

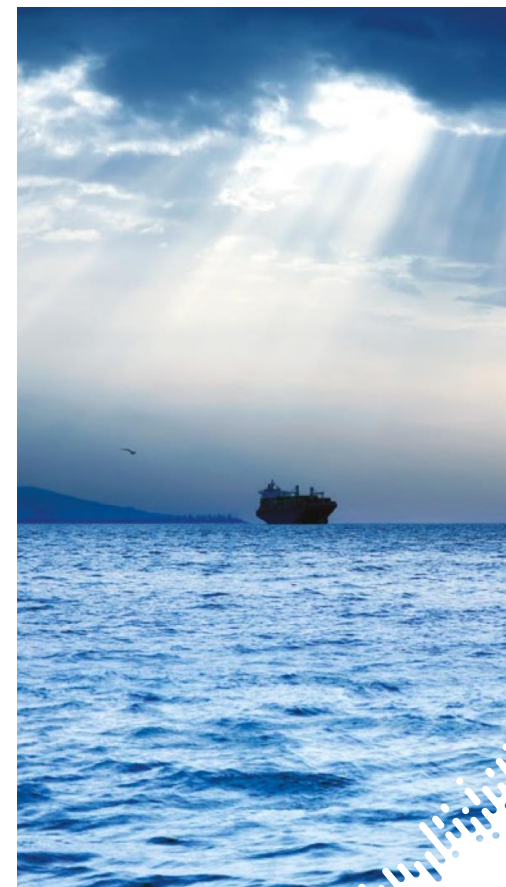


Q2 2019 PRESENTATION

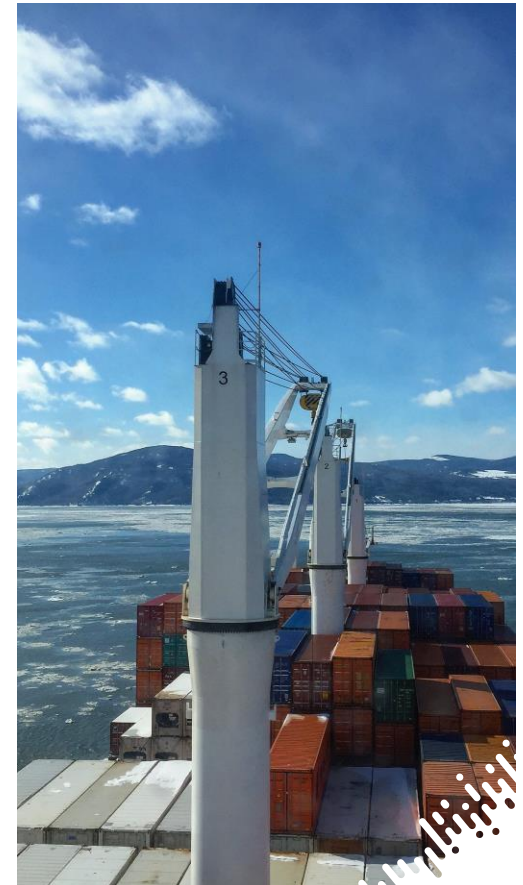
12th July 2019

Q2 2019 FINANCIAL HIGHLIGHTS

- **Declared Q2 2019 dividend of USD 0.1910 per share**
 - USD 0.764 per share annualized
 - Dividend yield of 11.3% p.a.
 - Declared cash dividends for 24 consecutive quarters
- **EBITDA was USD 56.8m vs. Q1 of USD 51.9m**
 - EBITDA adjusted for finance leases was USD 74.5m vs. USD 67.8m in Q1
 - Limited EBITDA contribution from vessels without long-term charters (*Dhirubhai-1/Connector/Far Senator/Far Statesman*)
- **Net profit after tax was USD 5.3m vs. USD 8.4m in Q1**
 - Net profit of USD 19.2m in Q2 from vessels with long-term charters (all unsecured bond debt allocated to these vessels)
 - Net profit of USD -13.8m in Q2 from vessels without long-term charters
- **Adjusted net profit was USD 11.3m vs. USD 8.4m in Q1**
 - Adj. net profit of USD 20.1m in Q2 from vessels with long-term charters
 - Adj. net profit of USD -8.8m in Q2 from vessels without long-term charters



- **Investments and deliveries**
 - Acquisition and delivery of two modern ultramax dry bulk vessels
 - Acquisition of one newcastlemax dry bulk newbuilding
 - Delivery of three in a series of four VLCC newbuildings
- **Financing**
 - Refinancing of the PSVs NS Fraya/Orla in the Japanese bank market
 - Long-term financing of the two Ultramax dry bulk vessels
- **Dhirubhai-1**
 - Extension of option agreement with Aker Energy
- **Short-term charters for the vessel Connector**



INVESTMENT IN A NEWCASTLEMAX DRY BULK VESSEL WITH LONG-TERM CHARTER

TRANSACTION DETAILS

Net purchase price	USD 40.0m
Charter	15 years bareboat
Purchase options	Several purchase options
Charterer	CMB

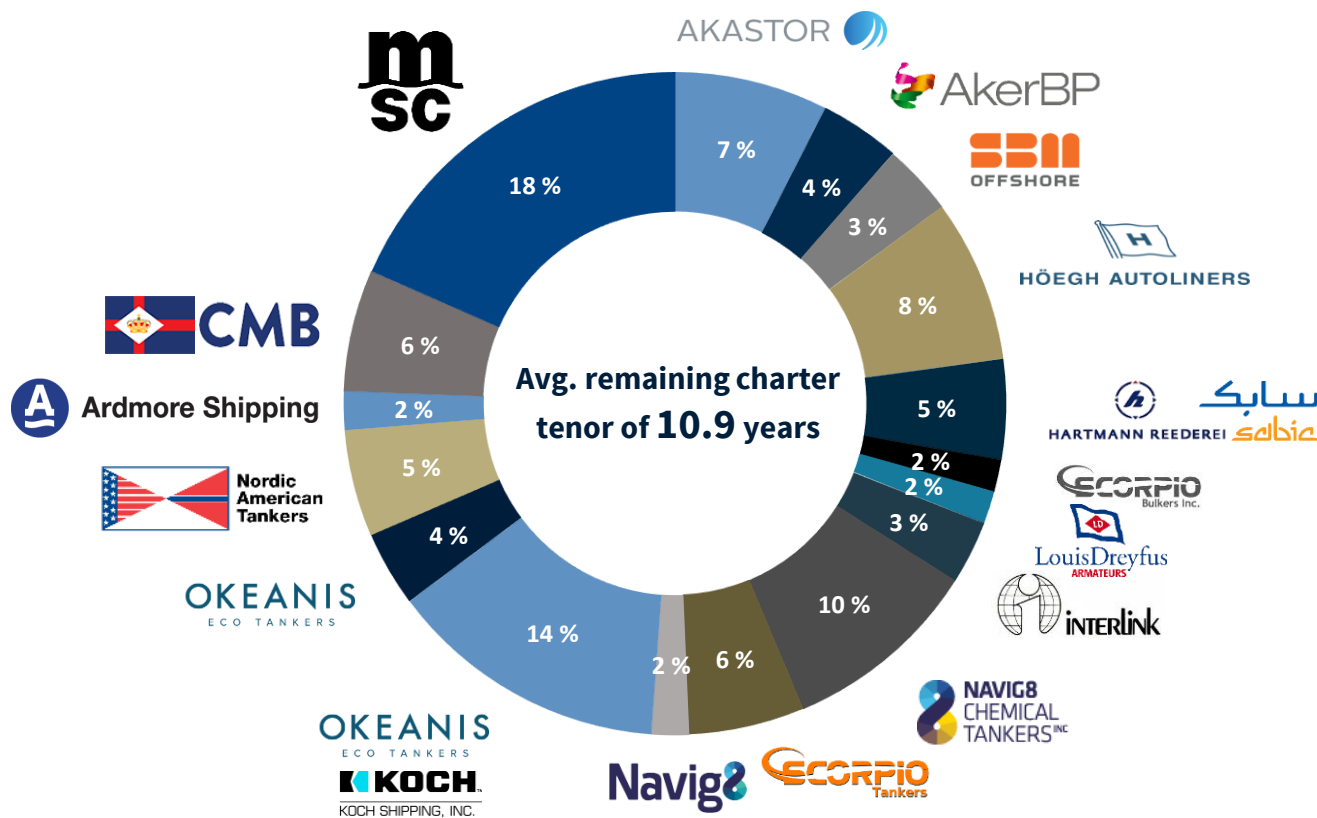
VESSEL DETAILS

Vessel type	Newcastlemax dry bulk carrier
Size	206,000 dwt
Delivery	Q1 2020



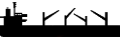






CHARTER BACKLOG

EBITDA¹ BACKLOG OF USD 3.3 BILLION

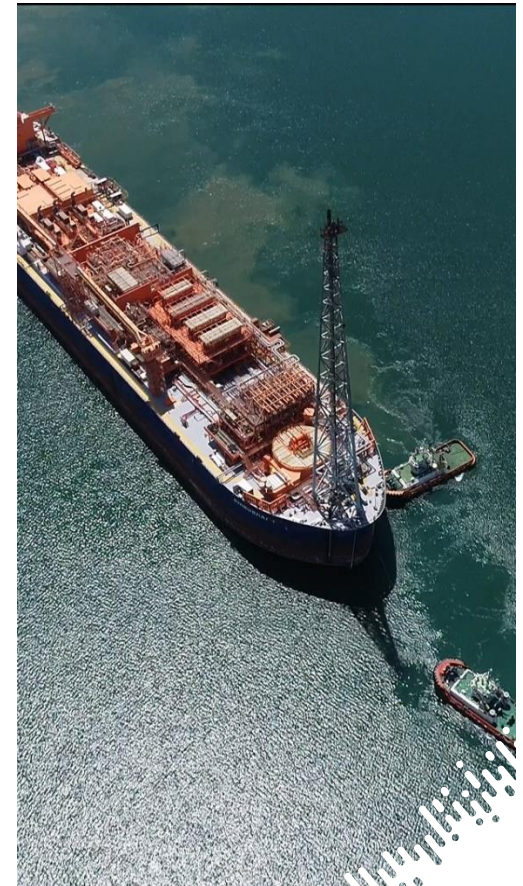


FLEET²

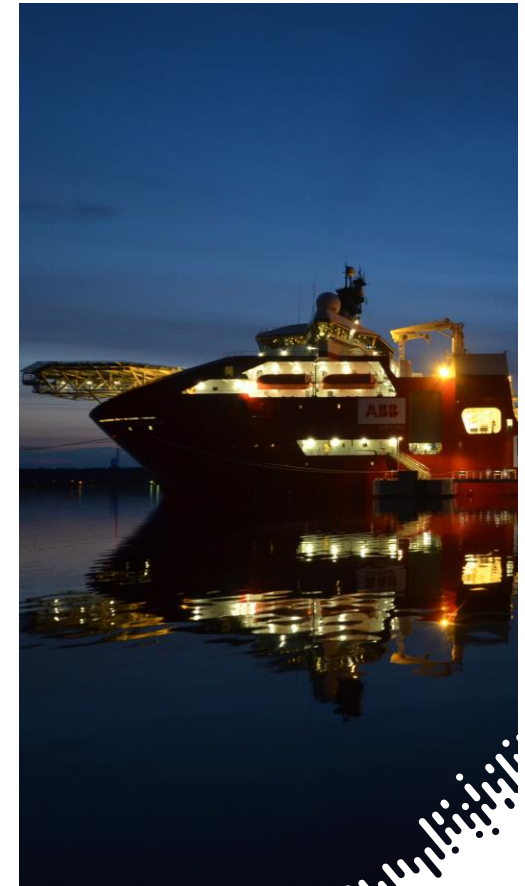
	Tankers	25
	Container vessels	10
	Dry-bulk	10
	Oil-service	7
	Car carriers	6
	Gas carriers	2
	FPSO	1
Total		61
Average age		3.7 yr

1) EBITDA backlog based on certain options not being exercised, LIBOR forward curve, FX, finance lease adjustments and post-quarter transactions
 2) Includes 49.9% ownership in 6 mega-container vessels, 75% ownership in one oil-service vessel and vessels acquired after quarter end
 3) Solstad Offshore excluded from charter backlog due to the standstill agreement

- **Current status**
 - In Sri Lanka preparing for new employment
 - Vessel preservation work successfully completed. Further reduction in cost levels have been initiated
 - Remaining demobilization activities to be performed in H2 2019
 - Demobilization provision increased by USD 4.5m to USD 16.9m
 - Net profit after tax of USD -10.0m in Q2 2019, including increase in demobilization provision
- **Option agreement with Aker Energy**
 - Option for a long-term bareboat charter extended until 1st September against additional compensation
 - Project organisation established
- **Other employment opportunities**
 - Entered into an Engineering Study on behalf of a non-related independent oil-company

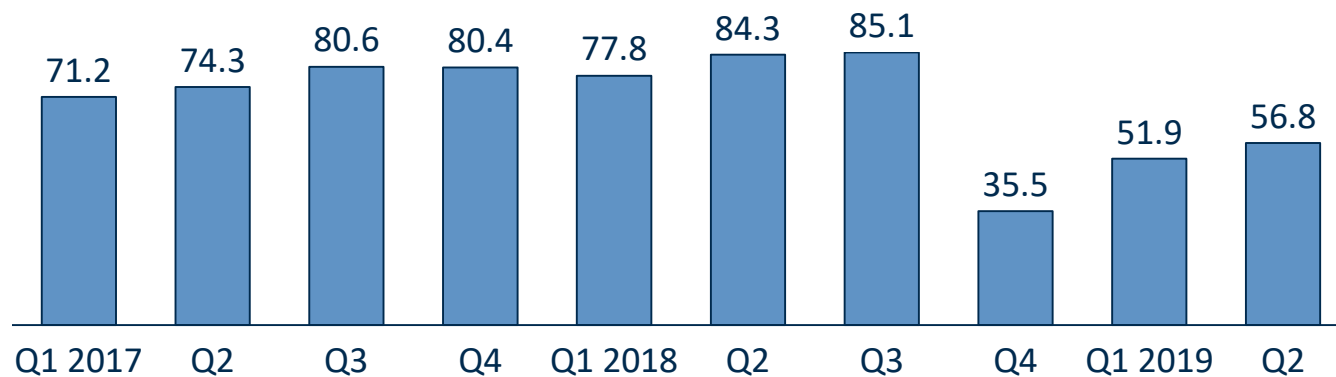


- **Connector**
 - Trading on short-term charters during Q2, performing subsea installation and cable repair work in the North Sea
 - Entered into a new time-charter with start-up in early July for 55 days firm with 50 days extension options
 - Focusing on short-term contracts in expectation of a stronger market
 - Net profit of USD -2.0m in Q2 2019
- **FAR Senator & FAR Statesman**
 - Agreed to extend standstill of charter payments until 31st October
 - No cash revenue has been recognized in Q2 2019
 - If cash in relevant Solstad Offshore subsidiary exceeds NOK 300m, excess amount will be used for settlement of the delayed payments on a pro-rata basis
 - Net profit of USD -1.8m in Q2 2019

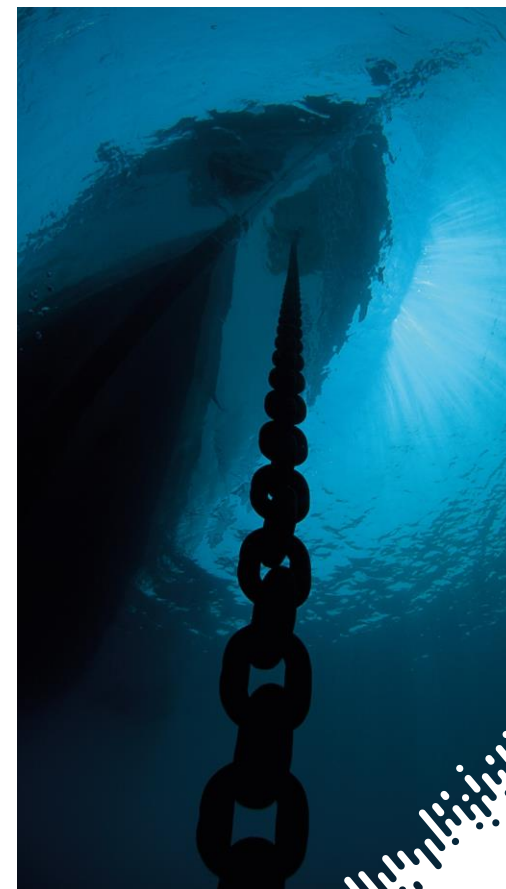
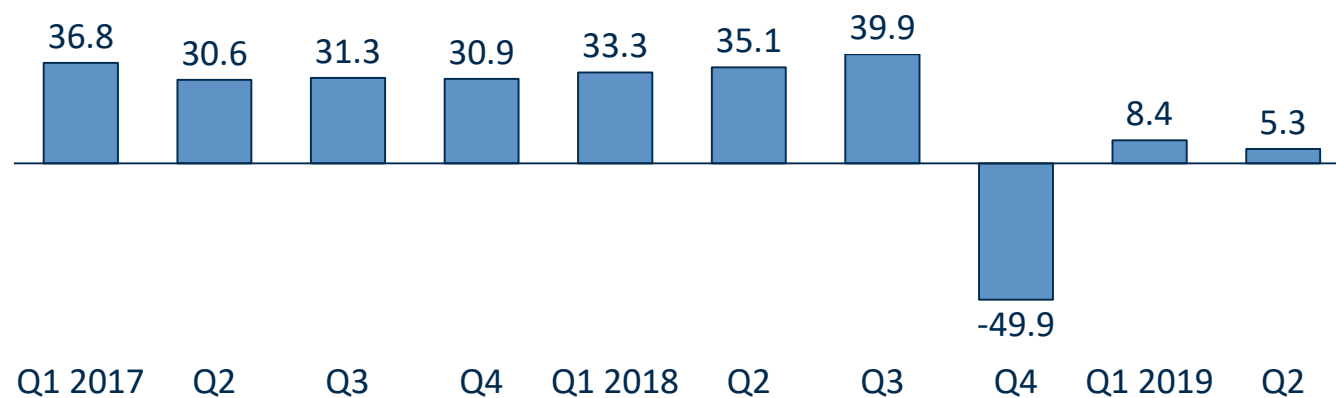


QUARTERLY FINANCIAL HIGHLIGHTS

EBITDA PER QUARTER (USDM)

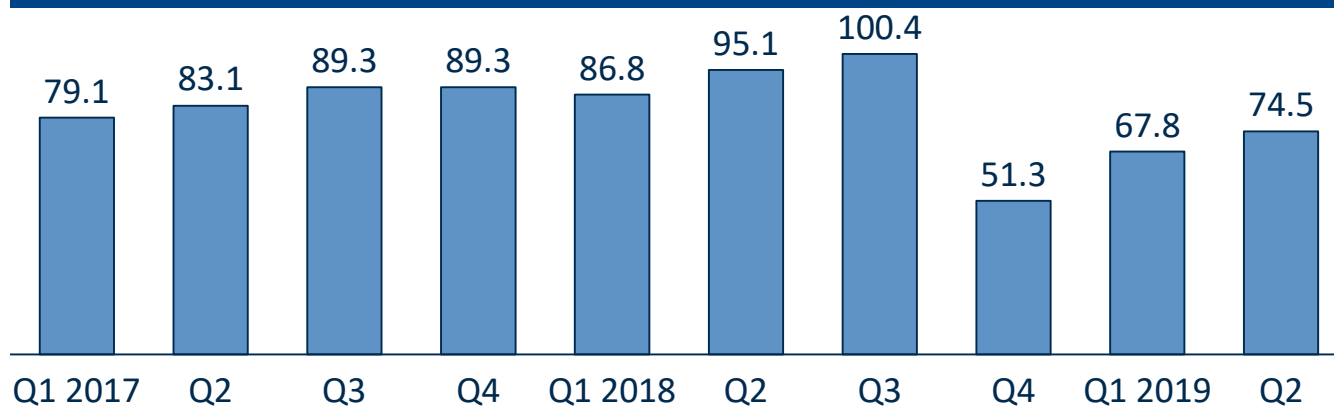


NET PROFIT PER QUARTER (USDM)

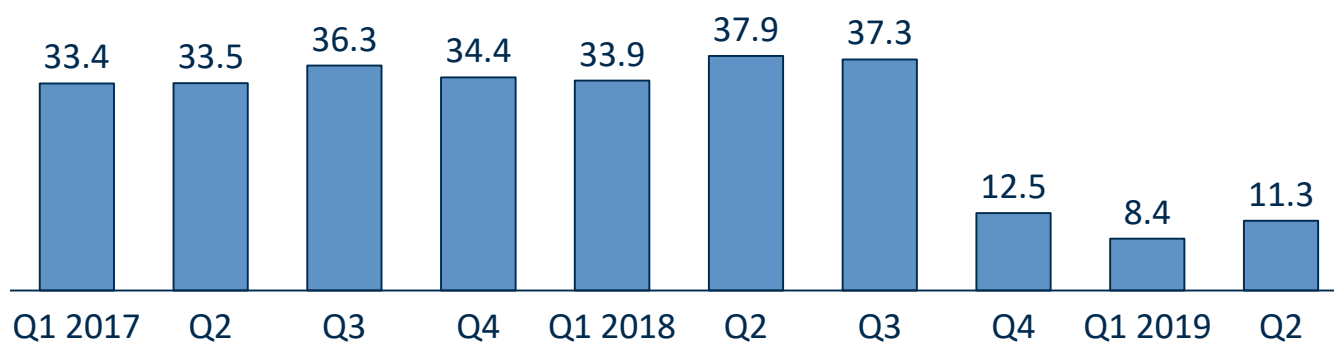


ADJUSTED EBITDA AND NET PROFIT

EBITDA ADJUSTED FOR FINANCE LEASES (USDM)

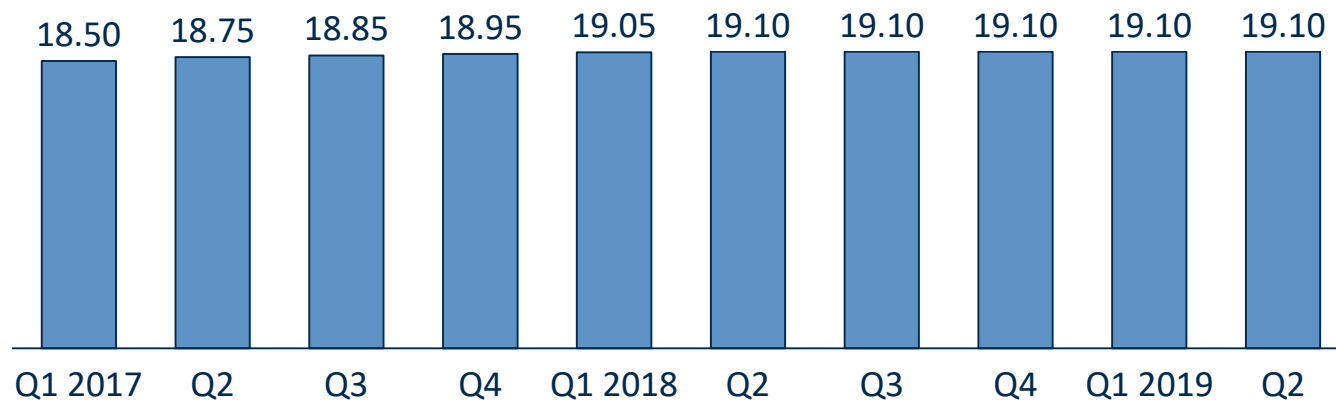


ADJUSTED NET PROFIT (USDM)



CASH DIVIDENDS FOR 24 CONSECUTIVE QUARTERS

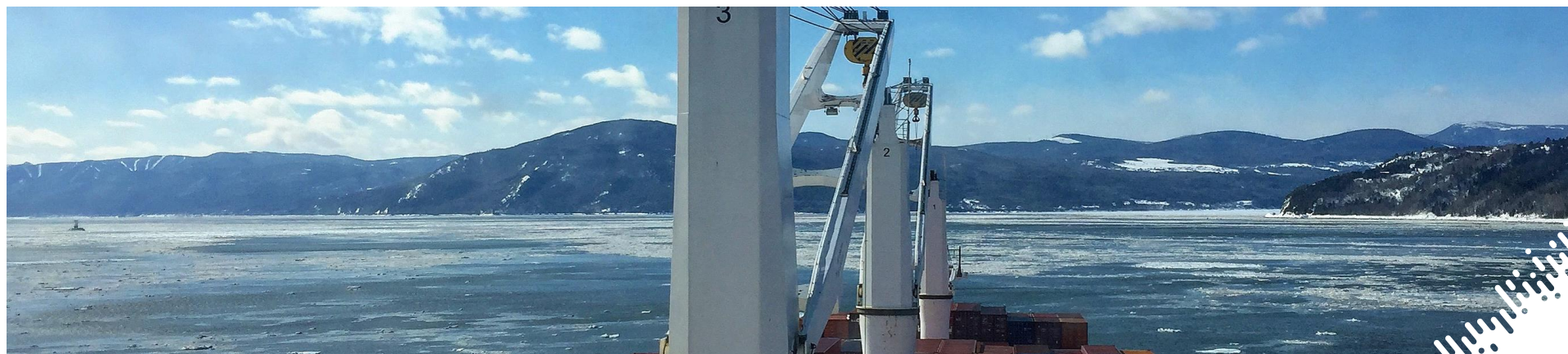
DIVIDEND PER SHARE (USD CENTS)



DIVIDEND YIELD

11.3%¹ p.a.

1) Per 11.7.2019, Q2 2019 DPS annualized, share price of NOK 57.9, NOK/USD of 8.55



INCOME STATEMENT

INCOME STATEMENT

	Q1 2019	Q2 2019
<i>Amounts in USD million</i>		
Operating revenues	26.0	30.1
Finance lease revenue	24.9	26.6
Income from investments in associates	5.7	5.9
Other revenue	1.8	3.9
Total revenues and other income	58.4	66.5
Vessel operating expenses	(1.8)	(4.6)
Wages and other personnel expenses	(2.6)	(2.4)
Other operating expenses	(1.8)	(2.7)
Write down on trade receivables	(0.4)	-
EBITDA	51.9	56.8
Depreciation and amortization	(19.3)	(19.2)
Impairment charges and other non recurring items	-	(4.5)
Operating profit	32.6	33.0
Financial income	0.6	0.5
Financial expenses	(24.6)	(25.7)
Foreign exchange gains/losses	(3.5)	(3.5)
Change in fair value of financial instruments	3.9	2.0
Net profit before tax	9.1	6.2
Tax payable	(0.6)	(0.9)
Change in deferred tax	0.0	0.0
Net profit after tax	8.4	5.3
Non-controlling interests	0.2	0.1
Equity holders of the parent	8.3	5.2
Earnings per share (USD)	0.05	0.03

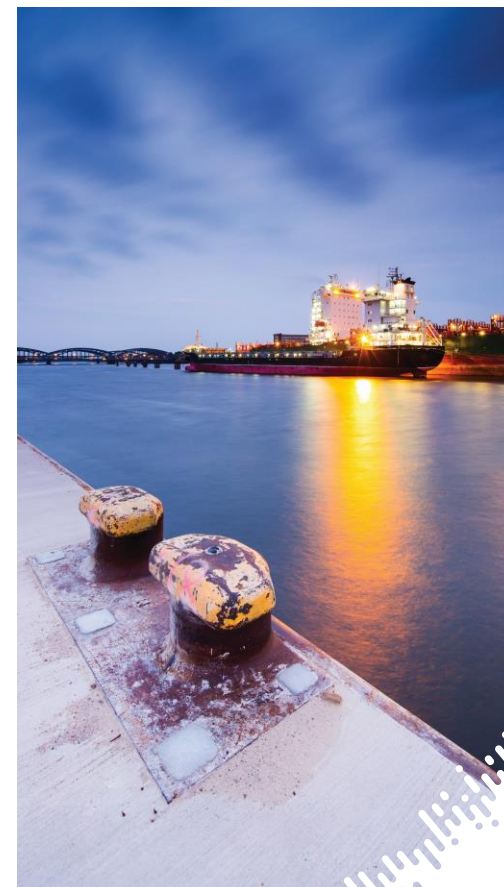


ADJUSTED NET PROFIT

ADJUSTMENTS

Amounts in USD million	Q1 2019	Q2 2019
Net profit after tax	8.4	5.3
Increase in field abandonment provision	0.0	4.5
Foreign exchange gains/losses	3.5	3.5
Change in fair value of financial instruments	-3.9	-2.0
Changes in deferred tax, net	-0.0	-0.0
Adjusted net profit	8.4	11.3

• Bond and bank loans in NOK

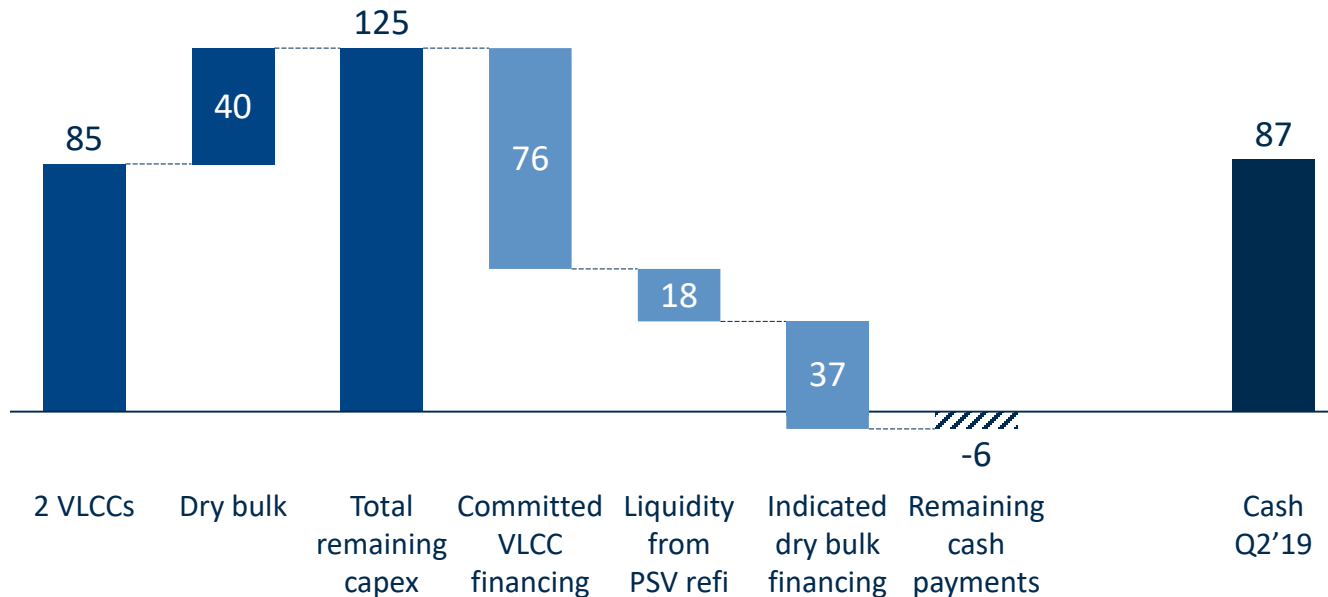


BALANCE SHEET

BALANCE SHEET				
	Q1	Q2	Q1	Q2
<i>Amounts in USD million</i>	2019	2019	2019	2019
ASSETS			EQUITY AND LIABILITIES	
Vessels and equipment	1,178.6	1,160.2	Equity to holders of the parent	818.6
Investments in associates	187.4	178.4	Non-controlling interests	12.4
Finance lease receivables	1,246.7	1,348.4	Total equity	831.0
Restricted cash deposits	17.3	18.0	Interest-bearing debt	1,636.2
Other non-current assets	1.8	1.7	Mob fee, advances and deferred rev.	9.4
Shares in Solstad Offshore ASA	1.6	1.6	Fair value of derivatives	24.8
Total non-current assets	2,633.4	2,708.4	Finance lease liabilities	1.3
			Total non-current liabilities	1,671.8
			Interest-bearing short term debt	193.7
Trade- and other receivables	8.1	12.2	Fair value of derivatives	13.8
Cash and cash equivalents	105.8	86.9	Field abandonment provision	15.6
Total current assets	113.9	99.1	Trade and other payables	21.5
Total assets	2,747.4	2,807.5	Total current liabilities	244.5
			Total liabilities	1,916.3
			Total equity and liabilities	2,747.4
				2,807.5

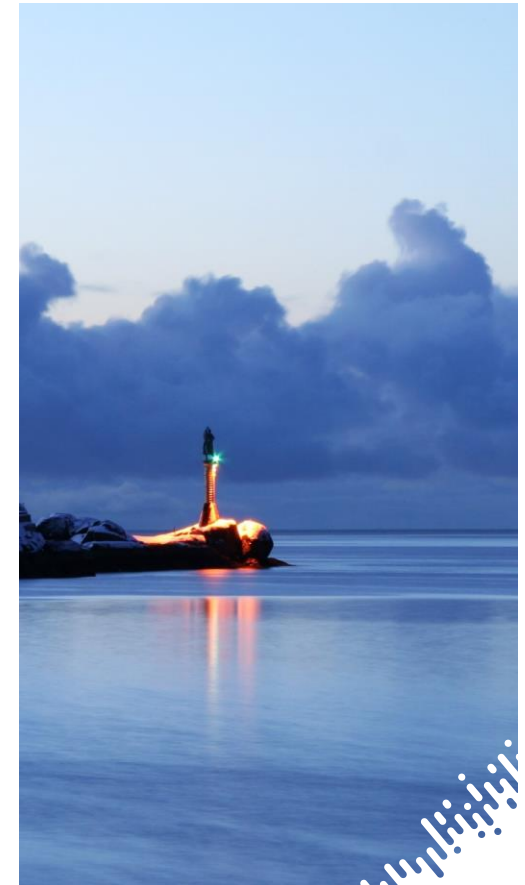
CAPEX AND FINANCING OVERVIEW

REMAINING CAPEX AND FINANCING PER Q2 2019 (USDM)

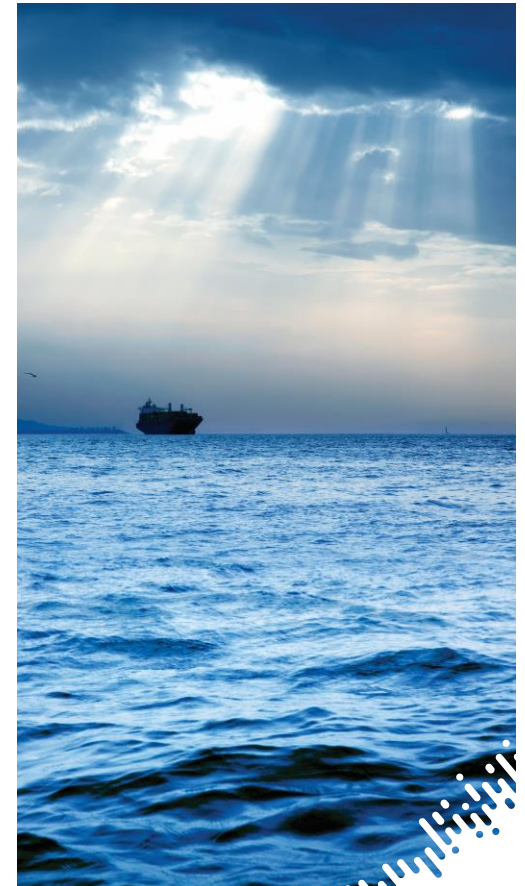


COMMENTS

- Remaining obligations per Q2 2019 relates to two VLCCs and one newcastlemax dry bulk carrier. The company has already paid USD 63m related to the VLCCs under construction.
- New USD 75m loan agreement signed to refinance the two PSVs on charter to Aker BP ASA. The facility will be closed in July and is expected to release about USD 18m in cash.
- Investment in one dry bulk vessel of USD 40m. The transaction is expected to be financed by a USD 37m bank facility during Q3-Q4 2019.



- Strong focus on securing new employment for the FPSO Dhirubhai-1
- Attractive investment opportunities across several segments
- If no satisfactory employment can be firmed up for the FPSO before the reporting of the Q1 2020 results, an adjustment of the current dividend level of USD 0.191 per share to USD 0.150 per quarter will be considered





INVESTOR RELATIONS

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