

Presentation Q1 2015

5th May 2015



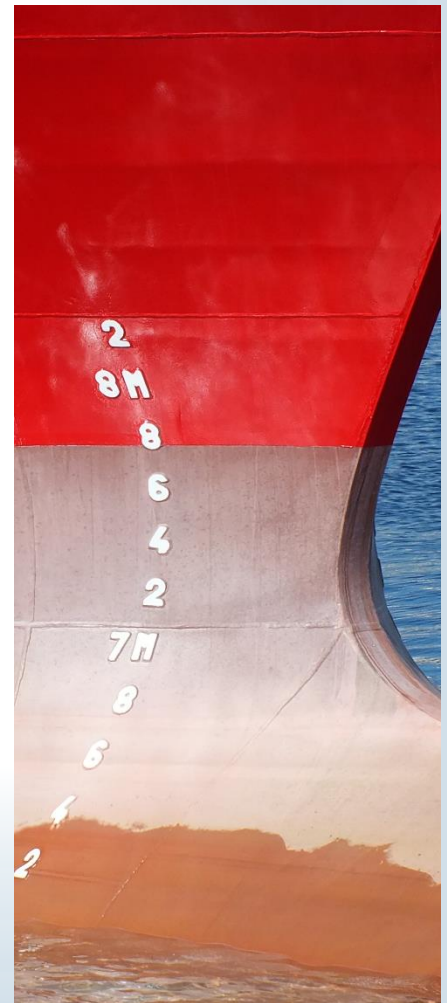
First Quarter 2015 highlights

- Quarterly dividend increased to USD 0.1475 per share
 - Increase of 0.5 cents versus Q4'14
 - USD 0.59 per share annualized, representing a dividend yield of 7.8% p.a.
- EBITDA was USD 55.2m, compared with USD 53.9m in Q4'14
- Net profit was USD 28.1m, compared with USD 30.5m in Q4'14
 - Net profit after tax adjusted for non-recurring items was USD 26.8m, compared with USD 27.1m in Q4'14
- Main deviations Q1 versus Q4
 - Full quarter of earnings contribution from SBM Installer
 - Sale of Geco Triton in Dec'14
 - Lower revenues from FAR Statesman/FAR Senator/Aker Wayfarer due to NOK depreciation against USD
- The EBITDA charter backlog at the end of 2014 was USD 2.7bn with an average weighted tenor of 10.2 years



Recent transactions

- Acquisition of 8 newbuilding chemical tankers
 - Total gross price of USD 306.8m
 - 15-year bareboat charters to Navig8 Chemical Tankers Inc.
 - USD 212m bank facility to finance the transaction
- New revolving USD 220m credit facility with security in Aker Wayfarer
 - To refinance existing debt and finance the modification
- New unsecured bond issue of NOK 1,000m
 - Maturity in April 2020
 - Coupon of NIBOR + 4.00% p.a.



Attractive and diversified portfolio of industrial shipping and oil service assets

INDUSTRIAL SHIPPING

Chemical Carriers

4x 37,000 dwt IMO2
Newbuilds



4x 49,000 dwt MR IMO2
Newbuilds



Liquefied Ethylene Gas
Carriers (LEGs)

36,000 cbm newbuilds



Car Carriers
Newbuilds 8,500 CEU
XS1462E & XS1462F



PCTCs 6,500 CEU
Jacksonville & Jeddah



PCTCs 4,900 CEU
Beijing & Xiamen



Diving Support &
Construction Vessel

SBM Installer



Subsea Equipment
Support Vessel

Wayfarer



Offshore Supply (AHTS)

FAR Senator
FAR Statesman



Subsea Construction
Vessel

Lewek Connector



Floating Production
Storage Offloading

Dhirubhai-1

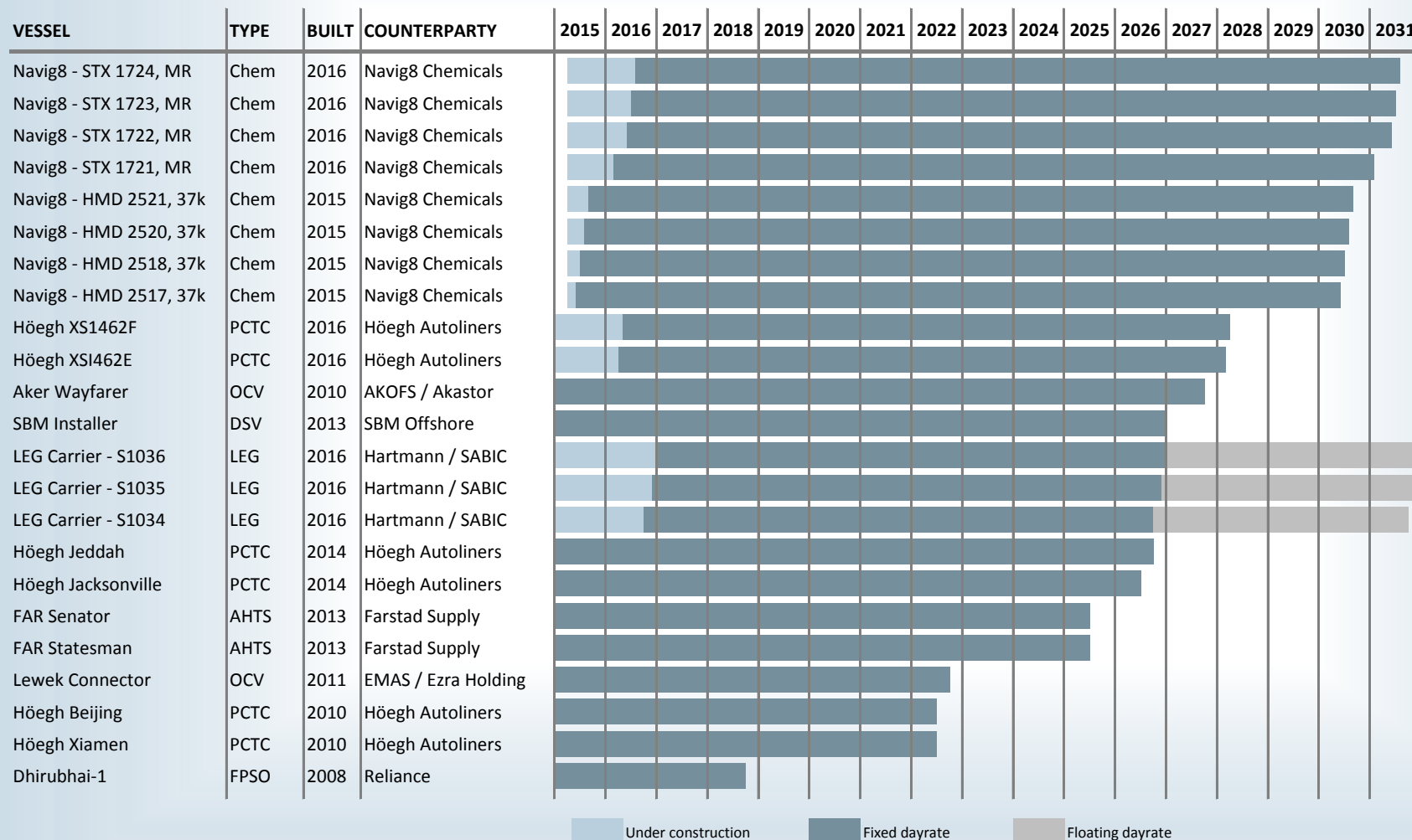


Bonds in American
Shipping Company

Bonds in AMSC with book value of USD 184m
and nominal value of USD 196m.

OIL SERVICE

EBITDA* backlog of USD 2.7bn with average tenor of 10.2 years



HARTMANN REEDEREI



HÖEGH AUTOLINERS



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

Acquisition of 8x chemical tankers with 15y bareboat charters to Navig8 Chemical Tankers Inc.



OCEAN YIELD

	4 x 37,000 dwt	4 x 49,000 dwt
Vessel type	Chemical tanker, IMOII	Chemical tanker, IMOII
Yard:	Hyundai MIPO, Korea	STX, Korea
Built:	Q2-Q3, 2015	Q1-Q3, 2016
Gross price:	USD 36.2m per vessel	USD 40.5m per vessel
Seller credit:	10%	10%
Charterer:	Navig8 Chemical Tankers	Navig8 Chemical Tankers
Contract:	15y floating interest rate BB	15y floating interest rate BB
Financing:	USD 25m per vessel	USD 28m per vessel
Bank margin:	LIBOR + 200 bps	LIBOR + 200 bps

NAVIG8 CHEMICAL TANKERS

- Established in 2013 by Oaktree and Navig8 Group
- Raised USD 400m in equity
- Oaktree remains a majority owner (57%)
- Listed on Norwegian OTC ("CHEMS")
- Fleet of 32 modern chemical carriers
- Commercial management done by Navig8 Group
 - +300 vessels committed to 15 pools in 4 segments
 - >80 vessels committed to the chemical pool
 - COA's with major international petrochemical companies



New USD 220 million revolving credit facility secured by Aker Wayfarer



OCEAN YIELD

New Aker Wayfarer revolving credit facility

Facility Size:	USD 220m
Maturity:	2021
Balloon:	USD 120m
Amortization:	USD 4.55m per quarter
Margin:	LIBOR + 200 bps
Lenders:	DnB, BnP Paribas, ING, KfW
Security:	Aker Wayfarer
Borrower:	Ocean Yield ASA



Successful placement of new NOK 1,000 million unsecured bond (OCY03)

Bond terms

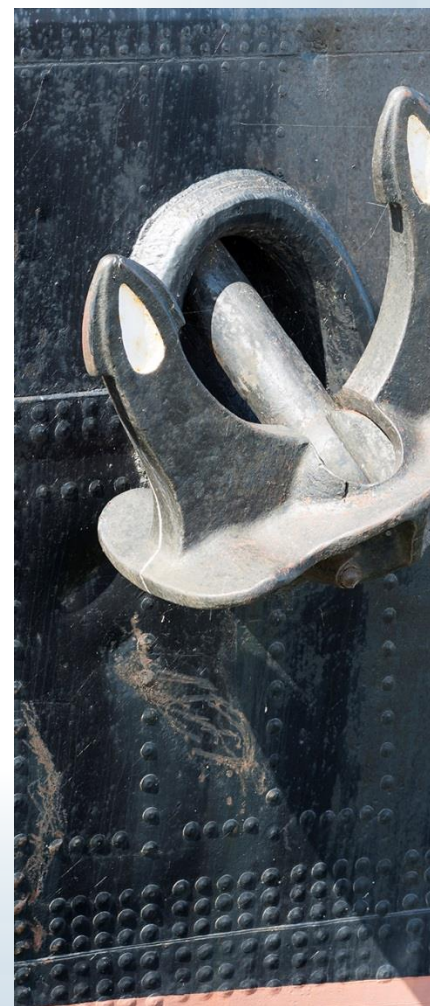
	OCY02	OCY03
Outstanding amount	NOK 1,000 million	NOK 1,000 million
Coupon	NIBOR + 3.90% p.a.	NIBOR + 4.00% p.a.
Maturity	March 2019	April 2020
Tap issue	NOK 400m @ NIBOR + 3.65% p.a. in July 2014	

Financial covenants

- 1.) Book Equity above 25% vs. Q1 of 40.9%
- 2.) Minimum cash of USD 25m vs. Q1 of USD 72.7m
- 3.) EBITDA / Interest expense above 2.0x vs. Q1 of 6.4x

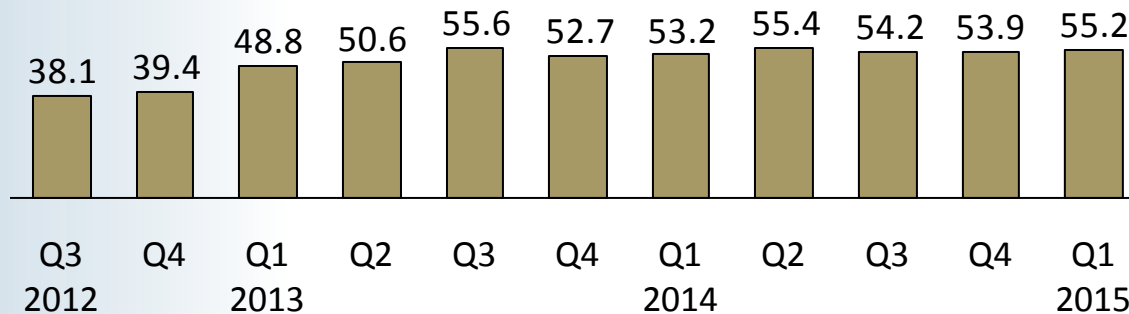
Company shadow rating*: BB/BB-

*Company shadow ratings by 6 investment banks; 3xBB, 1xBB- with positive outlook and 2xBB-

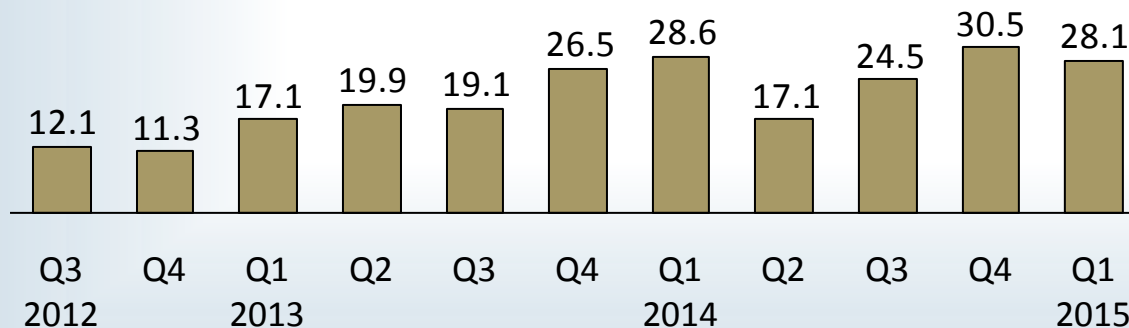


Steady EBITDA with built-in growth from delivery of newbuildings

EBITDA¹ per quarter (USDm)



Net profit per quarter (USDm)

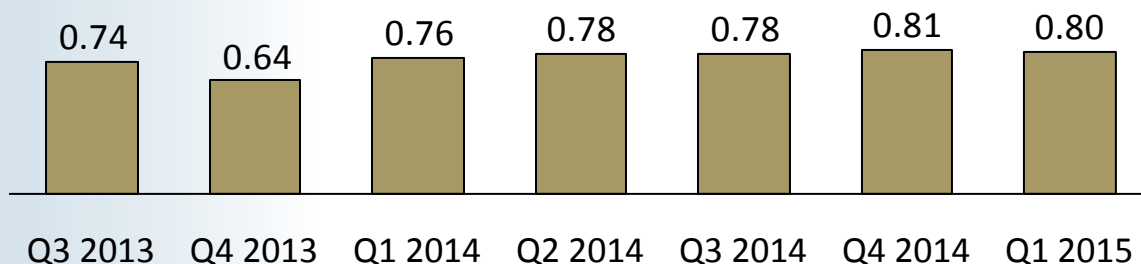


Committed projects will add about 40% to Q1 EBITDA once delivered

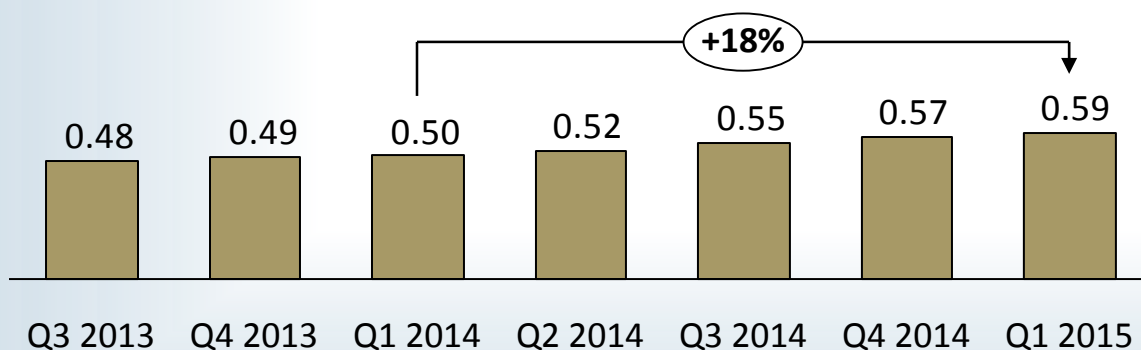
1) Q1'15 net profit was positively impacted by a total non-recurring items of USD 1.3m.

Adjusted Net Profit and Dividend per share

Adjusted net profit per share, annualized basis (USD)**



Dividend per share, annualized basis (USD)



Dividend yield

7.8%* p.a.

Pay-out ratio on adjusted Q1 EPS

74%

Adjusted earnings yield

10.6%* p.a.

*As per 04.05.2015 - Q1 2015 dividend annualized, share price of NOK 57.25 and NOK/USD 7.6

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

P&L

Income statement

	Note	4th Quarter 2014	1st Quarter 2015	1st Quarter 2014	Jan - Dec 2014
<i>Amounts in USD million</i>					
Operating revenues	5	62.1	62.6	59.7	249.3
Vessel operating expenses	6	(3.9)	(4.1)	(3.5)	(14.6)
Wages and other personnel expenses	7	(2.4)	(2.1)	(1.8)	(9.5)
Other operating expenses		(1.9)	(1.3)	(1.1)	(8.4)
EBITDA	5	53.9	55.2	53.2	216.7
Depreciation and amortization	11	(23.1)	(24.2)	(23.4)	(96.4)
Loss from sale of vessels		(3.8)	-	-	(3.8)
Operating profit		27.1	31.0	29.9	116.4
Financial income	8	4.7	4.4	16.0	30.2
Financial expenses	9	(9.6)	(9.1)	(14.4)	(50.2)
Foreign exchange gains/losses		22.4	14.8	(0.7)	29.6
Mark to market of derivatives	10	(15.5)	(12.9)	1.3	(22.5)
Net financial items		2.0	(2.8)	2.2	(12.9)
Net profit before tax		29.0	28.2	32.1	103.6
Income tax expense		1.5	(0.0)	(3.4)	(2.8)
Net profit after tax		30.5	28.1	28.6	100.8
Weighted average number of shares outstanding		134.1	134.5	134.0	134.1
Earnings per share (USD)		0.23	0.21	0.21	0.75

Comments

Revenues:

- Full quarter for SBM Installer
- Geco Triton sold in Dec'14
- Depreciation of NOK against USD
- Fewer calendar days in Q1

Financial expense:

- USD 0.5m accounting loss resulting from converting the loan on Aker Wayfarer into USD from NOK

Net profit after tax adjusted for non-recurring items

Adjustments		
	4th Quarter	1st Quarter
<i>Amounts in USD million</i>	2014	2015
Profit after tax	30.5	28.1
- Loss from sale of vessel	3.8	-
- One-off adjustment to Financial Income	-	-
- One-off adjustment to Financial Expenses	-	0.5
- Foreign exchange gains/losses	(22.4)	(14.8)
- Mark to market of derivatives	15.3	12.9
- Tax	(0.1)	0.0
Net profit after tax adjusted for non-recurring items	27.1	26.8

Adjusted net profit for 2014 was USD 105 million

Comments

- Sale of Geco Triton
- Conversion of Aker Wayfarer loan into USD from NOK
- Strengthening of USD against NOK
- Mainly related to loss on cross currency swap on bond loan due to the strengthening of USD against NOK

Balance sheet

Balance sheet

	31 March 2015	31 December 2014
<i>Amounts in USD million</i>		
ASSETS		
Vessels and equipment	1 271.8	1 308.0
Intangible assets	38.3	38.3
Deferred tax assets	11.4	11.4
Restricted cash deposits	20.1	20.1
Finance lease receivable - Aker Wayfarer	155.1	159.7
Investments in AMSC Bonds	183.8	180.9
Other non-current assets	0.7	0.5
Total non-current assets	1 681.1	1 719.0
Trade- and other interest-free receivables	16.3	15.6
Cash and cash equivalents	72.7	76.4
Total current assets	89.0	92.0
Total assets	1 770.1	1 810.9

Non-controlling interest of USD 10.5 million relates to the SBM transaction

	31 March 2015	31 December 2014
EQUITY AND LIABILITIES		
Equity att. to equity holders of the parent	712.6	708.1
Non-controlling interests	10.5	10.6
Total equity	723.2	718.7
Interest-bearing debt	824.5	852.9
Mobilization fee and advances	38.7	41.2
Other interest-free long term liabilities	2.2	2.2
Total non-current liabilities	865.3	896.3
Interest-bearing short term debt	124.5	141.6
Mark to market of derivatives	46.6	33.7
Trade and other payables	10.4	20.6
Total current liabilities	181.6	195.9
Total liabilities	1 046.9	1 092.2
Total equity and liabilities	1 770.1	1 810.9
Equity ratio	40.9 %	39.7 %

Contractual obligations and financing

Contractual obligations, including financing committed post Q1

<i>Amounts in USD million</i>	FPSO	Other Oil Service	Gas Carriers	Car Carriers	Other Shipping	Total
Already paid	-	14.3	24.3	24.9	-	63.5
2015	-	19.1	48.6	12.5	171.5	251.6
2016	-	55.9	170.1	87.2	105.1	418.3
Total contractual obligations	-	89.2	243.0	124.6	276.6	733.4
Total remaining payments	-	75.0	218.7	99.6	276.6	669.9
Estimated / secured bank financing	33.5*	89.2*	180.0	94.0*	212.0*	608.7
Estimated payments to be funded by cash						61.2

**Already secured bank commitments*

Financing

- Financing of 3 x LEG carriers will be initiated in 2015
- The contractual payments related to the Navig8 Chemical Tankers includes 10% seller credit
- Cash of USD 72.7m at the end of Q1 in addition to undrawn credit facilities of USD 33.5m.
- Post Q1, bond proceeds of USD ~131m and new credit facility on Aker Wayfarer will give net cash proceeds of USD 37m in addition to refinance the existing bank loan and finance the remaining instalments related to the modification of the vessel.



Summary and outlook

- Committed USD ~880m in new investments over the past 12 months, which should increase the current EBITDA by 40% once delivered
- The EBITDA contract backlog has an average weighted tenor of 10.2 years and is becoming more diversified
- Strong cash position due to the recent NOK 1,000m bond issue and USD 220m refinancing of Aker Wayfarer
- Substantial contract backlog and strong cash position gives comfort to
 - the ability to continue to make new investments
 - continued payment of attractive and increasing quarterly dividends





OCEAN YIELD

