AND FLEET

Ocean Yield's existing business portfolio consists of a number of investments within the maritime sector. The fleet, at year-end 2015 consisted of a total of 27 vessels, including 13 newbuildings. The fleet now counts one FPSO, two offshore-construction vessels, one offshore construction and diving support vessel, two anchor handling vessels, six car carriers (where two newbuildings are still under construction), three newbuilding gas carriers, eight chemical tankers (where four are newbuildings) and four Aframax product tankers (where four are still under construction). In addition, the Company has a financial investment in American Shipping Company's unsecured bond (AMSC 07/18 FRN C) with a par value of approximately USD 200 million. All vessels are chartered out long-term. The FPSO is on charter to Reliance Ltd. until September 2018. The offshore construction vessel Aker Wayfarer is on charter to a subsidiary of Akastor ASA until 2027. The offshore construction and cable laying vessel Lewek Connector, is on long-term charter to a subsidiary of Ezra Holdings Ltd., while the two anchor handling vessels are chartered out to Farstad Supply AS and the diving support and construction vessel SBM Installer is on long term charter to SBM Offshore. The Company's six car carriers are all chartered out to Höegh Autoliners, and the three newbuilding gas vessels are chartered out to Hartmann in Germany, which in turn has a time-charter to SABIC. The eight chemical tankers are chartered out to Navig8 Chemical Tankers Inc. and the four product tankers are on long term bareboat charter to Navig8 Product Tankers Inc.

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

REVIEW OF 2015

In January 2015, Ocean Yield agreed with the banks financing the vessel Aker Wayfarer to convert the existing loan facility from NOK into USD. The loan was converted at a USD/NOK spot exchange rate of 7.70, resulting in a total of USD 107.1 million outstanding under this loan facility at the time of conversion. Further, it was agreed with AKOFS Offshore AS, the subsidiary of Akastor ASA who is chartering the vessel, to convert 70% of the charter rate nominated in NOK into USD using the USD/NOK forward curve. The conversion was done with an average exchange rate of USD/NOK 7.33.

In April, Ocean Yield ASA signed a new revolving credit facility of USD 220 million with maturity in 2021 with a group of banks for the long-term financing of the Aker Wayfarer. The new credit facility refinanced the old loan of USD 107.1 million and provided financing for the modification of the vessel. The vessel is being modified in order to become a deepwater subsea equipment support vessel, which will allow it to install and retrieve subsea trees and modules, including subsea structures and manifolds. AKOFS Offshore AS has secured a 5+5 year charter to Petrobras for the vessel with start up in Q3/Q4 2016.

Also in April, Ocean Yield agreed to acquire eight newbuilding chemical tankers for a total consideration of USD 306.8 million in combination with 15-year "hell and high" bareboat charters to Navig8 Chemical Tankers Inc. ("Navig8 Chemical Tankers"). The first four vessels, being 37,000 dwt IMO II chemical carriers built by Hyundai Mipo Dockyard, Korea, were delivered during 2015. The last four vessels, being 49,000 dwt IMO II chemical carriers built by STX Korea, are scheduled for delivery in Q1-Q3 2016. The transaction was funded by a fully underwritten bank financing of about 69 % of the gross purchase price, a seller's credit of about 10% and the remaining amount with equity. Navig8 Chemical Tankers has certain options to acquire the vessels during the charter period, with the first option exercisable five years after delivery. Furthermore Ocean Yield provided Navig8 Chemical Tankers with a pre-delivery loan matching the remaining yard instalments for the STX vessels. The transaction is accounted for as a finance lease.

Further, in April, Ocean Yield closed a new unsecured bond issue of NOK 1,000 million with maturity in April 2020. The bonds carry a coupon of NIBOR + 4.00% p.a. with quarterly interest payments. The bond issue attracted strong interest and was substantially oversubscribed and closed at the bottom of the indicated price range. The proceeds have been used for further growth and general corporate purposes. The Company has entered into cross currency interest rate swaps for the amount at an average interest rate of LIBOR + 4.45% p.a.

In July, Ocean Yield agreed to acquire four newbuilding LR2 product tankers for a total consideration of USD 198.1 million, in combination with 13 years "hell and high water" bareboat charters to Navig8 Product Tankers Inc. ("Navig8 Product Tankers"). The four vessels are being built at Sungdong Shipbuilding & Marine Engineering Co., Ltd, Korea, and are scheduled for delivery during the first half of 2016. The vessels were acquired for USD 49.5 million each, which was equal to the original yard cost and about 20% below broker values at the time. The transaction was funded by a

> "During 2015 Ocean Yield continued its shareholder-friendly model of paying high and increasing quarterly dividends to its shareholders.

committed bank facility of USD 148 million, or USD 37 million per vessel, a seller's credit of USD 10 million, or USD 2.5 million per vessel and the remaining amount with existing cash. Navig8 Product Tankers has certain options to acquire the vessels during the charter period, with the first option exercisable after seven years. Furthermore, Ocean Yield have provided Navig8 Product Tankers with an interest bearing pre-delivery loan matching the remaining yard instalments, which is secured by assignment of the shipbuilding contracts and the refund guarantees. The transaction is accounted for as a finance lease.

In June, July and September, Ocean Yield took delivery of the newbuilding chemical tankers Navig8 Aronaldo, Navig8 Aquamarine, Navig8 Amessi and Navig8 Azotic from Hyundai Mipo Dockyard, Korea. Upon delivery, the vessels commenced 15 year "hell and high water" bareboat charters to Navig8 Chemical Tankers Inc.

In September, Ocean Yield entered into an agreement with American Shipping Company ASA ("AMSC"), where Ocean Yield currently owns 93.05% of the unsecured bonds (ISIN NO 001 035651.2 – the "Bonds") issued by AMSC, to vote in favour of certain waivers and approvals that were required in connection with the USD 450 million senior secured debt refinancing in AMSC. The approvals related to certain guarantees provided by AMSC to the financing institutions and the amortisation schedule related to two of the vessels. Ocean Yield previously received interest of LIBOR+6.00% p.a. whereby 50% has been paid in cash and 50% has been made as "payment in kind". As a consequence of the refinancing and the approval of the amendments, Ocean Yield now receives 100% of the interest payments in cash. The book value of the Bonds were USD 192.6 million at the year-end 2015, with par value of USD 200.6 million.

In December, Ocean Yield agreed to certain amendments to the charter agreements with Höegh Autoliners ("Höegh") for four PCTC vessels on long term charters. Ocean Yield agreed to sell two newbuilding 8,500 PCTC vessels to Höegh and acquire two newbuilding sister vessels with earlier delivery dates from Höegh, under construction at the same yard. The vessels will be delivered in Q1 and Q2 2016. New charter agreements have been entered into between Ocean Yield and Höegh for these vessels for periods of 12-years. The transaction will generate a positive cash effect of USD 15.6 million for Ocean Yield in 2016 and will not have any material profit & loss effects. Further, Ocean Yield agreed with Höegh Autoliners to change the charter rates for the two newbuilding 8,500 CEU vessels and the two 6,500 CEU vessels "Höegh Jacksonville" and "Höegh Jeddah" from fixed interest rate basis to floating interest rate basis.

During 2015 Ocean Yield continued its shareholder-friendly model of paying attractive and increasing quarterly dividends to its shareholders. For 2015, USD 80.7 million was paid out in dividends. Compared to the net profit for the year, this is a payout ratio of 77%. The annual General meeting has 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 2016. The General Meeting in April 2016 will vote on a new authorization to the Board, for payment of quarterly dividends up until the General Meeting in 2017.

For Q4 2015, the Board of Directors declared a dividend of USD 0.1625 per share. This was approved by the Board of Directors on February 17th 2016 and was paid on March 3rd 2016. The dividend in Q4 2015 compares to adjusted earnings per share of USD 0.21, which is a pay-out ratio of 79%. With a pay-out ratio lower than the annual net profit, investment capacity is preserved for further growth of the Company.

The FPSO Dhirubhai-1 showed stable and high utilization in 2015, with only minimal operational downtime. The operational utilization was 99.75% in 2015, which is a confirmation of the high quality of operations from the team in Aker Floating Production AS.

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 2015.

Total revenues for the year of 2015 were USD 256.7 million as compared with USD 249.3 million for the year of 2014. EBITDA was USD 224.2 million for the year of 2015, compared with USD 216.7 million for the year of 2014. Depreciation was USD 96.7 million in 2015, compared with USD 96.4 million in the year of 2014. Operating Profit was USD 98.9 million as compared with USD 116.4 million for the year of 2014. Impairment charges and other non-recurring items in 2015 were USD 28.6 million compared with USD 3.8 million in 2014. The impairment charge in Q4 2015 was related to goodwill.

Financial income was USD 18.2 million for the year of 2015, compared with USD 30.2 million for the year 2014. Financial income in the year of 2014 includes a one- off effect from the amendments of the bonds in American Shipping Company of USD 11.5 million that was recognized in 2014. Financial expenses were USD 37.6 million in the year 2015, compared to USD 50.2 million in the year of 2014. The figure for the year 2014 includes one-off effects related to the repurchase of outstanding Ocean Yield bonds and the refinancing of the car carriers, where accrued commitment fees and bank fees related to the old loans were recognized in the Profit & Loss.

Net profit after tax was USD 105.0 million in the year 2015, compared to USD 100.8 million for the year 2014. Adjusted for non-recurring items, the net profit for the year 2015 was USD 108.5 million compared with USD 97.5 in 2014. Basic and diluted earnings per share were USD 0.77 per share, based on a weighted average of 134.5 million shares outstanding in the year. This compares to basic and diluted earnings per share of USD 0.75 per share in 2014, based on a weighted average of 134.1 million shares outstanding during 2014.

Book equity was USD 708.8 million at the end of 2015, compared with USD 718.7 million at the end of 2014. A provision has been made during 2015 related to the potential decommissioning of the FPSO Dhirubhai-1 upon expiry of the contract in 2018. Reliance Industries Ltd. (RIL) has in accordance with the contract the option to purchase Dhirubhai-1, but if the purchase option is not exercised, or the contract not extended, the FPSO will be demobilized from the field accordingly. As Dhirubhai-1 was mobilized at the MA-field in 2008, a decommissioning provision should have been recognized in 2008. To reflect this an adjustment of USD 24.9 million have been made to the opening equity of Ocean Yield in 2015.

BUSINESS SEGMENTS

Ocean Yield defines operating segments based on the Group's internal management- and reporting structure. Ocean Yield's operating segments as of year-end 2015, are as follows:

- FPSO
- Other Oil Service
- Gas Carriers
- Car Carriers
- Other Shipping
- Other

FPSO

Aker Floating Production, which owns and operate the FPSO Dhirubhai-1, reported Operating Revenues of USD 138.3 million in 2015, compared to USD 136.8 million for the year 2014. Operating profit before depreciation and amortisation was USD 117.1 million, compared to USD 111.7 million in 2014. Operating profit was USD 31.3 million, compared to USD 54.6 million in 2014. The figure for 2015 includes an impairment of goodwill of USD 28.6 million. Net profit after tax for the year was USD 44.6 million, compared to USD 48.5 million in 2014. This includes recognition of a tax benefit of USD 20.0 million for the year, related to deferred tax losses previously not recognized in the balance sheet. The operational utilization for the Dhirubhai-1 was 99.75% in 2015, compared to 99.46% in 2014. The figure for 2014 includes a safety shutdown of 1.6 days in October 2014 in connection with the cyclone Hud-Hud.

OTHER OIL SERVICE

The segment Other Oil Service consists of Ocean Yield's investments in offshore construction 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 anchor-handling-tug-supply vessels Far Senator and Far Statesman and the offshore construction and diving support vessel SBM Installer. Other Oil Service had total revenues of USD 90.1 million in 2015, compared to USD 100.0 million in 2014. Due to a reclassification of the Aker Wayfarer from operating lease to financial lease, revenues were as a result reduced in 2015 compared to 2014. Operating Profit before depreciation and amortisation was USD 89.8 million, compared to USD 99.7 million in 2014. Net profit after tax was USD 41.2 million in 2015, compared to USD 46.3 million in 2014.

GAS CARRIERS

Ocean Yield's investment in gas carriers is related to newbuilding contracts for three Liquefied Ethylene Gas carriers on long term charters. The newbuilding contracts were entered into in May 2014, and the vessels are estimated for delivery towards the end of 2016 and in the first quarter of 2017. Hence, Operating Revenues were USD 0.0 million in 2015. Operating profit before depreciation and amortization was USD 0.0 million in 2015 and Net Profit after tax was USD 0.0 million.

CAR CARRIERS

Ocean Yield's investments in car carrier vessels are related to six vessels on long-term charters, whereof two are newbuilding vessels of 8,500 CEU capacity that are scheduled for delivery in March and June 2016. All vessels are chartered out to Höegh Autoliners AS on long term contracts. The newbuildings are chartered out on a bareboat basis for 12-years from delivery. Operating Revenues were USD 24.2 million in 2015 compared to USD 12.5 million in 2014. Four of the vessels were delivered during 2014. Operating profit before depreciation and amortization was USD 24.1 million compared to USD 12.3 million in 2014. Net profit after tax was USD 10.0 million in 2015 compared to negative USD 2.1 million in 2014. The Net Profit in 2014 was negatively affected by financial charges of USD 12.3 million, where USD 5.5 million was related to the refinancing of a loan facility and USD 4.4 million was related to negative mark-to-market of interest rate swaps in connection with the long term financing of the vessels.

OTHER SHIPPING

This segment includes Ocean Yield's investments within chemical tankers and product tankers. During 2015, the Company took delivery of four chemical tankers of 37,000 dwt, which upon delivery commenced 15 year charters to Navig8 Chemical Tankers Inc. Another four chemical tankers are scheduled for delivery in 2016 and the four product tankers are also expected to be delivered during 2016. Operating Revenues were USD 4.2 million in 2015 as compared with USD 0.0 in 2014. Operating profit was USD 4.2 million as compared with USD 0.0 in 2014. Net Profit after tax was USD 3.3 million as compared with USD 0.0 in 2014.

OTHER

This segment includes any other investments in the Group, 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"). As this segment consists mainly of the investment in AMSC bonds, which is a financial investment, there are no Operating Revenues. Financial income related to the AMSC bonds was USD 18.1 million in 2015, compared to USD 18.0 million in 2014.

During most of 2015, Ocean Yield has received 50% of the interest under the loan in cash and 50% as "payment in kind". As from November 2015, this was changed to 100% payment of interest in cash. The bonds carry a coupon of LIBOR + 6.00% p.a.

FINANCIAL POSITION AS OF DECEMBER 31 2015

The Ocean Yield Group had total assets as of December 31 2015 of USD 2,024.8 million, compared to USD 1,810.9 million for 2014. Book Equity was USD 708.8 million, resulting in an equity ratio of 35.0 %. Cash and Cash equivalents at year end were USD 117.7 million and Total interest bearing debt was USD 1,158.9 million. Net interest bearing debt was USD 1,041.2 million, compared to USD 918.1 million in 2014.

CASH FLOW

Net Cash flow from operating activities was USD 189.2 million in 2015, compared to USD 183.3 million for 2014. The difference between the Operating profit before depreciation and amortisation of USD 224.2 million and Net cash flow from operating activities is mainly due to mobilisation fees, advances and deferred revenue of USD 9.1 million recognized for the year, other financial expenses of USD 1.0 million, net interest paid of USD 25.3 million, taxes paid of USD 1.5 million and net change in working capital of USD 2.0 million. Cash flow used for investing activities was USD 290.1 million for the year, compared to USD 373.7 million for 2014. The cash flow in 2015 is related to the investment in eight chemical tankers and four product tankers. In addition, the Company has paid instalments on the three ethylene gas carriers and further instalments on two newbuilding car carriers under construction with delivery in 2016. Net cash flow from financing was USD 142.6 million, compared to USD 135.0 million for 2014. This includes repayment of debt of USD 291.5 million, payment of dividends of USD 80.7 million and new debt of USD 513.1 million in the year. This compares to issuance of new long term debt of USD 474.0 million and repayment of debt of USD 281.5 million in 2014. Net cash flow for the year 2015 was USD 41.7 million, resulting in cash and cash equivalents of USD 117.7 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 24.6 million of restricted cash deposits. The Group held no marketable securities at the end of the year. The Group has remaining capital expenditure commitments related to its newbuildings of USD 566.8 million, of which a total of USD 567.3 million of bank financing is estimated. Of this, USD 387.3 million has already been committed from banks.

PARENT COMPANY – OCEAN YIELD ASA

The net profit after tax for the parent company Ocean Yield ASA was USD 66.2 million for the year 2015 compared to USD 57.9 million for the year 2014. The result is mainly due to dividends from Ocean Yield's subsidiaries. Total assets were USD 1 603.5 million and total equity was USD 667.9 million resulting in an equity ratio of 42% in the parent company. Total long-term debt was USD 808.8 million, of which USD 4.6 million is long-term debt to Group companies.

PRESENTATION OF ANNUAL ACCOUNTS

Ocean Yield's annual accounts comprise the following main parts: income statement, total comprehensive income, balance sheet, cash flow statement, change in equity and a summary of significant accounting policies and other explanatory information for the Ocean Yield Group and the financial statements of 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 of Directors confirms that this assumption continues to apply.

FINANCING

During 2015, the Company entered into several new debt agreements.

In April 2015, Ocean Yield entered into a USD 220.0 million revolving credit facility with a group of banks, related to the vessel Aker Wayfarer.

In April 2015, Ocean Yield entered into an agreement with a group of banks for a loan of up to USD 212 million. The purpose of the loan was to provide long-term financing for the acquisition of the eight chemical tankers.

Also in April, Ocean Yield closed a new unsecured bond issue of NOK 1,000 million with maturity in April 2020. The bonds carry a coupon of NIBOR + 4.00% p.a. with quarterly interest payments. The Company has entered into cross currency interest rate swaps for the amount at an average interest rate of LIBOR + 4.45% p.a.

In July 2015, the Company entered into an agreement with a group of banks for a loan of up to USD 148 million. The purpose of the loan was to provide long-term financing for the acquisition of the four product tankers.

EVENTS AFTER THE BALANCE SHEET DATE

No specific events to report.

However, as planned Ocean Yield took delivery of two new-buildings subsequent to quarter end.

The newbuilding LR2 Product Tanker "Navig8 Symphony" was successfully delivered from the Sungdong shipyard in South Korea on February 18th 2016. In addition, the newbuilding 8,500 CEU PCTC vessel "Höegh Tracer" was successfully delivered from the shipyard on March 3rd 2016. Both vessels immediately commenced their long term bareboat charters to Navig8 Product Tankers Inc. and Höegh Autoliners AS, respectively.

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 vessel and hence has full operating risk. The operational utilization for the "Dhirubhai-1" was 99.75% in 2015, compared to 99.46% in 2014. The figure for 2014 includes a safety shutdown of 1.6 days in October 2014 in connection with the cyclone Hud-Hud.

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 hedge interest rate exposure. 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, two of the vessels, "Far Senator" and "Far Statesman" are on long term bareboat charter contracts which are denominated in NOK. For the bareboat contract related to the vessel "Aker Wayfarer", about 70% of the charter rate is payable in USD and the rest in NOK. Ocean Yield's bond loans of NOK 2,000 million are issued in NOK. In order to reduce some of the currency effects related to the bond loans Ocean Yield has entered into interest and currency swaps with maturity in 2017 and 2020, where NOK 1,590 million has been swapped from NOK to USD. In addition, the Company has some exposure to NOK through office rental expenses and salaries for Norwegian personnel at its head office in Bærum. 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.

CONSTRUCTION RISK

Ocean Yield has inherent risk related to vessel construction, where the Company is exposed to risks for late delivery or even cancellations of newbuilding contracts. All payments to shipyards are secured by refund guarantees from international reputable banks. In a case of late delivery, Ocean Yield faces the risk of deferral or loss of future revenue.

COUNTERPARTY RISK

Ocean Yield has inherent credit 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. However, as shipping and oil-service markets are volatile, there is no complete protection against potential counterparty default. In light of the reduction in oil price seen during 2015 and the first quarter of 2016 with reduced activity in the oil-service segment as a result, the Board of Directors is of the opinion that the overall counterparty risk has increased since 2014. Ocean Yield strives to do business with companies that are leading in their sector and adhere to the highest level of operational quality.

Ocean Yield also has credit risk related to its trade receivables. In addition, the Company has credit risk exposure related to the bonds in AMSC. The Company's cash and cash equivalents are placed with major international banks with strong credit ratings.

SUSTAINABILITY

Ocean Yield's activities are exposed to sustainability challenges and opportunities in the areas where we operate and through our supply chain. Compliance with national, regional and international rules, laws and conventions is self-evident in Ocean Yield, but business ethics and sustainability extend beyond compliance. These efforts build trust among our stakeholders, which is vital to our business. We shall strive to conduct our business in a way that makes people proud to work with, and for, Ocean Yield.

The section 3-3c in the Norwegian Accounting Act requires that large companies account for their efforts to integrate corporate social responsibility in their business strategies and day-to–day operations. Ocean Yield ASA has chosen to report on its efforts to integrate human rights, labour standards, the environment and anti-corruption measures in a separate document in the Annual Report 2015 approved by the Board of Directors, see page 36, Sustainability in Ocean Yield. The assessment encompasses Ocean Yield ASA and subsidiaries consolidated into the Group accounts.

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 and the Section 3-3b in the Norwegian Accounting Act. A Copy of the Corporate Governance Statement can be found on the Company's web site, www.oceanyield.no

RESEARCH AND DEVELOPMENT

Ocean Yield has not been engaged in research and development during 2015.

ALLOCATION OF PROFIT AND DIVIDEND FOR OCEAN YIELD ASA

In 2015, Ocean Yield has paid USD 80.7 million in dividends. A dividend of USD 0.1625 per share, or USD 21.9 million in total, was approved by the Board of Directors on February 17th 2016. This was paid on March 3rd 2016 and is reflected in the accounts of the parent company Ocean Yield ASA.

The Board of Directors proposes the following allocation of net profit of USD 66.2 million: USD 83.5 million in dividends, USD 9.9 million transferred from other paid-in capital and USD 7.3 million transferred from retained earnings.

FUTURE PROSPECTS

Ocean Yield has since the inception of the Company built a large and diversified portfolio of long term charters that secures visibility with respect to both earnings and dividend capacity. The Company has another 13 newbuildings on order, and these vessels will further contribute to increased earnings and diversification of the charter portfolio to new counterparties and shipping segments.

As of year-end 2015 all counterparties are performing according to contract. However, the Board of Directors expect that 2016 and 2017 will be challenging years for companies within the oil-service sector, where the current low activity may negatively affect some of Ocean Yield's counterparties.

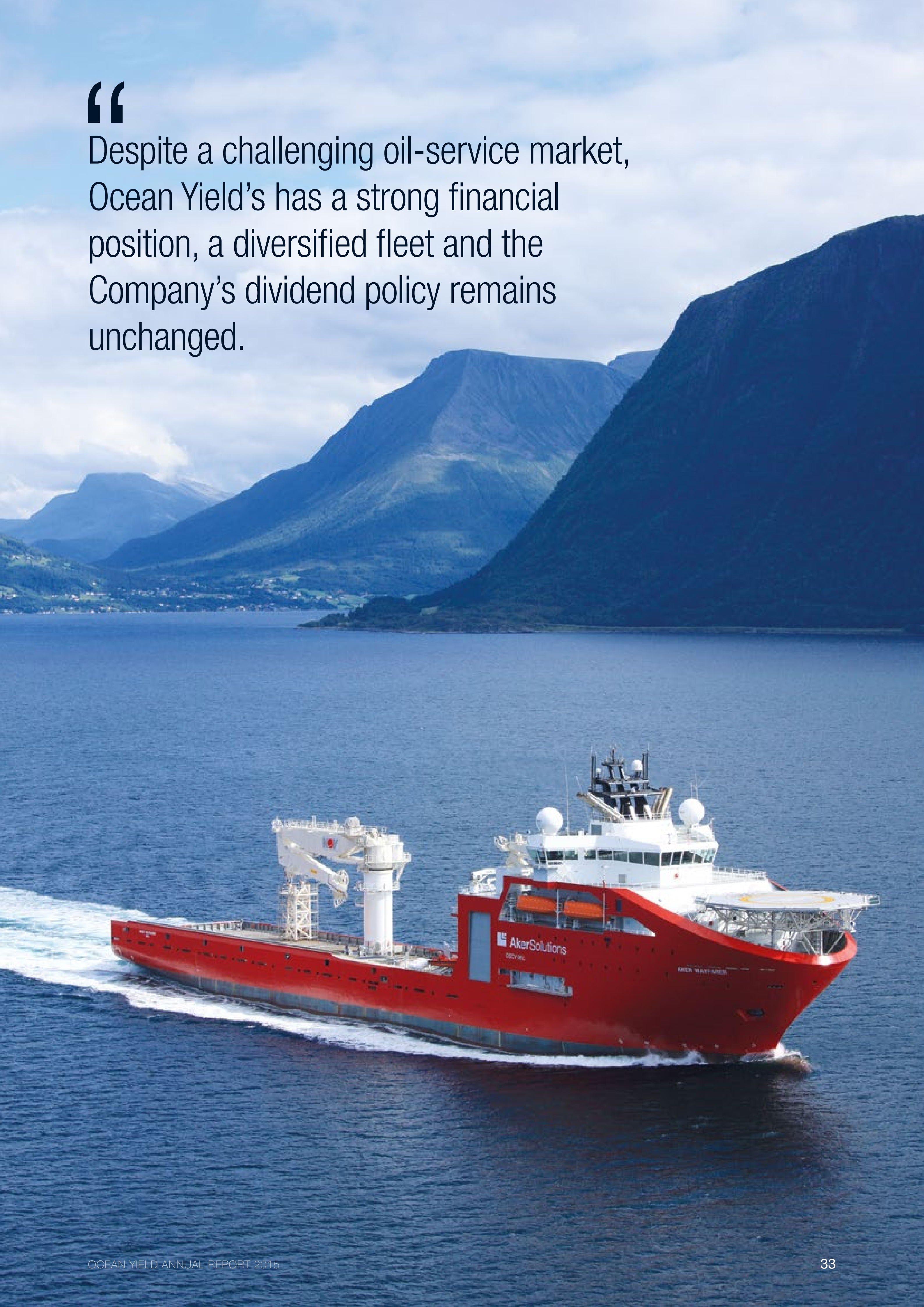
Despite a challenging oil-service market, Ocean Yield's has a strong financial position, a diversified fleet and the Company's dividend policy remains unchanged.

LYSAKER, 9 MARCH 2016
OCEAN YIELD ASA

TROND BRANDSRUD CHAIRMAN	**KJELL INGE RØKKE** DIRECTOR	**JENS ISMAR** DIRECTOR
ANNE-CHRISTIN DØVIGEN DIRECTOR	**ANNICKEN GANN KILDAHL** DIRECTOR	**LARS SOLBAKKEN** CEO

“

Despite a challenging oil-service market, Ocean Yield’s has a strong financial position, a diversified fleet and the Company’s dividend policy remains unchanged.



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 31 December 2015.

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 as per 31 December 2015. 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 2015. 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 31 December 2015.

TO THE BEST OF OUR KNOWLEDGE:

- *The consolidated and separate annual financial statements for 2015 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 31 December 2015 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.*

LYSAKER, 9 MARCH 2016
OCEAN YIELD ASA

TROND BRANDSRUD CHAIRMAN	**KJELL INGE RØKKE** DIRECTOR	**JENS ISMAR** DIRECTOR
ANNE-CHRISTIN DØVIGEN DIRECTOR	**ANNICKEN GANN KILDAHL** DIRECTOR	**LARS SOLBAKKEN** CEO

SUSTAINABILITY IN OCEAN YIELD

Compliance with national, regional and international rules, laws and conventions is self-evident in Ocean Yield, but business ethics and sustainability extend beyond compliance. These efforts build trust among our stakeholders, which is vital to our business. We shall strive to conduct our business in a way that makes people proud to work with, and for, Ocean Yield. Ocean Yield's responsibilities and sustainability challenges are defined within four key areas:

- *ASSETS - Modern, efficient assets produced and disposed of responsibly*
- *CHARTERERS - Partnering with solid and responsible counterparts*
- *CULTURE & CONDUCT - Ethical business conduct*
- *OPERATIONS - Responsible operations and maintenance of Dhirubhai-1*

OUR ASSETS

PRINCIPLES

We shall aim to ensure that our assets are:

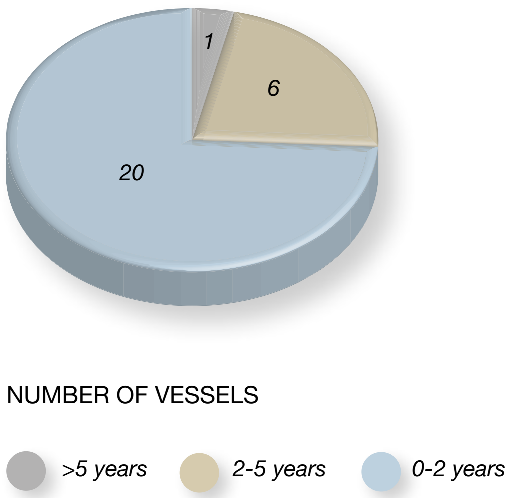
- *Modern and efficient. This implies that they make use of the latest technology, and are developed to meet ever growing challenges related to environmental impacts and resource efficiency.*
- *Produced responsibly. Our vessels shall be built by reputable shipyard partners that have high standards for environmental management, as well as workers' safety, rights and wellbeing.*
- *Disposed responsibly. Our vessels shall be disposed or scrapped in such a way that sustainability and environmental impacts are understood and taken due care of.*

EFFORTS AND RESULTS

OUR FLEET

Our fleet as of 2015 consists of modern and efficient vessels carrying the world recognized DNV GL classification. As illustrated in the figure on the next page our fleet (including newbuildings) consists of young vessels where the majority is built within the last two years. The fleet, including newbuildings consists of a diverse range of vessel types including: Pure Car/Truck Carriers (PCTCs), Offshore Construction Vessels (OCVs), Anchor Handling Tug Supply (AHTS) vessels, a Floating Production Storage and Offloading (FPSO) vessel, Chemical tankers, Aframax Product tankers and Liquid Ethane Gas (LEG) vessels. All of our vessels are on long term bareboat charters to strong counterparties, except for the FPSO Dhirubhai-1, where Ocean Yield also has the operating responsibility.

THE AGE OF OUR FLEET



SHIP BUILDING

We choose reputable shipyard partners from around the world. As of 31 December 2015 we have 13 new vessels under construction. These include two large 8500 car capacity PCTCs being built by Xiamen Shipbuilding Industry Co. for Höegh Autoliners, three innovative liquid ethane carriers (LEGs) being built by Sinopacific Offshore & Engineering for Hartmann/SABIC, four chemical tankers being built at STX Korea for Navig8 Chemical Tankers and four Aframax Product Tankers being built at Sungdong Shipbuilding & Marine Engineering Co., Ltd, Korea for Navig8 Product Tankers. We only work with reputable shipyards. The contracts themselves include requirements regarding the high quality of the vessels, which must be delivered in accordance with the agreed specifications such as dead weight, fuel efficiency and speed. During construction we carry out audits in cooperation with our chartering partners, to ensure that our requirements are met.

AMBITIONS

We aim to continue to invest in modern, fuel efficient vessels with eco-design where possible, in partnership with charterers that focus on their environmental responsibility, in order to minimize any negative impact to the environment.

OUR CHARTERERS

PRINCIPLES

We shall aim to build partnerships with our charterers:

- *That are long term*
- *With solid counterparts. This also implies that our partners are responsible and conduct their business with integrity. We will conduct thorough due diligence of potential partners, assessments that shall include considerations of their reputation, trustworthiness and their approach to management of environmental and social issues.*
- *With clear expectations with regards to responsible conduct. These expectations shall include maintenance of the vessels, management of environmental impacts and compliance with any oil pollution laws and environmental laws and regulations and relations and interaction with sanctioned countries including war zones.*

EFFORTS AND RESULTS

We make efforts to ensure that our counterparts are solid and responsible. Part of these efforts is a thorough due diligence of the solidity, trustworthiness and reliability of the potential counterparts. All of our counterparts are well reputed and manage sizeable fleets.

We are committed to ensure that our partnerships are long term. As of year-end 2015 average remaining contract tenor (weighted by EBITDA) was 10.3 years. An overview of our partners and tenor can be found in the table on the next page.

Our bare boat contracts places clear expectations on appropriate use and maintenance of our vessels. This not only ensures to maximize the useful lives of the vessels through good upkeep, but it also rules out illegal or dangerous activities such as use in areas of violent conflict. Vessels must be kept in safe working order in compliance with international conventions, codes and regulations, including the International Convention for Safety of Life at Sea 1974 (SOLAS), the STCW 95, the ISM Code and the ISPS Code. Vessels must also be insured against damage by the counterparty and at all times be in compliance with laws and regulations including environmental laws and regulations. This includes the counterparty taking full responsibility in the event of an environmental pollution incident such as an oil spill.

Overview of our counterparties:

Counter-party	Vessels	Summary of Counterpart
Höegh Autoliners	Höegh Tracer Höegh Trapper Höegh Jeddah Höegh Jacksonville Höegh Beijing Höegh Xiamen	Operates around 60 PCTCs managed from a worldwide network of around 20 offices in four regions. Customers include global manufacturers of new cars, heavy machinery and rolling goods
SBM Offshore	SBM Installer	SBM Offshore is a leader in floating production and mooring systems, production operations as well as terminals and services.
AKOFS Offshore (Akastor)	Wayfarer	Akastor is a Norway-based oil-services investment company with a portfolio of industrial holdings and other investments.
Hartmann / SABIC	LEG Carrier- S1034 LEG Carrier- S1035 LEG Carrier- S1036	Hartmann Reederei is a Germany based shipping company, managing more than 30 gas carriers and many other vessels such as containers and bulkcarriers. SABIC is the Saudi Basic Industries Corporation, one of the world's leading manufacturers of chemicals, fertilizers, plastics and metals.
Farstad Supply	FAR Senator FAR Statesman	Farstad is a Norwegian based provider of specialized offshore tonnage to the oil and gas industry, managing 58 vessels.
EMAS/ Ezra Holding	Lewek Connector	EMAS is a global offshore contractor with a modern fleet of construction vessels.
Reliance	Dhirubhai-1	The Reliance Group is India's largest private sector enterprise, with businesses in the energy and materials value chain.
Navig8 Chemical Tankers	Navig8 Aronaldo Navig8 Aquamarine Navig8 Amessi Navig8 Azotic Navig8 Turquoise Navig8 Topaz Navig8 Tourmaline Navig8 Tanzanite	Navig8 Chemical Tankers has a fleet of 37 vessels, of which 18 newbuilding chemical tankers under construction, offering a complementary mix of coated and stainless steel vessels that captures the full range of chemical cargoes in the sector.
Navig8 Product Tankers	Navig8 Symphony Navig8 Sanctity Navig8 Steadfast Navig8 Supreme	Navig8 Product Tankers focuses on new eco-efficient tonnage and has a newbuilding program that comprises 27 vessels.

AMBITIONS

We aim to continue to develop our portfolio of investments in vessels with long-term charters to internationally well recognized companies within the shipping and offshore industry. Our ambition is to continue to do business with companies that are of solid credit quality with a strong reputation and preferably being listed on an international stock exchange.

OUR CULTURE AND CONDUCT

PRINCIPLES

WORKPLACE

We will strive for a workplace where:

- *The interests of our employees are protected, including their health and safety.*
- *Diversity is valued. The Company prohibits discrimination against any employee on the basis of age, gender, sexual orientation, disability, race, nationality, political opinions, religion or ethnic background, or any other basis prohibited by law. The Company does not tolerate harassment or degrading treatments in any form by or towards employees.*
- *Every employee has the opportunity to develop their individual skills and talents.*

ENGAGING WITH STAKEHOLDERS

- *Ocean Yield will communicate relevant business information in full and on a timely basis to its employees and external stakeholders*
- *Ocean Yield is committed to providing the financial markets with quality information on that the financial and operational status, enabling investors and analysts to maintain a correct picture of the financial situation as well as risks and opportunities facing it in the future.*
- *Ocean Yield will provide accurate disclosure information to the financial markets in line with all relevant laws and regulations for listed companies on the Oslo Stock Exchange.*

ANTI-CORRUPTION AND BRIBERY

Ocean Yield is opposed to all forms of corruption and will make active efforts to ensure that it does not occur in the Company's business activities. Please refer to the anti-corruption policy for further details, which can be found at www.oceanyield.no.

ENVIRONMENT

Ocean Yield will act responsibly with an ambition to reduce direct and indirect negative influences on the external environment. Ocean Yield will adhere to relevant international and local laws and standards, seeking to minimize the environment impact.

EFFORTS AND RESULTS

We acknowledge the benefits of setting down our policies and principles to ensure a common understanding and approach, and to maintain consistency for the future. In 2015 we therefore developed a sustainability policy and introduced an independent whistle blower function to ensure that any breach with our policies or laws can be reported without repercussion.

EQUALITY

We believe in the value of diversity, and equal opportunity for men and woman is a clear policy in Ocean Yield. Women accounted for 35% of the total number of employees as of year-end 2015 (28% in 2014). The Board of Directors consists of three men and two women.

We achieved a sick leave rate of 0.48% in 2015 (0.95% in 2014).

AMBITIONS

Going forward we will work to ensure that our code of conduct and polices are understood and implemented. This includes a continued zero tolerance policy towards corruption and an equal opportunities employee policy with the aim of fostering an inclusive and diverse working environment. We will also work to ensure that all employees are familiar with and will useour independent whistleblower function.

OUR OPERATIONS

As the FPSO Dhirubhai-1 is the only vessel where Ocean Yield has the responsibility of operating the vessel, this section of "our operations" relates only to the operations of Dhirubuhai-1.

PRINCIPLES

Our FPSO has committed to several sustainability related polices including a code of conduct, anti-corruption, an environmental and an occupational health and safety policy. We operate according to the ISM code, ISO 9001 and ISO 14001 and all international, local and contractual requirements.

HEALTH AND SAFETY

The health and safety of our staff comes first and foremost in all our operations. Key policies we have adopted include to:

- Abide by the International Safety Management (ISM) code.
- Provide a safe and secure working environment that ensures the well-being and good health of employees, clients' representatives contractor personnel and others affected by our operations.
- Have a safety standard based on the Incident and Injury Free principle, since we believe that most injuries to personnel can be prevented.
- Safeguard the assets of the Company by employing adequate procedures and systems in order to prevent unauthorized intrusion in offices, ships and computers and safeguard employees.
- Provide training information and procedures for safe work and appropriate equipment to safeguard against risks to the health of personnel.
- Execute projects and design and manage operations to minimize exposure to Occupational Health and Safety impacts and provide work places with minimal exposure to hazards.

ENVIRONMENT

We take our environmental responsibilities seriously. Continued improvement and a commitment to comply with international, local and regulatory requirements are central to our approach. Key policies we have adopted include to:

- *An aim for zero negative effect on the environment through no oil spillage and minimal oil in produced water.*
- *Targets to increase waste segregation and recycling as well as the amount of waste generated.*
- *Plans to keep chemical use as low as practically possible.*
- *Conducting our operations as efficiently as possible regarding material and energy use. Our main consumption of non-renewable resources is through fuel use. As a result we closely monitor our fuel usage and strive to maximize process efficiency and minimize consumption to increase the sustainability of our operations.*
- *Provide training, information and procedures to our employees regarding prevention of pollution to air and sea.*

COMMUNITY

We have an impact on local communities and we shall therefore give back to these communities.

EFFORTS AND RESULTS

HEALTH AND SAFETY

All personnel operating the FPSO are trained in firefighting, sea survival, first aid, helicopter evacuation and emergency response. Specific training is often on the job as this has proven most effective for vocational work. However before work on a project commences a thorough plan must be made to check that crew members have appropriate training and to anticipate risks involved.

We also maintain strict standards regarding dress and use of personal protective equipment (PPE) and keeping work environments clean, tidy and safe at all times. Inspections to ensure high quality are carried out. Furthermore before employees travel offshore they must acquire an approved and up-to-date health certificate.

Lost Time Incidents (LTIs) have once again been avoided during 2015, and we are now proud to be able to say that the total time without an LTI is now over 6 years.

	Target	Actual 2015	Actual 2014
Fatal Injuries	0	0	0
Lost time Incidents (LTI)	0	0	0
Sickness/occupational disease	<2% of total man-hours	0.48%	0.95%

KPI achievements in 2015 and 2014 regarding Health, Safety and Quality related to the operations of Dhirubhai-1.

ENVIRONMENT

We provide training, information and procedures to our employees to minimize our environmental footprint. Through our continued ISO 14001 compliance with robust KPIs, targets and monitoring we strive to have the least negative impact we can on the environment. We regularly review our environmental policy to ensure we achieve the best possible results.

In 2015 we once again achieved our target of 0 litres of accidental oil spillage into the environment. Our produced water also contained well below the legal limit of 40ppm oil-in-water at 19ppm down slightly from 2014.

	Target	Actual 2015	Actual 2014
Annual oil spill	0 ltr	0 ltr	0 ltr
Produced water Quality (oil-in-water)	<40 ppm	19 ppm	23ppm

2015 & 2014 environmental KPIs related to the operations of Dhirubhai-1.

COMMUNITY

Through our subsidiary, Aker Floating Production AS, we have taken an initiative to support the local community by donating to the UMA Educational & Technical Society, an Indian charity that works to improve the quality of life for disadvantaged people with a particular focus on helping those with disabilities achieve greater independence. We have this year continued the support of the UMA Educational & Technical Society.

AMBITIONS

Going into 2016 we will continue to improve our environmental performance. Continuing on from previous years we aim for minimal negative impact on the environment through zero spillage and minimal oil in produced water. Regarding waste we are setting targets to reduce food waste further on-board Dhirubhai-1 and increase paper recycling further. We will also set targets for other environmental indicators.

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

Income statement and total comprehensive income

Income statement

Continuing operations

Amounts in USD million	Note	2015	2014
Operating revenue	8	233.1	243.3
Finance lease revenue	15	23.6	6.0
Total revenue		**256.7**	**249.3**
Vessel operating expenses		-15.5	-14.6
Wages and other personnel expenses	9	-12.6	-9.5
Other operating expenses	9	-4.5	-8.4
Operating profit before depreciation and amortization		**224.2**	216.7
Depreciation and amortization	13,14	-96.7	-96.4
Impairment charges and other non recurring items	10,14	-28.6	-3.8
Operating profit		**98.9**	116.4
Financial income	11	59.7	59.8
Financial expenses	11	-78.1	-72.7
Net financial items	**11**	**-18.4**	-12.9
Net profit before tax		**80.4**	103.6
Income tax expense (-)/ benefit (+)	12	24.6	-2.8
Net profit after tax from continuing operations		**105.0**	100.8
Attributable to:			
Equity holders of the parent		104.0	100.7
Non-controlling interests		1.0	0.1
Net profit after tax from continuing operations		**105.0**	100.8
Basic earnings per share (USD)	18	**0.77**	0.75
Diluted earnings per share (USD)	18	**0.77**	0.75

Total comprehensive income

Amounts in USD million	Note	2015	2014
Net profit after tax		105.0	100.8
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	-0.2
Total for items that will not be reclassified to the income statement		0.1	-0.2
Items that may be reclassified to the income statement			
Reclassification of gains on available for sale financial assets included in Financial Income		-	-8.4
Currency translation differences		-11.1	-19.9
Total for items that may be reclassified to the income statement		-11.1	-28.3
Total change in other comprehensive income, net of income tax		-11.0	-28.4
Total comprehensive income		**94.0**	72.3
Attributable to:			
Equity holders of the parent		93.0	72.3
Non-controlling interests		1.0	0.1
Total comprehensive income		**94.0**	**72.3**

Balance sheet at 31 December

Amounts in USD million	Note	2015	2014
ASSETS			
Vessels and other fixed assets	13	**1 239.5**	1 308.0
Intangible assets	14	**9.8**	38.3
Deferred tax assets	12	**36.4**	11.4
Interest-bearing long term receivables	15	**478.3**	347.2
Other non-current assets	15	**127.6**	14.0
Total non-current assets		**1 891.6**	1 719.0
Trade receivables and other interest-free receivables	16	**15.5**	15.6
Cash and cash equivalents	17	**117.7**	76.4
Total current assets		**133.2**	92.0
Total assets		**2 024.8**	1 810.9

Amounts in USD million	Note	2015	2014
EQUITY AND LIABILITIES			
Share capital		**222.8**	222.3
Treasury shares		**-0.1**	-
Other paid-in capital		**455.2**	453.8
Total paid-in capital	18	**678.0**	676.1
Translation and other reserves		**-42.0**	-30.6
Retained earnings		**61.1**	62.7
Total equity attributable to equity holders of the parent		**697.2**	708.1
Non-controlling interests	19	**11.6**	10.6
Total equity		**708.8**	718.7
Interest-bearing debt	21	**974.8**	852.9
Pension liabilities	22	**0.3**	0.6
Non-current provisions	25	**26.6**	-
Other interest-free long term liabilities	23	**102.1**	42.8
Total non-current liabilities		**1 103.9**	896.3
Interest-bearing short term debt	21	**184.1**	141.6
Current provisions	25	**-**	1.4
Trade and other payables	26	**28.0**	52.9
Total current liabilities		**212.1**	195.9
Total liabilities		**1 316.0**	1 092.2
Total equity and liabilities		**2 024.8**	1 810.9

LYSAKER, 9 MARCH 2016
OCEAN YIELD ASA

TROND BRANDSRUD
CHAIRMAN

KJELL INGE RØKKE
DIRECTOR

JENS ISMAR
DIRECTOR

ANNE-CHRISTIN DØVIGEN
DIRECTOR

ANNICKEN GANN KILDAHL
DIRECTOR

LARS SOLBAKKEN
CEO

Changes in Equity

Amounts in USD million	Share capital	Share Premium	Treasury shares reserve	Trans-lation reserve	Fair value reserve	Retained earnings	Share-holders equity	Non-controlling interests	Total
Balance at 31 December 2013	**221.6**	**452.6**	**-**	**-10.7**	**8.4**	**31.8**	**703.7**	-	**703.7**
Profit for the year	-	-	-	-	-	100.7	100.7	0.1	**100.8**
Other comprehensive income	-	-	-	-19.9	-8.4	-0.2	-28.4	-	**-28.4**
Total comprehensive income	-	-	-	-19.9	-8.4	100.5	72.3	0.1	**72.3**
Issuance of ordinary shares	0.7	1.2	-	-	-	-	1.9	**-**	**1.9**
Dividend	-	-	-	-	-	-69.1	-69.1	**-**	**-69.1**
Treasury shares acquired	-	-	-2.3	-	-	-	-2.3	**-**	**-2.3**
Treasury shares sold	-	-	2.2	-	-	-0.4	1.7	-	**1.7**
Non-controlling interests	-	-	-	-	-	-	-	10.5	**10.5**
Balance at 31 December 2014	**222.3**	**453.8**	**-0.2**	**-30.6**	-	**62.8**	**708.1**	**10.6**	**718.7**
Correction of decommis-sioning obligation from previous years(see note 31)	-	-	-	-	-	-24.9	-24.9		**-24.9**
Balance at 1 January 2015	**222.3**	**453.8**	**-0.2**	**-30.6**	**-**	**37.9**	**683.3**	**10.6**	**693.8**
Net profit after tax for the period	-	-	-	-	-	104.0	104.0	1.0	**105.0**
Other comprehensive income	**-**	**-**	**-**	-11.1	**-**	0.1	-11.0	**-**	**-11.0**
Total comprehensive income	-	-	-	-11.1	-	104.1	93.0	1.0	**94.0**
Issuance of ordinary shares	0.6	1.4	-	-	-	-	2.0	-	**2.0**
Dividend	-	-	-	-	-	-80.7	-80.7	**-**	**-80.7**
Treasury shares aquired	-	-	-1.1	-	-	-	-1.1	-	**-1.1**
Treasury shares sold	-	-	1.0	-	-	-0.1	0.9	**-**	**0.9**
Balance at 31 December 2015	**222.8**	**455.2**	**-0.3**	**-41.7**	**-**	**61.2**	**697.3**	**11.6**	**708.8**

Cash Flow Statement

Amounts in USD million	Note	2015	2014
Net profit before tax		**80.4**	103.6
Taxes paid		**-1.5**	-0.5
Net interest expense (+)		**18.9**	15.4
Interest paid		**-31.8**	-38.1
Interest received		**6.5**	10.6
Impairment charges and other non recurring items	10,14	**28.6**	3.8
Depreciation and amortization	13,14	**96.7**	96.4
Unrealized foreign exchange gain/loss and other non-cash items		**-42.7**	-30.3
Changes in other net operating assets and liabilities		**34.1**	22.4
Net cash flow from operating activities		**189.2**	183.3
Acquisition of vessels and other fixed assets	13	**-52.2**	-367.8
Proceeds from sales of vessels and other fixed assets		**-**	8.2
Acquisition of vessels accounted for as finance leases	15	**-130.5**	-
Repayment of finance lease receivables	15	**10.8**	4.0
Net cash flow from other non-current assets	15	**-113.6**	-16.5
Net cash flow from interest-bearing long term receivables		**-4.7**	-1.6
Net cash flow from investing activities		**-290.1**	-373.7
Proceeds from issuance of long-term interest-bearing debt	21	**513.1**	474.0
Repayment of long-term interest-bearing debt	21	**-291.5**	-281.5
Dividend paid		**-80.7**	-69.1
Net proceeds from issuance of ordinary shares		**2.0**	1.9
Non-controlling interests	19	**-**	10.5
Net change in treasury shares		**-0.3**	-0.7
Net cash flow from financing activities		**142.6**	135.0
Net change in cash and cash equivalents		**41.7**	-55.4
Effects of changes in exchange rates on cash		**-0.3**	-1.2
Cash and cash equivalents at 1 January		**76.4**	132.9
Cash and cash equivalents at 31 December	17	**117.7**	76.4

NOTES TO THE COMBINED FINANCIAL STATEMENTS

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 2015 consolidated financial statements of Ocean Yield ASA incorporate the financial statements of the Company and its subsidiaries owned as of 31 December 2015 (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 2015 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 31 December 2015.

The consolidated financial statements for 2015 were approved and authorized for issue by the Board of directors on 9 March 2016. The consolidated financial statements will be presented to the Annual General Meeting on 12 April 2016 for approval.

BASIS OF PREPARATION

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 to conform to current years presentation.

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*

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

A correction has been made to the opening equity of Ocean Yield as of 1 January 2015, related to a decommissioning obligation, see note 31.

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.

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 appear to be some minor inconsistency between figures.

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 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 13 Vessels and other fixed assets.

IMPAIRMENT OF GOODWILL AND ASSUMPTIONS

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 14 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 8 Operating lease revenue and the section Finance lease receivables and related assets in note 15.

IMPAIRMENT OF FINANCE LEASE RECEIVABLES

The Group has as of year-end 2015 13 lease agreements that are classified as finance leases. At the end of each reporting period the Group assesses whether there is objective evidence that a finance lease receivable is impaired. The fair value of finance lease receivables is estimated as the present value of future cash flows, discounted with an applicable discount rate. This assessment involves the use of estimates and assumptions about fair values of the leased vessels and expected future values. References are made to note Finance lease receivables and related assets in note 15 and note 26 Financial instruments.

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 estimates based on objective information and assumptions that management believes are reasonable and supportable. Economic conditions may change and lead to a different conclusion regarding recoverability, and such change may affect the result in future reporting periods. References are made to note 12 Tax.

NEW AND AMENDED STANDARDS NOT YET ADOPTED BY THE GROUP

A number of standards, amendments to standards and interpretations are not effective for the period ended 31 December 2015 and have not been applied in preparing these consolidated financial statements;

- *The implementation of IFRS 9 Financial Instruments is mandatory from 1 January 2018, and may result in certain amendments to the measurement and classification of financial instruments.*
- *Implementation of IFRS 15 Revenue from Contracts with Customers is mandatory from 1 January 2018. The new standard is not expected to have significant impact on the financial statements of Ocean Yield.*
- *Implementation of IFRS 16 Leases is mandatory from 1 January 2019. 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 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 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.

The functional currency of the subsidiaries Aker Ship Lease AS and Aker Ship Lease 1 AS was changed from NOK to USD from 1 January 2015. The functional currency was changed due to a change in the charter rate for the vessel Aker Wayfarer, where 70% of the charter rate was converted to USD with effect from 1 January 2015. The change did not have significant impact on the financial statements of Ocean Yield.

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. Estimated costs of dismantling and removing the asset is included in the acquisition cost when an obligation arises from installation of the asset. 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 a vessel or 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, taking its residual value into consideration. Useful life is considered to be the period over which an asset is expected to be available for use by Ocean Yield.

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 2015 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. Many of the lease contracts includes one or more purchase options, and/or options to extend the lease period beyond the firm period. At the inception of the lease, such options are taken into consideration when assessing whether the lease is an operating lease or a finance lease.

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.

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.

FINANCIAL ASSETS

The Group classifies its non-derivative financial assets into the following four categories: loans and receivables, cash and cash equivalents, 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 2015 loans and receivables comprise bonds and 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.

NON-DERIVATIVE 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. Non-derivative 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 2015 and 2014 the Group did not have any non-derivative 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 cumulative gain or loss in the fair value reserve is transferred to the income statement. At year-end 2015 and 2014 the Group had no available-for-sale financial assets.

FINANCIAL DERIVATIVES

The Group uses financial derivative instruments to hedge its exposure to foreign exchange and interest-rate risks. Hedge accounting has not been applied in 2015 and 2014. 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.


OCEAN YIELD
Comments

SHARE CAPITAL

ORDINARY SHARES

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.

TREASURY SHARES

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the surplus or deficit resulting from the transaction is transferred to/from retained earnings.

TRANSLATION RESERVE

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

FAIR VALUE RESERVE

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the assets are de-recognized or impaired.

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 2015 and 2014 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 such tax losses and temporary differences can be offset against future taxable profits. 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.*

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 27% and will change to 25% from 1 January 2016.

EMPLOYEE BENEFITS

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 an interest-bearing long term 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.

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. Currently the General Meeting has authorized the Board of Directors to resolve and

declare dividends based on the Company's annual financial statements for 2014. The authorization is valid until the Annual General Meeting in 2016.

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 OF FINANCIAL ASSETS AND LIABILITIES

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.

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:

LOANS AND OTHER LONG TERM RECEIVABLES

Fair value is determined for disclosure purposes. The fair value of Loans and other long term receivables is estimated as the present value of future cash flows, discounted with an applicable discount rate. The Groups most significant long term receivable is the bonds in American Shipping Company ASA. The fair value calculation of the bonds is explained in greater detail in note 26.

FINANCE LEASE RECEIVABLES

Fair value is determined for disclosure purposes. The fair value of finance lease receivables is estimated as the present value of future cash flows, discounted with an applicable discount rate. As of year-end 2015 the Group has 13 lease agreements that are classified as finance leases. Eight of these are newbuildings that will be delivered in 2016. The fair value calculation of the finance lease receivables is explained in greater detail in note 26.

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), and taking changes in Ocean Yield's credit risk into account. 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 and also taking changes in Ocean Yield's credit risk into account.

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.

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.

The fair value of plan assets is determined as the opening balance, plus any contributions paid and the actual return during the year, subtracted any benefits paid.

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's 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 attractive and quarterly 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. USD 0.60 per share has been paid in dividends during 2015 (USD 0.52 in 2014). In February 2016, in connection with the announcement of the Q4 2015 results, Ocean Yield declared a dividend of USD 0.1625 per share, which at the time of declaration equalled a dividend yield of approximately 10.7% on an annualized basis (9.4% annualized in February 2015).

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 21) in that financial year. As of year-end 2015 AFP has available funds from such extraordinary charter-hire payments which may be distributed.

CREDIT RISK

The management of the Ocean Yield Group has 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, finance lease receivables, trade and other receivables and derivatives. The Group's exposure to credit risk is mainly related to the bonds in American Shipping Company ASA ("AMSC"), finance lease receivables 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 LONG TERM RECEIVABLES

Financial interest-bearing long term receivables mainly consist of the bonds in AMSC and finance lease receivables related to the vessel Aker Wayfarer where AKOFS Offshore AS (part of Akastor ASA) is the counterparty, and four chemical tankers chartered to Navig8 Chemical Tankers Inc. AMSC has in 2015 refinanced its secured vessel debt. In connection with the debt refinancing AMSC has agreed with its bondholders to increase the cash interests from 50% to 100%, and that AMSC has forfeited the option to extend the bond beyond the final maturity date in February 2018.

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 16.2 million year-end of 2015 (USD 14.9 million year-end 2014).

CASH AND CASH EQUIVALENT

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

EXPOSURE TO CREDIT RISK

As all of the Groups vessels are fixed on long-term charters, the challenging market conditions within the oil-service sector do not have a direct impact on Ocean Yield. However, a continued situation with low activity in the oil-service sector may lead to certain counterparties being adversely affected, which again may lead to potential amendments to charter contracts. As of year-end 2015 all counterparties were performing according to contracts. However, the Company expects that 2016 and 2017 will be challenging years for companies within the oil-service sector, and also some of Ocean Yield's counterparties may be negatively affected by the challenging market conditions.

The Group has inherent credit risk through the fact that a counterpart may not be able to meet its obligations under a long-term charter contract. The Groups exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. The Groups exposure to credit risk at the reporting date was:

Exposure to credit risk:

		2015		
Amounts in USD million	**Note**	**Receivables at amortized cost**	**Cash and cash equivalents**	**Total**
Financial interest-bearing long term receivables	15	581.3	24.6	605.9
Trade receivables, other interest-free short term receivables	16	15.5	-	15.5
Cash and cash equivalents	17	-	117.7	117.7
Total		**596.8**	**142.3**	**739.1**

		2014		
Amounts in USD million	**Note**	**Receivables at amortized cost**	**Cash and cash equivalents**	**Total**
Financial interest-bearing long term receivables	15	341.1	20.1	361.2
Trade receivables, other interest-free short term receivables	16	15.6	-	15.6
Cash and cash equivalents	17	-	76.4	76.4
Total		**356.7**	**96.5**	**453.1**

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

Amounts in USD million	Gross trade receivables 2015	Provision for impairment loss 2015	Gross trade receivables 2014	Provision for impairment loss 2014
Not past due	12.3	-	11.0	-
Past due 0–30 days	0.4	-	0.6	-0.6
Past due 31–120 days	0.4	-	0.9	-
Past due 121–365 days	-	-	0.1	-
Past due more than one year	3.1	-1.7	2.4	-1.1
Total trade receivables	16.2	-1.7	14.9	-1.7

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

Amounts in USD million	2015	2014
Balance 1 January	1.7	1.1
Impairment loss recognized in profit and loss	-	0.6
Reversal or use of previously recognized impairment loss	-	-
Balance 31 December	1.7	1.7

LIQUIDITY RISK

Liquidity risk is defined as the risk that the Group will be unable to fulfil 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 as of year-end.

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

	2015 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	933.5	-1 027.9	-88.0	-114.4	-168.1	-440.2	-217.2
Unsecured bond issues	225.4	-272.2	-5.9	-5.9	-12.1	-248.4	-
Non-current provisions	26.6	-32.0	-	-	-	-32.0	-
Interest rate swaps	12.8	-33.7	-1.3	-1.9	-6.9	-20.2	-3.4
Forward exchange contracts	61.5	-56.6	-1.2	-1.2	-35.7	-18.6	-
Trade and other payables	22.5	-22.5	-22.5	-	-	-	-
Total contractual cash flows for liabilities	1 282.3	-1 445.0	-118.8	-123.5	-222.7	-759.4	-220.6

	2014 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	860.0	-959.3	-87.0	-70.8	-142.7	-338.7	-320.2
Unsecured bond issues	134.5	-165.8	-3.6	-3.6	-7.3	-151.2	-
Interest rate swaps	6.9	-37.7	-1.0	-1.3	-5.1	-23.1	-7.2
Forward exchange contracts	26.9	-24.8	-0.3	-0.4	-0.7	-23.4	-
Current provisions	1.4	-1.4	-1.4	-	-	-	-
Trade and other payables	19.1	-19.1	-19.1	-	-	-	-
Total contractual cash flows for liabilities	1 048.8	-1 208.0	-112.5	-76.0	-155.7	-536.4	-327.5

CURRENCY RISK

Ocean Yield's exposure to the international markets 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 subsidiaries with a different currency than USD.

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 EXCHANGE RISK

The functional currencies of Ocean Yield ASA and its subsidiaries reflect the primary economic environment in which the entities operate. Ocean Yield ASA and most of its subsidiaries has 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 is mainly denominated in USD. For the subsidiaries with functional currency in NOK the revenues and interest bearing debt is mainly denominated in NOK. Hence there is limited currency risk related to the subsidiaries of Ocean Yield ASA.

As of year-end 2015 the Group's exposure to currency risk is mainly related to the bond loans in Ocean Yield ASA, which are denominated in NOK, and the finance lease receivable related to the vessel Aker Wayfarer, where USD 24.9 million of the total finance lease receivable of USD 132.2 million is denominated in NOK. To reduce some of the currency effects related to the bond loans Ocean Yield ASA has entered into four cross currency interest rate swaps where cash flows in NOK have been swapped to USD. One cross currency interest rate swap is related to the bond issue OCY 02, where NOK 590 million (total bond loan is NOK 1 000 million) has been swapped from NIBOR + 3.90% per annum to LIBOR + 4.603% per annum and three cross currency interest rate swaps are related to the bond issue OCY 03, where NOK 1,000 million has been swapped from NIBOR + 4.00% per annum to LIBOR +4.45% per annum.

If the USD had appreciated with 10% versus NOK at year-end the effects on the above mentioned items would have been as follows:

	2015		2014	
Amounts in USD million	**Profit before tax**	**Equity**	**Profit before tax**	**Equity**
Foreign exchange gain on Bond loan OCY02 and OCY03	20.5	15.0	12.2	8.9
Foreign exchange loss on Finance lease receivables	-2.3	-1.7	-3.1	-2.2
Change in MTM cross currency interest rate swaps	-18.6	-13.6	-8.0	-5.9
Total	-0.4	-0.3	1.1	0.8

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 2015, the effects in the consolidated financial statement would have been as follows:

Amounts in USD million	Operating revenue	Profit before tax	Equity
USD	240.0	75.3	671.7
NOK	16.7	5.1	37.1
Total	256.7	80.4	708.8
Change with USD 10% appreciation versus NOK	-1.5	-0.5	-3.4
Ocean Yield when 10% USD appreciation	255.2	80.0	705.4

At year-end 2014 the effects would have been as follows:

Amounts in USD million	Operating revenue	Profit before tax	Equity
USD	194.1	73.6	626.0
NOK	55.2	29.9	92.7
Total	249.3	103.6	718.7
Change with USD 10% appreciation versus NOK	-5.0	-2.7	-8.4
Ocean Yield when 10% USD appreciation	244.3	100.8	710.2

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.

In addition, in several of the Groups lease agreements the charter rates are subject to a LIBOR adjustment.

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	2015	2014
Fixed rate instruments:		
Financial assets	**260.5**	145.7
Financial liabilities	**-473.9**	-539.2
Net fixed rate instruments	**-213.5**	-393.5
Variable rate instruments:		
Financial assets	**335.5**	277.9
Financial liabilities	**-685.0**	-455.4
Net variable rate instruments	**-349.5**	-177.5
Net interest-bearing debt (-) / asset (+)	**-562.9**	-571.0

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 2015 the Group has USD 349.5 million (177.5 million year-end 2014) in net variable rate instruments. An increase in the LIBOR rate of 100 basis points would increase the Group's annual interest expenses of USD 1.3 million (0.2 million based on year-end 2014) and an increase in the NIBOR rate of 100 basis points would increase the Group's annual interest expenses of USD 2.2 million (USD 1.6 million based on year-end 2014). The figures do not include changes in MTM of interest rate swaps.

"Ocean Yield defines operating segments based on the Group's internal management- and reporting structure.

NOTE 6 BUSINESS COMBINATIONS

No business combinations occurred in 2015 or 2014.

NOTE 7 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's operating segments are as follows:

- ***FPSO***
  This segment relates to the Group's investment in floating production, storage and offloading vessels (FPSO). As of 31 December 2015 this segment consists of the FPSO Dhirubhai-1.

- ***Other Oil Service***
  Vessels operating within the oil-service sector, except for FPSOs are included in this segment. As of 31 December 2015 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 diving support and offshore construction vessel SBM Installer. The segment also included the seismic vessel Geco Triton, which was sold in December 2014.

- ***Gas Carriers***
  This segment includes the Group's investments in gas carriers. As of 31 December 2015 the Group has entered into newbuilding contracts for three liquified ethylene gas (LEG) carriers of 36 000 cbm capacity, which will be delivered in 2016.

- ***Car Carriers***
  This segment includes the Group's investments in car carriers. As of 31 December 2015 the Group has four pure car truck carriers (PCTC); Höegh Beijing, Höegh Xiamen, Höegh Jacksonville and Höegh Jeddah. The Group has also newbuilding contracts for two PCTCs, which will be delivered in 2016.

- ***Other Shipping***
  This segment includes the Group's investments in chemical tankers and product tankers. As of 31 December 2015 the Group has four chemical tankers; Navig8 Aronaldo, Navig8 Aquamarine, Navig8 Amessi and Navig8 Azotic. The Group has also newbuilding contracts for four chemical tankers and four product tankers, which will be delivered 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.

2015 - Operating segments

Income statement

Amounts in USD million	FPSO	Other Oil Service	Gas Carriers	Car Carriers	Other Shipping	Other and eliminations	Total
Operating revenue	138.3	70.7		24.2	-	-	**233.1**
Finance lease revenue	-	19.4	-	-	4.2	-	**23.6**
Total revenue	138.3	90.1		24.2	4.2	-	**256.7**
Operating expenses	-21.2	-0.3	-0.0	-0.1	-	-11.0	**-32.6**
Operating profit before depreciation and amortization	117.1	89.8	-0.0	24.1	4.2	-11.0	**224.2**
Depreciation and amortization	-57.2	-29.2	-	-10.0	-	-0.3	**-96.7**
Impairment charges and other non recurring items	-28.6	-	-	-	-	-	**-28.6**
Operating profit (loss)	31.3	60.6	-0.0	14.0	4.2	-11.2	**98.9**
Interest income	0.0	0.0	0.0	0.0	0.0	18.1	**18.2**
Other financial income	0.2	-	-0.0	-	-	41.3	**41.5**
Interest expense	-5.0	-18.1	-0.0	-4.2	-1.3	-6.7	**-35.3**
Other financial expenses	-1.9	-2.4	-	-2.1	-	-36.4	**-42.8**
Net profit (loss) before tax	24.6	40.0	-0.0	7.7	2.9	5.2	**80.4**
Income tax expense (-)/ benefit (+)	20.0	1.1	-	2.2	0.4	0.9	**24.6**
Net profit (loss) after tax	44.6	41.2	-0.0	10.0	3.3	6.0	**105.0**

Balance Sheet

Amounts in USD million	FPSO	Other Oil Service	Gas Carriers	Car Carriers	Other Shipping	Other and eliminations	Total
ASSETS							
Vessels and other fixed assets	402.8	532.1	66.2	230.9	-	7.6	**1 239.5**
Goodwill	9.8	-	-	-	-	-	**9.8**
Deferred tax assets	19.9	1.6	-	4.3	-	10.6	**36.4**
Interest-bearing long term receivables and other non-current assets	20.1	132.2	-	-	221.0	232.6	**605.9**
Total non-current assets	452.6	665.9	66.2	235.2	221.0	250.8	**1 891.6**
Trade receivables and other interest-free receivables	15.3	-	-	-	-	0.1	**15.5**
Cash and cash equivalents	42.9	19.4	0.5	0.2	0.2	54.5	**117.7**
Total current assets	58.3	19.4	0.5	0.2	0.2	54.6	**133.2**
Total assets	510.8	685.3	66.7	235.4	221.2	305.4	**2 024.8**
EQUITY AND LIABILITIES							
Total equity	287.9	171.5	66.6	84.5	93.8	4.4	**708.8**
Interest-bearing long term debt	81.4	456.5	-	126.8	84.8	225.4	**974.8**
Pension liabilities	0.2	-	-	-	-	0.1	**0.3**
Mark to market of derivatives	-	1.0	-	6.0	-	61.7	**68.7**
Non-current provisions	26.6	-	-	-	-	-	**26.6**
Other interest-free long term liabilities	24.7	2.2	-	6.5	-	-	**33.4**
Total non-current liabilities	132.9	459.7	-	139.2	84.8	287.2	**1 103.9**
Interest-bearing short term debt	86.1	44.7	-	10.7	42.6	-	**184.1**
Mark to market of derivatives	0.1	0.8	-	0.9	-	3.8	**5.6**
Trade and other payables	3.8	8.6	0.1	-	-	10.0	**22.5**
Total current liabilities	90.1	54.0	0.1	11.6	42.6	13.8	**212.1**
Total liabilities	223.0	513.7	0.1	150.8	127.4	301.0	**1 316.0**
Total equity and liabilities	510.8	685.3	66.7	235.4	221.2	305.4	**2 024.8**

2014 - Operating segments

Income statement

Amounts in USD million	FPSO	Other Oil Service	Gas Carriers	Car Carriers	Other Shipping	Other and eliminations	Total
Operating revenue	136.8	94.0	-	12.5	-	-	**243.3**
Finance lease revenue	-	6.0	-	-	-	-	**6.0**
Total revenue	136.8	100.0	-	12.5	-	-	**249.3**
Operating expenses	-25.1	-0.3	-	-0.2	-	-6.9	**-32.6**
Operating profit before depreciation and amortization	111.7	99.7	-	12.3	-	-6.9	**216.7**
Depreciation and amortization	-57.1	-34.0	-	-5.3	-	-	**-96.4**
Loss from sale of vessels	-	-3.8	-	-	-	-	**-3.8**
Operating profit (loss)	54.6	61.8	-	7.0	-	-6.9	**116.4**
Interest income	0.1	0.5	-	-	-	18.2	**18.7**
Other financial income	0.1	5.8	-	-	-	35.1	**41.1**
Interest expense	-5.2	-22.6	0.1	-	-	-6.5	**-34.2**
Other financial expenses	-1.0	-0.3	-	-12.3	-	-24.9	**-38.5**
Net profit (loss) before tax	48.6	45.2	0.1	-5.1	-	15.0	**103.6**
Income tax expense(-)/ benefit (+)	-	1.1	-	3.0	-	-6.9	**-2.8**
Net profit (loss) after tax	48.5	46.3	0.1	-2.1	-	8.1	**100.8**

Balance Sheet

Amounts in USD million	FPSO	Other Oil Service	Gas Carriers	Car Carriers	Other Shipping	Other and eliminations	Total
ASSETS							
Vessels and other fixed assets	459.3	585.2	24.9	238.6	-	-	**1 308.0**
Goodwill	38.3	-	-	-	-	-	**38.3**
Deferred tax assets	-	6.0	-	3.1	-	2.4	**11.4**
Interest-bearing long term receivables and other non-current assets	20.1	159.7	-	-	-	181.4	**361.2**
Interest-bearing long term receivables, internal	-	37.2	-	-	-	-37.2	**-**
Total non-current assets	517.7	788.1	24.9	241.7	-	146.6	**1 719.0**
Trade receivables and other interest-free receivables	15.5	0.1	-	-	-	-	**15.6**
Interest-bearing short term receivables, internal	4.0	2.4	-	-	-	-6.4	**-**
Cash and cash equivalents	43.1	17.2	0.2	0.4	-	15.6	**76.4**
Total current assets	62.6	19.7	0.2	0.4	-	9.1	**92.0**
Total assets	580.3	807.8	25.1	242.1	-	155.7	**1 810.9**
EQUITY AND LIABILITIES							
Total equity	327.6	272.7	0.1	76.4	-	41.9	**718.7**
Interest-bearing long term debt	116.2	464.3	-	137.9	-	134.5	**852.9**
Interest-bearing long term debt, internal	17.0	6.8	24.9	-	-	-48.8	**-**
Pension liabilities	0.4	-	-	-	-	0.2	**0.6**
Other interest-free long term liabilities	33.7	1.7	-	7.5	-	-	**42.8**
Total non-current liabilities	167.3	472.8	24.9	145.4	-	85.9	**896.3**
Interest-bearing short term debt	79.8	51.1	-	10.7	-	-	**141.6**
Interest-bearing short term debt, internal	-	-	-	3.7	-	-3.7	**-**
Current provisions	1.4	-	-	-	-	-	**1.4**
Trade and other payables	4.2	11.2	0.1	5.9	-	31.6	**52.9**
Total current liabilities	85.3	62.3	0.1	20.3	-	27.9	**195.9**
Total liabilities	252.7	535.1	25.0	165.7		113.8	**1 092.2**
Total equity and liabilities	580.3	807.8	25.1	242.1	-	155.7	**1 810.9**

Geographical areas

Amounts in USD million	2015	2014
Total revenue based on location of customer (registered business address):		
India	**138.3**	136.8
Marshall Islands	**4.2**	-
Norway	**98.6**	111.8
Switzerland	**15.6**	0.7
Total	**256.7**	249.3
Total vessels, equipment and intangibles by company location:		
Norway	**1 248.4**	1 346.4
Total	**1 248.4**	1 346.4

IMPORTANT CUSTOMER

The Group has two customers that each account for more than 10% of the Group revenue in 2015. Recognized revenue related to these customers in 2015 was USD 138.3 million and USD 38.3 million respectively. In 2014 the Group had three customers that accounted for more than 10% of the Group revenue. Recognized revenue related to these customers was USD 137 million, USD 38 million and USD 34 million.

NOTE 8 LEASE REVENUE

Total lease revenue per segment:

Amounts in USD million	FPSO	Other Oil Service	Gas Carriers	Car Carriers	Other Shipping	Total 2015	2014
Ordinary lease revenue	103.0	71.6	-	23.4	-	**198.0**	207.0
Contingent rent	6.0	-	-	-0.2	-	**5.7**	5.0
Total operating lease revenue	108.9	71.6	-	23.2	-	**203.7**	212.1
Ordinary finance lease revenue	-	19.4	-	-	4.4	**23.8**	6.0
Contingent rent	-	-	-	-	-0.1	**-0.1**	-
Total finance lease revenue	-	19.4	-	-	4.2	**23.6**	6.0
Other operating revenue	20.3	-	-	-	-	**20.3**	20.2
Mobilization fee, advances and deferred revenue	9.0	-0.9	-	1.0	-	**9.1**	11.0
Total revenue	138.2	90.1	-	24.2	4.2	**256.7**	249.3

Future minimum lease payments under non-cancellable operating lease agreements

Amounts in USD million	FPSO	Other Oil Service	Gas Carriers	Car Carriers	Other Shipping	Total	2014
Duration less than one year	102.5	69.9	4.4	47.4	-	**224.1**	198.7
Duration between one and five years	176.1	277.7	125.0	142.8	-	**721.5**	827.4
Duration over five years	-	224.1	185.3	208.7	-	**618.1**	768.4
Total future minimum lease payments	278.6	571.7	314.6	398.9	-	**1 563.8**	1 794.5
Other order backlog	60.1	-	-	-	-	**60.1**	80.4
Total	338.7	571.7	314.6	398.9	-	**1 623.9**	1 875.0

The figures above are based on the assumption that the purchase options in the bareboat charter contracts are not exercised.

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. 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 breakdown, maintenance and acts and omissions of AFP personnel. With utilisation above 95%, the monthly compensation is increased by a bonus where maximum achievable bonus is 5%. With utilisation below 95%, 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 reduction 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 seven years of operations. In 2015 the achieved uptime was 99.8%. The estimated downtime includes planned shutdowns for maintenance in 2016 and 2018, and additional estimated shutdowns at specific intervals every year. 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 has been operating on a ten year bareboat charter to AKOFS Offshore AS. The charter contract for Aker Wayfarer was amended and extended in 2014, and as a result, the accounting of the vessel was changed from operating lease to finance lease. Future minimum lease payments under non-cancellable operating lease agreements reported in the table above no longer include charter hire for the vessel.

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 acquired in 2013 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 Group acquired in December 2014 the diving support and offshore construction vessel SBM Installer. The vessel has been chartered on a 12-year bareboat charter contract guaranteed by SBM Holding Inc. SA. SBM 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.

GAS CARRIERS

The Group entered into newbuilding contracts for three LEG (Liquefied Ethylene Gas) carriers of 36,000 cbm capacity in 2014, to be built at Sinopacific Offshore & Engineering, China. The vessels are scheduled for delivery in August, October and December 2016 respectively, and will after delivery be chartered on 15-year "hell and high water" bareboat charters to the Hartmann Group ("Hartmann"), where the first ten years have a fixed charter rate and the last five years a floating charter rate. Hartmann has sub-chartered the vessels for a ten year period on time charter basis with additional five one-year options to SABIC Petrochemicals BV, a subsidiary of Saudi Arabian petrochemical company SABIC. The lease agreements do not contain any purchase options. However, a purchase option and profit share agreement has been entered into between the parties, where Hartmann have the option to buy an ownership share of the entities owning the vessels after ten years. As the charter hire in the last five years is all variable income, only the first ten years have been included in the non-cancellable lease rental income reported above.

CAR CARRIERS

In 2012 the Group entered into newbuilding contracts for two pure car truck carriers (PCTC) of 6,500 car capacity with Daewoo Shipbuilding & Marine Engineering's. The vessel Höegh Jacksonville was delivered in April 2014 and the vessel Höegh Jeddah was delivered in September 2014. The vessels are 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 charter contracts were in December 2015 amended, and the charter hire is from January 2016 subject to a LIBOR related adjustment. The LIBOR adjustment has not been included in the non-cancellable lease rental income reported above.

In 2013 the Group entered into newbuilding contracts for two PCTCs of 8,500 car capacity with Xiamen Shipbuilding Industry Co. Ltd. The vessels 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. Delivery of the vessels was scheduled in January and April 2016. However, due to delays at the yard, Ocean Yield has in December 2015 agreed with Höegh to switch the two vessels with two earlier vessels in the same series. These vessels are scheduled for delivery in February and May 2016.

At the same time the charter contracts were amended and the charter rates for the two vessels were changed from fixed interest rate basis to floating interest rate basis. The LIBOR adjustment now included in the charter rate has not been included in the non-cancellable lease rental income reported above.

In 2014 the Group acquired two PCTCs of 4,900 car capacity, built in 2010. The vessels Höegh Beijing and Höegh Xiamen are chartered on 8-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 charter hire is subject to a LIBOR related adjustment. The LIBOR adjustment has not been included in the non-cancellable lease rental income reported above.

OTHER SHIPPING

The Group has in 2015 agreed to acquire eight newbuilding chemical tankers in combination with 15-year bareboat charters to Navig8 Chemical Tankers Inc. The vessels are accounted for as finance leases, and revenue from these vessels are thus not included in the operating lease revenue or future minimum lease payments reported above.

The Group has in 2015 agreed to acquire four newbuilding product tankers in combination with 13-year bareboat charters to Navig8 Product Tankers Inc. The vessels are accounted for as finance leases, and revenue from these vessels are thus not included in the operating lease revenue or future minimum lease payments reported above.

NOTE 9 WAGES, PERSONNEL EXPENSES AND OTHER OPERATING EXPENSES

Wages and personnel expenses consist of the following:

Amounts in USD million	2015	2014
Wages	**11.0**	8.0
Social security contributions	**1.1**	1.0
Pension costs	**0.4**	0.5
Other expenses	**0.1**	-
Total	**12.6**	9.5
Average number of employees	**18**	18
Number of employees at year end	**19**	18

Geographical split of number of employees per region

Norway	**19**	18
Total	**19**	18

Other operating expenses consist of the following:

Amounts in USD million	2015	2014
External consultants and services other than audit	**1.6**	0.5
Services from related parties	**0.7**	1.0
Legal dispute, see note 31	**-**	3.4
Other operating expenses	**2.2**	3.5
Total	**4.5**	8.4

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 assur-ance services	Tax advisory services	Other non-audit services	2015	2014
Ocean Yield ASA	110.3	3.4	16.9	0.0	**130.6**	176.0
Other consolidated companies	126.3	11.6	5.0	0.0	**142.9**	147.6
Total	236.6	15.0	21.8	0.0	**273.4**	323.7

The figures are exclusive of VAT.

NOTE 10 IMPAIRMENT CHARGES AND OTHER NON RECURRING ITEMS

Amounts in USD million	2015	2014
Impairment charges and other non recurring items	**-28.6**	**-3.8**
Total	**-28.6**	**-3.8**

Impairment charges and other non recurring items of USD 28.6 million in 2015 is impairment of goodwill related to the segment FPSO. For more information regarding the goodwill and the impairment test, see note 14.

Impairment charges and other non recurring items of USD 3.8 million in 2014 was related to the vessel Geco Triton, which was sold in December 2014. The sales price was USD 8.2 million and included full compensation for the remaining charterhire until December 2015.

NOTE 11 FINANCIAL INCOME AND FINANCIAL EXPENSES

Net financial income/expense recognized in profit and loss:

Amounts in USD million	2015	2014
Interest income on bank deposits and receivables at amortized cost	**18.2**	18.7
Gain on available for sale financial assets	**-**	11.5
Net foreign exchange gain	**41.5**	29.6
Total financial income	**59.7**	59.8
Interest expense on financial obligations measured at amortized cost	**-34.8**	-34.2
Accretion of interest decommissioning liability	**-1.7**	-
Change in mark to market of derivatives	**-40.5**	-22.5
Loss from derecognition of financial obligations measured at amortized cost	**-0.5**	-13.5
Net other financial expenses	**-0.5**	-2.5
Total financial expenses	**-78.1**	-72.7
Net financial items	**-18.4**	-12.9

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

Total interest income on financial assets	**18.2**	18.7
Total interest expense on financial liabilities	**-31.9**	-32.6

Financial items in other comprehensive income consist of the following:

Amounts in USD million	2015	2014
Reclassification of gains on available for sale financial assets included in Financial Income, before tax	**-**	-11.5
Total	**-**	-11.5

NOTE 12 TAX

Income tax expense

Amounts in USD million	2015	2014
Current tax expense:		
Tax expense current year	**-0.4**	-1.7
Total current tax expense	**-0.4**	-1.7
Deferred tax expense:		
Origination and reversal of temporary differences	**25.0**	-1.1
Change in tax rate	**-0.0**	-
Total deferred tax expense(-)/benefit (+)	**25.0**	-1.1
Total income tax expense(-)/benefit (+)	**24.6**	**-2.8**
Temporary differences consist of		
Vessels and other fixed assets	**86.0**	112.2
Receivables	**-3.5**	-3.5
Provisions	**-26.6**	-
Capitals gains and loss reserve	**-8.0**	-11.9
Deferred income	**-16.8**	-27.4
Withholding tax	**-79.7**	-83.0
Other differences	**-41.6**	15.1
Total	**-90.2**	1.6
Tax losses	**-135.1**	-255.2
Deferred tax base assets	**-225.3**	-253.6
Deferred tax assets	**56.3**	68.5
Deferred tax assets and liabilities not recognized	**-19.9**	-57.0
Net deferred tax assets and liabilities	**36.4**	11.4

Net deferred tax assets and liabilities recorded as follows:

Deferred tax assets	**36.4**	11.4
Deferred tax liabilities	**-**	-
Net deferred tax assets and liabilities	**36.4**	11.4

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 such tax losses and temporary differences can be offset against future taxable profits. The Group has been carefully evaluating the timing of recognition of its deferred tax assets in recent years and has had taxable income in Norway each of the past three years prior to consideration of tax losses carried forward. The Group believes that due to this earnings history, the significant levels of taxable income in 2015 and the probability of future taxable income, it was appropriate to recognize previously unrecognized deferred tax assets in 2015. Estimates of future taxable profits show that the Group is able to utilize all of the tax losses carried forwards in the foreseeable future based primarily on firm contracts of vessels taxed outside the Norwegian tonnage tax regime, and projected financial income. A deferred tax asset of USD 36.4 million has thus been recognized. Because substantially all of the income used to determine taxable income in Norway is received in US dollars and taxable income is determined in Norwegian Kroner, foreign currency exchange rates could have a significant impact on the measurement of income tax expense, deferred taxes and taxes payable.

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. However, if any credit is allowed an equal amount should be paid to the customer, in accordance with the bareboat contract. As a consequence no deferred tax asset has been recognized related to the potential tax benefit from withholding tax paid in India.

The tax rate in Norway will change from 27% to 25% from 1 January 2016.

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

			2015
Amounts in USD million	**Comprehensive income before tax**	**Tax 2015**	**Comprehensive income after tax**
Remeasurements of defined benefit liability (asset)	0.2	-0.0	0.1
Currency translation differences	-11.1	-	-11.1
Other comprehensive income	-10.9	-0.0	-11.0

			2014
Amounts in USD million	**Comprehensive income before tax**	**Tax 2014**	**Comprehensive income after tax**
Reclassification of gains on available for sale financial assets included in Financial Income	-11.5	3.1	-8.4
Remeasurements of defined benefit liability (asset)	-0.2	0.1	-0.2
Currency translation differences	-19.9	-	-19.9
Other comprehensive income	-31.6	3.2	-28.4

Reconciliation of effective tax rate

Amounts in USD million	2015	2014
Profit before tax	**80.4**	103.6
Nominal tax rate in Norway (27%)	**-21.7**	-28.0
Effect of change in tax rate	**-2.9**	-
Revenue not subject to tax	**-**	0.5
Expenses not deductible for tax purposes	**-8.0**	-14.4
Utilization of previously unrecognized tax losses	**22.0**	19.7
Deferred tax asset previously not recognized	**19.6**	-
Tax losses for which no deferred income tax asset was recognized	**-0.4**	-0.5
Companies within tonnage tax legislation	**14.7**	14.3
Other differences	**1.4**	5.6
Total income tax expense (-)/benefit(+)	**24.6**	-2.8

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:

2015

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	-30.3	8.8	-	-	-	-21.5
Receivables	0.9	-0.1	-	-	-	0.8
Provisions	-	6.7	-	-	-	6.7
Capital gains and loss reserve	3.2	-1.2	-	-	-	2.0
Deferred income	7.4	-3.2	-	-	-	4.2
Withholding tax	22.4	-2.5	-	-	-	19.9
Other differences	-4.1	14.5	-0.0	-	-0.0	10.4
Tax losses	68.9	-35.1	-	-	-	33.8
Deferred tax assets and liabilities not recognized	-57.0	37.1	-	-	-	-19.9
Net deferred tax assets (+) and liabilities (-)	11.4	25.0	-0.0	-	-0.0	36.4

2014

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	-42.9	12.7	-	-	-	-30.3
Receivables	0.9	-	-	-	-	0.9
Capital gains and loss reserve	4.9	-1.7	-	-	-	3.2
Deferred income	11.4	-4.0	-	-	-	7.4
Withholding tax	25.6	-3.2	-	-	-	22.4
Other differences	-1.7	-5.6	3.2	-	0.1	-4.1
Tax losses	88.2	-18.2	-	-	-1.1	68.9
Deferred tax assets and liabilities not recognized	-76.1	19.0	-	-	-	-57.0
Net deferred tax assets (+) and liabilities (-)	10.3	-1.1	3.2	-	-1.0	11.4

NOTE 13 VESSELS AND OTHER FIXED ASSETS

	Vessels			Advances on vessels under construction		Other fixed assets		
Amounts in USD million	**FPSO**	**Other Oil Service**	**Car Carriers**	**Gas Carriers**	**Car Carriers**	**FPSO**	**Other**	**Total**
Cost balance at 1 January 2014	877.1	814.3	-	-	49.5	2.5	2.1	**1 745.6**
Capital expenditure	0.1	150.2	178.1	24.7	12.2	0.4	2.1	**367.8**
Disposals	-	-44.5	-	-	-	-	-	**-44.5**
Effect of movements in foreign exchange	-	-50.3	-	-	-	-	-	**-50.3**
Reclassification	-	-	36.9	-	-36.9	-	-	**-**
Change from operating lease to finance lease	-	-239.4	-	-	-	-	-	**-239.4**
Cost balance at 31 December 2014	**877.2**	**630.2**	**215.0**	**24.7**	**24.8**	**2.9**	**4.2**	**1 779.1**
Capital expenditure	-	-	-	41.5	6.2	0.8	3.7	**52.2**
Disposals	-	-	-	-	-	-	-	**-**
Effect of movements in foreign exchange	-	-26.2	-	-	-	-	-	**-26.2**
Cost balance at 31 December 2015	**877.2**	**604.0**	**215.0**	**66.2**	**31.1**	**3.7**	**8.0**	**1 805.1**
Accumulated depreciation and impairment losses at 1 January 2014	-362.5	-100.6	-	-	-	-1.3	-	**-464.4**
Depreciation charge of the year	-56.8	-34.0	-5.2	-	-	-0.3	-0.1	**-96.4**
Impairment	-	-	-	-	-	-	-	**-**
Disposals	-	32.5	-	-	-	-	-	**32.5**
Effect of movements in foreign exchange	-	4.7	-	-	-	-	-	**4.7**
Change from operating lease to finance lease	-	52.6	-	-	-	-	-	**52.6**
Accumulated depreciation and impairment losses at 31 December 2014	**-419.3**	**-45.0**	**-5.2**	-	-	**-1.6**	**-0.1**	**-471.2**
Depreciation charge of the year	-56.8	-29.2	-10.0	-	-	-0.5	-0.3	**-96.7**
Impairment	-	-	-	-	-	-	-	**-**
Disposals	-	-	-	-	-	-	-	**-**
Effect of movements in foreign exchange	-	2.3	-	-	-	-	-	**2.3**
Accumulated depreciation and impairment losses at 31 December 2015	**-476.0**	**-71.9**	**-15.2**	**-**	**-**	**-2.1**	**-0.4**	**-565.6**
Balance at 31 December 2014	458.0	585.2	209.9	24.7	24.8	1.3	4.1	**1 308.0**
Balance at 31 December 2015	401.2	532.1	199.8	66.2	31.1	1.6	7.6	**1 239.5**

CAPITAL EXPENDITURE

GAS CARRIERS

In 2014 the Group entered into newbuilding contracts for three LEG (Liquefied Ethylene Gas) carriers of 36,000 cbm capacity, to be built at Sinopacific Offshore & Engineering, China. The vessels are scheduled for delivery in Q3 2016 – Q1 2017, and will after delivery be chartered on 15-year "hell and high water" bareboat charters to the Hartmann Group ("Hartmann"), where the first ten years have a fixed charter rate and the last five years a floating charter rate. Hartmann has sub-chartered the vessels for a ten year period on time charter basis with additional five one-year options to SABIC Petrochemicals BV, a subsidiary of Saudi Arabian petrochemical company SABIC. The total investment is estimated to be approximately USD 243 million. The contract price will be paid in six installments, where 60% of the contract price will be paid upon completion and delivery. During the construction period the ship builder has the title to and the risk of the vessels. In 2015 USD 40.5 million have been paid in advances. In addition USD 1.0 in acquisition related expenses and USD 2.1 million in borrowing costs has been capitalized as part of the acquisition cost of the vessels. The borrowing costs have been calculated using an average interest rate of LIBOR +4.54%. The lease agreements do not contain any purchase options. However, a purchase option and profit share agreement has been entered into between the parties, where Hartmann have the option to buy an ownership share of the entities owning the vessels after ten years.

CAR CARRIERS

The Group entered in 2013 into newbuilding contracts for two pure car truck carriers (PCTC) of 8,500 car capacity with Xiamen Shipbuilding Industry Co. Ltd. In 2015 Ocean Yield has agreed to sell these two vessels to Höegh Autoliners (Höegh) and acquire two newbuilding sister vessels with earlier delivery dates from Höegh. The new vessels are expected to be delivered in March and June 2016, following a delay in the original newbuilding schedule. The vessels will after delivery be chartered on 12-year bareboat charter contracts to Höegh. Höegh has options to acquire the vessels during the charter period, with the first options being exercisable after five years. The total investment is estimated to be approximately USD 125 million. 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 ship builder has the title to and the risk of the vessels. In 2015 USD 6.2 million have been paid in advances. In addition USD 1.3 million in borrowing costs has been capitalized in 2015 as part of the acquisition cost of the vessels. This has been calculated using an average interest rate of LIBOR +4.54%.

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.

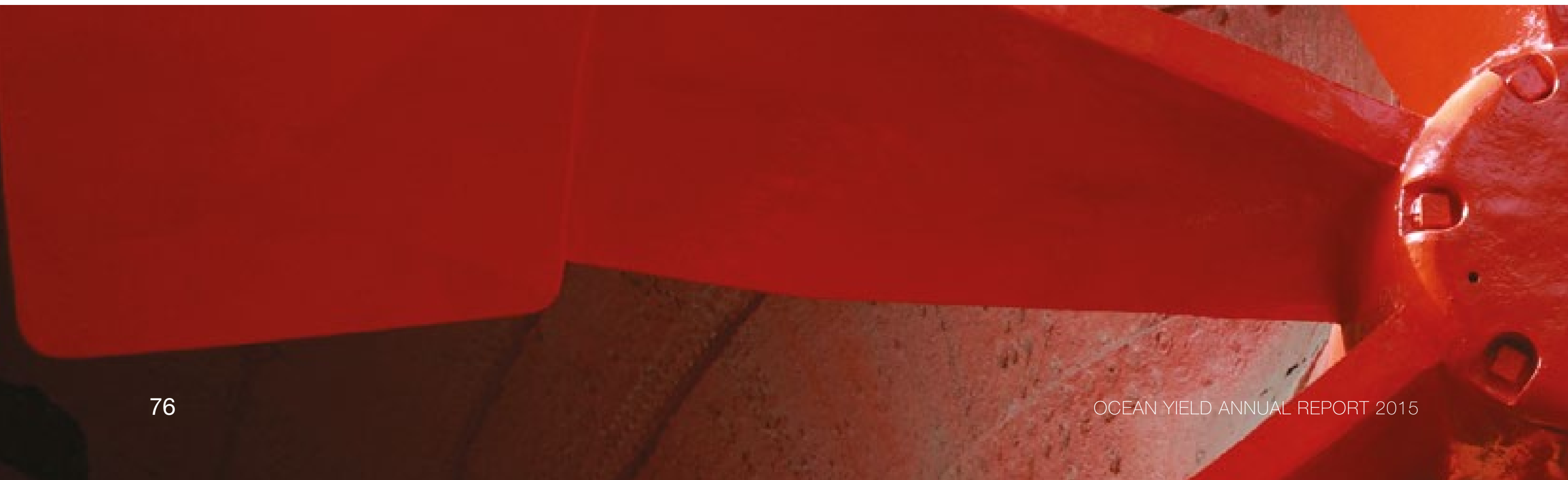
Estimated useful lives for the current and comparative periods are as follows:

Vessels	10–25 years
Machinery, vehicles	3–15 years
Other fixed assets	3–10 years

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

EFFECT OF EXCHANGE RATE FLUCTUATIONS

The effect of exchange rate fluctuations decreased the value of vessels and other fixed assets with USD 23.9 million in 2015. These are translation differences that are mainly attributable to the fluctuations in the NOK/USD ratio for the vessels Far Senator and Far Statesman, which are accounted for in NOK.



CONTRACTUAL OBLIGATIONS

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

Amounts in USD million	FPSO	Other Oil Service	Gas Carriers	Car Carriers	Other Shipping	Total
Already paid	-	34.1	64.8	31.1	92.6	**222.6**
Due in 2016	-	55.1	81.0	93.6	239.8	**469.6**
Due in 2017	-	-	97.2	-	-	**97.2**
Total contractual obligations	-	89.2	243.0	124.7	332.4	**789.3**
Total remaining payments	-	55.1	178.2	93.6	239.8	**566.8**
Estimated / secured bank financing	-	69.2*	180.0**	94.0*	224.1*	**567.3**
Estimated payments to be funded by cash						**-0.5**

**Already secured bank commitments*

***Estimated bank financing*

The obligations above within the Other Oil Service segment are related to the modification work on the vessel Aker Wayfarer. The vessel Aker Wayfarer is accounted for as a finance lease, see note 15. Instalments related to the modification work are presented with the finance lease receivable, and is not included in vessels and other fixed assets. Ocean Yield has secured financing for 100% of the modification work.

The obligations above within to the Gas Carriers segment are related to three LEG carriers, scheduled for delivery in Q3 2016 – Q1 2017. Ocean Yield expects that about USD 180 million of the investment in the three gas carriers will be funded by bank financing.

The obligations above within to the Car Carriers segment are related to two PCTC vessels, which will be delivered in 2016. Long term financing has been secured for the two PCTC vessels for a total of USD 94 million.

The obligations above related to the new segment named Other Shipping are related to four chemical tankers and four product tankers under construction. The figures are net of any seller's credit in the transactions. The four chemical tankers, being 49,000 dwt IMO II chemical carriers built by STX Korea, are scheduled for delivery in Q1-Q3 2016. Long term financing has been secured for the chemical tankers for a total of USD 112 million. The four LR2 product tankers are built at Sungdong Shipbuilding & Marine Engineering Co., Ltd, Korea and are scheduled for delivery in January, March, May and July 2016. Long term financing has been secured for the product tankers for a total of USD 148 million. The eight vessels are accounted for as finance leases, see note 15. Pre-delivery instalments related to the vessels are presented with the finance lease receivables, and are not included in vessels and other fixed assets.

For more information about the vessels that are accounted for as operating leases see section Capital Expenditure above. For more information regarding the financing see note 21.

NOTE 14 INTANGIBLE ASSETS

Movements in intangible assets are shown below:

	Goodwill	
Amounts in USD million	**2015**	**2014**
Cost balance at 1 January	**125.8**	125.8
Effects of movements in foreign exchange		
Cost balance at 31 December	**125.8**	125.8
Accumulated amortization and impairment losses at 1 January	**-87.5**	-87.5
Impairment losses recognized in profit and loss	**-28.6**	-
Accumulated amortization and impairment losses at 31 December	**-116.1**	-87.5
Carrying amount at 31 December	**9.8**	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 cash generating unit.

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.

FPSO SEGMENT

The goodwill relates to Aker Contracting FP ASA, which had developed the AKER S.M.A.R.T concept for constructing a generic, cost effective FPSO. A write-down of USD 28.6 million has been made in 2015.

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 the FPSO Dhirubhai-1 this is found by calculating the value in use. This has been determined by estimating the contractual discounted cash flows and assessing potential outcomes at the end of the current charter period. 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 the Group'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 increases with five percent. Bonus has been included based on estimated FPSO downtime. The estimated FPSO downtime includes planned shutdowns for maintenance at specific intervals every year. The achieved uptime in 2015 was 99.8%.

Operating expenses have been included with an annual increase of five to seven percent. Other indirect expenses are estimated with an annual increase of two to three percent.

The Group has considered the impact of the current economic climate and several possible scenarios at the end of the current contract term for the FPSO with regard to the terminal value in September 2018. Possible scenarios include the exercise of the existing purchase option, the potential for negotiation of a lease extension, the possibility for finding a new customer and that the vessel would be idle at the end of its existing contract. Using these scenarios, the Group determined the value in use based upon a probability weighting of the expected cash flows. The impairment charge is highly sensitive to the relative weighting of scenarios.

The cash flows are adjusted for taxes. Thus, the applied discount rate of 5.81% is also after tax which implies a pre tax rate of 11.77%. The discount rate is estimated as a weighted average of the required return on equity and expected borrowing costs, at an expected long-term equity ratio of 35 percent. 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 USD swap rate has been used, with a margin that reflects long term financing in current market.

At year-end 2015 the value in use of the FPSO, calculated as the present value of the future cash flows, is USD 28.6 million lower than the book value of the vessel including goodwill, resulting in a corresponding impairment charge of USD 28.6 million.

NOTE 15 INTEREST-BEARING LONG TERM RECEIVABLES AND OTHER NON-CURRENT ASSETS

Amounts in USD million	2015	2014
Restricted deposits	**24.6**	20.1
American Shipping Company ASA bonds	**192.6**	180.9
Finance lease receivables and related assets	**388.1**	159.7
Other interest-bearing long term receivables	**0.6**	0.5
Total interest-bearing long term receivables and other non-current assets	**605.9**	361.2

RESTRICTED DEPOSITS

USD 20.1 million of the restricted funds relates to the loan agreement in Aker Floating Production. USD 4.5 million is related to one of the Group's cross currency interest rate swaps, where a security deposit is needed when the USD/NOK exchange rate is above 8.1.

AMERICAN SHIPPING COMPANY ASA BONDS

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 an interest of LIBOR + 6.00% p.a., where 50% has been PIK-interest and 50% cash interest.

In November 2015 AMSC refinanced its secured vessel debt, and in connection with this debt refinancing AMSC agreed with its bondholders to increase the cash interests from 50% to 100%. It was also agreed that AMSC will not use its option to extend the bond beyond the final maturity date in February 2018.

The bonds are measured at amortized cost using the effective interest method less any impairment losses.

FINANCE LEASE RECEIVABLES AND RELATED ASSETS

Finance lease receivables and related assets of USD 388.1 million at 31 December 2015 are related to the vessel Aker Wayfarer, eight chemical tankers, where four vessels are under construction, and four product tankers, also under construction.

OTHER OIL SERVICE

The vessel Aker Wayfarer is accounted for as a finance lease. The vessel is chartered to AKOFS Offshore AS (AKOFS), a wholly owned subsidiary of Akastor ASA until 2027. AKOFS has options to purchase the vessel in 2021, 2026 and 2027. AKOFS has been awarded a 5 + 5 year contract with Petrobras to provide subsea intervention services offshore Brazil. In order to outfit the vessel for this, a modification of approximately USD 90 million will be made to the vessel. Instalments related to this modification work are presented with the finance lease receivable. The instalments are however not included in the net investment used for calculating the finance lease interest. The investment related to the modification work will be included in the net investment at the completion date, which is expected to be in May 2016.

OTHER SHIPPING

The eight chemical tankers that will be chartered to Navig8 Chemical Tankers Inc. are accounted for as finance leases. At the delivery of the vessels a receivable equal to the net investment in the lease is recognized as an interest-bearing long term receivable. Income is reported in the income statement as finance lease revenue in a way that produces a constant rate of return on the investment during the contract period adjusted from time to time due to changes in the estimated residual value.

The four product tankers that will be chartered to Navig8 Product Tankers Inc. are accounted for as finance leases. At the delivery of the vessels a receivable equal to the net investment in the lease is recognized as an interest-bearing long term receivable. Income is reported in the income statement as finance lease revenue in a way that produces a constant rate of return on the investment during the contract period adjusted from time to time due to changes in the estimated residual value.

Pre-delivery advances related to the chemical tankers and the product tankers, which are scheduled for delivery in Q1-Q3 2016 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 net finance lease receivables and related assets as of 31 December 2015 was as follows:

	Other Oil Service			Other Shipping			Total
Amounts in USD million	**Gross Investment in finance lease receivables**	**Effect of Discounting**	**Present value of minimum lease payments**	**Gross Investment in finance lease receivables**	**Effect of Discounting**	**Present value of minimum lease payments**	**Present value of minimum lease payments**
Lease payments receivable:							
Less than one year	36.2		33.3	13.2		12.7	46.1
Between one and five years	165.1		108.4	64.9		50.6	159.0
More than five years	264.4		74.6	145.6		64.9	139.4
Lease investments:							
Less than one year	-89.2		-84.0	-		-	-84.0
Total finance lease receivables	**376.6**	**-244.3**	**132.2**	**223.8**	**-95.5**	**128.2**	**260.5**
Related assets			34.9			92.7	127.6
Total finance lease receivables and related assets			**167.1**			**220.9**	**388.1**
Unguaranteed residual values included above	59.0		10.9	40.0		14.0	24.8

The net finance lease receivables and related assets as of 31 December 2014 was as follows:

	Other Oil Service			Total
Amounts in USD million	**Gross Investment in finance lease receivables**	**Effect of Discounting**	**Present value of minimum lease payments**	**Present value of minimum lease payments**
Lease payments receivable:				
Less than one year	28.5		26.5	26.5
Between one and five years	161.7		106.3	106.3
More than five years	304.0		86.1	86.1
Lease investments:				
Less than one year	-		-	-
Between one and five years	-89.2		-73.3	-73.3
Total finance lease receivables	**405.1**	**-259.4**	**145.7**	**145.7**
Related assets			14.0	14.0
Total finance lease receivables and related assets			**159.7**	**159.7**
Unguaranteed residual values included above	59.0		10.0	10.0

NOTE 16 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	2015	2014
Trade receivables	**16.2**	14.9
Provision for impairment of trade receivables	**-1.7**	-1.7
Other short term interest-free receivables	**0.9**	2.3
Total	**15.5**	15.6

NOTE 17 CASH AND CASH EQUIVALENTS

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

Amounts in USD million	2015	2014
Total	**117.7**	76.4

Of this is USD 0.3 million restricted. In addition the Group has USD 24.6 million in restricted cash classified as long term assets (see note 15).

NOTE 18 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	2015	2014
Continued operations:		
Net profit (loss) after tax from continued operations	**105.0**	100.8
Non-controlling interests	**1.0**	0.1
Profit from continued operations attributable to equity holders of the Group	**104.0**	**100.7**
Ordinary shares issued at 31 December	**134 628 575**	134 192 111
Treasury shares at 31 December	**(42 813)**	(23 070)
Ordinary shares outstanding at 31 December	**134 585 762**	134 169 041
Weighted average number of shares (basic)	**134 528 692**	134 085 241
Basic earnings per share (USD)	**0.77**	0.75
Weighted average number of shares	**134 528 692**	134 085 241
Effect of shares from incentive scheme on issue	**-**	968
Weighted average number of shares (diluted)	**134 528 692**	134 086 209
Diluted earnings per share (USD)	**0.77**	0.75

Dividends

Amounts in USD million	2015	2014
Total dividend paid	**80.7**	69.1
Declared dividend for the 4th quarter subsequent to 31 December	**21.9**	19.1

Share capital

At 31 December 2015 Ocean Yield ASA's share capital consists of the following:

	in NOK	in USD
Number of ordinary shares	**134 628 575**	134 628 575
Par value	**10**	1.7
Total par value (million)	**1 346.3**	222.8

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

Change in number of shares:

	2015	2014
Number of shares outstanding 1.1	**134 169 041**	133 783 514
Issue of shares related to management incentive scheme	**436 464**	408 597
Treasury shares acquired	**-150 000**	-350 000
Treasury shares sold	**130 257**	326 930
Number of shares outstanding 31.12	**134 585 762**	**134 169 041**

CURRENT BOARD AUTHORIZATIONS

At the Annual General Meeting, held on 22 April 2015, Ocean Yield ASA's shareholders gave the board an authorization to increase the share capital with maximum NOK 130 million in connections with acquisitions, mergers, demergers or other transfers of business and an authorization to increase the share capital with maximum NOK 10 million in connection with the employee share programme. The Board of Directors was also given the authorization to acquire treasury shares up to an aggregate nominal value of NOK 8 million in connection with the employee share programme. The authorizations are valid until the 2016 Annual General Meeting.

The 20 largest shareholders as of 31 December 2015

Shareholders	Number of shares	Percent
Aker Capital AS 1)	98 242 575	73.0 %
JP Morgan Chase Bank N.A. London	3 206 633	2.4 %
Citibank N.A.	2 905 609	2.2 %
JP Morgan Chase Bank N.A.	1 739 000	1.3 %
Invesco Perp EUR Small Comp Fund	1 374 459	1.0 %
Finmarine AS 2)	1 185 880	0.9 %
Invesco Perp EUR Opportun Fund	997 870	0.7 %
State Street Bank and Trust Co	838 364	0.6 %
Invesco Funds	836 889	0.6 %
SEB STO, Sfma1	638 899	0.5 %
VPF Nordea Kapital	561 871	0.4 %
VPF Nordea Norge Verdi	434 580	0.3 %
Fidelity Funds-Nordic Fund/Sicav	412 936	0.3 %
DNB NOR Markets	383 320	0.3 %
JP Morgan Chase Bank N.A. London	363 491	0.3 %
Frede Wælgaard Jacobsen	346 000	0.3 %
Euroclear Bank S.A./N.V.	338 575	0.3 %
MP Pensjon Pk	332 729	0.2 %
State Street Bank and Trust Co	324 245	0.2 %
State Street Bank and Trust Co	302 005	0.2 %
Other	18 862 645	14.0 %
Total	**134 628 575**	**100%**

1) Kjell Inge Røkke controls 67.8% of the shares in Aker ASA, which owns 100% of the shares in Aker Capital AS, through his ownership of the TRG companies. In addition he holds 180,000 shares directly in Ocean Yield ASA.
2) Finmarine AS is owned by the CEO Lars Solbakken.

Ocean Yield ASA is a subsidiary of Aker Capital AS, a wholly-owned subsidiary of Aker ASA. Ocean Yield is thus part of Aker ASAs consolidated financial statements. Aker ASA has offices at Oksenøyveien 10 and the consolidated 2015 financial statements for Aker ASA are when available, to be found at www.akerasa.com.

NOTE 19 GROUP ENTITIES

Ocean Yield ASA is a holding company with financial investments and the parent company in the Ocean Yield Group. Single purpose companies have been established for the ownership of the Group's vessels. As of year-end 2015 the Group consists of the subsidiaries 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	Lysaker	Norway
AFP Operations AS	100.00	100.00	Lysaker	Norway
Aker Contracting FP ASA	100.00	100.00	Lysaker	Norway
Aker Floating Operations Publ Ltd	100.00	100.00	Limassol	Cyprus
Aker Invest AS	100.00	100.00	Lysaker	Norway
Aker Ship Lease AS	100.00	100.00	Lysaker	Norway
Aker Ship Lease 1 AS	100.00	100.00	Lysaker	Norway
Aker Ship Lease 2 AS	100.00	100.00	Lysaker	Norway
Connector 1 Holding AS	100.00	100.00	Lysaker	Norway
Connector 1 AS	100.00	100.00	Lysaker	Norway
F-Shiplease Holding AS	100.00	100.00	Lysaker	Norway
F-Shiplease AS	100.00	100.00	Lysaker	Norway
LH Shiplease AS	100.00	100.00	Lysaker	Norway
LH Shiplease 1 AS	100.00	100.00	Lysaker	Norway
Ocean Holding AS	100.00	100.00	Lysaker	Norway
OCY Albany AS	100.00	100.00	Lysaker	Norway
OCY Nelson AS	100.00	100.00	Lysaker	Norway
OCY Nelson 2 AS	100.00	100.00	Lysaker	Norway
OCY Nelson 3 AS	100.00	100.00	Lysaker	Norway
OCY Nelson 4 AS	100.00	100.00	Lysaker	Norway
OCY Nelson 5 AS	100.00	100.00	Lysaker	Norway
OCY Nelson 6 AS	100.00	100.00	Lysaker	Norway
OCY Nelson 7 AS	100.00	100.00	Lysaker	Norway
OCY Nelson 8 AS	100.00	100.00	Lysaker	Norway
OCY Nelson 9 AS	100.00	100.00	Lysaker	Norway
OCY Nelson 10 AS	100.00	100.00	Lysaker	Norway
OCY Nelson 11 AS	100.00	100.00	Lysaker	Norway
OCY Nelson 12 AS	100.00	100.00	Lysaker	Norway
OCY Severn AS	100.00	100.00	Lysaker	Norway
OCY Severn 2 AS	100.00	100.00	Lysaker	Norway
OCY Severn 3 AS	100.00	100.00	Lysaker	Norway
OCY Thelon AS	100.00	100.00	Lysaker	Norway
OS Installer AS	75.00	75.00	Lysaker	Norway

Non-controlling interests

The table below summarizes the information related to the Group's subsidiaries that has material non-controlling interests

	OS Installer AS	
Amounts in USD million	**2015**	**2014**
Non-controlling interests percentage	**25%**	**25%**
Non-current assets	**142.7**	**149.9**
Current assets	**8.6**	**1.5**
Non-current liabilities	**-95.4**	**-101.3**
Current liabilities	**-9.5**	**-7.8**
Net assets	**46.4**	**42.3**
Carrying amount of Non-controlling interests	**11.6**	**10.6**
Operating revenues	**15.6**	**0.7**
Net profit after tax	**4.1**	**0.3**
Other comprehensive income	**-**	**-**
Total comprehensive income	**4.1**	**0.3**
Profit allocated to Non-controlling interests	**1.0**	**0.1**
Other comprehensive income allocated to Non-controlling interests	**-**	**-**
Cash flows from operating activities	**14.4**	**0.8**
Cash flows from investment activities	**-**	**-150.2**
Cash flows from financing activities	**7.3**	**150.9**
Net change in cash and cash equivalents	**7.1**	**1.5**

The non-controlling interests reported above are related to the subsidiary OS Installer AS. Ocean Yield acquired in December 2014 the vessel SBM Installer. The vessel is chartered to SBM Holding ("SBM") for a period of 12 years. A single purpose company, OS Installer AS was established for the ownership of the vessel, in which SBM owns 25%. Ocean Yield and SBM have entered into a shareholder agreement, where certain matters require the consenting vote of SBM. Ocean Yield is however still considered to have control, as Ocean Yield is exposed to variable returns and has the ability to affect those returns through its power over OS Installer AS.

NOTE 20 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/Region	Currency	Average rate 2015	Rate at 31 Dec. 2015	Average rate 2014	Rate at 31 Dec. 2014
Norway	USD/NOK	8.06	8.81	6.30	7.41

The average rate and the closing 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 21 INTEREST-BEARING LOANS AND LIABILITIES

Interest-bearing loans and liabilities are allocated as follows:

Amounts in USD million	2015	2014
Secured bank loans	**933.5**	860.0
Unsecured bond loans	**225.4**	134.5
Total	**1 158.9**	994.6

Whereof installments due within the next 12 months:

Amounts in USD million	2015	2014
Secured bank loans	**184.1**	141.6
Total	**184.1**	**141.6**
Long- term Interest-bearing liabilities	**974.8**	852.9

Change in the Group's interest-bearing liabilities:

Amounts in USD Million	Secured loans	Unsecured bond loans	2015	2014
Interest- bearing liabilities at 1 January	860.0	134.6	**994.6**	871.8
New loans	383.3	129.8	**513.1**	474.0
Instalments	-291.5	-	**-291.5**	-176.1
Repurchase	-	-	**-**	-105.5
Loss from repurchase	-	-	**-**	8.1
Amortization of loan fees	2.5	0.2	**2.8**	1.4
Effect of movement in foreign exchange	-20.9	-39.2	**-60.1**	-79.2
Interest-bearing liabilities at 31 December	**933.5**	**225.4**	**1 158.9**	**994.6**

The contractual terms of interest-bearing debt as at 31 December 2015 are as follows:

	Amounts in million	Type	Maturity	Pledged assets	Book value of asset used as collateral	Currency	Undrawn facilities	Carrying amount in million nominal currency	Carrying amount USD million 2015	Carrying amount USD million 2014
FPSO	DNB syndicated loan	Secured loan	2018	*Dhirubhai-1*	401.2	USD	-	167.5	**167.5**	196.0
Other Oil Service	Eksportkreditt Norge AS	Secured loan	2022	*Aker Wayfarer*	-	NOK	-	-	**-**	110.9
Other Oil Service	BNP Paribas/ DNB Bank ASA/ ING Belgium SA/NV/ KfW IPEX-Bank GmbH	Secured loan	2021	*Aker Wayfarer, shares in Aker Ship Lease 1 AS AS (Vessel owner. Book value of shares USD 131.4 million year-end 2015) and shares in Aker Ship Lease AS (Owner of shares in Aker Ship Lease 1 AS. Book value of shares USD 205.1 million year-end 2015)*	167.1	USD	69.2	147.5	**147.5**	-
Other Oil Service	Eksportkreditt Norge AS	Secured loan	2024	*Lewek Connector, shares in Connector 1 AS (Vessel owner. Book value of shares USD 80 million year-end 2015) and shares in Connector 1 Holding AS (Owner of shares in Connector 1 AS. Book value of shares USD 77 million year-end 2015)*	265.6	USD	-	151.5	**151.5**	169.4
Other Oil Service	DNB Livsforsikring AS	Secured loan	2024			USD	-	14.1	**14.1**	15.7
Other Oil Service	Eksportkreditt Norge AS	Secured loan	2025	*Far Senator/Far Statesman, Shares in F-shiplease AS (Vessel owner. Book value of shares NOK 305 million year - end 2015)*	123.8	NOK	-	759.3	**86.2**	110.5
Other Oil Service	DNB Bank ASA/ NG Bank N.V.	Secured loan	2019	*SBM Installer*	142.7	USD	-	101.8	**101.8**	108.9
Car carriers	Nordea Bank Norge ASA/ABN Amro Bank N.V./ Skandinaviska Enskilda Banken AB	Secured loan	2021	*Höegh Beijing, Höegh Xiamen, Höegh Jacksonville, Höegh Jeddah, Höegh XS1462C and Höegh XS1462D*	230.9	USD	94.0	137.5	**137.5**	148.6
Other Shipping	Nordea Bank Norge ASA/Danske Bank, Norwegian Branch/ ABN Amro Bank N.V.	Secured loan	2021	*Navig8 Aronaldo, Navig8 Aquamarine, Navig8 Amessi, Navig8 Azotic, Navig8 Turquoise, Navig8 Topaz, Navig8 Tourmaline and Navig8 Tanzanite*	156.6	USD	110.2	95.2	**95.2**	-
Other Shipping	Nordea Bank Norge ASA/Danske Bank A/S, Norwegian Branch/ ABN Amro Bank N.V./ Skandinaviska Enskilda Banken AB	Secured loan	2023	*Navig8 Symphony, Navig8 Sanctity, Navig8 Steadfast and Navig8 Supreme*	64.4	USD	113.9	32.1	**32.1**	-
Ocean Yield ASA	Unsecured bond issue 14/19 FRN	Unse-cured bond loan	2019			NOK	-	997.8	**113.2**	134.5
Ocean Yield ASA	Unsecured bond issue 15/20 FRN	Unse-cured bond loan	2020			NOK	-	990.3	**112.2**	-
	Total interest-bearing liabilities								**1 158.9**	994.6
	Whereof installments due within the next 12 months								184.1	141.6
	Total interest-bearing long-term liabilities								**974.8**	852.9

		Facility Information	Interest rates	Repayment
FPSO	Dhirubhai-1 Borrower: Aker Contracting FP ASA	*Term loan facility (Facility A) of up to USD 565 million guarantee facility (Facility B) of up to USD 18 million Subordinated facility (Facility C) of USD 50.5 million* *Ocean Yield ASA has guaranteed the borrower's obligations under Facility C. The facilities A and B are not guaranteed by Ocean Yield ASA.*	*Facility A: LIBOR plus 1.50% per annum* *Facility B: guarantee commission of 0.60% per annum* *Facility C: LIBOR plus 2.75% per annum* *Interest rate swaps:* *- principal amount of USD 50 million at 0.869% (until July 2016)* *- principal amount of USD 50 million at 0.6% (until February 2016).*	*Instalments and interests are paid quarterly.* *In addition to the quarterly instalments the loan agreement contains a cash sweep provision pursuant to which the loan shall be repaid with 50% of Aker Contracting FP ASA's excess cash for each financial year.* *The loan matures at the earliest of the expiry of the charter contract of Dhirubhai-1, for any reason, and 31 May 2018.*
Other Oil Service	Aker Wayfarer Borrower: Ocean Yield ASA	*In April 2015, Ocean Yield refinanced the debt related to the vessel Aker Wayfarer and signed a new revolving credit facility of USD 220 million. The facility comprise of the following:* *- Facility A of USD 130 million* *- Facility B of USD 90 million, which shall go towards the financing of the modification of Aker Wayfarer*	*LIBOR + 2.00% per annum*	*Interest is paid quarterly and the loan amortizes down to a balloon of USD 120 million in 2021, with the first reduction scheduled in Q3 2016.*
	Lewek Connector Borrower: Ocean Yield ASA	*Facility A of approximately USD 215 million with Eksportkreditt Norge AS Facility B of approximately USD 19 million with DNB Livsforsikring AS* *The facility A 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 Borrower under the facility was previously Connector 1 Holding AS, with Ocean Yield ASA as guarantor. In December 2015 the loan agreement was amended, and Ocean Yield ASA assumed the Connector 1 Holding AS' position as borrower.*	*- Facility A: LIBOR plus 0.66% per annum* *- Facility B: LIBOR plus 1.5% per annum* *- Guarantee commission of 1.60% per annum.* *Interest rate swaps:* *- principal amount of USD 50 million at 0.71% (until May 2017)* *- principal amount of USD 50 million at 0.885% (until December 2016)* *- principal amount of USD 75 million at 1.275% (until August 2017).*	*Instalments are paid semi-annually, and interests are paid quarterly.* *The loan matures in May 2024. The commercial guarantee is, however, subject to renewal in May 2017.*
	Far Senator/ Far Statesman Borrower: F-shiplease Holding AS	*- Facility A of up to NOK 916.2 million with Eksportkreditt Norge AS* *- Facility B of up to NOK 68.7 million with Swedbank AB* *The facility A tranche is guaranteed by commercial guarantees of:* *- NOK 300 million issued by Swed bank AB* *- NOK 100 million issued by Spare banken Møre* *- NOK 516.2 million guarantee issued by GIEK*	*- Facility A: fixed interest rate of 3.69% per annum* *- Facility B: NIBOR plus 3.5% per annum* *- Guarantee commissions of 1.60% per annum*	*Instalments and interests on facility A are paid semi-annually. The facility A matures in 2025. Facility B shall be repaid 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, which will be in 2018.*
	SBM Installer Borrower: OS Installer AS	*Facility of USD 110 million.* *The facility is not guaranteed by Ocean Yield ASA.*	*LIBOR + 1.5% per annum.* *Interest rate swaps:* *- principal amount USD 55 million at an average rate of 1.73% (until December 2019)* *- principal amount USD 55 million at an average rate of 1.74% (until December 2019).*	*Instalments and interests are paid quarterly, with final maturity after five years.*

		Facility Information	Interest rates	Repayment
Car carriers	Car Carriers Borrower: Ocean Yield ASA	*Term Loan Facility of USD 54.75 million Revolving Credit Facility of USD 54.75 million Newbuilding Facility of USD 140.5 million*	*LIBOR plus 2.25% per annum* *Interest rate swaps:* - *principal amount of USD 46 million at an average rate of 1.64% (until April 2018)* - *principal amount of USD 47 million at an average rate of 3.59% (Until January 2021) –* - *principal amount of USD 47 million at an average rate of 3.72% (until January 2021).*	*Interest is paid quarterly. The Term Loan facility and the Newbuilding facility are repaid in quarterly consecutive instalments, with the final maturity date falling five years from the last vessel delivery, but no later than 31 August 2021. The Revolving facility shall be repaid at the final maturity date falling five years from the last vessel delivery, but no later than 31 August 2021.*
Other Shipping	Navig8 Chemical Tankers Borrower: Ocean Yield ASA	*In April 2015, Ocean Yield agreed to acquire eight newbuilding chemical tankers for a total consideration of USD 306.8 million in combination with 15-year bareboat charters to Navig8 Chemical Tankers Inc. The transaction is financed with a USD 212 million pre- and post-delivery credit facilities agreement entered into with a group of banks.* *The loan comprise of:* - *Initial Vessels Facility of USD 100 million* - *Additional Vessels Facility of USD 112 million, where USD 31 million is available as pre-delivery financing.*	*LIBOR plus 2.00% per annum*	*Interest is paid quarterly. The facilities are repaid in quarterly consecutive instalments, with a balloon at the final maturity date falling five years from the last vessel delivery, but no later than 30 November 2020 for the Initial Vessels Facility and 31 October 2021 for the Additional Vessels Facility.*
	Navig8 Product Tankers Borrower: Ocean Yield ASA	*In July 2015, Ocean Yield agreed to acquire four newbuilding product tankers for a total consideration of USD 198.1 million in combination with 13-year bareboat charters to Navig8 Product Tankers Inc. The transaction is financed with a USD 148 million pre- and post-delivery credit facilities agreement entered into with a group of banks.*	*LIBOR plus 2.00% per annum*	*Interest is paid quarterly. The facility is repaid in quarterly consecutive instalments, with a balloon at the final maturity date falling five years from the last vessel delivery, but no later than 30 August 2023.*
Ocean Yield ASA	Unsecured bond issue 14/19 FRN Borrower: Ocean Yield ASA	*NOK 1,000 million*	*NIBOR + 3.90% per annum* *Cross currency interest rate swaps: NOK 590 million (USD 102.6 million) with an interest rate of LIBOR + 4.60% per annum*	*Quarterly interest payments* *Maturity in March 2019*
	Unsecured bond issue 15/20 FRN Borrower: Ocean Yield ASA	*In April 2015, Ocean Yield closed a new unsecured bond issue of NOK 1,000 million*	*NIBOR + 4.00% per annum* *Cross currency interest rate swaps: NOK 1,000 million (USD 131.1 million) with an average interest rate of LIBOR + 4.45% per annum*	*Quarterly interest payments.* *Maturity in April 2020*

Covenants

Ocean Yield Group covenants:

	Covenants	Year-end 2015	Year-end 2014
Group equity	25%	35.0%	39.7%
Interest cover ratio	2.00:1	6.5:1	7.3:1
Minimum liquidity	USD 25 million	USD 117.7 million	USD 76.4 million

The Group was in compliance with these covenants at year-end 2015 and 2014.

In addition, the loans are subject to the following covenants:

		Covenants	Status year-end 2015 and 2014
FPSO	Dhirubhai-1 Borrower: Aker Contracting FP ASA	*Aker Floating Production Group:* - *Blocked cash account with a deposit of USD 20 million* - *Debt service cover ratio of minimum 1.15* - *Minimum book equity (on a consolidated basis) of USD 200 million* - *Equity ratio of at least 25%.*	*The Group was in compliance with covenants at year-end 2015 and 2014.*
Other Oil Service	Aker Wayfarer Borrower: Ocean Yield ASA	*Group covenants explained above* *Other Group covenants* - *Total book equity not less than USD 300 million.* - *Minimum liquidity not less than the higher of USD 25 million and 3% of its net interest-bearing debt* *Vessel owner:* - *Interest cover ratio not less than 2.00:1* - *Debt service cover ratio not less than 1.2:1* - *Working capital shall at all times be positive.* *Minimum fair market value:* - *from 1 January 2021 at no times be less than 120% of the outstanding loans under the Facility*	*The Group was in compliance with covenants at year-end 2015.*
Other Oil Service	Lewek Connector Borrower: Ocean Yield ASA	*Group covenants explained above* *Other Group covenants* - *Total book equity not less than USD 300 million.* - *Working capital shall at all times be positive* *Borrower:* - *Minimum liquidity not less than USD 12.5 million* *Minimum fair market value:* - *At no times be less than 130% of the outstanding loans under the Facility*	*The minimum market value in percent of outstanding loans was less than 130% as of 31 December 2015.* *If the minimum market value covenant is not met the Borrower is required to either make a prepayment of the Loans, or provide the lenders with additional security. The Borrower is in the process of pledging additional security in order to comply with the covenant.* *The Group was in compliance with all other covenants at year-end 2015 and in compliance with all covenants at year-end 2014.*
Other Oil Service	Far Senator/ Far Statesman Borrower: F-shiplease Holding AS	*Group covenants explained above* *Other Group covenants* - *Minimum liquidity not less than the higher of USD 25 million and 3% of its net interest-bearing debt* *Minimum fair market value:* - *At no times be less than 120% of the outstanding loans under the Facility*	*The Group was in compliance with covenants at year-end 2015 and 2014.*
Other Oil Service	SBM Installer Borrower: OS Installer AS	*Vessel owner:* - *Equity ratio not less than 25%* - *Interest cover ratio not less than 2.00:1* - *Debt service cover ratio not less than 1.2:1* - *Working capital shall at all times be positive* *Minimum fair market value:* - *At no times be less than 115% of the outstanding loans under the Facility (increases to 120% after two years).*	*The Group was in compliance with covenants at year-end 2015 and 2014.*

		Covenants	Status year-end 2015 and 2014
Car carrier	Car Carriers Borrower: Ocean Yield ASA	*Group covenants explained above* *Other Group covenants* - *Total book equity not less than USD 300 million.* - *Minimum liquidity not less than the higher of USD 25 million and 3% of its net interest-bearing debt* - *Working capital shall at all times be positive* *Minimum fair market value:* - *At no times be less than 120% of the outstanding loans under the Facility*	*The Group was in compliance with covenants at year-end 2015 and 2014.*
Other Shipping	Navig8 Chemical Tankers Borrower: Ocean Yield ASA	*Group covenants explained above* *Other Group covenants* - *Total book equity not less than USD 300 million.* - *Minimum liquidity not less than the higher of USD 25 million and 3% of its net interest-bearing debt* - *Working capital shall at all times be positive* *Vessel owners:* - *Working capital shall at all times be positive* *Minimum fair market value:* - *At no times be less than 120% of the outstanding loans under the Facility*	*The Group was in compliance with covenants at year-end 2015.*
	Navig8 Product Tankers Borrower: Ocean Yield ASA	*Group covenants explained above* *Vessel owners:* - *Working capital shall at all times be positive* *Minimum fair market value:* - *At no times be less than 120% of the outstanding loans under the Facility*	*The Group was in compliance with covenants at year-end 2015.*
Ocean Yield ASA	Unsecured bond issue 14/19 FRN Borrower: Ocean Yield ASA	*Group covenants explained above* *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 30 million and 3% of net interest-bearing debt.*	*Ocean Yield was in compliance with covenants at year-end 2015 and 2014.*
	Unsecured bond issue 15/20 FRN Borrower: Ocean Yield ASA	*Group covenants explained above* *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 30 million and 3% of net interest-bearing debt.*	*Ocean Yield was in compliance with covenants at year-end 2015 and 2014.*

NOTE 22 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 19R, 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 relevant period. The Group also has uninsured pension liabilities for which provisions have been made.

The discount rates in 2015 and 2014 are 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 2015	Profit/loss 2015 and balance 2014	Profit/loss 2014
Expected return	**2.5 %**	**2.5 %**	4.1 %
Discount rate	**2.5 %**	**2.5 %**	4.1 %
Wage growth	**2.5 %**	**3.3 %**	3.8 %
Pension adjustment	**0.8 %**	**1.3 %**	1.9 %

Pension expense recognized in profit and loss:

Amounts in USD million	2015	2014
Expense related to benefits earned in this period	**0.4**	0.4
Interest expense accrued on pension liabilities	**-**	0.1
Expected return on pension funds	**-**	-0.1
Pension expense recognized from defined benefit plans	**0.4**	0.4
Contribution plans (employer's contribution)	**0.1**	0.1
Total pension expense recognized in profit and loss	**0.4**	0.5

Changes in present value for benefit based pension liability:

Amounts in USD million	2015	2014
Pension liabilities as at 1 January	**1.5**	1.6
Included in profit and loss		
Expense related to pensions vested this period	**0.4**	0.4
Interest expense on pension liabilities	**-**	0.1
Included in OCI		
Remeasurements (loss)/ gain	**-0.3**	-0.3
Effect of movement in exchange rate	**-0.1**	-0.3
Pension liabilities as at 31 December	**1.5**	1.5

Change in fair value pension funds:

Amounts in USD million	2015	2014
Fair value of pension funds as at 1 January	**0.9**	1.2
Included in profit and loss		
Expected return on pension funds	**-**	0.1
Administration	**-**	-
Included in OCI		
Remeasurements (loss)/ gain	**-0.1**	-0.6
Effect of movement in exchange rate	**-0.1**	-0.2
Other		
Contribution paid by the employer	**0.4**	0.4
Fair value of pension funds as at 31 December	**1.2**	0.9

Change in fair value pension funds:

Amounts in USD million	2015	2014
Defined benefit obligation at 31 December	**-1.5**	-1.5
Fair value of plan assets at 31 December	**1.2**	0.9
Pension liabilities at 31 December	**-0.3**	-0.6

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

	2015	2014
Bonds	**41.00%**	32.60%
Bonds - loans and receivables	**47.00%**	46.70%
Money market	**5.00%**	11.50%
Equities	**4.10%**	6.50%
Other	**2.90%**	2.70%

NOTE 23 OTHER INTEREST FREE LONG-TERM LIABILITIES

Other long term debt and liabilities comprise the following items:

Amounts in USD million	2015	2014
Other interest-free long term debt	**33.4**	42.8
Total	**33.4**	42.8

Other interest-free long term debt mainly consists of deferred income in Aker Floating Production and a prepaid charter hire related to the PCTC vessels Höegh Xiamen and Höegh Beijing, that is recognised to the Profit & Loss over the life of the contract. At year-end 2015 USD 24.7 million was related to Aker Floating Production and USD 6.5 million was related to the vessels Höegh Xiamen and Höegh Beijing.

NOTE 24 OPERATING LEASES (AS LESSEE)

At 31 December the future minimum lease payments under non-cancellable leases were payable as follows:

Amounts in USD million	2015	2014
Less than one year	**0.4**	0.1
Between one and five years	**1.5**	1.5
More than five years	**0.8**	1.2
Total	**2.7**	2.9

Amounts recognized in profit and loss

Amounts in USD million	2015	2014
Lease expenses	**0.2**	-
Contingent rent expenses	**-**	-
Total	**0.2**	-

The figures reported above is mainly related to an office lease agreement that Ocean Yield entered into with Fornebuporten AS (previously a subsidiary of Aker ASA) in 2014. The offices, located at Fornebu, near Oslo, were completed in the third quarter 2015. The lease period is seven years. Ocean Yield has the option to extend the lease period with 5 + 5 years.

NOTE 25 PROVISIONS

Amounts in USD million	Decommissioning obligation	Legal claims	Total
Non-current portion at 31 December 2014	-	-	-
Current portion at 31 December 2014	-	1.4	1.4
Provisions as at 31 December 2014	-	**1.4**	**1.4**
Correction from previous years recorded against equity	-24.9	-	**-24.9**
New or increased provisions	-	-	**-**
Amounts charged against provisions	-	-1.3	**-1.3**
Provisions reversed during the year	-	-	**-**
Accretion expense	-1.7	-	**-1.7**
Currency exchange adjustments	-	-0.0	**-**
Provisions as at 31 December 2015	-26.6	**-**	**-26.6**
Non-current portion at 31 December 2015	-26.6	**-**	**-26.6**
Current portion at 31 December 2015	**-**	**-**	**-**

DECOMMISSIONING OBLIGATION

The non-current decommissioning obligation reported above is related to the FPSO Dhirubhai-1. The unit is currently on a contract with Reliance Industries Ltd. (RIL) that expires in September 2018. RIL has in accordance with the contract an option to purchase Dhirubhai-1. If RIL exercises the purchase option, any decommissioning cost will be for their account. However, if the purchase option is not exercised or the contract is not extended, the Dhirubhai-1 must be demobilized from the field at the end of the current contract in September 2018.

The amount and timing of settlement in respect of the potential decommissioning cost is uncertain and dependent on a number of factors. A total decommissioning cost of USD 32 million in September 2018 has been estimated, where USD 26.6 million has been recognized in the balance sheet as of Q4 2015, representing the present value of the obligation. As Dhirubhai-1 was mobilized at the MA-field in 2008, a decommissioning provision should have been recognized in 2008. To reflect this a correction has been made to the opening equity of Ocean Yield in 2015. For more information regarding this adjustment, see note 31.

LEGAL CLAIMS

Legal claims relates to a dispute regarding insurance settlement in Aker Floating Production. Aker Floating Production AS (AFP) had since 2008 had an on-going dispute regarding insurance settlement for a piping rupture incident that occurred in 2008 on board Dhirubhai-1. The dispute was related to the Hull and Machinery insurance cost coverage of repair works and fuel consumption during shutdown for repairs. AFP won the court case against the insurance companies in the District Court in 2013; however, the insurance companies appealed the ruling to the Courts of Appeal, which in October 2014 ruled in their favour. Aker Floating Production appealed the ruling to the Supreme Court, but the appeal was not admitted. USD 1.3 million has thus been paid in 2015 to cover the insurance companies' legal expenses.

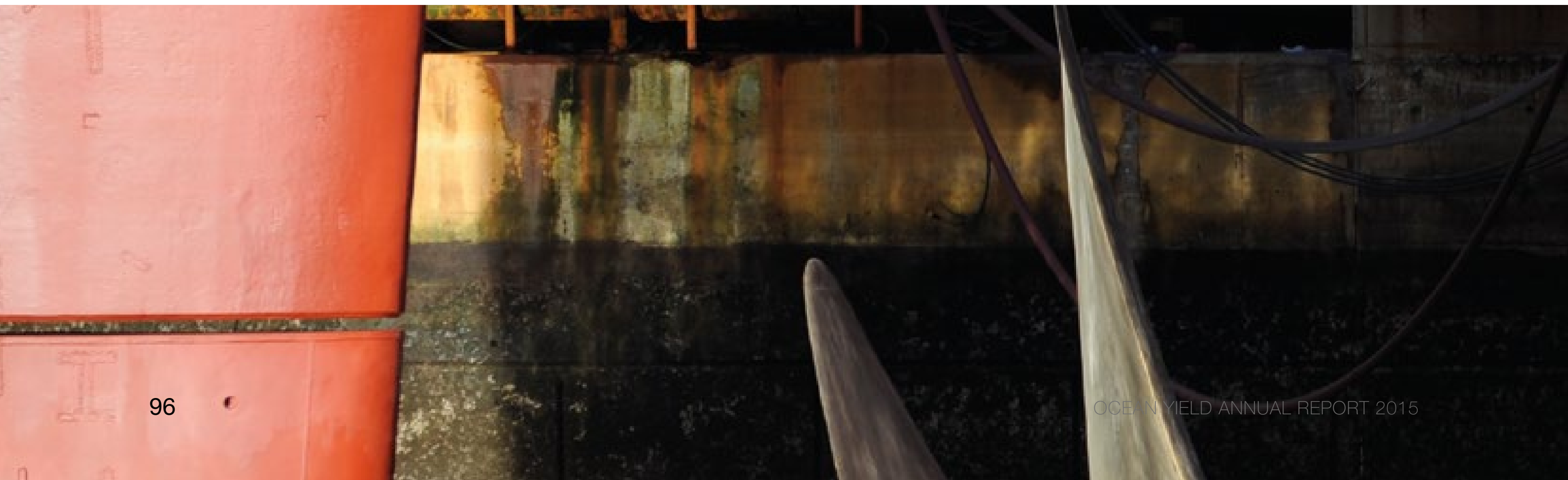
NOTE 26 FINANCIAL INSTRUMENTS

See also note 5 Financial risk and exposure.

Fair value and carrying amounts

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. The estimates of fair value together with the carrying amounts shown in the balance sheet are as follows

31 December 2015	**Carrying Amount**				**Fair Value**		
Amounts in USD million	**Designated at fair value**	**Loans and receivables**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets carried at amortized cost							
Finance lease receivables and related assets	-	388.1	-	388.1	-	93.3	376.5
Bonds	-	192.6	-	192.6	-	-	192.7
Other interest-bearing long term receivables	-	0.6	-	0.6	-	-	-
Trade and other short term receivables	-	15.2	-	15.2	-	-	-
Cash and cash equivalents (including long term restricted deposits, see note 15)	-	142.3	-	142.3	-	-	-
Total financial assets carried at amortized cost	-	738.8	-	738.8	-	93.3	569.3
Financial liabilities carried at fair value							
Interest rate swaps	12.8	-	-	12.8	-	12.8	-
Foreign exchange contracts	61.5	-	-	61.5	-	61.5	-
Total financial liabilities carried at fair value	74.3	-	-	74.3	-	74.3	-
Financial liabilities carried at amortized cost							
Bonds and convertible loans	-	-	225.4	225.4	-	-	220.8
Other interest-bearing debt	-	-	933.5	933.5	-	946.6	-
Interest-free short term financial liabilities	-	-	20.7	20.7	-	-	-
Total financial liabilities carried at amortized cost	-	-	1 179.7	1 179.7	-	946.6	220.8



31 December 2014	Carrying Amount				Fair Value		
Amounts in USD million	**Designated at fair value**	**Loans and receivables**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets carried at amortized cost							
Finance lease receivables and related assets	-	159.7	-	159.7	-	-	248.5
Bonds	-	180.9	-	180.9	-	-	180.9
Other interest-bearing long term receivables	-	0.5	-	0.5	-	-	-
Trade and other short term receivables	-	15.6	-	15.6	-	-	-
Cash and cash equivalents (including long term restricted deposits, see note 15)	-	96.5	-	96.5	-	-	-
Total financial assets carried at amortized cost	-	453.1	-	453.1	-	-	429.4
Financial liabilities carried at fair value							
Interest rate swaps	6.9	-	-	6.9	-	6.9	-
Foreign exchange contracts	26.9	-	-	26.9	-	26.9	-
Total financial liabilities carried at fair value	33.8	-	-	33.8	-	33.8	-
Financial liabilities carried at amortized cost							
Bonds and convertible loans	-	-	134.5	134.5	-	-	131.9
Other interest-bearing debt	-	-	860.0	860.0	-	868.5	-
Interest-free short term financial liabilities	-	-	19.1	19.1	-	-	-
Total financial liabilities carried at amortized cost	-	-	1 013.7	1 013.7	-	868.5	131.9

There were no transfers between levels 1 and 2, or 2 and 3 during 2015 or 2014 for assets and liabilities that are measured at fair value.

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
At 1 January 2014	168.3	**168.3**
De-recognition of bonds	-168.3	**-168.3**
Reclassification of fair value changes reported in other comprehensive income	-11.5	**-11.5**
Gain from de-recognition of bonds recognized in profit and loss as financial income	11.5	**11.5**
At 31 December 2014	-	**-**
At 31 December 2015	-	**-**

The Ocean Yield Group had as of 31 December 2015 and 31 December 2014 two financial assets and one liability that were placed within level 3 of the fair value hierarchy where the fair value calculation is based on few observable inputs. The fair values are determined for disclosure purposes, and the valuation techniques are as follows:

ASSET/LIABILITY	VALUATION TECHNIQUE
AMSC BONDS	**Discounted cash flows:** The fair value has been calculated by discounting the estimated cash flows with an applicable discount rate. 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 reflects the amendments to the bond loan agreement which was signed in Q3 2015. It was agreed that the cash interests would increase from 50% to 100% after AMSC refinanced its secured vessel debt. It was also agreed that AMSC will not use its option to extend the bond beyond the final maturity date in February 2018. AMSC refinanced its secured vessel debt in November 2015 and the estimated cash flows thus include cash interests of 100%. The three months forward LIBOR curve has been applied in the calculations. The estimated cash flows are discounted using a discount rate of 10.0% (10.6% in 2014). This gives a fair value of USD 192.7 million (USD 180.9 million year-end 2014), which equals 96% of the amount outstanding as of 31 December 2015.
FINANCE LEASE RECEIVABLES AND OTHER RELATED ASSETS – OTHER OIL SERVICE	**Discounted cash flows:** 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 reflects the amended bareboat contract for the vessel Aker Wayfarer. Forward USD/NOK exchange rates have been applied in the calculations, as the lease agreement contains both NOK and USD cash flows. Instalments to be paid related to the modification work have been included in the cash flows. The cash flows also include an unguaranteed residual value of USD 59 million. The estimated cash flows are discounted using a discount rate of 7.6% (7.1% in 2014). This gives a fair value of USD 244.9 million (USD 248.5 million year-end 2014).
FINANCE LEASE RECEIVABLES – OTHER SHIPPING	**Discounted cash flows:** 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 reflects the bareboat contracts for the four chemical tankers that have been delivered. Pre-delivery instalments for the vessels under construction have been placed within level 2 of the fair value hierarchy and are not included in the fair value calculation. As the charter rates are subject to a LIBOR adjustment, the three months forward LIBOR curve has been applied in the calculations. The cash flows also include unguaranteed residual values of USD 40 million. The estimated cash flows are discounted using a discount rate of 6.16%. This gives a fair value of USD 131.7 million.
BOND LOAN OCY02	**Quoted price close to year-end:** The fair value has been calculated by using the quoted price closes to year-end 2015. As there have been limited transactions related to the bond loan, there are limited observable prices for the bond loan, and the fair value calculation have thus been placed within level 3 in the fair value hierarchy. As the quoted price relates to transactions between market participants it's considered to reflect fair value. As of year-end 2015 the fair value of the bond loan is considered to be USD 111.0 million (USD 131.9 million year-end 2014), which equals 97.75% of the amount outstanding as of 31 December 2015. This is based on a price quoted 22 December 2015.
BOND LOAN OCY03	**Quoted price close to year-end:** The fair value has been calculated by using the quoted price closes to year-end 2015. As there have been limited transactions related to the bond loan, there are limited observable prices for the bond loan, and the fair value calculation have thus been placed within level 3 in the fair value hierarchy. As the quoted price relates to transactions between market participants it's considered to reflect fair value. As of year-end 2015 the fair value of the bond loan is considered to be USD 109.8 million, which equals 96.75% of the amount outstanding as of 31 December 2015. This is based on a price quoted 21 December 2015.

NOTE 27 TRANSACTIONS AND AGREEMENTS WITH RELATED PARTIES

Ocean Yield's largest shareholder, with 73% of the shares is Aker Capital AS, a wholly owned subsidiary of Aker ASA. 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 2015 with Kjell Inge Røkke except remuneration as a board member in Ocean Yield ASA (see note 28).

TRANSACTION WITH AKER ASA

Ocean Yield has in 2015 rented office space from Aker ASA. The Group also has a service agreement with Aker ASA which provides certain accounting, financial and administration services to Ocean Yield ASA and its subsidiaries. In 2015 the Group has paid USD 0.6 million to Aker ASA for such services. As of year-end 2015 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.

TRANSACTIONS WITH AKASTOR ASA

The subsea, construction vessel Aker Wayfarer has been operating on a 10 year bareboat charter to AKOFS Offshore AS, a subsidiary of Akastor ASA. The contract originally ran until September 2020, but in 2014 the bareboat charter was amended and extended, until 2027. The existing bareboat charter rate for the vessel will continue unchanged until September 2020, and a new bareboat charter rate in USD was agreed for the period from 2020 until 2027. In December 2014 Ocean Yield and AKOFS agreed to change approximately 70% of the charter rate from January 2015 until September 2020 from NOK to USD. AKOFS was in 2014 awarded a 5 + 5 year contract with Petrobras to provide subsea intervention services offshore Brazil. In order to outfit the vessel for the Petrobras charter an investment of USD approximately 90 million is needed on the vessel. With this investment Aker Wayfarer will become a deep-water subsea equipment support vessel, allowing it to install and retrieve subsea trees and modules. Due to this additional investment, an additional charter rate in USD will be included from completion in May 2016 until September 2027. AKOFS has options to acquire the vessel during the charter period, with the first option being exercisable in 2021.

TRANSACTIONS WITH FORNEBUPORTEN AS

Ocean Yield entered in 2014 into an office lease agreement with Fornebuporten AS, (previously a subsidiary of Aker ASA), for offices located at Fornebu, near Oslo. The offices were completed in the third quarter 2015. The lease period is seven years. Ocean Yield has the option to extend the lease period with 5 + 5 years. For more information regarding the lease agreement see note 24.

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 15.

The CEO of Ocean Yield, Lars Solbakken was until 1 December 2014 a board member 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 2015 as part of the Company's incentive scheme. For more information regarding the incentive scheme and shares owned by the executive team see note 28, 29 and 30.

At the Annual General Meeting held 28 April 2014 the General Meeting granted loans to the Executive team and certain other key employees for the purpose of acquiring shares in Ocean Yield ASA. For more information regarding the loans to the executive team see note 28.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NOTE 28 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	**2015**		**2014**	
	NOK	**USD**	**NOK**	**USD**
Trond Brandsrud (Chairman)	465 000	57 666	675 000	107 143
Kjell Inge Røkke	300 000	37 204	450 000	71 429
Jens Ismar	300 000	37 204	450 000	71 429
Anne-Christin Døvigen	300 000	37 204	450 000	71 429
Annicken Gann Kildahl	360 000	44 645	540 000	85 714
Total	1 725 000	213 922	2 565 000	407 143

The remuneration reported above for 2014 includes both remuneration for 2013 and 2014, which all was paid in 2014. According to policy in Aker, fees to directors employed in Aker companies will be paid to the Aker company where the director is employed, and not to the director in person. Therefore Trond Brandsrud received no remuneration for directorship in Ocean Yield before he resigned as CFO in Aker ASA in Q3 2015. Instead Aker ASA received NOK 465 000 for Trond Brandsrud in 2015 and NOK 675 000 in 2014. The board fee for Kjell Inge Røkke was paid to The Resource Group in 2015 and 2014.

ORGANIZATIONAL STRUCTURE IN OCEAN YIELD

The executive team of Ocean Yield at the end of 2015 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 2015 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 may be 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 owned by the scheme participant for minimum three years.

REMUNERATION TO THE CEO AND CFO

Lars Solbakken is the CEO of Ocean Yield ASA. His 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 that was implemented in 2013. Lars Solbakken has been allocated 1,100,000 synthetic shares under the incentive scheme. In 2015 Lars Solbakken received a fixed salary of USD 634,608 (USD 553,948 in 2014), and a bonus of USD 1,915,841 (USD 2,184,935 in 2014). The value of additional remuneration was USD 4,976 in 2015 (USD 2,638 in 2014) and net pension expense in 2015 for Lars Solbakken was USD 37,517 (USD 49,037 in 2014). At the Annual General Meeting held 28 April 2014 a loan facility of up to USD 823,022 was granted to Lars Solbakken for the purpose of acquiring shares in Ocean Yield ASA. Interest is calculated at a rate equal to the prevailing "normrente" for loans to employees as published by the Norwegian Tax Authorities. The loan facility has a tenor of five years, and any amount oustanding shall be repaid at the latest six months after termination of Lars Solbakken's employment contract. Any drawn amount shall be secured by a first priority share pledge, where a number of Ocean Yield ASA shares with a market value equal to twice the loan amount shall be used as security. As of year-end 2015 no amounts have been drawn under this loan facility.

Eirik Eide is the CFO of Ocean Yield ASA. His 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 that was implemented in 2013. Eirik Eide has been allocated 350,000 synthetic shares under the incentive scheme. In 2015 Eirik Eide received a fixed salary of USD 310,114 (USD 349,508 in 2014), and a bonus of USD 611,221 (USD 695,206 in 2014). The value of additional remuneration was USD 2,336 in 2015 (USD 2,638 in 2014) and the net pension expense for Eirik Eide was USD 34,972 in 2015 (USD 40,911 in 2014). At the Annual General Meeting held 28 April 2014 a loan of USD 454,081 was granted to Eirik Eide for the purpose of acquiring shares in Ocean Yield ASA. Interest is calculated at a rate equal to the prevailing "normrente" for loans to employees as published by the Norwegian Tax Authorities. The loan facility has a tenor of five years, and any amount oustanding shall be repaid at the latest six months after termination of Eirik Eide's employment contract. Any drawn amount shall be secured by a first priority share pledge, where a number of Ocean Yield ASA shares with a market value equal to twice the loan amount are used as security. As of year-end 2015 Eirik Eide has borrowed USD 227,041 under this loan facility.

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

NOTE 29 SHARES OWNED BY THE BOARD OF DIRECTORS, CEO AND OTHER EMPLOYEES IN THE EXECUTIVE TEAM

As of 31 December 2015 the Board of Directors, CEO and other members of the Executive team owned the following number of shares in Ocean Yield ASA:

Lars Solbakken, CEO[1)]	1 185 880
Eirik Eide, CFO[2)]	235 051
Trond Brandsrud, Chairman of the Board[3)]	37 037
Kjell Inge Røkke, Director [4)]	180 000

NOTE 30 SHARE-BASED PAYMENT ARRANGEMENTS

The Group had at year-end 2015 and 2014 one cash settled share-based payments arrangement. Expense is recognized during the vesting period. At the end of each reporting period the liability is measured at the fair value of the expected cash settlement adjusted downwards for service to be performed over the remaining vesting period.

At 31 December 2015 the Group had the following share-based payment arrangements:

SHARE PRICE INCREASE BONUS

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.

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 to 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 between the base price (NOK 44.00 in 2015 and NOK 34.70 in 2014) and the closing price of the shares at each reporting date (NOK 68.50 in 2015 and NOK 44.00 in 2014), multiplied by the number of synthetic shares allocated to the scheme participant.

Expenses recognized in profit and loss:

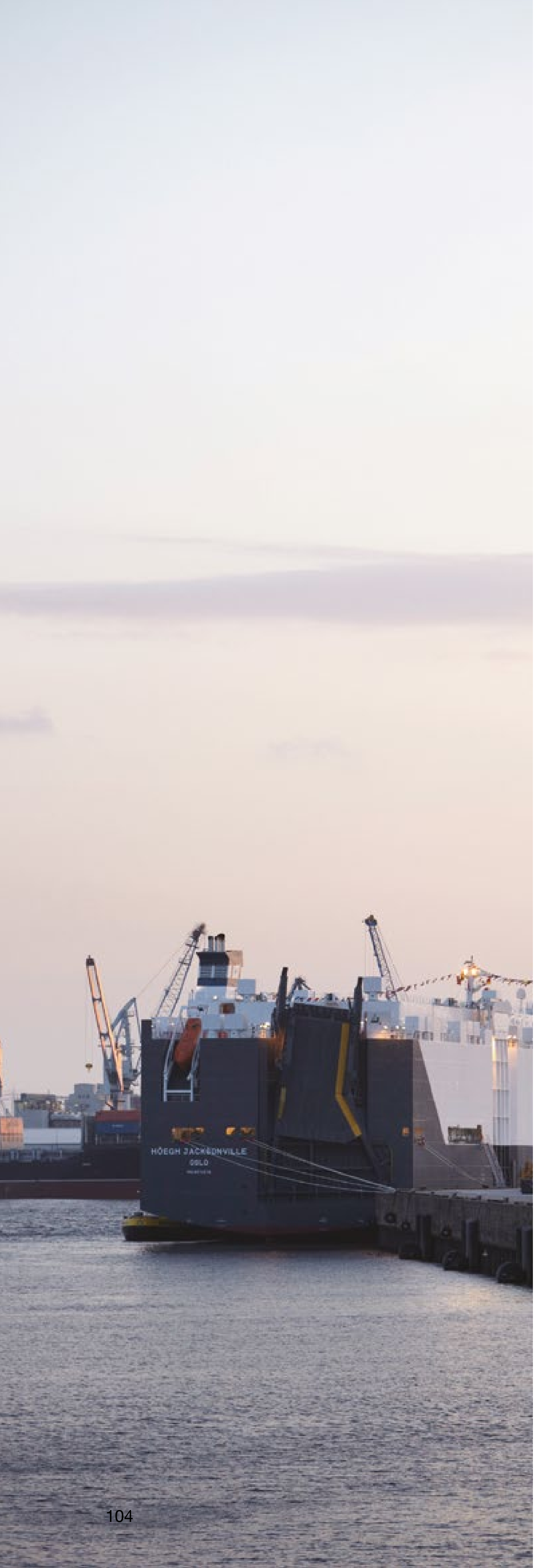
USD million	2015	2014
Cash-settled share-based payment liability	5.3	2.4
Total expenses related to share-based payments	5.3	2.4

1) Shares owned by the Company Finmarine AS, which is controlled by Lars Solbakken.

2) Shares owned by Eirik Eide and the Company Kleiver Invest AS, which is controlled by Eirik Eide.

3) Shares owned by the Company Nordbrand Invest AS, which is controlled by Trond Brandsrud.

4) Shares held directly by Kjell Inge Røkke. In addition Kjell Inge Røkke, together with his wife controls 67.8% of the shares in Aker ASA through his ownership of the TRG companies. Aker ASA owns 100% of Aker Capital AS, which is the largest shareholder of Ocean Yield ASA, with 72.97% ownership.



NOTE 31 CORRECTION OF ERROR

The FPSO Dhirubhai-1 is currently on a contract with Reliance Industries Ltd. (RIL) that expires in September 2018. RIL has in accordance with the contract an option to purchase Dhirubhai-1. If RIL exercises the purchase option, any decommissioning cost will be for their account. However, if the purchase option is not exercised or the contract is not extended, the Dhirubhai-1 must be demobilized from the field at the end of the current contract in September 2018.

RIL exercising the purchase option has been viewed as the most likely scenario. However, IFRS requires that the present value of the estimated decommissioning cost should be included as part of the acquisition cost of Dhirubhai-1 with a corresponding provision, due to the potential decommissioning obligation arising from the installation. Prior to Q4 2015, the Group had not reflected the effects of the estimated decommissioning provision for the Dhirubhai-1, which has been operating since September 2008, in its financial statements.

A total decommissioning cost of USD 32 million in September 2018 has been estimated, where USD 26.6 million has been recognised in the balance sheet as of year-end 2015, representing the present value of the obligation. The Group did not restate its 2014 financial statements for this error as it determined that the impact to equity as of 1 January 2014 or to the income statements for the year ended 31 December 2014 would not be material. To reflect this, a correction of USD 24.9 million have been made to the opening equity of Ocean Yield as of 1 January 2015.

NOTE 32 CONTINGENCIES AND LEGAL CLAIMS

No material contingencies have been recorded at year-end 2015.

NOTE 33 EVENTS AFTER THE BALANCE SHEET DATE

No specific events to report.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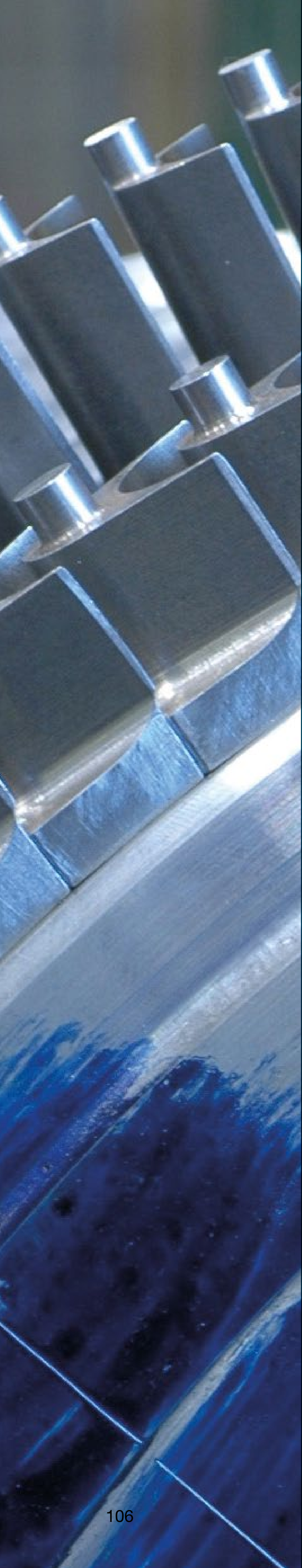


OCEAN YIELD ASA FINANCIAL STATEMENTS AND NOTES

Income statement

Amounts in USD million	Note	2015	2014
Total revenues		**-**	-
Salaries and other personnel related expenses	3,14	**-9.8**	-5.8
Other operating expenses	4	**-1.1**	-1.2
Depreciations	7	**-0.0**	-
Operating profit (+)/loss (-)		**-11.0**	-7.0
Gain/loss/write-downs from investment in subsidiaries	5,9	**83.7**	67.2
Financial Income	5	**46.2**	28.4
Financial Expenses	5	**-57.4**	-38.2
Net profit before tax		**61.5**	50.4
Income tax expenses (-) / Income (+)	6	**4.8**	7.4
Net profit after tax		**66.2**	57.9
Allocation of profit for the year:			
Profit (+) / loss (-)		66.2	57.9
Dividend	13	-83.5	-71.8
Transferred from other paid-in capital		9.9	-
Transferred from (+) / allocated to (-) retained earnings		7.3	13.9
Total		-	-

Balance sheet at 31 December

Amounts in USD million	Note	2015	2014
ASSETS			
Fixed assets	7	**0.3**	-
Deferred tax asset	6	**17.8**	18.2
Shares in subsidiaries	8	**962.6**	823.7
Long-term interest bearing receivables from Group companies	9	**416.2**	201.8
Other long-term interest bearing receivables	10	**5.1**	0.5
Total non-current assets		**1 402.1**	1 044.1
Short-term interest free receivables from Group companies	9	**55.4**	2.8
Other short-term interest bearing receivables	11	**92.6**	-
Other short-term receivables		**0.8**	-
Cash and cash equivalents	12	**52.5**	14.3
Total current assets		**201.4**	17.1
Total assets		**1 603.5**	1 061.2
EQUITY AND LIABILITIES			
Share capital		**222.8**	222.3
Treasury shares		**-0.1**	-0.0
Other paid-in capital		**445.1**	453.8
Total paid-in equity		**667.9**	676.1
Other equity		**-**	6.7
Total retained earnings		**-**	6.7
Total equity	13	**667.9**	682.8
Long-term interest-bearing liabilities to Group companies	9	**4.6**	37.2
Long-term interest-bearing liabilities	15	**578.8**	148.6
Bond loans	15	**225.4**	134.5
Pension liabilities	14	**0.1**	0.2
Other long-term liabilities	17,19	**61.7**	26.8
Total non-current liabilities		**870.6**	347.2
Short-term interest-bearing liabilities to Group companies	9	**-**	6.4
Short-term interest free liabilities to Group companies	9	**29.0**	-
Dividend	13	**21.9**	19.7
Other short-term liabilities	18,19	**14.1**	5.0
Total current liabilities		**65.0**	31.2
Total liabilities		**935.6**	378.4
Total equity and liabilities		**1 603.5**	1 061.2

LYSAKER, 9 MARCH 2016
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	2015	2014
Profit before tax		**61.5**	50.4
Dividends and group contributions from subsidiaries	9	**-92.8**	-65.5
Gain/loss/write-downs from investment in subsidiaries	5	**9.1**	-1.7
Net interest income		**12.5**	6.7
Interest paid		**-17.0**	-12.1
Interest received		**3.9**	3.5
Foreign exchange gain/losses		**-39.0**	-21.9
Change in other short term items		**40.5**	21.1
Cash flow from operating activities		**-21.2**	-19.4
Acquisition of fixed assets	7	**-0.4**	-
Acquisition of shares and capital increase in subsidiaries	8	**-30.3**	-31.5
Dividends and group contributions received from subsidiaries	9	**62.1**	63.9
Net change in long-term interest-bearing receivables from Group Companies	9	**-199.5**	-206.1
Net change in short-term interest-bearing receivables from Group Companies	9	**-**	8.1
Net change in long-term interest-bearing receivables	10	**-4.7**	-
Net change in short-term interest-bearing receivables	11	**-92.6**	-
Cash flow from investing activities		**-265.4**	-165.6
Proceeds from issuance of interest-bearing long-term external debt	15	**460.7**	316.2
Repayment of interest bearing long-term external debt	15	**-68.0**	-110.0
Proceeds from issuance of interest-bearing long-term debt to Group companies	9	**19.6**	12.4
Repayment of interest bearing long-term debt to Group companies	9	**-2.1**	-
Proceeds from issuance of interest-bearing short-term debt to Group companies	9	**-**	6.4
Repayment of interest-bearing short-term debt to Group companies	9	**-6.4**	-
Dividends paid	13	**-80.7**	-69.1
New equity	13	**2.0**	1.9
Net change in treasury shares	13	**-0.3**	-0.6
Cash flow from financing activities		**324.9**	157.2
Cash flow for the year		**38.3**	-27.9
Cash and cash equivalents at January 1.		**14.3**	42.1
Cash and cash equivalents at December 31.	12	**52.5**	14.3

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.

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 current liabilities comprise of items that are due within one year from the time of acquisition. Other items are classified as non-current asset / non-current liability. Short-term portion of long-term debt is however classified as non-current liability.

Current assets are valued at the lower of acquisition cost and fair value. Current liabilities 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. Non-current liabailities 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 27% to 25% from 1 January 2016.

Deferred tax is calculated 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 loans are denominated in NOK. To reduce the currency effect Ocean Yield ASA has entered into interest and currency swaps for the NOK bond loans. NOK 590 million of the NOK 1,000 million OCY02 bond loan has been swapped from NIBOR + 3.90% per annum to LIBOR + 4.603% per annum, and NOK 1,000 million of the NOK 1,000 million OCY03 bond loan has been swapped from NIBOR + 4.00% per annum to an average rate of LIBOR +4.45% per annum.

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 2015 Ocean Yield has two interest rate swaps with forward start in October 2016 and January 2017.

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

NOTE 3 SALARIES AND OTHER PERSONNEL EXPENSES

Salaries and other personnel expenses consist of the following:

Amounts in USD million	2015	2014
Salaries	8.9	4.6
Social security contribution	0.7	0.7
Pension cost (see note 14)	0.2	0.1
Other benefits	0.1	0.4
Total salaries and other personnel expenses	**9.8**	5.8
Average number of employees	6	4
Full time employee equivalents	6	4

NOTE 4 OTHER OPERATING EXPENSES

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

Amounts in USD thousand	2015	2014
Ordinary audit	110.3	135.9
Tax advisory services	16.9	18.0
Other non-audit services	3.4	22.1
Total	**130.6**	**176.0**

The figures are exclusive of VAT

NOTE 5 FINANCIAL ITEMS

Amounts in USD million	2015	2014
Dividends and group contributions from subsidiaries	**92.8**	65.5
Gain from liquidation of subsidiaries	**0.5**	-
Net reversed write down of shares in subsidiaries	**-**	1.7
Net write down of shares in subsidiaries	**-9.6**	-
Income from investment in subsidiaries	**83.7**	67.2
Interest income from companies within the Group	**5.5**	3.4
Other interest income	**2.2**	0.4
Net foreign exchange gain	**38.5**	24.6
Financial income	**46.2**	28.4
Interest expenses to companies within the Group	**-0.6**	-0.7
Other interest expenses	**-19.6**	-9.8
Unrealized loss on interest and currency exchange swaps	**-36.7**	-18.4
Other financial expenses	**-0.5**	-9.3
Financial expenses	**-57.4**	-38.2

Net write down in 2015 is related to the investments in Aker Floating Production AS and Aker Invest AS.
The gain of USD 0.5 is related to Aker Invest II KS, which was liquidated in 2015.

Net reversed write down in 2014 was mainly related to the investment in Aker Ship Lease AS.
In addition write downs was made on the investments Aker Invest AS and Aker Invest II KS.

NOTE 6 DEFERRED TAX

The table below shows the difference between accounting and tax values at the end of 2015 and 2014 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	2015	2014
Fixed assets	**0.1**	0.0
Differences in interest and currency swap	**-65.5**	-27.5
Net pension liability	**-0.1**	-0.1
Capital gains and loss reserve	**0.2**	0.4
Loan fees amortised	**11.4**	2.7
Total differences	**-53.8**	-24.6
Tax losses carried forward	**-17.5**	-42.7
Total deferred tax basis	**-71.4**	-67.2
Net deferred tax asset (25% in 2015, 27% in 2014)	**-17.8**	-18.2
Recognized deferred tax asset	**-17.8**	-18.2

Deferred tax asset is incorporated in the balance sheet if budgets indicate that the asset will be used in the future.
The tax loss carried forward has no expiration date.
The tax rate in Norway will change from 27% to 25% from 1 January 2016.

Estimated taxable profit

Amounts in USD million	2015	2014
Profit before tax	**61.5**	50.4
Permanent differences in net non-taxable income (-) / expenses (+)	**-84.5**	-78.1
Change in temporary differences	**28.0**	15.9
Tax on Group contribution recognized directly against shares in subsidiaries	**19.4**	-
Correction from previous years	**0.8**	-
Utilization of accumulated tax losses	**-25.1**	-
Estimated taxable income	**-**	-11.8
Tax payable (27%) in the profit and loss account	-	-

Income tax expense/income:

Amounts in USD million	2015	2014
Tax payable in the profit and loss account	-	-
Change in deferred tax	4.8	7.4
Total tax expense (-) / income (+)	**4.8**	7.4

The 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 27% of profit before tax:	2015	2014
27% tax on profit before tax	**-16.6**	-13.6
27% tax on permanent differences	**22.8**	21.1
Change in tax rate (25% from 1 January 2016)	**-1.4**	-
Estimated tax expense (-)/ income (+)	**4.8**	7.4
Effective tax rate (tax expense compared with profit/loss before tax)	7.8%	14.8%

NOTE 7 FIXED ASSETS

Amounts in USD million	Other fixed assets
Cost balance at 1 January 2014	**-**
Capital expenditure	-
Disposals	-
Effect of movements in foreign exchange	-
Cost balance at 31 December 2014	-
Capital expenditure	0.4
Disposals	-
Effect of movements in foreign exchange	-
Cost balance at 31 December 2015	**0.4**
Accumulated depreciation and impairment losses at 1 January 2014	**-**
Depreciation charge of the year	-
Impairment	-
Disposals	-
Effect of movements in foreign exchange	-
Accumulated depreciation and impairment losses at 31 December 2014	**-**
Depreciation charge of the year	-0.0
Impairment	-
Disposals	-
Effect of movements in foreign exchange	-
Accumulated depreciation and impairment losses at 31 December 2015	**-0.0**
Balance at 31 December 2014	**-**
Balance at 31 December 2015	**0.3**

NOTE 8 SHARES IN SUBSIDIARIES

Shares in subsidiaries include the following companies at December 31 2015:

Amounts in USD million	Ownership in %	Voting share in %	Location, city	Equity as of Dec. 31 2015	Profit before tax 2015	Book value
Aker Floating Production AS	100.00	100.00	Lysaker, Norway	283.4	44.7[1]	**283.4[2]**
Aker Invest AS	100.00	100.00	Lysaker, Norway	4.6	-	**4.6[2]**
Aker Ship Lease AS	100.00	100.00	Lysaker, Norway	159.4	17.2 [1]	**205.1**
Connector 1 Holding AS	100.00	100.00	Lysaker, Norway	115.8	15.0[1]	**77.4**
F-Shiplease Holding AS	100.00	100.00	Lysaker, Norway	37.1	7.6 [1]	**50.0**
LH Shiplease AS	100.00	100.00	Lysaker, Norway	74.4	7.7 [1]	**62.8**
Ocean Yield Holding AS	100.00	100.00	Lysaker, Norway	165.6	18.3	**155.2**
OCY Albany AS	100.00	100.00	Lysaker, Norway	5.4	-2.2	**14.9**
OCY Nelson AS	100.00	100.00	Lysaker, Norway	8.6	1.0	**7.6**
OCY Nelson 2 AS	100.00	100.00	Lysaker, Norway	8.4	0.9	**7.6**
OCY Nelson 3 AS	100.00	100.00	Lysaker, Norway	8.3	0.7	**7.6**
OCY Nelson 4 AS	100.00	100.00	Lysaker, Norway	8.1	0.5	**7.6**
OCY Nelson 5 AS	100.00	100.00	Lysaker, Norway	0.0	0.0	**0.0**
OCY Nelson 6 AS	100.00	100.00	Lysaker, Norway	0.0	0.0	**0.0**
OCY Nelson 7 AS	100.00	100.00	Lysaker, Norway	0.0	0.0	**0.0**
OCY Nelson 8 AS	100.00	100.00	Lysaker, Norway	0.0	0.0	**0.0**
OCY Nelson 9 AS	100.00	100.00	Lysaker, Norway	0.0	0.0	**0.0**
OCY Nelson 10 AS	100.00	100.00	Lysaker, Norway	0.0	0.0	**0.0**
OCY Nelson 11 AS	100.00	100.00	Lysaker, Norway	0.0	0.0	**0.0**
OCY Nelson 12 AS	100.00	100.00	Lysaker, Norway	0.0	0.0	**0.0**
OCY Severn AS	100.00	100.00	Lysaker, Norway	-0.3	-0.3	**0.0**
OCY Severn 2 AS	100.00	100.00	Lysaker, Norway	-0.3	-0.3	**0.0**
OCY Severn 3 AS	100.00	100.00	Lysaker, Norway	-0.3	-0.2	**0.0**
OCY Thelon AS	100.00	100.00	Lysaker, Norway	54.7	3.0	**50.1**
OS Installer AS	75.00	75.00	Lysaker, Norway	38.4	4.1	**28.8**
Long-term interest-bearing receivables from Group companies						**962.6**

1) 100% of the Group's equity as of December 31, and the Group's profit before tax 2015

2) Book value includes USD 9.0 million and USD 0.8 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	2015	2014
Aker Contracting FP ASA	-	17.0
Aker Ship Lease 1 AS	6.2	6.8
Connector 1 AS	153.8	-
LH Shiplease 1 AS	47.4	17.1
LH Shiplease AS	-	91.1
Ocean Holding AS	8.5	4.6
OCY Albany AS	18.6	12.3
OCY Nelson AS	23.4	-
OCY Nelson 2 AS	23.6	-
OCY Nelson 3 AS	23.8	-
OCY Nelson 4 AS	24.1	-
OCY Severn AS	25.0	8.3
OCY Severn 2 AS	24.9	8.3
OCY Severn 3 AS	16.8	8.3
OCY Thelon AS	20.0	27.8
Total short-term interest-bearing receivables	**416.2**	201.8

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	2015	2014
Group Contribution Ocean Holding AS	40.3	2.6
Group Contribution Aker Invest AS	0.2	-
Group Contribution Aker Floating Production AS	6.3	-
Dividend from OS Installer AS	6.0	-
Short-term interest free receivable Connector 1 Holding AS	0.2	-
Short-term interest free receivable LH Shiplease AS	1.0	-
Other short-term receivable group companies	1.3	0.2
Short-term interest free receivables from Group companies	**55.4**	2.8

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

Amounts in USD million	2015	2014
Aker Invest AS	4.6	-
Aker Ship Lease AS	-	3.2
Connector 1 AS	-	3.5
New Pollock LLP	-	30.5
Long-term interest bearing liabilities to Group companies	**4.6**	37.2

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

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

Amounts in USD million	2015	2014
Aker Ship Lease 1 AS	-	2.4
Aker Contracting FP ASA	-	4.0
Short-term interest free liabilities to Group companies	**-**	6.4

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

Amounts in USD million	2015	2014
Group Contribution Ocean Holding AS	29.0	-
Other short-term liabilities group companies	0.1	-
Short-term interest free liabilities to Group companies	**29.0**	-

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

Amounts in USD million	2015	2014
Dividend from Aker Floating Production AS	59.5	24.0
Dividend from F-shiplease Holding AS	2.6	5.9
Dividend from Aker Ship Lease AS	-	16.9
Dividend from Connector 1 Holding AS	-	15.0
Dividend from Aker Invest AS	-	1.1
Dividend from OS Installer AS	3.3	-
Group Contribution from Aker Floating Production AS	6.3	-
Group Contribution from Aker Invest AS	0.2	-
Group Contribution from Ocean Holding AS	21.0	2.6
Dividends and group contributions received from Group companies	**92.8**	65.5

NOTE 10 LONG-TERM INTEREST-BEARING RECEIVABLES

Long-term interest-bearing receivables consist of the following:

Amounts in USD million	2015	2014
Restricted deposits	4.5	-
Other interest-bearing long term receivables	0.6	0.5
Total long-term interest bearing receivables	**5.1**	0.5

Restricted deposits is related to one of Ocean Yield ASA's cross currency interest rate swaps, where a security deposit is needed when the USD/NOK exchange rate is above 8.1.

NOTE 11 SHORT-TERM INTEREST-BEARING RECEIVABLES

Short-term interest-bearing receivables consist of the following:

Amounts in USD million	2015	2014
Pre-delivery instalments Navig8 Chemical Tankers	28.2	-
Pre-delivery instalments Navig8 Product Tankers	64.4	-
Total short-term interest-bearing receivables	**92.6**	-

The short-term interest-bearing receivables is related to pre-delivery financing of four chemical tankers and four product tankers under construction. The receivables carry an interest of 7% per annum. Interest is paid quarterly, and the receivables fall due at delivery of the vessels, which is expected to be in Q1-Q3 2016.

NOTE 12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are distributed as follows:

Amounts in USD million	2015	2014
Cash restricted	0.2	0.2
Cash unrestricted	52.3	14.1
Total	**52.5**	14.3

In addition Ocean Yield ASA has USD 4.5 million in restricted cash classified as long term assets (see note 10).

NOTE 13 SHAREHOLDERS' EQUITY

Changes in shareholder's equity is as follows:

Amounts in USD million	Share capitall	Treasury shares	Other paid in capital	Retained earnings	Total equity
Shareholders' equity 31 December 2013	221.6	-	452.6	21.0	**695.2**
Share issue	0.7	-	1.2	-	**1.9**
Dividend	-	-	-	-71.8	**-71.8**
Profit for the year	-	-	-	57.9	**57.9**
Treasury shares aquired	-	-2.3	-	-	**-2.3**
Treasury shares sold	-	2.2	-	-0.4	**1.7**
Other changes	-	-	-	0.2	**0.2**
Shareholders' equity 31 December 2014	222.3	-0.2	453.8	6.9	**682.8**
Share issue	0.6	-	1.4	-	**2.0**
Dividend	-	-	-9.9	-73.6	**-83.5**
Profit for the year	-	-	-	66.2	**66.2**
Treasury shares acquired	-	-1.1	-	-	**-1.1**
Treasury shares sold	-	1.0	-	-0.1	**0.8**
Other changes	-	-	-	0.6	**0.6**
Shareholders' equity 31 December 2015	**222.8**	**-0.3**	**445.3**	**0.0**	**667.9**

Share capital
At 31 December 2015 Ocean Yield ASA's share capital consists of the following:

	in NOK	in USD
Number of ordinary shares	**134 628 575**	134 628 575
Par value	**10**	1.7
Total par value (million)	**1346.3**	222.8

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

Change in number of shares:

Amounts in USD million	2015	2014
Number of shares outstanding 1.1	**134 169 041**	133 783 514
Issue of shares related to management incentive scheme	**436 464**	408 597
Treasury shares aquired	**-150 000**	-350 000
Treasury shares sold	**130 257**	326 930
Number of shares outstanding 31.12	**134 585 762**	134 169 041

The 20 largest shareholders as of 31 December 2015

Shareholders	Number of shares	Percent
Aker Capital AS 1)	98 242 575	73.0 %
JP Morgan Chase Bank N.A. London	3 206 633	2.4 %
Citibank N.A.	2 905 609	2.2 %
JP Morgan Chase Bank N.A.	1 739 000	1.3 %
Invesco Perp EUR Small Comp Fund	1 374 459	1.0 %
Finmarine AS 2)	1 185 880	0.9 %
Invesco Perp EUR Opportun Fund	997 870	0.7 %
State Street Bank and Trust Co	838 364	0.6 %
Invesco Funds	836 889	0.6 %
SEB STO, Sfma1	638 899	0.5 %
VPF Nordea Kapital	561 871	0.4 %
VPF Nordea Norge Verdi	434 580	0.3 %
Fidelity Funds-Nordic Fund/Sicav	412 936	0.3 %
DNB NOR Markets	383 320	0.3 %
JP Morgan Chase Bank N.A. London	363 491	0.3 %
Frede Wælgaard Jacobsen	346 000	0.3 %
Euroclear Bank S.A./N.V.	338 575	0.3 %
MP Pensjon Pk	332 729	0.2 %
State Street Bank and Trust Co	324 245	0.2 %
State Street Bank and Trust Co	302 005	0.2 %
Other	18 862 645	14.0 %
Total	**134 628 575**	**100%**

1) Kjell Inge Røkke controls 67.8% of the shares in Aker ASA, which owns 100% of the shares in Aker Capital AS, through his ownership of the TRG companies. In addition he holds 180,000 shares directly in Ocean Yield ASA.
2) Finmarine AS is owned by the CEO Lars Solbakken.

Ocean Yield ASA is a subsidiary of Aker Capital AS, a wholly-owned subsidiary of Aker ASA. Ocean Yield is thus part of Aker ASAs consolidated financial statements. Aker ASA has offices at Oksenøyveien 10 and the consolidated 2015 financial statements for Aker ASA are when available, to be found at www.akerasa.com.

Dividends

Amounts in USD million	2015	2014
Total dividend paid	**80.7**	69.1
Declared dividend for the 4th quarter subsequent to 31 December	**21.9**	19.1

CURRENT BOARD AUTHORIZATIONS

At the Annual General Meeting, held on 22 April 2015, Ocean Yield ASA's shareholders gave the board an authorization to increase the share capital with maximum NOK 130 million in connections with acquisitions, mergers, de-mergers or other transfers of business and an authorization to increase the share capital with maximum NOK 10 million in connection with the employee share programme. The Board was also given the authorization to acquire treasury shares up to an aggregate nominal value of NOK 8 million in connection with the employee share programme. The authorizations are valid until the 2016 Annual General Meeting.

NOTE 14 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:

Amounts in USD million	2015	2014
Expected return	**2.5 %**	2.5 %
Discount rate	**2.5 %**	2.5 %
Wage growth	**2.5 %**	3.3 %
Pension adjustment	**0.8 %**	1.3 %
Number of employees that are part of the pension scheme yearend	**7**	5

Pension expense recognized in profit and loss:

Amounts in USD million	2015	2014
Expense related to benefits earned in this period	**0.2**	0.1
Interest expense accrued on pension liabilities	**-**	-
Social security contribution	**-**	-
Total pension expense recognized in profit and loss	**0.2**	0.1

Changes in present value for benefit based pension liability:

Amounts in USD million	2015	2014
Pension liabilities as at 1 January	**0.4**	0.2
Expense related to pensions vested this period	**0.2**	0.1
Interest expense on pension liabilities	**-**	-
Remeasurements (loss)/ gain	**-0.1**	0.1
Effect of movement in exchange rate	**0.1**	-
Pension liabilities as at 31 December	**0.5**	0.4

Changes in fair value pension funds

Amounts in USD million	2015	2014
Fair value of pension funds as at 1 January	**0.2**	0.1
Expected return on pension funds	**-**	-
Remeasurements (loss)/ gain	**-**	-
Contribution paid by the employer	**0.2**	0.1
Effect of movement in exchange rate	**0.1**	-
Fair value of pension funds as at 31 December	**0.4**	0.2

Net pension fund and liabilities

Amounts in USD million	2015	2014
Defined benefit obligation at 31 December	**-0.5**	-0.4
Fair value of plan assets at 31 December	**0.4**	0.2
Pension liabilities at 31 December	**-0.1**	-0.2

NOTE 15 INTEREST-BEARING DEBT

Interest-bearing debt consist of the following:

Amounts in USD million	2015	2014
Long term interest bearing liabilities to Group companies, see note 8	4.6	43.6
Secured bank loans	578.8	148.6
Bond loans	225.4	134.5
Total	**808.8**	326.7

Change in Interest-bearing debt:

Amounts in USD million	Debt to Group companies	Secured bank loans	Bond loans	Total 2015	2014
Interest-bearing debt at 1 January	43.6	148.6	134.5	326.7	167.9
New Loans	19.6	331.0	129.7	480.3	335.1
Instalments	-2.1	-68.0	-	-70.0	-4.6
Other non-cash changes (netted against receivables etc)	-55.6	166.5	-	110.8	-45.6
Repurchase	-	-	-	-	-105.5
Loss from repurchase	-	-	-	-	8.1
Amortization of loan fees	-	0.7	0.3	0.9	8.1
Effect of movement in foreign exchange	-0.9	-	-39.1	-40.0	-29.1
Interest-bearing debt at 31 December	**4.6**	**578.8**	**225.4**	**808.8**	**326.7**

SECURED BANK LOANS

In April 2015, Ocean Yield refinanced the debt related to the vessel Aker Wayfarer and signed a new revolving credit facility of USD 220 million with maturity in 2021 with a group of banks for the long-term financing of the vessel. The loan is secured in the vessel Aker Wayfarer. The facility comprises of a Facility A of USD 130 million and a Facility B of USD 90 million, where Facility B shall go towards the financing of the modification of Aker Wayfarer. The loan carries an interest rate of LIBOR + 2.00% per annum. Interests are paid quarterly and the loan amortizes down to a balloon of USD 120 million in 2021, with the first reduction scheduled in Q3 2016.

In April 2015, Ocean Yield Group agreed to acquire eight newbuilding chemical tankers for a total consideration of USD 306.8 million in combination with 15-year bareboat charters to Navig8 Chemical Tankers Inc. The transaction is financed with a USD 212 million pre- and post-delivery credit facilities agreement entered into with a group of banks. The loan is secured against eight chemical tankers; Navig8 Aronaldo, Navig8 Aquamarine, Navig8 Amessi, Navig8 Azotic and the newbuildings Navig8 Turquoise, Navig8 Topaz, Navig8 Tourmaline and Navig8 Tanzanite. The loan comprise of two facilities; an Initial Vessels Facility of USD 100 million and an Additional Vessels Facility of USD 112 million, where USD 31 million is available as pre-delivery financing. The facilities carry an interest rate of LIBOR plus 2.00% per annum. Interest is paid quarterly. The facilities are repaid in quarterly consecutive instalments, with a balloon at the final maturity date falling five years from the last vessel delivery, but no later than 30 November 2020 for the Initial Vessels Facility and 31 October 2021 for the Additional Vessels Facility.

In July 2015, Ocean Yield Group agreed to acquire four newbuilding product tankers for a total consideration of USD 198.1 million in combination with 13-year bareboat charters to Navig8 Product Tankers Inc. The transaction is financed with a USD 148 million pre- and post-delivery credit facilities agreement entered into with a group of banks. The loan is secured against the four newbuildings; Navig8 Steadfast, Navig8 Symphony, Navig8 Supreme and Navig8 Sanctity. The facility carries an interest rate of LIBOR plus 2.00% per annum. Interest is paid quarterly. The facility is repaid in quarterly consecutive instalments, with a balloon at the final maturity date falling five years from the last vessel delivery, but no later than 30 August 2023.

In December 2015 the loan agreement related to the vessel Lewek Connector was amended, and Ocean Yield ASA assumed Connector 1 Holding AS's position as borrower. The loan is secured in the vessel Lewek Connector. 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 LIBOR plus 0.66% per annum and the facility B tranche carries an interest of LIBOR 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. Instalments on both facilities are paid semi-annually. The loan matures in May 2024. The commercial guarantee is, however, subject to renewal in May 2017.

BOND LOANS

In April 2015, Ocean Yield closed a new unsecured bond issue of NOK 1,000 million with maturity in April 2020. The bonds carry a coupon of NIBOR + 4.00% per annum with quarterly interest payments. Ocean Yield has subsequently entered into cross currency interest rate swaps for NOK 1,000 million (USD 131.1 million) with an average interest rate of LIBOR + 4.45% per annum. As of 31 December 2015 the Group has NOK 1,000 million outstanding in OCY02 with maturity in March 2019, and NOK 1,000 million outstanding in OCY03 with maturity in April 2020.

COVENANTS

Ocean Yield ASA has loans and guarantee commitments that contain certain financial covenants.

At year-end 2015 the minimum market value of Lewek Connector in percent of outstanding loans was less than 130%, which is the requirement. If the minimum market value covenant is not met the Borrower is required to either make a prepayment of the Loans, or provide the lenders with additional security. The Borrower is in the process of pledging additional security in order to comply with the covenant.

Ocean Yield ASA was in compliance with all other covenants at year-end 2015 and in compliance with all covenants at year-end 2014.

NOTE 16 MORTGAGES AND GUARANTEE OBLIGATIONS

Guarantee obligations are as follows:

Amounts in USD million	2015	2014
Loan guarantees Connector 1 Holding AS	-	185.2
Loan guarantees F-Shiplease Holding AS	86.7	110.5
Total guarantee obligations	**86.7**	295.6

NOTE 17 OTHER LONG- TERM LIABILITIES

Other long-term liabilities consist of the following

Amounts in USD million	2015	2014
Unrealized loss on interest and currency exchange swaps	61.7	26.8
Total	**61.7**	26.8

NOTE 18 OTHER SHORT-TERM LIABILITIES

Other short-term liabilities consist of the following:

Amounts in USD million	2015	2014
Accrued interest external	2.2	0.2
Unrealized loss on interest and currency exchange swaps	3.8	0.7
Accrued bonus to employees	6.9	3.0
Other	1.2	1.2
Total	**14.1**	5.0

NOTE 19 FINANCIAL INSTRUMENTS

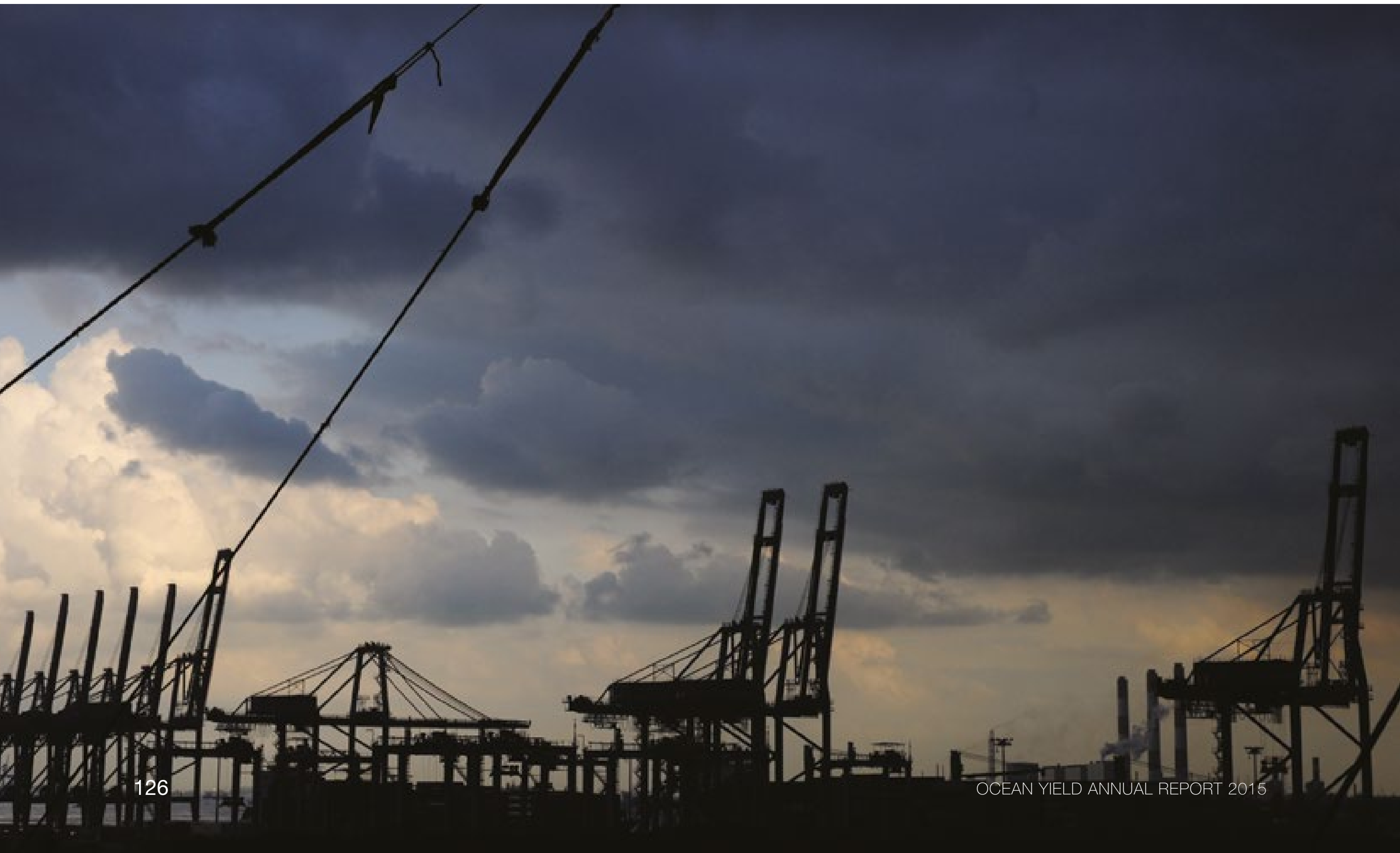
At yearend Ocean Yield ASA had the following financial instruments recognized at fair value:

31 December 2015

Amounts in USD million	Carrying amount	Fair value	Unrealized loss on interest and currency exchange swaps recognized in profit and loss
Foreign exchange contracts	-61.5	-61.5	-34.0
Interest rate swaps	-4.0	-4.0	-2.7
Total	**-65.5**	**-65.5**	**-36.7**

31 December 2014

Amounts in USD million	Carrying amount	Fair value	Unrealized loss on interest and currency exchange swaps recognized in profit and loss
Foreign exchange contracts	-26.9	-26.9	-17.8
Interest rate swaps	-0.6	-0.6	-0.6
Total	**-27.5**	**-27.5**	**-18.4**



NOTE 20 OPERATING LEASES

In 2014 Ocean Yield entered into an office lease agreement with Fornebuporten AS (previously a subsidiary of Aker ASA). The offices, located at Fornebu, near Oslo, were completed in the third quarter 2015. The lease period is seven years. Ocean Yield has the option to extend the lease period with 5 + 5 years.

Annual rent is approximately USD 0.4 million. Ocean Yield sublets around 50% of the office space to its subsidiary Aker Floating Production AS.

NOTE 21 SALARY AND OTHER REMUNERATION TO THE BOARD OF DIRECTORS, CEO AND OTHER EMPLOYEES IN OCEAN YIELD'S EXECUTIVE TEAM

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

NOTE 22 SHARES OWNED BY THE BOARD OF DIRECTORS, CEO AND OTHER EMPLOYEES IN THE EXECUTIVE TEAM

See note 29 in the consolidated financial statements for Ocean Yield ASA Group.

NOTE 23 SHARE-BASED PAYMENTS

See note 30 in the consolidated financial statements for Ocean Yield ASA Group.

NOTE 24 TRANSACTIONS AND AGREEMENTS WITH RELATED PARTIES

Ocean Yield's largest shareholder is Aker Capital AS, with 73% of the shares. Aker Capital AS is a wholly-owned subisidary of Aker ASA, and 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 27 in the consolidated financial statements for Ocean Yield ASA Group.

TRANSACTION WITH AKER ASA

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

TRANSACTIONS WITH FORNEBUPORTEN AS

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

TRANSACTIONS WITH EMPLOYEES OF OCEAN YIELD ASA

See note 27 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 8.

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

NOTE 25 CONTINGENCIES AND LEGAL CLAIMS

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

NOTE 26 EVENTS AFTER THE BALANCE SHEET DATE

See note 33 in the consolidated financial statements for Ocean Yield ASA Group.

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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 2015, 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 2015, and the income statement and the statement of total comprehensive income, statement of changes in equity and cash flow statement 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.

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 2015, 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 2015, 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

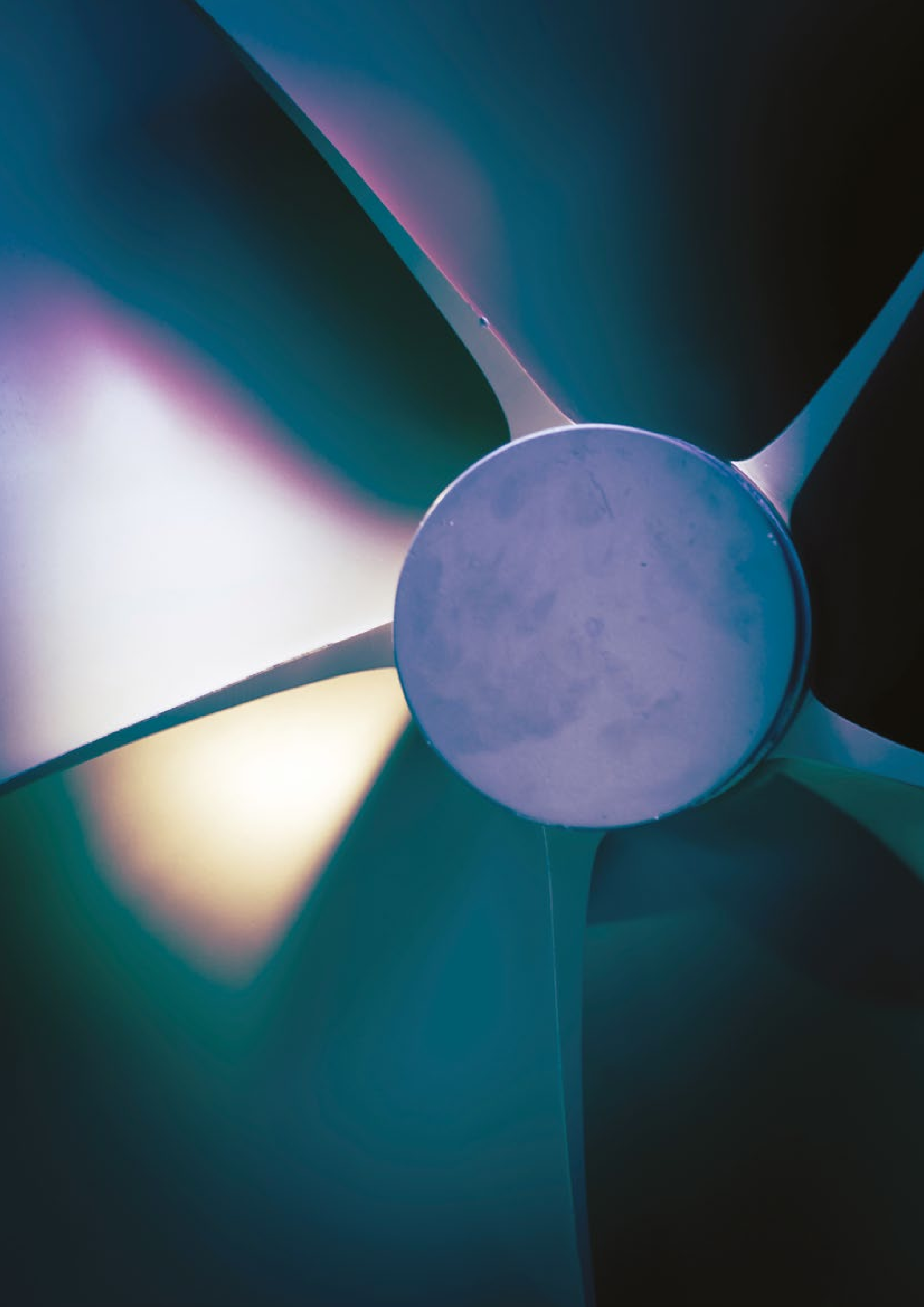
Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption and 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, 14 March 2016
KPMG AS

Tom Myhre
State Authorized Public Accountant



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