OCEAN YIELD ASA

Third Quarter 2014 Report

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THIRD QUARTER 2014 REPORT

Oslo, 10th November 2014, Ocean Yield ASA ("Ocean Yield" or the "Company") announces results for the third quarter ending 30th September, 2014.

HIGHLIGHTS

- The Board of Directors has declared a dividend of USD 0.1375 per share for Q3 2014. This is an increase of 0.75 cents per share compared with the previous quarter. On an annualized basis, the dividend equals USD 0.55 per share. Based on the closing share price as of 10th November 2014, this is a dividend yield of 8.7% p.a. The dividend payment related to Q3 2014 is equal to 75% of the net result after tax for the quarter.

- EBITDA was USD 54.2 million for the third quarter 2014 compared with USD 55.6 million for the third quarter of 2013. A non-recurring provision of USD 2.9 million related to Aker Floating Production AS has been booked in the quarter, relating to a court decision in a legal dispute regarding an insurance claim dating back to 2008.

- Net profit after tax was USD 24.5 million for the third quarter 2014 compared with USD 19.1 million for the third quarter 2013. The Net profit was in total negatively affected by net non-recurring items of USD 1.7 million.

- In July, Ocean Yield issued new unsecured bonds of NOK 400 million with maturity in July 2019.

- On September 5th, Ocean Yield took delivery of its 6,500 CEU newbuilding car carrier, the *Höegh Jeddah*.

- Ocean Yield extended the bareboat charter for the vessel *Aker Wayfarer* from 2020 until 2027, in combination with an additional investment of between USD 89.2 million and USD 98.0 million against an increased bareboat rate.

- The EBITDA charter backlog increased to USD 2.2 billion with an average weighted tenor of 9.5 years.

Selected key financial figures for the third quarter 2014 compared with the third quarter of 2013:

Consolidated key numbers - USD million	Q3 2014	Q3 2013	Jan-Sep 2014	Jan-Sep 2013
Revenues	65.4	61.8	187.2	178.4
EBITDA	54.2	55.6	162.8	155.0
Operating result (EBIT)	28.5	30.0	89.4	80.2
Net profit before tax	24.9	20.2	74.5	57.8

MAIN EVENTS DURING THE THIRD QUARTER

- The Board of Directors has declared a quarterly dividend payment of USD 0.1375 per share. This is in line with the Company's strategy to pay attractive and growing dividends to its shareholders. The dividend of USD 0.1375 per share is, on an annualized basis, equal to USD 0.55 per share. The dividend will be paid on or about 26th November 2014 to shareholders as of 14th November 2014 registered with the Norwegian Central Securities Depository (the "VPS") as of 18th November 2014 (the "Record Date"). The ex-dividend date will be 17th November 2014.

- In July the Company completed a tap issue of NOK 400 million in the Norwegian bond market at a price of 101.05. The price equalled a credit spread of NIBOR + 3.65% per annum. The remaining amount outstanding under OCY 01 was called and subsequently cancelled. In connection with the buyback of OCY 01, a one-off financial expense of USD 1.6 million was recorded in the quarter. The Company now has NOK 1,000 million outstanding in OCY 02 with maturity in March 2019.

- In August, SABIC Petrochemicals BV was announced as the end-user of the Company's newbuilding LEG (Liquefied Ethylene Gas) carriers. SABIC Petrochemicals BV, which is a subsidiary of Saudi Arabian petrochemical company SABIC, has announced that they will upgrade their cracker at Teeside, United Kingdom, to use ethane from the U.S. as feedstock. The cracker upgrade is scheduled to be completed during 2016. SABIC has time-chartered the three gas carriers for 10-years from Hartmann and the vessels will be used for the shipments of ethane from the US to the UK post the conversion of the cracker. Hartmann, who has entered into a 15-year bareboat charter for the vessels with Ocean Yield, will conduct full vessel operations and have technical management.

- In September, Ocean Yield took delivery of the newbuilding car carrier, the *Höegh Jeddah*. The vessel was built by DSME-Mangalia Heavy Industries and has a capacity of 6,500 cars and has a fuel efficient design. The vessel entered into a 12-year bareboat charter with Höegh Autoliners immediately from delivery.

- In September, Aker Oilfield Services AS, a subsidiary of Akastor ASA, was awarded a five-year contract by Petrobras to provide subsea intervention services offshore Brazil with the vessel *Aker Wayfarer*. The vessel will be modified in order to become a deepwater subsea equipment support vessel, which will allow it to install and retrieve subsea trees and modules, including subsea structures and manifolds. The investment of between USD 89.2 million and USD 98.0 million will be funded by Ocean Yield against an extension of the current bareboat charter from September 2020 until September 2027. The existing bareboat charter rate for the vessel will continue unchanged until September 2020 and a new bareboat rate for the vessel has been agreed for the period from 2020 until 2027. In addition, a bareboat charter rate covering the modification works will be payable from delivery of the vessel from the yard in second half of 2016 until expiry of the charter in 2027. Aker Oilfield Services AS will have options to purchase the vessel in 2021, 2026 and 2027, respectively. The accounting of the vessel will be changed from an operating lease to a finance lease, as further described below.

- The FPSO *Dhirubhai-1*, which is on a long-term charter to Reliance Industries Ltd., showed steady performance in the quarter, with an operational utilization of 100.0%. This qualified for full bonus payment under the contract. The Operating expenses were USD 3.7 million for the quarter. Aker Floating Production AS (AFP) has since 2008 had an on-going dispute regarding insurance settlement for a piping rupture incident that occurred in 2008 on board the FPSO *Dhirubhai-1*. The dispute is related to the Hull and Machinery insurance cost coverage of repair works and fuel consumption during shutdown for repairs. Aker Floating Production won the court case against the insurance companies in 2013 in full; however, the insurance companies appealed the ruling to the Courts of Appeal, which in October ruled in their favour. In relation to this ruling, a one-off provision of USD 2.9 million has been recorded in Q3 2014 of which USD 1.6 million may have a cash impact. Aker Floating Production is evaluating if the matter should be appealed to the Supreme Court, which can be done within 21st November 2014.

THIRD QUARTER FINANCIAL REVIEW

- Operating revenues for Q3 2014 were USD 65.4 million compared with USD 61.8 million for Q3 2013. Vessel operating expenses, which are related to the operation of the FPSO *Dhirubhai-1*, were USD 3.7 million for Q3 2014, compared with USD 3.7 million for Q3 2013. Wages and other personnel expenses were USD 3.1 million for Q3 2014, compared with USD 1.0 million for Q3 2013. Other operating expenses were USD 4.5 million for Q3 2014 compared with USD 1.0 million for Q3 2013. The figure for Q3 2014 includes a USD 2.9 million provision in connection with Aker Floating Production's insurance dispute, as described above.

- Depreciation and amortization was USD 25.7 million in Q3 2014, compared with USD 25.6 million in Q3 2013.

- Financial income was USD 4.8 million in Q3 2014 as compared with USD 5.0 million in Q3 2013. USD 4.6 million of Financial income is related to the bonds in American Shipping Company, where the Company holds bonds with a book value of USD 177.9 million as of Q3 2014. This is about 92% of par value.

- Financial expenses were USD 11.2 million in Q3 2014, as compared with USD 8.8 million in Q3 2013. USD 1.6 million of this is related to the repurchase of bonds outstanding under OCY 01, which was refinanced in July. In addition, the Company has taken delivery of new vessels, including the *Höegh Jacksonville*, *Höegh Beijing, Höegh Xiamen* and *Höegh Jeddah*, which leads to higher interest expenses, compared to Q3 2013. Foreign exchange gains were USD 5.8 million in the third quarter, compared with negative USD 3.3 million in Q3 2013. Mark-to-market of derivatives was negative USD 3.0 million in Q3 2014, as compared with negative USD 2.7 million in Q3 2013. The negative mark-to-market amount is related to various interest rate swaps entered into in connection with the financing of the Company's vessels and the cross currency interest rate swap on the Company's unsecured bond loan. The mark-to-market amount has no cash impact. In total, these non-recurring amounts had a net negative impact of USD 1.7 million in Q3 2014.

- Income tax expense was USD 0.4 million for the third quarter 2014, compared with USD 1.1 million in Q3 2013.

- The Net profit after tax for Q3 2014 was USD 24.5 million compared with USD 19.1 million for Q3 2013.

- As a result of the amendment and extension of the bareboat charter for the *Aker Wayfarer*, the accounting of the vessel will be changed from operating lease to finance lease with effect from Q3 2014. The book value of the vessel has been de-recognized from the balance sheet and is now recognized under "*Interest-bearing long-term receivables*". Further, when accounting for the charter revenue going forward, the charter rate from the bareboat charter will be split in two, where the interest income under the lease will be recognized in *"Operating revenue"* and the amount related to repayment of the principal of the lease will be recognized in the cash flow statement, under "*Cash flow from investing activities"*. As such, the total charter revenues from the lease will not fully be reflected in the EBITDA. In addition, depreciation will be reduced with about USD 2.8 million per quarter going forward, as a result of the reclassification.

YEAR TO DATE FINANCIAL REVIEW

- Operating revenues for the first nine months of 2014 were USD 187.2 million as compared with USD 178.4 million for the first nine months of 2013. EBITDA was USD 162.8 million for the first nine months of 2014, compared with USD 155.0 million for the first nine months of 2013. Depreciation was USD 73.4 million, compared with USD 74.8 million in the first nine months of 2013. Operating profit was USD 89.4 million as compared with USD 80.2 million for the first nine months of 2013.

- Financial income was USD 25.5 million for the first nine months of 2014, compared with USD 16.7 million for the first nine months of 2013. The increase is related to the bonds in American Shipping Company, where a one-off pre-tax profit of USD 11.5 million was recognized in Q1 2014. Financial expenses were USD 40.5 million in the first nine months of 2014, compared with USD 26.3 million in the first nine months of 2013. The increase in financial expenses relates to one-off expenses of USD 8.0 million in connection with the refinancing of Ocean Yield's bond loan and increased debt related to the financing of new vessels. Foreign exchange gains were USD 7.1 million for the first nine months of 2014, compared to a foreign exchange loss of USD 3.4 million in the first nine months of 2013. Mark-to-market of derivatives was negative USD 7.0 million in the first nine months of 2014, as compared to negative USD 9.4 million for the first nine months of 2013.

- Income tax expense was USD 4.3 million for the first nine months of 2014, compared with USD 1.6 million for the first nine months of 2013. The majority of the tax expense in 2014 is related to the one-off profit recognized on the bonds in American Shipping Company in Q1 2014. Net profit after tax was USD 70.2 million in the first nine months of 2014, compared to USD 56.2 million for the first nine months of 2013.

- Book equity was USD 710.0 million at the end of the third quarter 2014 compared with USD 687.8 million in Q3 2013. The equity ratio was 40.1% at the end of Q3 2014 compared with 40.6% at the end of Q3 2013. Total assets were USD 1,770.3 million at the end of the third quarter 2014, compared with USD 1,693.4 million in Q3 2013.

FLEET STATUS

The charter backlog at the end of the third quarter was USD 2.3 billion in revenues and USD 2.2 billion in EBITDA. Average remaining contract tenor (weighted by EBITDA) as of the end of the third quarter was 9.5 years.

Vessel	Vessel type	Client	Contract expiry	Remaining tenor (years)	EBITDA Backlog USDm*
Aker Wayfarer	Subsea	Akastor	Sep-27	13.0	490
Dhirubhai-1	FPSO	Reliance	Sep-18	4.0	434
Lewek Connector	Subsea	Ezra/EMAS AMC	Oct-22	8.0	308
Höegh Car Carriers (6 vessels)	Car Carrier	Höegh Autoliners	Apr-26	11.2	432
Far Senator / Far Statesman	AHTS	Farstad	Mar/June-25	10.6	220
LEG Carrier (3 vessels)	Gas Carriers	Hartmann	Aug/Dec 26	10.0	314
Geco Triton	Seismic	Western Geco	Dec-15	1.25	7
Total					2 205
Number of vessels (including 5 newbuildings)					15

* *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.*

RISKS

The Company is exposed to a number of risks, including counterparty risk, operating risk on the *Dhirubhai-1*, interest rate risk, currency risk and residual value risk. The Company is of the opinion that the overall risk picture is balanced and unchanged from what was described in our annual report for 2013. For a more detailed description of risk factors, please refer to the annual report for 2013, which is available on www.oceanyield.no.

STRATEGY AND OUTLOOK

Ocean Yield was established in 2012 with a portfolio of assets of about USD 1 billion. Since then the Company has committed to investments of approximately USD 1.2 billion in new assets, of which about USD 430 million has been committed so far this year. The average weighted tenor of the charters is now 9.5 years and the contract backlog on an EBITDA basis as per the end of third quarter 2014 was USD 2.2 billion.

The significant contract backlog secures strong earnings for the Company over the next few years. We expect that earnings will increase as a result of full contribution from the car carrier delivered during the third quarter, increased charter revenue from the Aker Wayfarer after modification in 2016, and by delivery of 5 newbuildings during 2016. Ocean Yield has a policy of paying attractive dividends to its shareholders and has increased the dividends every quarter since the listing in July 2013. Adjusted for non-recurring items, the Company is paying a dividend of about 70% of the Net profit after tax in Q3 2014 and therefore has substantial capacity to further increase the dividends.

Ocean Yield has a strong balance sheet enabling us to make further investments without raising new equity. Over the last few months we have seen a softer market for new equity and bond issues and this has made sale & leaseback transactions an even more attractive financing alternative. We are therefore well positioned with respect to our ability to continue to grow our portfolio of vessels.

10th November 2014

Ocean Yield ASA

Trond Brandsrud	**Kjell Inge Røkke**	**Annicken Gann Kildahl**
Chairman	*Director*	*Director*
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Ocean Yield ASA Group condensed consolidated financial statement for the third quarter 2014

Income statement

Amounts in USD million	Note	2nd Quarter 2014	3rd Quarter 2014	3rd Quarter 2013	Jan - Sep 2014	Jan - Sep 2013	Jan - Dec 2013
Operating revenues	5	62.1	65.4	61.8	187.2	178.4	239.0
Vessel operating expenses	6	(3.5)	(3.7)	(3.7)	(10.8)	(11.5)	(14.2)
Wages and other personnel expenses	7	(2.2)	(3.1)	(1.0)	(7.1)	(5.5)	(9.5)
Other operating expenses		(1.0)	(4.5)	(1.5)	(6.6)	(6.4)	(7.6)
EBITDA	5	**55.4**	**54.2**	**55.6**	**162.8**	**155.0**	**207.7**
Depreciation and amortization	11	(24.4)	(25.7)	(25.6)	(73.4)	(74.8)	(101.6)
Operating profit		**31.0**	**28.5**	**30.0**	**89.4**	**80.2**	**106.1**
Financial income	8	4.7	4.8	5.0	25.5	16.7	19.7
Financial expenses	9	(14.9)	(11.2)	(8.8)	(40.5)	(26.3)	(35.6)
Foreign exchange gains/losses		2.0	5.8	(3.3)	7.1	(3.4)	(0.1)
Mark to market of derivatives	10	(5.3)	(3.0)	(2.7)	(7.0)	(9.4)	(10.0)
Net financial items		**(13.5)**	**(3.6)**	**(9.8)**	**(14.9)**	**(22.4)**	**(26.0)**
Net profit before tax		**17.5**	**24.9**	**20.2**	**74.5**	**57.8**	**80.2**
Income tax expense		(0.4)	(0.4)	(1.1)	(4.3)	(1.6)	2.5
Net profit after tax		**17.1**	**24.5**	**19.1**	**70.2**	**56.2**	**82.7**
Weighted average number of shares outstanding		134.1	134.1	132.3	134.1	110.9	116.7
Basic and diluted earnings per share (USD)		**0.13**	**0.18**	**0.14**	**0.52**	**0.51**	**0.71**

Total comprehensive income

Amounts in USD million	2nd Quarter 2014	3rd Quarter 2014	3rd Quarter 2013	Jan - Sep 2014	Jan - Sep 2013	Jan - Dec 2013
Net profit after tax for the period	17.1	24.5	19.1	70.2	56.2	82.7
Other comprehensive income, net of income tax						
Items that will not be reclassified to the income statement:						
Re-measurements of defined benefit liability (asset)	-	-	-	-	-	0.1
Total for items that will not be reclassified to the income statement	**-**	**-**	**-**	**-**	**-**	**0.1**
Items that are or may be reclassified to the income statement:						
Change in fair value of available for sale financial assets	-	-	-	-	-	8.4
Reclassification of gains on available for sale financial assets included in Financial Income	-	-	-	(8.4)	-	-
Currency translation differences	(1.9)	(4.8)	3.5	(5.9)	(5.4)	(9.7)
Total for items that are or may be reclassified to the income statement	**(1.9)**	**(4.8)**	**3.5**	**(14.3)**	**(5.4)**	**(1.3)**
Total change in other comprehensive income, net of income tax	**(1.9)**	**(4.8)**	**3.5**	**(14.3)**	**(5.4)**	**(1.3)**
Total comprehensive income for the period	**15.2**	**19.7**	**22.6**	**56.0**	**50.8**	**81.4**

Attributable to:						
Equity holders of the parent	15.2	19.7	22.6	56.0	50.8	81.4
Total comprehensive income for the period	**15.2**	**19.7**	**22.6**	**56.0**	**50.8**	**81.4**

Balance sheet

Amounts in USD million	Note	30 June 2014	30 September 2014	30 September 2013	31 December 2013
ASSETS					
Vessels and equipment	11	1 366.4	1 194.6	1 304.0	1 281.1
Intangible assets		38.3	38.3	38.3	38.3
Deferred tax assets		10.5	11.6	7.6	10.5
Interest-bearing long term receivables	13	195.4	364.0	177.9	188.4
Other non-current assets		-	-	-	4.5
Total non-current assets		**1 610.7**	**1 608.5**	**1 527.8**	**1 522.9**
Trade receivables and other interest-free receivables		20.7	13.6	16.9	16.4
Cash and cash equivalents		102.8	148.2	148.7	132.9
Total current assets		**123.5**	**161.8**	**165.6**	**149.3**
Total assets		**1 734.2**	**1 770.3**	**1 693.4**	**1 672.2**
EQUITY AND LIABILITIES					
Share capital		222.3	222.3	221.5	221.6
Treasury shares		(0.3)	(0.1)	-	-
Other paid-in capital		432.8	432.8	467.2	452.6
Total paid-in capital	**15**	**654.8**	**655.0**	**688.7**	**674.2**
Retained earnings and translation reserves		52.3	55.1	(0.9)	29.5
Total equity attributable to equity holders of the parent		**707.1**	**710.0**	**687.8**	**703.7**
Total equity		**707.1**	**710.0**	**687.8**	**703.7**
Interest-bearing debt	14	811.5	858.7	803.8	744.8
Deferred tax liabilities		1.0	2.6	-	0.2
Pension liabilities		0.3	0.3	0.5	0.4
Mobilization fee and advances		69.5	43.7	71.6	68.1
Other interest-free long term liabilities		1.4	1.6	-	0.8
Total non-current liabilities		**883.7**	**906.9**	**875.9**	**814.3**
Interest-bearing short term debt	14	117.6	120.6	108.0	127.0
Trade and other payables		25.9	32.8	21.7	27.1
Total current liabilities		**143.4**	**153.3**	**129.7**	**154.1**
Total liabilities		**1 027.1**	**1 060.3**	**1 005.6**	**968.4**
Total equity and liabilities		**1 734.2**	**1 770.3**	**1 693.4**	**1 672.2**

Change in equity

Amounts in USD million	2nd Quarter 2014	3rd Quarter 2014	3rd Quarter 2013	Jan - Sep 2014	Jan - Sep 2013	Jan - Dec 2013
Balance at the beginning of the period	**710.2**	**707.1**	**522.0**	**703.7**	**533.0**	**533.0**
Net profit after tax for the period	17.1	24.5	19.1	70.2	56.2	82.7
Other comprehensive income	(1.9)	(4.8)	3.5	(14.3)	(5.3)	(1.3)
Total comprehensive income	**15.2**	**19.7**	**22.6**	**56.0**	**50.9**	**81.4**
New equity in Ocean Yield ASA	-	-	147.9	1.9	147.9	148.1
Expenses related to raising new equity, net of tax	-	-	(4.8)	-	(4.8)	(3.5)
Dividend	(16.8)	(17.4)	-	(50.6)	(40.0)	(56.0)
Net change of treasury shares	(1.6)	0.7	-	(0.9)	-	-
Impact of implementing IAS 19R, net of tax	-	-	-	-	0.8	0.8
Balance at the end of the period	**707.1**	**710.0**	**687.8**	**710.0**	**687.8**	**703.7**

Cash flow statement

Amounts in USD million	2nd Quarter 2014	3rd Quarter 2014	3rd Quarter 2013	Jan - Sep 2014	Jan - Sep 2013	Jan - Dec 2013
Profit before tax	17.5	24.9	20.2	74.5	57.8	80.2
Depreciation and amortization	24.4	25.7	25.6	73.4	74.8	101.6
Other changes in operating activities	2.4	3.2	(2.4)	(7.3)	(20.1)	(25.2)
Net cash flow from operating activities	**44.3**	**53.8**	**43.5**	**140.6**	**112.5**	**156.5**
Acquisition of property, plant and equipment	(135.0)	(58.9)	(20.6)	(194.9)	(246.4)	(255.5)
Net change in long term receivables	(0.9)	(0.1)	-	(1.6)	-	(4.5)
Transfer to restricted cash	-	-	(2.3)	-	(2.3)	-
Net cash flow from investing activities	**(135.9)**	**(59.0)**	**(22.9)**	**(196.5)**	**(248.7)**	**(260.0)**
Proceeds from issuance of long-term interest-bearing debt	153.6	112.0	0.3	364.5	178.7	178.7
Repayment of long-term interest-bearing debt	(87.5)	(43.5)	(33.4)	(242.7)	(97.6)	(132.2)
Proceeds from issuance of short-term interest-bearing debt	-	-	-	-	20.0	20.0
Repayment of short-term interest-bearing debt	-	-	(20.0)	-	(20.0)	(20.0)
Dividend paid	(16.8)	(17.4)	(20.0)	(50.6)	(40.0)	(56.0)
Proceeds from issuance of new equity	(0.0)	0.0	143.1	1.9	143.1	143.3
Net change of Treasury shares	(1.6)	0.7	-	(0.9)	-	-
Net cash flow from financing activities	**47.7**	**51.7**	**70.0**	**72.2**	**184.2**	**133.6**
Net change in cash and cash equivalents	(43.9)	46.5	90.6	16.4	48.0	30.1
Exchange rate differences	(0.4)	(1.1)	(2.0)	(1.1)	(3.9)	(1.7)
Cash and cash equivalents at beginning of the period	147.1	102.8	60.1	132.9	104.6	104.6
Cash and cash equivalents at the end of the period	**102.8**	**148.2**	**148.7**	**148.2**	**148.7**	**132.9**


EMAS
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LEWEK CONNECTOR
PANAMA

Notes to the condensed consolidated interim financial statements for Ocean Yield ASA for the third quarter 2014

Note 1 Introduction – Ocean Yield ASA

Ocean Yield ASA is a company domiciled in Norway. The condensed consolidated interim financial statements for the third quarter and nine months ending 30th September 2014 comprise Ocean Yield ASA and its subsidiaries (together referred to as the "Group"). The financial statement for the third quarter 2014 includes the financial statements of the parent company, Ocean Yield ASA and its subsidiaries.

The consolidated financial statements of the Group for the year ended 31st December 2013 and quarterly reports are available at www.oceanyield.no.

Note 2 Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed by EU, and the Norwegian additional requirements in the Securities Trading Act. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31st December 2013.

A number of standards, amendments to standards and interpretations are effective from 1st January 2014 and have been applied in preparing these consolidated financial statements:

IFRS 10 Consolidated Financial statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosures of Interests in Other Entities, in addition amendments to the standards IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures. The new standards and amendments to standards have not had any significant impact on the condensed consolidated interim financial statements.

These condensed consolidated interim financial statements, which have not been subject to audit or review by independent accountants, were approved by the Board of Directors on 10th November 2014.

Note 3 Significant accounting principles

The Group has as of 1st January 2014, implemented the new standards and amendments to standards specified in Note 2. Other accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31st December 2013.

Note 4 Estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The most significant judgments made by management in preparing these condensed consolidated interim financial statements in applying the Group's accounting policies, and the key sources of estimation uncertainty, are the same as those applied to the consolidated financial statements as at and for the year ended 31st December 2013.

Note 5 Operating segments

Ocean Yield identifies segments based on the Group's management and internal reporting structure.

Operating revenues	2nd Quarter	3rd Quarter	3rd Quarter	Jan - Sep	Jan - Sep	Jan - Dec
Amounts in USD million	2014	2014	2013	2014	2013	2013
FPSO	34.2	34.6	34.7	102.7	104.6	139.2
Other Oil Service	26.4	26.0	27.1	78.2	73.8	99.8
Gas Carriers	-	-	-	-	-	-
Car Carriers	1.5	4.8	-	6.3	-	-
Operating revenues	**62.1**	**65.4**	**61.8**	**187.2**	**178.4**	**239.0**

EBITDA	2nd Quarter	3rd Quarter	3rd Quarter	Jan - Sep	Jan - Sep	Jan - Dec
Amounts in USD million	2014	2014	2013	2014	2013	2013
FPSO	29.2	25.8	30.1	83.7	86.3	116.1
Other Oil Service	26.3	26.0	27.1	78.0	73.6	99.4
Gas Carriers	(0.0)	(0.0)	-	(0.0)	-	-
Car Carriers	1.5	4.8	-	6.2	-	-
Other companies and eliminations	(1.7)	(2.4)	(1.6)	(5.2)	(4.8)	(7.8)
EBITDA	**55.4**	**54.2**	**55.6**	**162.8**	**155.0**	**207.7**

Note 6 Vessel operating expenses

Vessel operating expenses are related to operating expenses for the Dhirubhai-1.

Note 7 Wages and other personnel expenses

Wages and personnel expenses were USD 3.1 million in Q3 2014 compared with USD 1.0 million in Q3 2013. This includes all land based personnel in Ocean Yield and Aker Floating Production, which counted a total of 18 persons as of Q3 2014.

Wages and personnel expenses in Q3 2013 of USD 1.0 million included a reversal of parts of an earlier provision related to a reduction in the number of employees in Aker Floating Production AS in 2012 of USD 1.0 million.

The Company’s share related bonus payments are accrued on a quarterly basis based on the closing share price as of September 30th 2014.

Note 8 Financial income

Financial income in Q3 2014 is mainly related to the investment in AMSC bonds. Ocean Yield owns 93.05% of the unsecured bonds issued by American Shipping Company ASA 07/18, with maturity in 2018. In December 2013 AMSC carried out a recapitalization of the company where the bond loan agreement was amended with effect from 3 January 2014. In the amended bond loan agreement the bond loan is denominated in USD with an interest of LIBOR + 6.00% p.a. (changed from NOK and NIBOR + 4.75% p.a.). The structure of the loan was changed from an all PIK (payment in kind) interest structure to 50/50 PIK/cash interest. The bonds under the amended agreement were recognized at their fair value 3 January 2014, and have been classified as Interest bearing long-term receivables. Subsequent to initial recognition the bonds are measured at amortized cost using the effective interest method less any impairment losses. In the third quarter, Interest income of USD 4.6 million was recorded related to the AMSC bonds.

Note 9 Financial expenses

Financial expenses in Q3 2014 include a financial expense of USD 1.6 million related to the repurchase of bonds with maturity in July 2017.

Note 10 Mark to market of derivatives and other financial instruments recorded at fair value

Mark-to-market of derivatives was negative USD 3.0 million in Q3 2014. This is mainly related to a cross currency interest rate swap on the NOK 1,000 million bond loan issued by Ocean Yield and certain other interest rate swaps related to vessel financings. In March 2014 Ocean Yield successfully completed a new unsecured bond issue of NOK 600 million with maturity in March 2019. The net proceeds were used to purchase back the bonds issued in 2012, see Note 13. As a consequence of this, the cross currency interest rate swap was amended with effect from 26th March 2014. NOK 590 million has been swapped from NIBOR+3.90% p.a. to LIBOR+4.603% p.a. (previously from NIBOR+6.50% p.a. to LIBOR+7.07%p.a.) until September 2017. At the end of September 2014 the cross currency interest rate swap is the Group's most significant financial instrument recorded at fair value, and is considered by the Group to be a level 2 financial instrument under the fair value hierarchy.

Note 11 Vessels and equipment

Material changes in vessels and equipment during Jan-Sep 2014:

Amounts in USD million	FPSO	Other Oil Service	Gas Carriers	Car Carriers	Other	Total
Balance at 1 January	514.6	713.7	-	51.7	1.2	1 281.1
Acquisitions	0.3	-	-	184.7	0.3	185.2
Advances	-	-	8.4	1.3	-	9.7
Depreciation	(42.5)	(27.9)	-	(2.7)	(0.2)	(73.4)
Effect of movements in foreign exchange	-	(21.3)	-	-	-	(21.3)
Change from operating lease to finance lease	-	(186.8)	-	-	-	(186.8)
Balance at 30 September 2014	**472.3**	**477.7**	**8.4**	**235.0**	**1.3**	**1 194.6**

Note 12 Contractual obligations

Ocean Yield had as per 30th September 2014 the following contractual obligations related to the purchase of vessels:

Amounts in USD million	FPSO	Other Oil Service	Gas Carriers	Car Carriers	Total	Committed Debt Funding
2014	-	-	16.2	12.5	28.7	0.0
2015	-	-	48.6	12.5	61.1	0.0
2016	-	-	170.1	87.2	257.3	94.0
Total	**-**	**-**	**234.9**	**112.1**	**347.0**	**94.0**

The obligations above related to the Gas Carriers segment is related to three LEG carriers, scheduled for delivery in August, October and December 2016. Ocean Yield expects that about USD 180 million of the investment in the three gas carriers will be funded by bank financing.

The obligations above related to the Car Carriers segment is related to two PCTC vessels, which will be delivered in January and April 2016. Long term financing have been secured for the two PCTC vessels for a total of USD 94 million.

Of the total contractual obligation of USD 347.0 million, we expect that about USD 274 million will be covered by bank financing and USD 73 million by equity.

Note 13 Interest-bearing long term receivables

Ocean Yield had the following interest-bearing long term receivables:

Amounts in USD million	30 June 2014	30 September 2014	30 September 2013	31 December 2013
Restricted cash deposits	20.1	20.1	22.2	20.1
Finance lease receivables (Wayfarer)	-	165.5	-	-
Investments in AMSC bonds, see note 8	174.8	177.9	155.7	168.3
Other interest-bearing long term receivables	0.5	0.6	-	-
Total interest-bearing long term receivables	**195.4**	**364.0**	**177.9**	**188.4**

Finance lease receivable

Finance lease receivables of USD 165.5 million at 30th September 2014 are related to the vessel Aker Wayfarer.

The vessel Aker Wayfarer has been operating on a ten year bareboat charter to Aker Oilfield Services AS, a wholly owned subsidiary of Akastor ASA (previously part of Aker Solutions ASA) until 2020. In September 2014 the bareboat charter was extended until 2027. The existing bareboat charter rate for the vessel will continue unchanged until September 2020, and a new bareboat charter rate has been agreed for the period from 2020 until 2027. In addition, a bareboat charter rate covering an additional investment has been agreed from the second half of 2016 until expiry of the contract in 2027. Aker Oilfield Services AS has options to purchase the vessel in 2021, 2026 and 2027.

As a result of the amendments and extension of the bareboat charter for the Aker Wayfarer, the accounting of the vessel have been changed from operating lease to finance lease with effect from Q3 2014. The book value of the vessel have been de-recognized from the balance sheet, and an receivable equal to the net investment in the lease have been recognized as an interest-bearing long term receivable. The de-recognition of the vessel and the recognition of the Finance lease receivable did not result in any Profit and loss effect in Q3 2014. For future periods an income will be reported in the income statement as operating revenue in a way that produces a constant rate of return on the investment during the contract period adjusted from time to time due to changes in the estimated residual value. Depreciation will no longer be calculated and reported on the derecognized asset.

The Net finance lease receivables as of 30th September 2014 was as follows:

Amounts in USD million	Gross Investment in finance lease receivables	Effect of discounting	Present value of minimum lease payments
Lease payments receivable:			
Less than one year	32.9		30.6
Between one and five years	178.2		118.5
More than five years	324.8		96.7
Lease investments:			
Less than one year	(36.5)		(34.3)
Between one and five years	(56.2)		(46.0)
More than five years	-		-
Total	**443.1**	**(277.6)**	**165.5**

The gross investment above includes an unguaranteed residual value of USD 59 million.

Note 14 Interest-bearing debt

Material changes in interest-bearing debt (short term and long term) during Jan - Sep 2014:

Amounts in USD million	FPSO	Other Oil Service	Car Carriers	Other/elim	Total
Balance at 1 January	272.5	501.9	-	97.4	871.8
New loans	-	1.9	199.3	163.3	364.5
Installments	(61.7)	(27.6)	(47.9)	-	(137.2)
Repurchase of bonds	-	-	-	(105.5)	(105.5)
Loss from repurchase of bonds	-	-	-	8.1	8.1
Effect of movements in foreign exchange and loan fees amortized	0.5	(15.1)	0.1	(7.9)	(22.5)
Total interest-bearing debt	**211.3**	**461.0**	**151.5**	**155.4**	**979.3**
Long-term	149.0	413.5	140.8	155.4	878.3
Short-term loan	-	-	-	-	-
1st year installments	62.3	47.6	10.7	-	101.0
Total interest-bearing debt	**211.3**	**461.0**	**151.5**	**155.4**	**979.3**

On 17 March 2014 Ocean Yield successfully completed a new unsecured bond issue of NOK 600 million with maturity in March 2019. The bond loan has a coupon of NIBOR + 3.90% p.a. The net proceeds were used to purchase back the bonds issued in 2012. As of 30 September 2014 Ocean Yield has purchased all of the bonds issued in 2012, whereof NOK 137.5 million was purchased in Q3 2014. In July 2014 Ocean Yield completed a tap issue of NOK 400 million in the Norwegian bond market at a price of 101.05. The price equalled a credit spread of NIBOR+3.65% p.a. The Company now has NOK 1,000 million outstanding in OCY 02 with maturity in March 2019.

Note 15 Share capital and dividends

In Q3 2014 certain members of senior management have acquired a total of 130 000 of the company's treasury shares. As of 30th September 2014, the Company had a share capital of NOK 1,341,921,110 divided into 134,192,111 ordinary shares, each having a par value of NOK 10.00. Total treasury shares held were 78,069.

In Q3 2014 USD 17.4 million was paid in dividends, following the announcement of the Q2 2014 Results. USD 50.6 million has been paid in dividends in total in the period January until September 2014.

Note 16 Events after the balance sheet date

Aker Floating Production AS (AFP) has since 2008 had an on-going dispute regarding insurance settlement for a piping rupture incident that occurred in 2008 on board the FPSO Dhirubhai-1. The dispute is related to the Hull and Machinery insurance cost coverage of repair works and fuel consumption during shutdown for repairs. Aker Floating Production won the court case against the insurance companies in the District Court in 2013; however, the insurance companies appealed the ruling to the Courts of Appeal, which in October ruled in their favour. In relation to this ruling, a one-off provision of USD 2.9 Million has been recorded in Q3 2014 of which USD 1.6 million may have a cash effect. Aker Floating Production is evaluating if the matter should be appealed to the Supreme Court, which can be done within 21st November 2014.