

Pareto Securities' Oil and Offshore Conference 2015



The dividend yield company

Ocean Yield in brief

Dividend yield company listed on the Oslo Stock Exchange

Diversified fleet of modern fuel efficient vessels

All vessels on long term charter contracts

Stability in earnings from substantial contract backlog

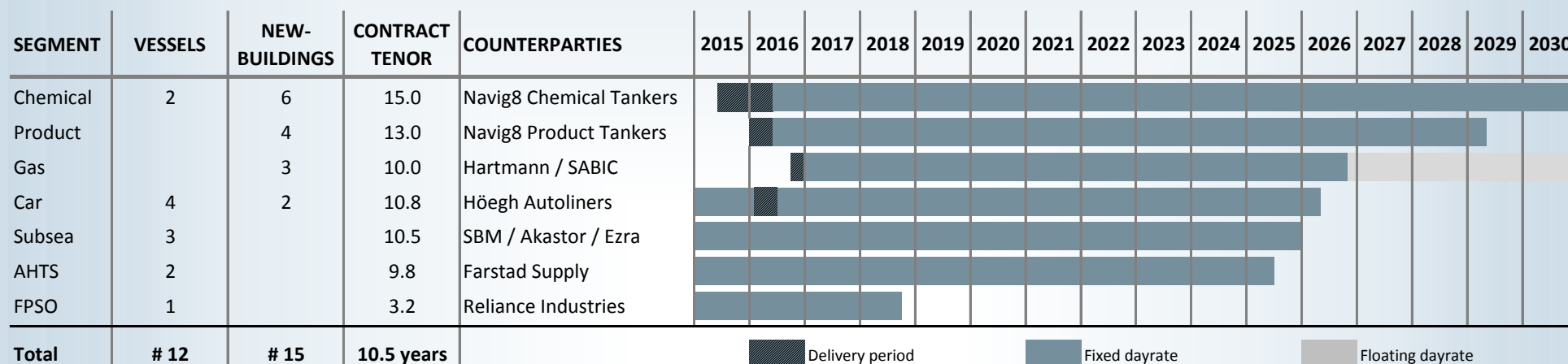
Earnings to increase by about 40% from delivery of 15 newbuildings

Policy of paying attractive and increasing dividends

Dividend yield of 8.0% p.a. paid quarterly / earnings yield of 10.6% p.a.



Diversified fleet of modern fuel efficient vessels

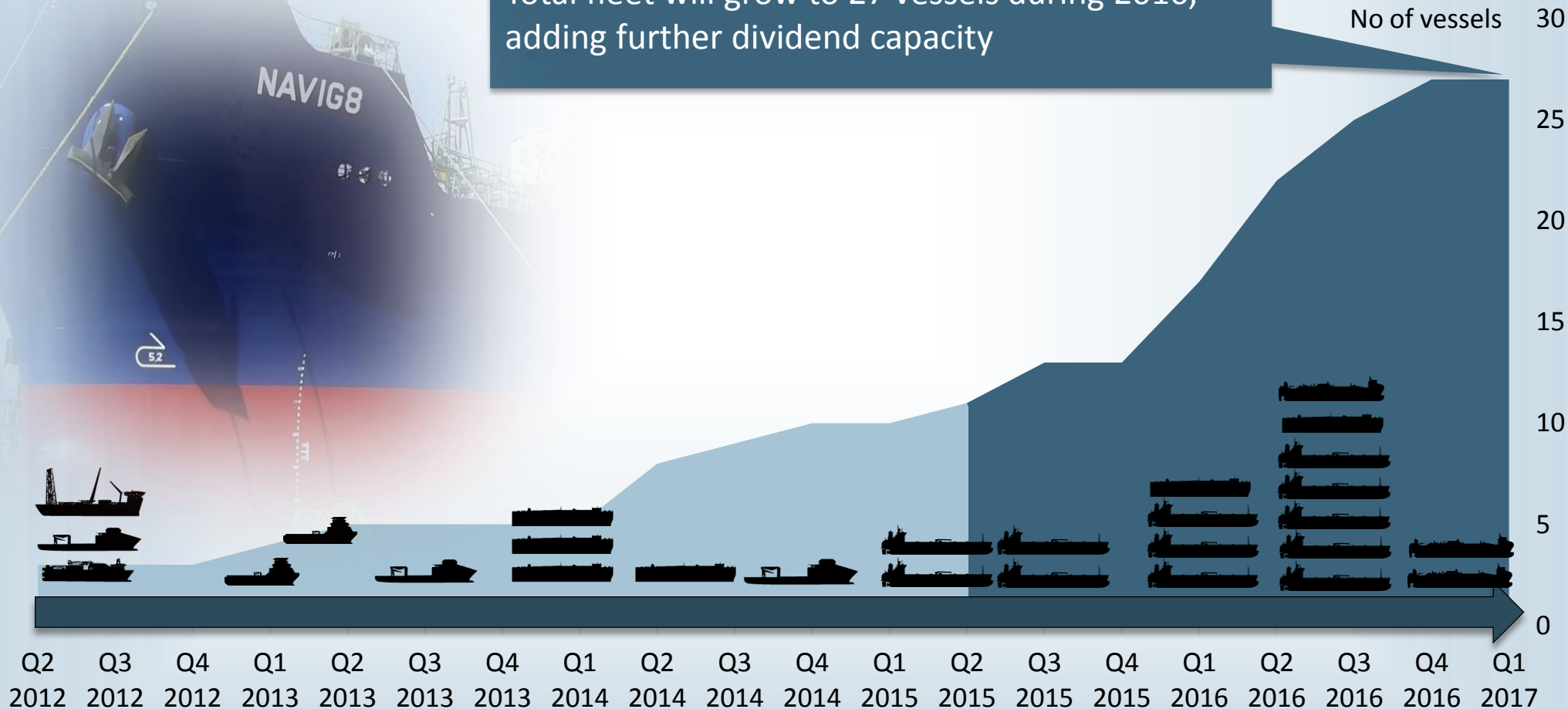


EBITDA backlog of USD 2.8 billion with average tenor of 10.5 years

**EBITDA backlog based on management's estimates on DB-1, certain options not being exercised, LIBOR forward curve, USDNOK and adjusted for finance lease effects.*

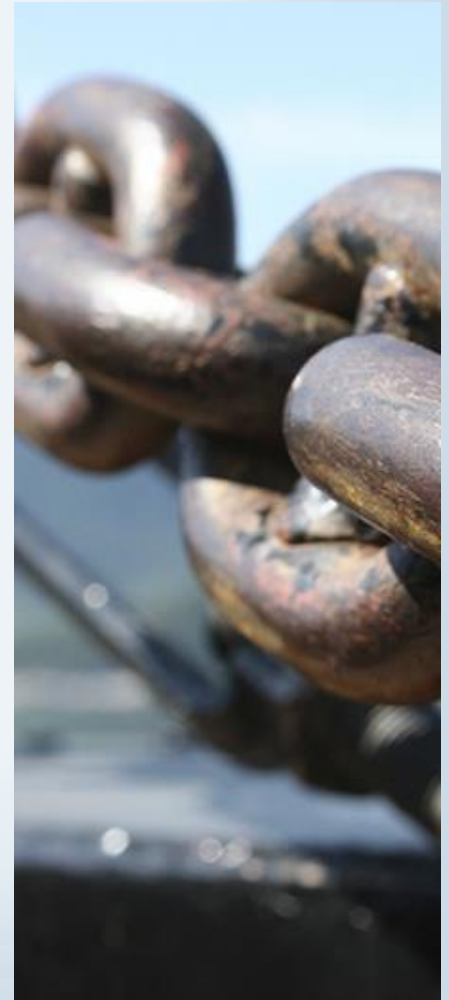
Expects strong growth in earnings from delivery of 15 newbuildings

Total fleet will grow to 27 vessels during 2016, adding further dividend capacity



Investment strategy

- Investments in modern fuel efficient vessels
- Multi segment strategy
- Long term charter contracts
- Reasonably strong counterparties
- Growth – minimum of USD 350m per year



Recent transaction:

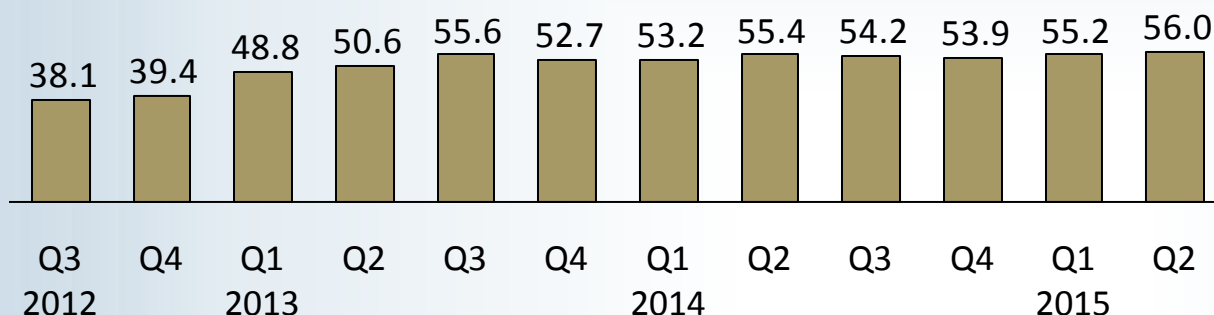
Acquisition of 4 product tankers with 13 years charters

Vessels:	4x LR2 115,000 dwt product tankers
Yard:	Sungdong Shipbuilding, Korea
Charterer:	Navig8 Product Tankers Inc. (ticker: "EIGHT")
Contract type:	13 years floating interest rate "hell & high" bareboat
Delivery:	Q1 – Q2 2016
Gross purchase price:	USD 49.5m per vessel
Seller credit:	5%
Market value:	USD 60m per vessel
Bank loan:	USD 37m per vessel

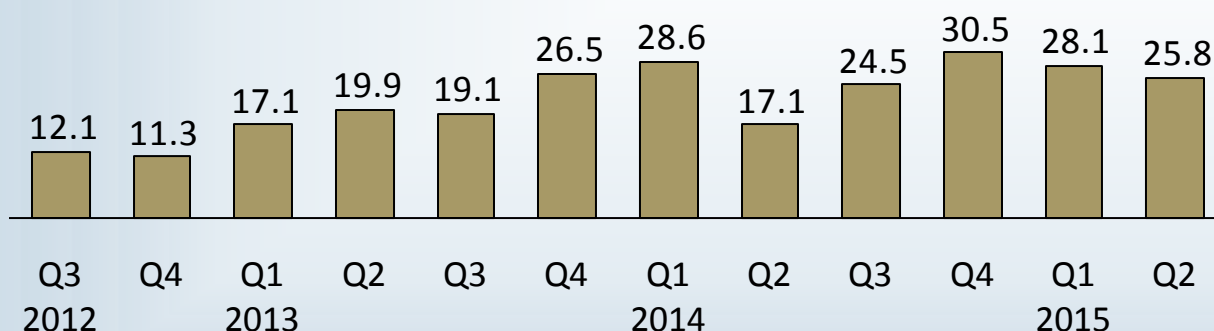


Steady EBITDA with expected growth from delivery of newbuildings

EBITDA¹ per quarter (USDm)



Net profit per quarter (USDm)



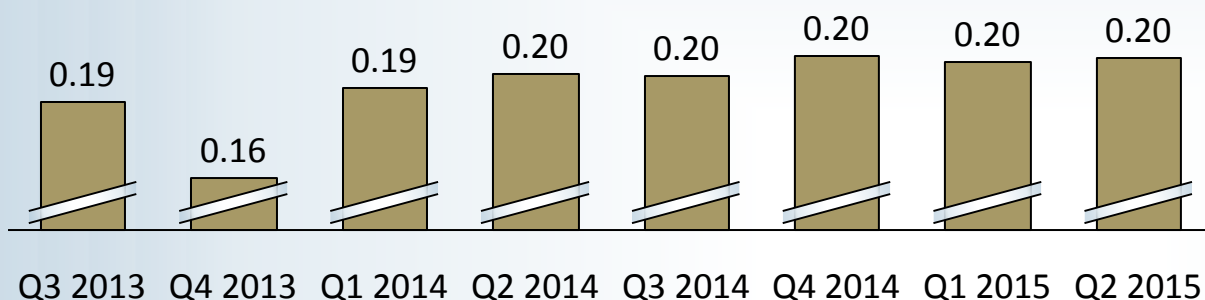
Committed projects will add about 40% to Q2 EBITDA once delivered.

Adjusted Q2 net profit was USD 27.1m vs. Q1 of USD 26.8m.

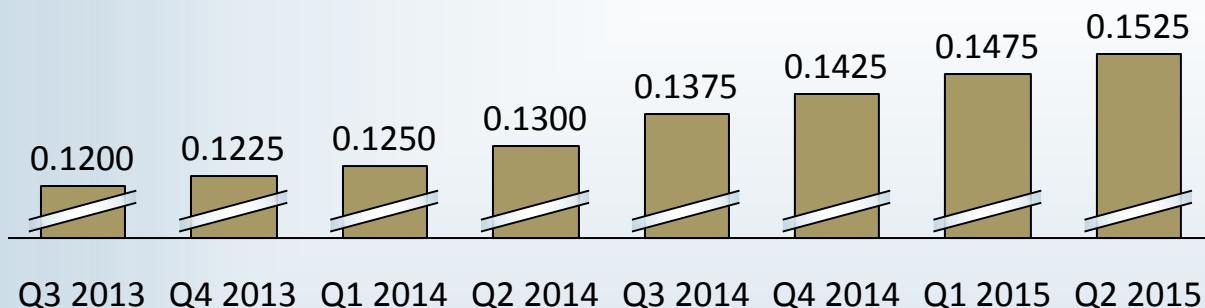
¹⁾ Q2'15 net profit was negatively impacted by a total non-recurring items of USD 1.3m.

Dividends have been increased for 7 consecutive quarters

Adjusted earnings per share (USD)**



Dividend per share (USD)



Dividend yield

8.0%* p.a.

Pay-out ratio on adjusted Q2 EPS

76%

Adjusted earnings yield

10.6%* p.a.

*As per 31.08.2015 - Q2 2015 dividend annualized, share price of NOK 63.50 and NOK/USD 8.34

**Reported EPS has been adjusted for non-recurring items. Reported EPS for Q3'13, Q4'13, Q1'14, Q2'14, Q3'14, Q4'14, Q1'15 and Q2'15 was USD 0.14, USD 0.20, USD 0.21, USD 0.13, USD 0.18, USD 0.23, USD 0.21 and USD 0.19, respectively.

Risk management

- Counterparty risk
- Residual value risk
- Interest rate risk
- Risk related to newbuildings
- Funding risk
- Operating risk on Dhirubhai-1
- Currency risk



Bonds in American Shipping Company

- Ocean Yield owns bonds in American Shipping Company
 - Nominal value of USD 198m
 - Book value of USD 187m
 - Maturity in February 2018
 - Interest of LIBOR + 6.00% p.a., currently 50% PIK
- AMSC has secured commitments for a USD 500m bank refinancing
- Ocean Yield will receive increased cash interest post the refinancing



Summary

- Firm EBITDA contract backlog of USD 2.8 billion and weighted average tenor of 10.5 years gives stability in earnings and dividend capacity
- EBITDA is expected to increase by 40% during 2016 due to delivery of newbuildings
- Expect to continue to increase and further diversify the investment portfolio with new investments of minimum USD 350 million per year
- Policy of paying attractive and increasing dividends. Dividends have been increased every quarter since IPO





OCEAN YIELD

