

Pareto Securities' Oil and Offshore Conference

September 2016



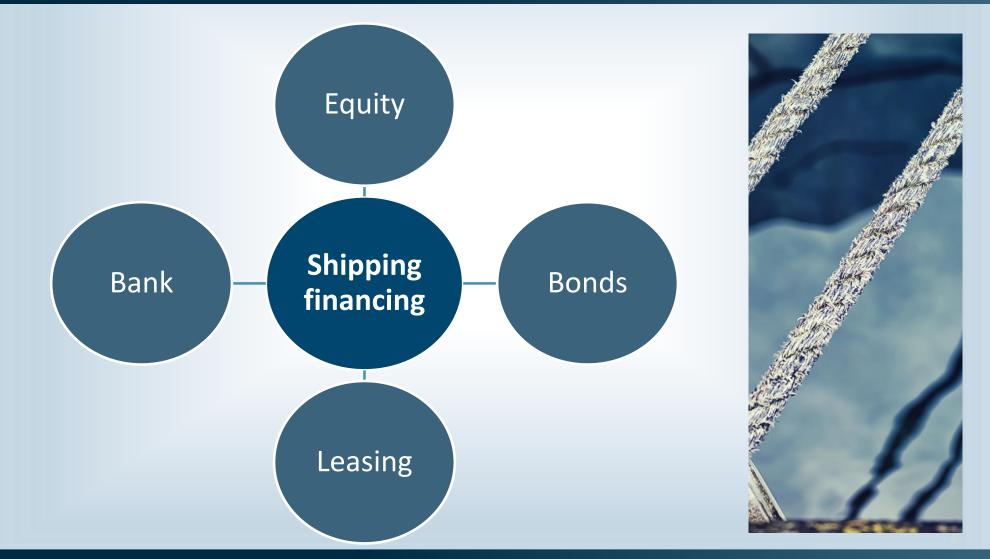
The dividend yield company

Fleet	Diversified fleet of 33 vessels, inc. 14 newbuildings ¹
Employment	Long term charters, avg. tenor of 11.2 years
Growth	Delivery of 14 newbuildings during H2'16 and H1'17
Investments	Target of USD 350 million p.a.
Dividend yield ²	9.2% p.a., Q2'16 pay-out ratio of 74%
Risk	Key risk factors are counterparty and residual value risk

1) Fleet size includes 14 newbuildings, 49.5% in 6 owned container vessels, and 75.0% ownership in SBM Installer, 2) As per 12.09.2016 - Q2 2016 dividend annualized, share price of NOK 67.00 and NOK/USD 8.32, and 3) Reported EPS has been adjusted for non-recurring items, FX, m-t-m of derivatives and change in deferred tax

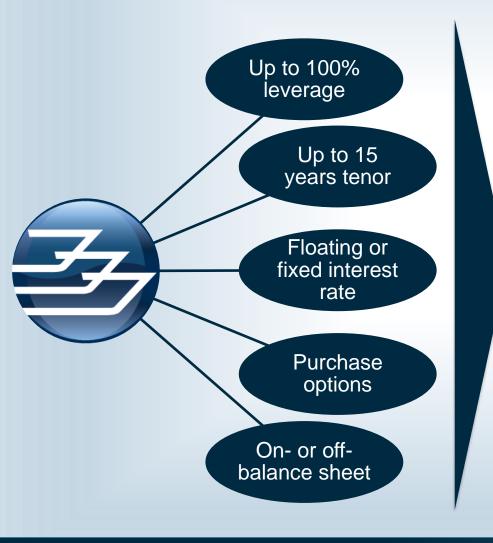
Leasing has become a relatively more competitive source of shipping financing







Strong value proposition for our clients



Flexible leasing product at a competitive cost of capital





Access to capital markets

Equity issue on 31st August 2016

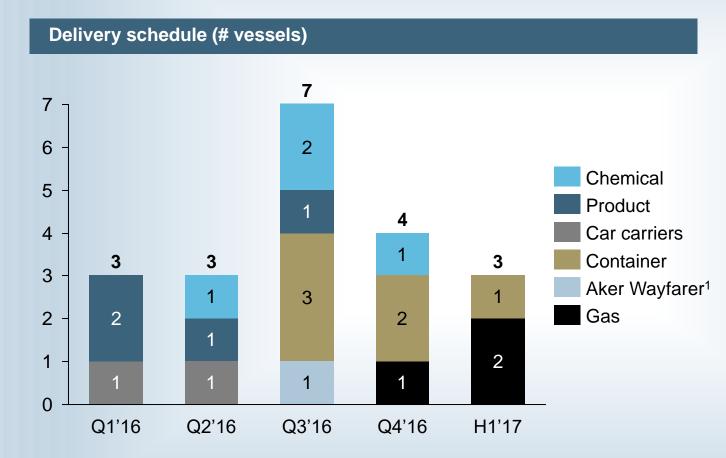
- Amount: NOK 862 million
- Issue price: NOK 64 /share
- Purpose: New investments

Bond issue on 12th September 2016

- Amount: NOK 750 million
- Maturity: September 2021
- Interest rate: NIBOR + 450 bps
- Purpose: Reduce Aker ASA loan facility



Delivery of newbuildings will give increased earnings already from Q3





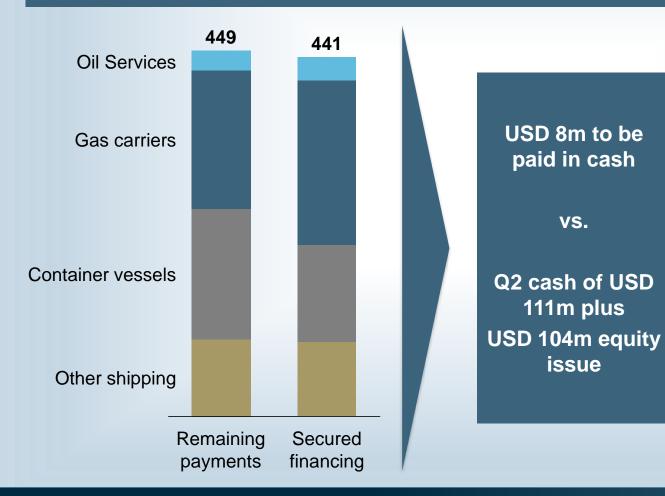
OCEAN YIELD

1) Including redelivery of Aker Wayfarer after major modification



Newbuilding program fully funded

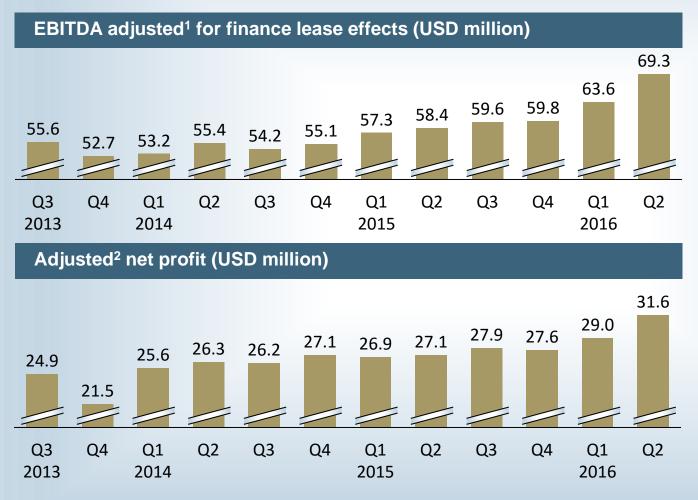
Contractual obligations and financing as per Q2 2016 (USD million)







Adjusted EBITDA and net profit

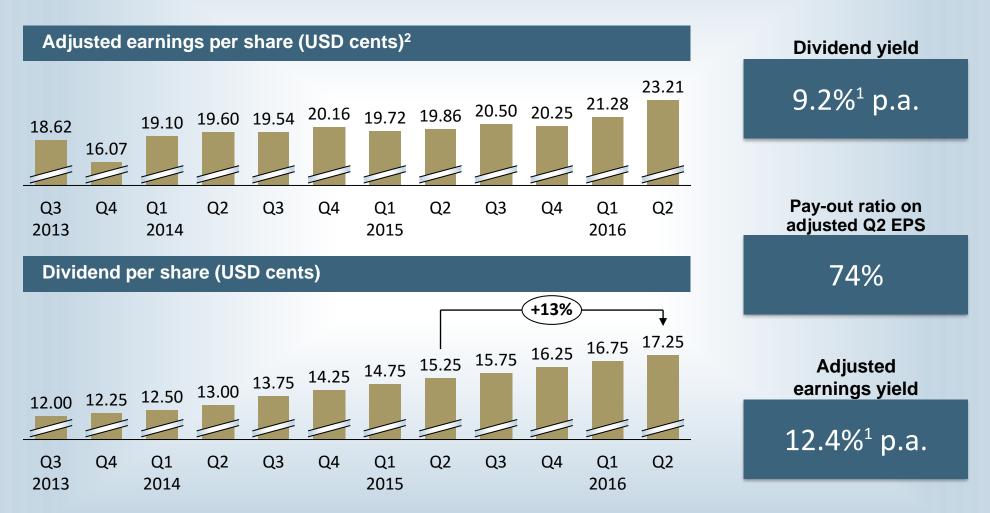


1) Reported EBITDA adjusted for repayment of finance lease receivables. Review note 17 in Q2 2016 report., and 2) Reported net profit has been adjusted for non-recurring items, FX, m-t-m of derivatives and change in deferred tax. Review note 17 in Q2 2016 report.



Growth in cash dividends for 11 consecutive quarters





1) As per 12.09.2016 - Q2 2016 dividend annualized, share price of NOK 61.50 and NOK/USD 8.2, and 2) Reported EPS has been adjusted for non-recurring items, FX, m-t-m of derivatives and change in deferred tax



SAMSUNG

49.5% interest in six mega container vessels with 15 years charter

Type Vessel capacity Delivery JV Partner Charterer Equity investment

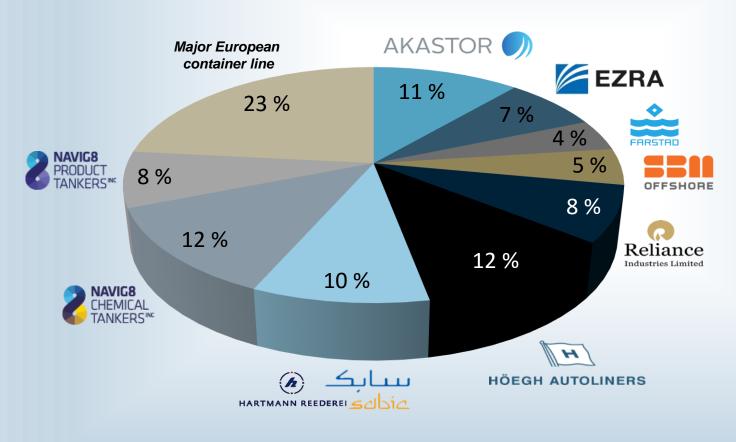
Mega container vessels 19,500 TEU Jul'16 until Feb'17 Quantum Pacific Shipping Major European container line USD 162 million

Illustration photo

EBITDA backlog of USD 3.3bn with avg. tenor of 11.2 years



Q2 EBITDA¹ backlog by client



1) EBITDA backlog based on management's estimates on DB-1, certain options not being exercised, LIBOR forward curve, USDNOK and adj. for finance leases





Summary

- Increased earnings from delivery of newbuildings already from Q3 2016
- Ambition to build a substantially larger company
- Well positioned to continue to pay attractive and increasing dividends

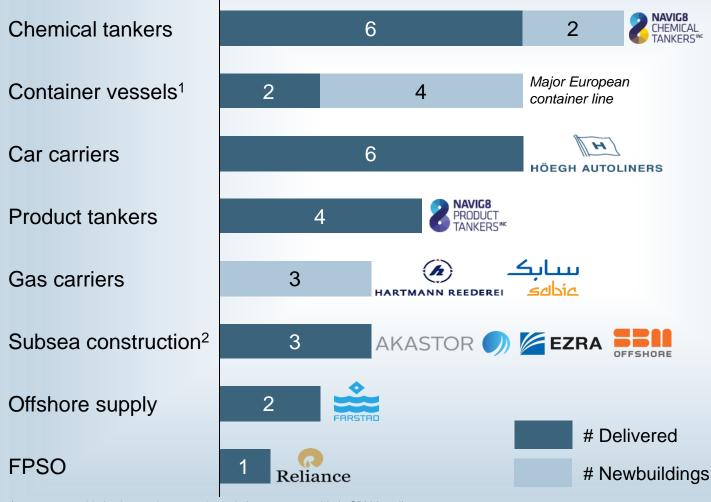








Fleet overview

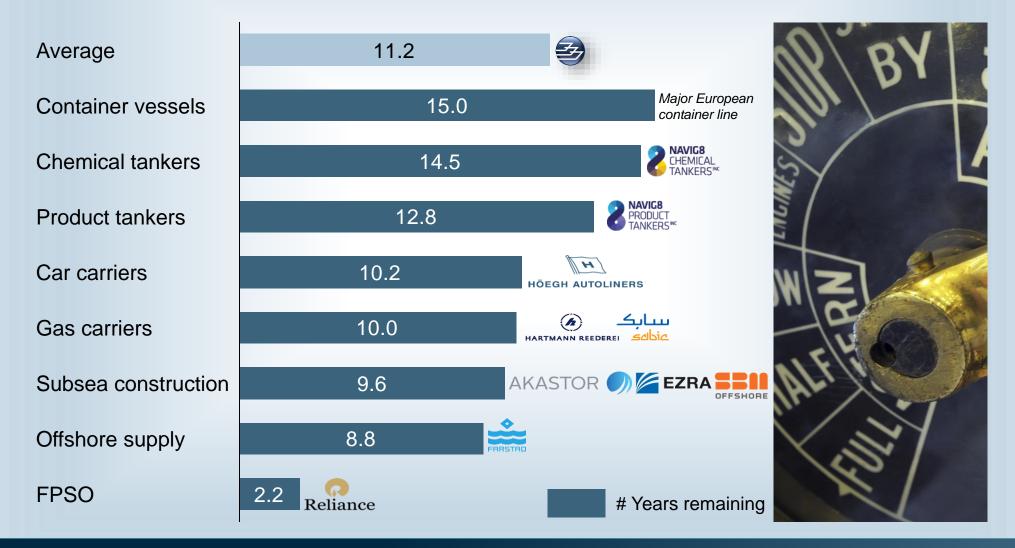




1) 49.5% ownership in six container vessels, and 2) 75.0% ownership in SBM Installer



Remaining charter tenor by client





P&L

Income statement

	Q1	Q2	Q2	FY
Amounts in USD million	2016	2016	2015	2015
Operating revenues	58.8	60.8	58.1	233.1
Finance lease revenue	7.3	9.3	5.1	23.6
Total revenues	66.1	70.1	63.2	256.7
Vessel operating expenses	(4.8)	(4.0)	(3.1)	(15.5)
Wages and other personnel expenses	(1.6)	(1.3)	(3.1)	(12.6)
Other operating expenses	(1.0)	(1.4)	(1.0)	(4.5)
EBITDA	58.7	63.4	56.0	224.2
Depreciation and amortization	(24.3)	(24.8)	(24.2)	(96.7)
Impairment charges and other non recurring items	-	-	(0.1)	(28.6)
Operating profit	34.4	38.6	31.7	98.9
Financial income	4.6	4.5	4.6	18.2
Financial expenses	(10.0)	(11.5)	(9.1)	(37.6)
Foreign exchange gains/losses	(13.2)	2.8	(0.2)	41.5
Mark to market of derivatives	6.0	(4.8)	(1.0)	(40.5)
Net financial items	(12.8)	(9.0)	(5.8)	(18.4)
Net profit before tax	21.7	29.5	25.8	80.4
Tax payable	-	-	-	(0.4)
Change in deferred tax	(3.1)	(4.1)	0.0	25.0
Income tax expense	(3.1)	(4.1)	0.0	24.6
Net profit after tax	18.6	25.5	25.8	105.0
Earnings per share (USD)	0.14	0.19	0.19	0.77

Comments

Revenues

Increased revenue from delivery of six vessel during H1 2016

Financial expenses

- Increased drawings on long-term debt in relation to newbuildings
- Includes USD 0.5 million of noncash interest related to build-up of potential de-mobilization expense

Deferred tax expenses

 Change in deferred tax is offset against deferred tax assets on the balance sheet, hence, zero payable tax in the quarter.



Adjusted net profit after tax¹

Adjustments			Comments
Amounts in USD million	Q1 2016	Q2 2016	
Profit after tax	18.6	25.5	
- Impairment charges and other items	-	-	
- Foreign exchange gains/losses	13.2	(2.8)	Mainly related to bond and bank loans in NOK
- Mark to market of derivatives	(6.0)	4.8	 USD/NOK cross currency and interest rate swaps
- Tax payable	-	-	
- Changes in deferred tax, net	3.1	4.1	 Changes in deferred tax
Adjusted net profit after tax	29.0	31.6	

1) Adjusted for non-recurring items, FX, m-t-m of derivatives and change in deferred tax



Balance sheet Q2 2016 (Pre USD 104m equity issue)

Balance sheet

	Q1	Q2
USD million	2016	2016
ASSETS		
Vessels and equipment	1 293.1	1 338.5
Intangible assets	9.8	9.8
Deferred tax assets	33.3	29.2
Restricted cash deposits	25.7	22.9
Finance lease receivables	479.0	555.4
Investments in AMSC Bonds	193.8	194.9
Investments in associated companies	-	1.6
Other non-current assets	0.6	0.6
Total non-current assets	2 035.4	2 152.9

Total assets	2 153.6	2 281.9
Total current assets	118.2	129.0
Cash and cash equivalents	96.6	110.8
Trade receivables and other receivables	21.6	18.2

	Q1	Q2
	2016	2016
EQUITY AND LIABILITIES		
Total equity to equity holders of the parent	696.7	699.6
Non-controlling interests	11.5	9.5 ¹
Total equity	708.2	709.1
Interest-bearing debt	1 117.8	1 207.4
Mobilization fee and advances	36.4	41.2
Mark to market of derivatives	62.6	66.8
Non-current provisions	27.1	27.5
Other interest-free long term liabilities	2.8	2.9
Total non-current liabilities	1 246.6	1,346.0
Interest-bearing short term debt	163.0	173.6
Mark to market of derivatives	5.8	6.3
Trade and other payables	30.1	46.8
Total current liabilities	198.8	226.8
Total liabilities	1 445.4	1 572.8
Total equity and liabilities	2 153.6	2 281.9
Equity ratio	32.9 %	31.1 %

1) Non-controlling interest of USD 9.5 million relates to the SBM transaction



Risk management



Investor Presentation



4 x LR2 product tankers with 13 years charter

	LR2 product tankers	Navig8 Product Tankers Inc.
Vessel(s)	4 x 110,000 dwt	Established in 2013 by Navig8 Group
Yard	Sungdong Shipbuilding, Korea	Book equity of USD 447 million
Built	2016	 Listed on Norwegian OTC ("EIGHT")
Gross price	USD 49.5 million per vessel	• Fleet of 27 modern product tankers with delivery expected from Sep'15 through 2016,
Seller credit	5%	of which 15x LR2s and 12x LR1s
Charterer	Navig8 Product Tankers Inc.	 Commercial management done by Navig8 Group, which has about 330 vessels
Contract	13 year floating interest rate bareboat charter	committed to 15 pools in three segments







8 x chemical tankers with 15 years charter

		Chemical tankers, IMOII
Vessel(s)	4 x 37,000 dwt	4 x 49,000 dwt
Yard	Hyundai MIPO, Korea	STX, Korea
Built	2015	2016
Gross price	USD 36.2 million per vessel	USD 40.5 million per vessel
Seller credit	10%	10%
Charterer	Navig8 Chemical Tankers	Navig8 Chemical Tankers
Contract	15y floating interest rate BB	15y floating interest rate BB
• •	NAVIGA	*

AQUAMARINE C

Navig8 Chemical Tankers Inc.

- Established in 2013 by Oaktree and Navig8 Group
- Book equity of USD 439 million
- Oaktree remains a majority owner (57%)
- Listed on Norwegian OTC ("CHEMS")
- Fleet of 37 modern chemical carriers including newbuildings
- Commercial management done by Navig8
 Group
 - +330 vessels committed to 15 pools in 4 segments
 - >80 vessels committed to the chemical pool
 - COA's with major international petrochemical companies





3 x liquefied ethylene carrier newbuildings

	Liquefied ethylene carriers
Vessel(s)	3 x newbuildings
Yard	Sinopacific Offshore & Engineering, China
Delivery	Q4'16 to H1'17
Charterer	15 years (10 years fixed rate) to SPVs owned by the Hartmann Group
Sub-charterer	10 years sub-charter + 5x1 years extension options to SABIC Petrochemicals B.V.
Yard cost	USD 243 million / USD 81 million per vessel
EBITDA	USD 31.5 million per annum (EV/EBITDA 7.8x)



Hartmann Group

- Charterer is SPVs owned by the Hartmann Group
- Activities include ship-owning, technical and commercial, management, incl. management of Gaschem pool with ~35 vessels
- www.hartmann-ag.com

SABIC Petrochemicals

- The vessel sub-charter is SABIC Petrochemicals B.V., a subsidiary of SABIC
- SABIC is 70% owned by the Saudi Arabian government and has a market cap of USD 65 billion
- Charter contract structured around subcharter with assignment of sub-charter + step-in rights





6 x car carriers on long term charter

Car carriers

Vessel(s)

Beijing & Xiamen, 4900 CEU PCTCs, 2010 built Jacksonville & Jeddah, 6500 CEU PCTCs, 2014 built Trapper & Tracer, 8500 CEU PCTCs, 2016 built

Charterer

Charter

guarantor

Charters

Höegh Autoliners Shipping AS

Höegh Autoliners Holding AS

Bejing & Xiamen – 8 years until 2022 Jacksonville & Jeddah – 12 years until 2026 Trapper & Tracer – 12 years until 2028

Höegh Autoliners

- One of 5 leading global providers of car and rolling cargo shipping and logistics
- Operates a fleet of +50 car carriers
- Book equity of about USD 940m (charter guarantor Höegh Autoliners Holding AS)
- Höegh Autoliners Holdings AS is a privately owned company controlled by the Höegh family with 61.2% and A.P. Møller Maersk with 38.8%
- www.hoeghautoliners.com





SBM Offshore

SBM Installer



	Diving support & construction vessel	SBN
Vessel(s)	SBM Installer	• Cł
Built / Yard	2013 / Keppel, Singapore	• Lis
Ownership	Ocean Yield: 75% SBM: 25%	• EE • EE
Delivery	December 2014	• Ma
Charter	12 years "hell & high" bareboat charter until 2026 Certain purchase options post year 5	• Ma ins FF
Charterer	SBM Offshore Services Inc. Guarantee from SBM Holding Inc. S.A.	• wv

SBM Offshore

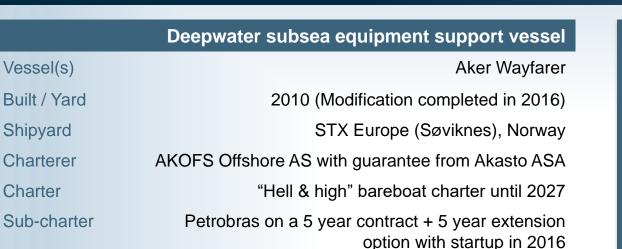
- Charter guarantor is SBM Holding Inc. S.A.
- Listed in Amsterdam with ticker "SBMO"
- EBITDA H1'16 annualized of USD 650 million
- EBITDA backlog of about USD 18 billion
- Market cap of about EUR 2.8 billion
- Main activities includes design, supply, installation, operation and life extension of FPSO vessels
- www.sbmoffshore.com





Akastor

Aker Wayfarer





Akastor ASA

- Counterparty is AKOFS Offshore, with guarantee from Akastor ASA
- Implicit guarantee from Aker Solutions ASA by Norwegian law as the transaction was concluded before the split
- Akastor listed in Oslo with ticker AKA
- Aker ASA owning 36.7% and controlling 48.8%
- www.akastor.com





Farstad Supply



Far Senator & Far Statesman

	Anker handling tug supply vessel
Vessel(s)	Far Senator & Far Statesman
Contract	12 years "Hell & high" bareboat until 2025
Counterparty	Farstad Supply AS
Shipyard / Built	STX Langsten, Norway / 2013
Key features	24,000 BHP 755 m2 deck dimensions
Acquisition price	NOK 611 million per vessel
Book value	NOK 533 million per vessel
Debt outstanding	NOK 365 million per vessel / Eksportkreditt Guarantee: 70% GIEK / 30% commercial banks

Farstad

- Farstad Shipping ASA operates a fleet of about 58 various offshore vessels and is the bond issuing entity
- Our counterparty is Farstad Supply AS, the main ship-owning entity that controls about 36 vessels
- Farstad Shipping ASA is listed on Oslo Stock Exchange (ticker FAR NO) and controlled by the Farstad family
- At the end of Jun'16, Farstad entered into a standstill agreement with its main creditors. No change was made to the charter rate to Ocean Yield
- www.farstad.com





Ezra Holdings

Lewek Connector



Ezra Ho	owater multipurpose flex-lay construction vessel	Ultra deep
• Global	Lewek Connector	Vessel(s)
offshor 1.	STX Europe (Søviknes), Norway / 2011	Shipyard / Built
2.	2x subsea cranes with 400mt/100mt capacity DP3 & 26,000 bhp	Key features
	"Hell & high water" bareboat until 2022	Contract
3. • EMAS	EMAS AMC AS (Owned by EMAS Chiyoda Subsea) Guarantee from Ezra Holdings Ltd	Counterparty
Ezra H NYK	USD 315 million	Acquisition price
Chiyod	USD 258 million	Book value
with for and LN transpo major y	USD 157 million / 12 years / Eksportkreditt Guarantee: 70% GIEK (12 years) and 30% commercial banks (5 years)	Debt outstanding

oldings

- offshore contractor and provider of re solutions
 - Subsea services (EMAS Chiyoda Subsea)
 - **Offshore Support and Production** Services (EMAS Offshore)
 - Marine Services (Triyards)
- Chiyoda Subsea is owned 40% by Ioldings, 35% by Chiyoda and 25%
- da is a leading engineering company ocus on energy infrastructure projects NG plants. NYK is a world leading portation company that controls +800 major vessels
- www.ezraholdings.com



Reliance Industries

Dhirubhai-1



Floating Production, Storage and Offloading (FPSO) unit	
Vessel(s)	Dhirubhai-1
Charterer	Reliance Industries Ltd.
Shipyard / Built	Jurong Shipyard, Singapore / 2008 conversion
Contract	Bareboat + Operating agreement until Sep'18 Cash EBITDA in excess of USD 100 million p.a.
Purchase options	Last purchase option in Sep'18 of USD 255 million
Book value	USD 375 million
Debt outstanding	USD 67 million @ LIBOR +1.50% (non-recourse) +junior loan of USD 67 million

Reliance Industries

- Reliance Ind. is a conglomerate within oil & gas, refining, textiles, retail & telecom with listing in London and Mumbai
- Investment grade credit
- KG-D6 block license owned 60% by Reliance Industries, 30% by BP and 10% by Niko Resources
- Gas prices in India is regulated and substantially below import prices
- Government recently approved new pricing formula with substantially higher prices for new deep-water fields
- www.ril.com



American Shipping Company



Bonds owned in AMSC





Management and key employees



Lars Solbakken – Chief Executive Officer (1957)

- CEO Norwegian Car Carriers
- CEO Ship Finance International
- General Manager of Fortis Bank (Nederland), Oslo Branch.
- Senior Vice President and Head of Equity Issues and M&A, Christiania Bank
- Senior Vice President and Deputy Head of Shipping and Offshore, Christiania Bank
- Finance Manager in Wilh. Wilhelmsen
- M.Sc. from Norwegian School of Economics and Business Administration



Eirik Eide – Chief Financial Officer (1970)

- CFO Ship Finance International
- Head of Corporate Finance, Orkla Finans
- Head of Shipping Investments, Orkla Finans
- Director, Fortis Bank, Norway
- Senior Vice President, Den Norske Bank, (Oslo and London)
- M.Sc. from Norwegian Business School



Axel M. Busch-Christensen – SVP Investments (1983)

- McKinsey & Company, Corporate Finance Practice / Oil & Gas
- Carnegie Investment Bank, M&A / Oil service
- Bachelor from Norwegian School of Economics and Business
 Administration



Marius Magelie – SVP Finance & IR (1982)

- Shipping analyst and Partner, ABG Sundal Collier
- Equity Research, Kaupthing
- M.Sc. in Financial Economics from Norwegian Business School



Andreas Reklev – SVP Investments (1983)

- CFO Team Tankers International
- Various positions in Camillo Eitzen & Co
- Bachelor of Science in Finance from Norwegian Business School



Kristine Kosi – Chief Accounting Officer (1983)

- Chief Accounting Officer, Umoe
- Senior Associate and Auditor, PWC
- M.Sc. from Norwegian Business School







