

Fourth Quarter 2013

Presentation

25th February 2014









Fourth quarter 2013 highlights

- Declared quarterly dividend of 12.25 cents per share
 - Increase of 0.25 cents versus last quarter
 - USD 0.49 per share annualized (Dividend yield of 8.3% p.a.)
 - Payout ratio of 62.0% of net result after tax
 - Payable on or about 10th of March 2014
- EBITDA was USD 52.7 million compared to USD 39.4 million for the fourth quarter 2012
- Net Profit after tax was USD 26.5 million (19.8 cents per share) compared to USD 11.3 million in Q4 2012
- Increased value of American Shipping Company bonds post recapitalisation and amendment of terms of the bond loan
- Steady production on the FPSO Dhirubhai-1 with 100.0% utilisation
- Construction of the four newbuilding car carriers is going according to plan with the first two vessels to be delivered in April and September 2014

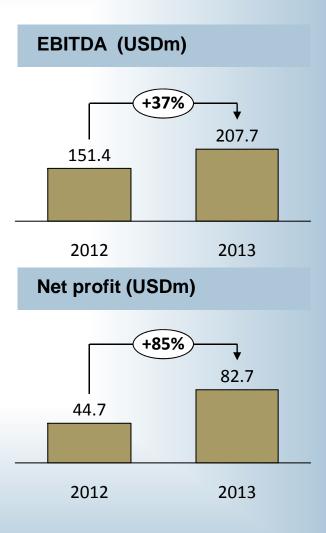


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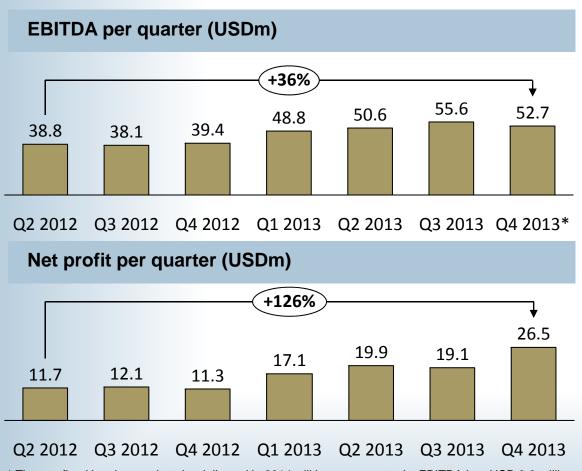
Full year 2013 financial highlights

- EBITDA was USD 207.7 million compared with USD 151.4 million on a pro-forma basis for 2012
- Net Profit after tax was USD 82.7 million compared with USD 44.7 million on a pro-forma basis for 2012
- Total vessel investments of USD 334.5 million committed during 2013 and USD 790 million since Ocean Yield was established 31st March 2012
- EBITDA Charter backlog increased from USD 1.5 billion in Q4 2012 to USD 1.7 billion in Q4 2013





Development in key financials



8.3%** p.a

Q4 Quarterly Dividend payable in Q1 2014

12.25 Cents

Dividend Yield

^{*} The two first Hoegh vessels to be delivered in 2014 will increase quarterly EBITDA by ~USD 3.6 million

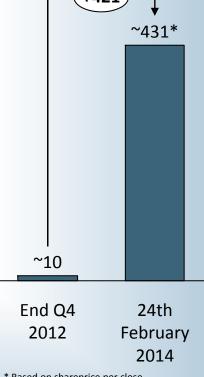
^{**}As per close 24.02.2014 - Q4 dividend annualized, shareprice of NOK 35.5 and NOK/USD 6.03



Increased value of American Shipping bonds

- AMSC has raised USD 162 million in new equity, substantially reducing the counterparty risk
- Amended terms on the bond loan:
 - Converted from NOK to USD
 - Interest rate changed from NIBOR + 4.75% to LIBOR + 6.00% p.a.
 - 50% of interest payable in cash, with future step ups
 - "Best endeavor" to prepay the bond loan in connection with a refinancing of the senior bank debt
 - AMSC granted an option to prepay the bonds at 101% of par value until 30th June 2016
 - Option to extend to 2021; 100% cash interest and margin of 8.5% p.a.
 +0.5% increase every 12 months if extended
- Bond book value USD 168.3 million (~89.6% of nominal value of USD 188 million).
- We expect that the increase in the value of the bond will be recognized in the P&L in Q1 2014

AMSC Market Cap (in USD million)

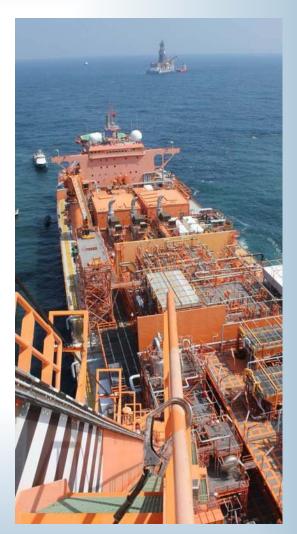


^{*} Based on shareprice per close 24.02.2014, current NOK/USD of 6.03 and number of shares post equity issue



Steady performance on the Dhirubhai-1

- 100 % Utilisation in Q4 2013 and 99.9% for the year 2013
- Reliance completed drilling of new well in December 2013
- Increased production of gas as from January 2014
- Work over of additional well expected to further increase production in Q1 2014
- Increased gas price in India from April 2014
- Increased probability for an extended life of the field beyond the firm contract period for Dhirubhai-1 in September 2018





P&L

Income statement

				Pro Forma		
	3rd Quarter	4th Quarter	4th Quarter	Jan - Dec	Jan - Dec	
Amounts in USD million	2013	2013	2012	2013	2012	
Operating revenues	61.8	60.6	50.8	239.0	188.0	
Vessel operating expenses	(3.7)	(2.7)	(4.1)	(14.2)	(16.3)	
Wages and other personnel expenses	(1.0)	(4.0)	(2.9)	(9.5)	(10.1)	
Other operating expenses	(1.5)	(1.2)	(4.5)	(7.6)	(10.2)	
EBITDA	55.6	52.7	39.4	207.7	151.4	
Depreciation and amortization	(25.6)	(26.8)	(24.1)	(101.6)	(85.9)	
Impairment charges and other non-						
recurring items	-	-	0.1	-	(5.9)	
Operating profit	30.0	25.9	15.4	106.1	59.7	
Financial income	5.0	3.0	2.7	19.7	11.4	
Financial expenses	(8.8)	(9.3)	(8.7)	(35.6)	(24.7)	
Foreign exchange gains/losses	(3.3)	3.3	-	(0.1)	-	
Mark to market of derivatives	(2.7)	(0.6)	0.5	(10.0)	(1.7)	
Net financial items	(9.8)	(3.6)	(5.4)	(26.0)	(15.1)	
Net Profit before tax	20.2	22.4	10.0	80.2	44.6	
Income tax expense	(1.1)	4.1	1.3	2.5	0.0	
Net Profit after tax	19.1	26.5	11.3	82.7	44.7	

Comments

 Revenues: One-off adjustment in revenues of USD -0.5 million in 4th quarter quarter related to the Farstad vessels.

<u>Depreciation:</u> One-off adjustment in depreciation of USD -0.7 million related to Farstad vessels.

- Personell expenses: Higher personell expenses versus 3rd quarter 2013 due to bonus payments. Going forward average wages and other personell expenses is expected at about USD 2.2 million per quarter
- Foreign exchange effects:
 3.3 USD million foreign exhange gains



Net profit after tax adjusted for non-recurring items

Adjustments	Comments	
Amounts in USD million	4th Quarter 2013	
Profit after tax	26.5	
- One-off adjustment to Operating Revenues	(0.5)	 Correction related to operating lease income on Farstad vessels in Q2 and Q3 2013
- One-off adjustment to Depreciation	(0.7)	 Correction related to depreciation on Farstad vessels in Q2 and Q3 2013
- Foreign exchange gains/losses	3.3	
- Mark to market of derivatives	(0.6)	 Related to interest rate swaps on vessel loans and Ocean Yield bond loan
- Adjustment to financial income	(0.6)	
- Tax	4.1	
Net profit after tax adjusted for non-recurring items	21.5	

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Balance sheet

Balance sheet

	31 December	30 September		31 December	30 September
Amounts in USD million	2013	2013	Amounts in USD million	2013	2013
ASSETS			Total equity	703.7	687.8
Vessels and equipment	1 281.1	1 304.0			
Intangible assets	38.3	38.3	Interest-bearing debt	744.8	803.8
Deferred tax assets	10.5	7.6	Deferred tax liabilities	0.2	-
Restricted cash deposits	20.1	22.2	Pension liabilities	0.4	0.5
Investments in AMSC Bonds	168.3	155.7	Mobilization fee and advances	68.1	71.6
Other non-current assets	4.5	-	Other interest-free long term	00.1	
Total non-current assets	1 522.9	1 527.8	liabilities	0.8	-
			Total non-current liabilities	814.3	875.9
Trade receivables and other			Interest-bearing short term debt	127.0	108.0
interest-free receivables	16.4	16.9	Trade and other payables	27.1	21.7
Cash and cash equivalents	132.9	148.7	Total current liabilities	154.1	129.7
Total current assets	149.3	165.6	Total liabilities	968.4	1 005.6
Total assets	1 672.2	1 693.4	Total equity and liabilities	1 672.2	1 693.4



USD 1.7 billion in contracted EBITDA

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













^{*} Per end Q4 2013. EBITDA as reported, incl. mob. fees. Figures are based on management's estimates regarding operating expenses on the Dhirubhai-1 which may be subject to change in addition to certain purchase options in bareboat charter contracts not being exercised

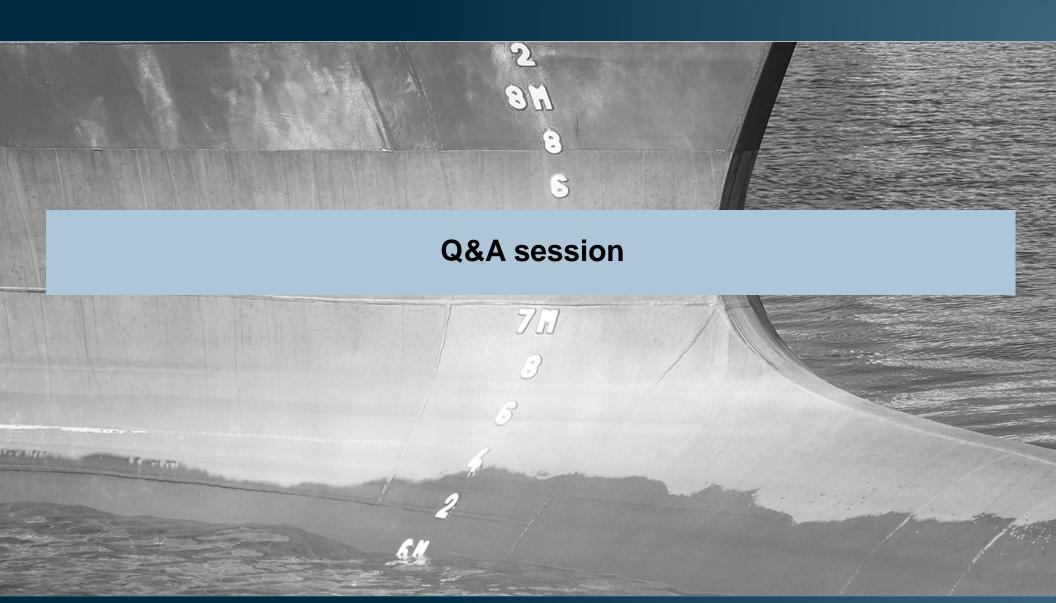


Ocean Yield – Summary and outlook

- Declared increased quarterly dividend of 12.25 cents per share.
 Expects to further increase the dividend in 2014
- Increased value of the AMSC bonds is expected to have positive profit and loss effect in Q1 2014
- Steady performance of the FPSO Dhirubhai. Increased probability for an extented life of the field beyond the firm contract period
- Ocean Yield has a strong cash position and substantial investment capacity and expects to continue to increase its portfolio of shipping and oil service assets on long term charters









Appendix: Covenant compliance in Bond Agreement

OCY Bond ISIN NO 001 065437.9 - 2012/2017

Minimum Book Equity of 25% 42.1%

Minimum Cash of \$ 25 Million \$132.9 million

EBITDA/ Interest expenses > 2.5x 5.88 x

