



OCEAN YIELD ASA

Third Quarter 2015 Report



Contents

Highlights	3
Consolidated key figures.....	3
Main events during the third quarter	4
Third quarter financial review	4
Year to date financial review	5
Fleet status.....	6
Risks.....	6
Outlook	7
Income statement.....	9
Total comprehensive income	10
Balance sheet	11
Change in equity	12
Cash flow statement.....	13
Notes	14



THIRD QUARTER 2015 REPORT

Oslo, 2nd November 2015, Ocean Yield ASA ("Ocean Yield" or the "Company") announces results for the third quarter ending 30th September 2015.

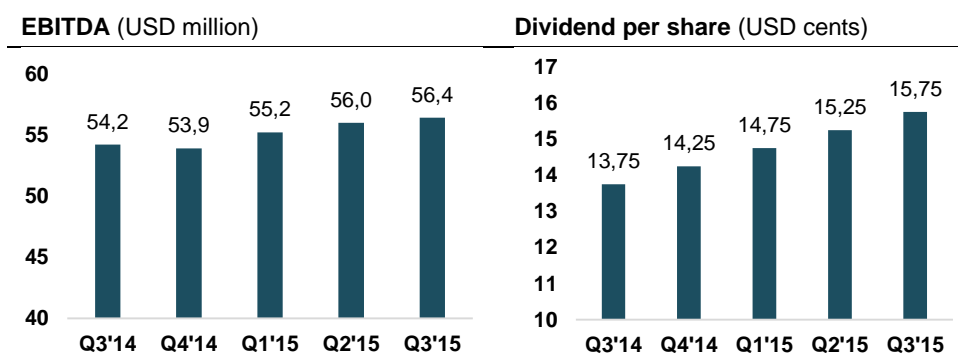
HIGHLIGHTS

- The Board of Directors has declared a dividend of USD 0.1575 per share for Q3 2015. This is an increase of 0.50 cents per share compared with the previous quarter. On an annualized basis, the dividend equals USD 0.63 per share. Based on the closing share price as of 2nd November 2015, this is a dividend yield of 7.7% p.a. This is the 8th consecutive dividend increase since the IPO of Ocean Yield in July 2013.
- In July, Ocean Yield agreed to acquire four LR2 product tankers with 13 years charter to Navig8 Product Tankers Inc. for a total consideration of USD 198.1 million.
- Total revenues were 65.3 million for the third quarter 2015 compared with USD 65.4 million for the third quarter 2014.
- EBITDA was USD 56.4 million for the third quarter 2015 compared with USD 54.2 million for the third quarter of 2014. Adjusted for finance lease effects, the EBITDA was USD 59.6 million in Q3 2015.
- Operating profit was USD 32.4 million for the third quarter 2015 compared with USD 28.5 million for the third quarter 2014.
- Net profit after tax was USD 22.7 million for the third quarter 2015 compared with USD 24.5 million for the third quarter of 2014. Adjusted for non-recurring items, mainly consisting of currency fluctuations and mark-to-market of derivatives, the net profit was USD 27.9 million.
- The charter backlog was USD 2.83 billion in revenues and USD 2.75 billion on an EBITDA basis, with an average weighted tenor of 10.4 years.

CONSOLIDATED KEY FIGURES

Selected key financial figures for the third quarter 2015 compared with the third quarter of 2014 and first nine months of 2015 compared with first nine months of 2014:

Consolidated key figures USD million	Q3 2015	Q3 2014	Jan-Sep 2015	Jan-Sep 2014
Revenues	65.3	65.4	191.1	187.2
EBITDA	56.4	54.2	167.6	162.8
Operating result (EBIT)	32.4	28.5	95.0	89.4
Net profit after tax	22.7	24.5	76.7	70.2
Cash & cash equivalents	103.1	148.2	103.1	148.2
Cash and undrawn credit lines	153.5	148.2	153.5	148.2
Equity ratio	36.6%	40.1%	36.6%	40.1%



MAIN EVENTS DURING THE THIRD QUARTER

- The Board of Directors has declared a quarterly dividend payment of USD 0.1575 per share for Q3 2015. This is in line with the Company's policy of paying attractive and increasing dividends to its shareholders. The dividend of USD 0.1575 per share is on an annualized basis equal to USD 0.63 per share. The dividend will be paid on or about 16th November 2015 to shareholders as of 5th November 2015 registered with the Norwegian Central Securities Depository (the "VPS") as of 9th November 2015 (the "Record Date"). The ex-dividend date will be 6th November 2015.
 - In July, Ocean Yield agreed to acquire four newbuilding 115,000 dwt. LR2 product tankers for a total consideration of USD 198.1 million, in combination with 13 years "hell and high water" bareboat charters to Navig8 Product Tankers Inc. ("Navig8 Product Tankers"). The four vessels are being built at Sungdong Shipbuilding & Marine Engineering Co., Ltd, Korea, and are scheduled for delivery in January, March, May and July 2016. The vessels are being acquired for USD 49.5 million each, which is equal to the original yard cost and about 20% below broker values at the time. The transaction will be funded by a committed bank facility of USD 148 million, or USD 37 million per vessel, a seller's credit of USD 10 million, or USD 2.5 million per vessel and the remaining amount with existing cash. Navig8 Product Tankers will have certain options to acquire the vessels during the charter period, with the first option exercisable after seven years. Furthermore, Ocean Yield will provide Navig8 Product Tankers with an interest bearing pre-delivery loan matching the remaining yard instalments, which will be secured by assignment of the shipbuilding contracts and the refund guarantees. The transaction has been accounted for as a finance lease.
 - In July and September, Ocean Yield took delivery of the newbuilding chemical tankers *Navig8 Amessi* and *Navig8 Azotic* from Hyundai Mipo Dockyard, Korea. Upon delivery, the vessels commenced 15 year "hell and high water" bareboat charters to Navig8 Chemical Tankers Inc. These were the third and fourth vessels delivered in a series of total eight chemical carriers that will be chartered to Navig8 Chemical Tankers Inc.
 - In September, Ocean Yield entered into an agreement with American Shipping Company ASA ("AMSC"), where Ocean Yield currently owns 93.05% of the unsecured bonds (ISIN NO 001 035651.2 – the "Bonds") issued by AMSC, to vote in favour of certain waivers and approvals that were required in connection with the USD 450 million senior secured debt refinancing in AMSC.
- The approvals relate to certain guarantees provided by AMSC to the financing institutions and the amortisation schedule related to two of the vessels. Ocean Yield currently receives interest of LIBOR+6.00% p.a. whereby 50% has been paid in cash and 50% has been made as "payment in kind". As a consequence of the refinancing and the approval of the amendments, Ocean Yield will start receiving 100% of the interest payments in cash, following the closing of the senior secured debt refinancing, which is expected to happen in the fourth quarter 2015.
- The book value of the Bonds were USD 189.6 million at the end of Q3 2015, with par value of USD 200.7 million.
- The FPSO *Dhirubhai-1*, which is on long-term charter to Reliance Industries Ltd., showed steady performance during the quarter, with an operational utilisation of 100%.

THIRD QUARTER FINANCIAL REVIEW

- **Total revenues** for Q3 2015 were USD 65.3 million compared with USD 65.4 million for Q3 2014. Of the Total revenues, USD 58.7 million is classified as Operating revenue and USD 6.6 million classified as Finance lease revenue. Due to several of the Company's long term charters being classified as finance leases, the charter hire received is higher than what is reported according to IFRS, as only the interest income under the lease is recognized in the Profit & Loss. Revenues were positively affected by the delivery of another two chemical tankers during the third quarter. The FPSO *Dhirubhai-1* showed steady performance

with operational utilisation of 100%. Vessel operating expenses, which are solely related to the operation of the FPSO *Dhirubhai-1*, were USD 4.4 million for Q3 2015, compared with USD 3.7 million for Q3 2014. Wages and other personnel expenses were USD 3.5 million for Q3 2015, compared with USD 3.1 million for Q3 2014. Other operating expenses were USD 1.0 million for Q3 2015 compared with USD 4.5 million for Q3 2014. The figure for Q3 2014 contains a USD 2.9 million provision related to an insurance dispute in Aker Floating Production.

- **EBITDA** was USD 56.4 million in Q3 2015 compared with USD 54.2 million in Q3 2014. Adjusted for finance lease effects, the EBITDA was USD 59.6 million in Q3 2015.
- **Depreciation and amortization** was USD 24.1 million in Q3 2015, compared with USD 25.7 million in Q3 2014.
- **Financial income** was USD 4.5 million in Q3 2015 as compared with USD 4.8 million in Q3 2014. This amount relates mainly to interest income from the investment in bonds issued by American Shipping Company ASA ("AMSC"). Ocean Yield holds bonds with a book value of USD 189.6 million at the end of the quarter. This is about 94.5% of par value, which was USD 200.7 million.
- **Financial expenses** were USD 8.9 million in Q3 2015, as compared with USD 11.2 million in Q3 2014. The figure for Q3 2014 includes one-off expenses related to the repurchase of unsecured Ocean Yield bonds, which were made during Q3 2014. Foreign exchange gains were USD 19.5 million in Q3 2015, compared with a gain of USD 5.8 million in Q3 2014. The foreign exchange amounts are mainly a result of the movements in the USD/NOK exchange rate, since Ocean Yield's bond loans are denominated in NOK. Mark-to-market of derivatives were negative USD 24.8 million in Q3 2015, as compared with USD 3.0 million in Q3 2014. The negative mark-to-market amount is mainly related to the cross currency interest rate swaps related to the Company's unsecured NOK bond loans and various interest rate swaps entered into in connection with the financing of the Company's vessels. Out of the USD 24.8 million, USD 7.3 million is related to interest rate swaps and USD 17.5 million is related to cross currency swaps. The foreign exchange gains and negative mark-to-market amounts had no cash impact.
- **Income tax expense** was USD 0.0 million in Q3 2015, compared with USD 0.4 million in Q3 2014.
- **The Net profit after tax** for Q3 2015 was USD 22.7 million compared with USD 24.5 million for Q3 2014. Adjusted for non-recurring items, mainly consisting of currency fluctuations and mark-to-market of derivatives, the net profit was USD 27.9 million.
- **Cash & cash equivalents** at the end of the third quarter was USD 103.1 million, compared with USD 148.2 million at the end of the third quarter 2014. In addition, the Company had available undrawn credit facilities of USD 50.4 million at the end of the quarter, resulting in total available liquidity of USD 153.5 million. Furthermore, the Company has committed bank facilities in place for its newbuilding vessels as further described in Note 12.
- **Book equity** was USD 727.6 million at the end of Q3 2015, compared with USD 710.0 million at the end of Q3 2014. The equity ratio was 36.6% compared with 40.1% in Q3 2014. Total assets were USD 1,986.1 million in Q3 2015, compared with USD 1,770.3 million in Q3 2014.

YEAR TO DATE FINANCIAL REVIEW

- **Total revenues** for the first nine months of 2015 were USD 191.1 million as compared with USD 187.2 million for the first nine months of 2014.
- **EBITDA** was USD 167.6 million for the first nine months of 2015, compared with USD 162.8 million for the first nine months of 2014.
- **Depreciation** was USD 72.6 million, compared with USD 73.4 million in the first nine months of 2014. Operating Profit was USD 95.0 million as compared with USD 89.4 million for the first nine months of 2014.
- **Financial income** was USD 13.5 million for the first nine months of 2015, compared with USD 25.5 million for the first nine months 2014. Financial income in the first nine months of 2014 includes a one-off effect from the amendments of the bonds in American Shipping Company of USD 11.5 million, that was recognized in 2014.
- **Financial expenses** were USD 27.1 million in the first nine months 2015, compared to USD 40.5 million in the first nine months of 2014. The figure for the first nine months 2014 includes one-off effects related to the repurchase of outstanding Ocean Yield bonds and the refinancing of the car carriers, where accrued commitment fees and bank fees related to the old loans were recognized in the Profit & Loss.
- **Net profit after tax** was USD 76.7 million in the first nine months 2015, compared to USD 70.2 million for the first nine months 2014.

FLEET STATUS

The charter backlog at the end of the third quarter was USD 2.83 billion in revenues and USD 2.75 billion on an EBITDA* basis and the average remaining contract tenor (weighted by EBITDA) was 10.4 years.

Vessel	Client	Contract expiry	Remaining tenor (years)	EBITDA backlog USDm*
Chemical carriers (8 vessels)	Navig8 Chemical Tankers Inc.**	2030/2031	14.9	428
LR2 product tankers (4 vessels)	Navig8 Product Tankers Inc.**	2029	13.0	270
Aker Wayfarer	Akastor ASA/AKOFs Offshore AS	Sep '27	12.0	410
Car Carriers (6 vessels)	Höegh Autoliners Holding AS	Jun-22/Apr '26	10.7	409
Dhirubhai-1	Reliance Ltd	Sep '18	3.0	333
LEG Carrier (3 vessels)	Hartmann SPVs / SABIC Petrochemicals B.V.	Sep/Dec '26	10.0	315
Lewek Connector	EZRA Holdings Ltd / EMAS AMC	Oct '22	7.0	269
SBM Installer	SBM Holding Inc.	Dec '26	11.2	176
Far Senator / Far Statesman	Farstad Supply AS	Mar/Jun '25	9.6	151
Total				2,759
Number of vessels (including 13 newbuildings)				27

* Figures are based on management's estimates which may be subject to change. These include assumptions on operating expenses on the Dhirubhai-1, certain purchase options in bareboat charter contracts not being exercised, adjustments made for finance lease effects and the forward USD LIBOR interest rates for floating rate lease agreements.

** Navig8 Chemical Tankers Inc. and Navig8 Product Tankers Inc. are companies with separate shareholder structures.

RISKS

Ocean Yield is exposed to a number of risks, including counterparty risk, financing risk, interest rate risk, currency risk, vessel construction risk and residual value risk. The Company is also exposed to operating risk on the FPSO Dhirubhai-1, and may be subject to demobilisation risk on the FPSO if the purchase option is not exercised. As all vessels

are on fixed long-term charters, the low oil price does not have a direct impact on Ocean Yield, but some of the Company's counterparties may be negatively affected. For a more detailed description of risk factors, please refer to the annual report for 2014, which is available on www.oceanyield.no.

OUTLOOK

Ocean Yield has during 2015 invested about USD 500 million in new assets, and currently has 13 newbuildings with long-term charters that are scheduled to be delivered during 2016. These newbuildings will substantially increase the earnings and dividend capacity once they are delivered and will also contribute to a further diversification of the charter portfolio.

The Company continues to evaluate new investment opportunities and will continue the process of building a larger and more diversified portfolio of modern vessels on long term

charters. With soft bond and equity markets for shipping and oil-service companies, Ocean Yield expects that there will be interesting investment opportunities also going forward.

Ocean Yield has now increased the quarterly dividend for the 8th consecutive quarter, and the increase for Q3 is equal to 13% on an annualised basis. The Company has a strong financial position and expects to continue its policy of paying attractive and increasing quarterly dividends to its shareholders.

2nd November 2015
Ocean Yield ASA

Trond Brandsrud

Chairman

Kjell Inge Røkke

Director

Annicken Gann Kildahl

Director

Anne Christin Døvigen

Director

Jens Ismar

Director

Lars Solbakken

CEO

Company contacts:

Lars Solbakken, Chief Executive Officer

+47 24 13 01 90

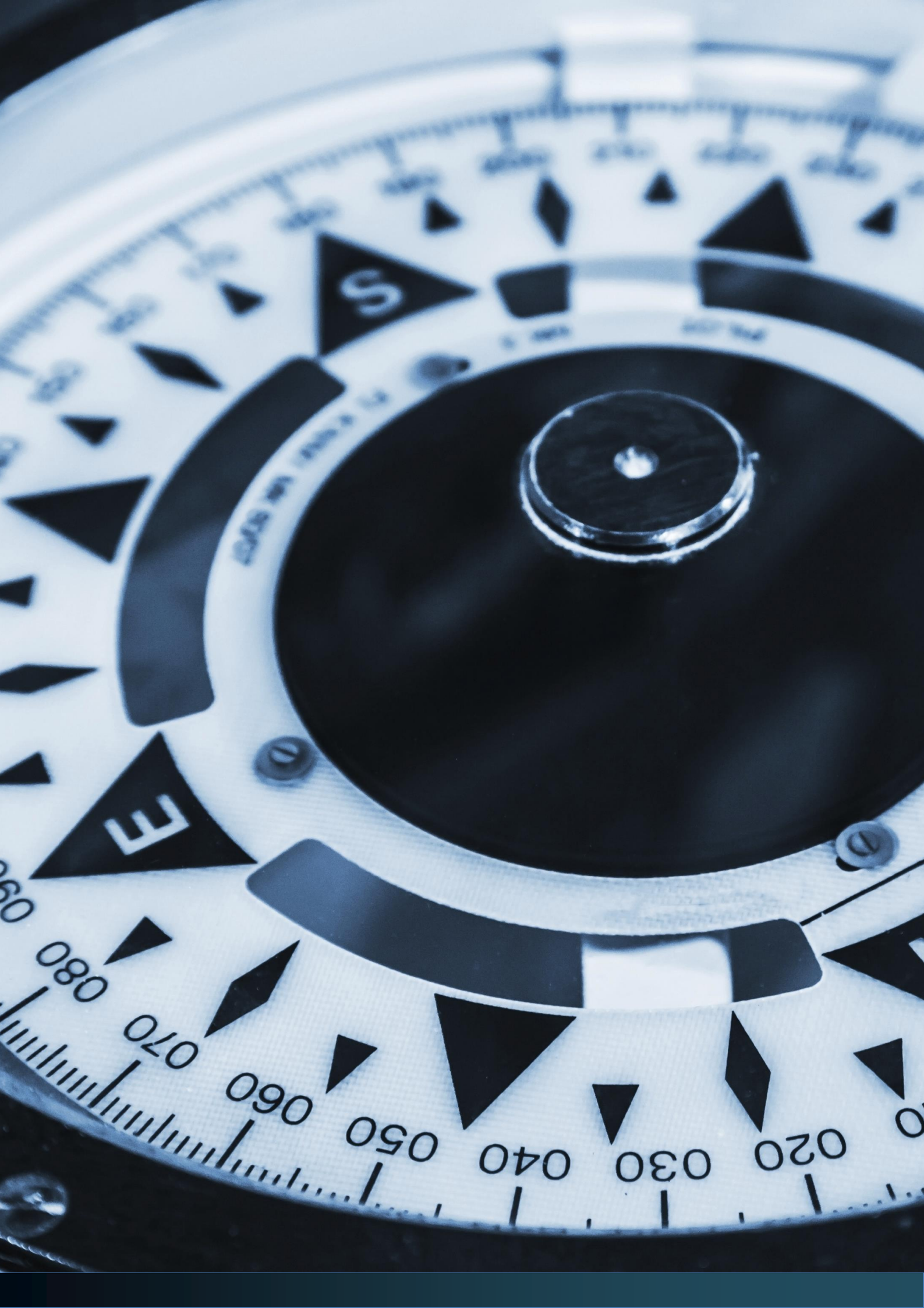
Eirik Eide, Chief Financial Officer

+47 24 13 01 91

Investor relations contact:

Marius Magelie, Vice President Finance & IR

+47 24 13 01 82



Ocean Yield ASA Group condensed consolidated financial statement for the third quarter 2015

INCOME STATEMENT

		2nd Quarter	3rd Quarter	3rd Quarter	Jan - Sep	Jan - Sep	Jan - Dec
<i>Amounts in USD million</i>	<i>Note</i>	2015	2015	2014	2015	2014	2014
Operating revenues		58.1	58.7	65.4	174.5	187.2	243.3
Finance lease revenue		5.1	6.6	-	16.6	-	6.0
Total revenues	5	63.2	65.3	65.4	191.1	187.2	249.3
Vessel operating expenses	6	(3.1)	(4.4)	(3.7)	(11.6)	(10.8)	(14.6)
Wages and other personnel expenses	7	(3.1)	(3.5)	(3.1)	(8.7)	(7.1)	(9.5)
Other operating expenses		(1.0)	(1.0)	(4.5)	(3.3)	(6.6)	(8.4)
EBITDA	5	56.0	56.4	54.2	167.6	162.8	216.7
Depreciation and amortization	10	(24.2)	(24.1)	(25.7)	(72.6)	(73.4)	(96.4)
Loss from sale/disposals of vessels and equipment		(0.1)	0.1	-	-	-	(3.8)
Operating profit		31.7	32.4	28.5	95.0	89.4	116.4
Financial income	8	4.6	4.5	4.8	13.5	25.5	30.2
Financial expenses		(9.1)	(8.9)	(11.2)	(27.1)	(40.5)	(50.2)
Foreign exchange gains/losses		(0.2)	19.5	5.8	34.1	7.1	29.6
Mark to market of derivatives	9	(1.0)	(24.8)	(3.0)	(38.8)	(7.0)	(22.5)
Net financial items		(5.8)	(9.7)	(3.6)	(18.3)	(14.9)	(12.9)
Net profit before tax		25.8	22.7	24.9	76.7	74.5	103.6
Income tax expense		0.0	0.0	(0.4)	(0.0)	(4.3)	(2.8)
Net profit after tax		25.8	22.7	24.5	76.7	70.2	100.8
Attributable to:							
Equity holders of the parent		25.4	22.7	24.5	76.3	70.2	100.7
Non-controlling interests		0.5	(0.0)	-	0.4	-	0.1
Net profit after tax		25.8	22.7	24.5	76.7	70.2	100.8
Weighted avg. number of shares outstanding		134.6	134.5	134.5	134.5	134.5	134.1
Basic and diluted earnings per share (USD)		0.19	0.17	0.17	0.57	0.57	0.75

TOTAL COMPREHENSIVE INCOME

	2nd Quarter	3rd Quarter	3rd Quarter	Jan - Sep	Jan - Sep	Jan - Dec
Amounts in USD million	2015	2015	2014	2015	2014	2014
Net profit after tax for the period	25.8	22.7	24.5	76.7	70.2	100.8
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX						
Items that will not be reclassified to the income statement:						
Re-measurements of defined benefit liability	-	-	-	-	-	(0.2)
Total for items that will not be reclassified to the income statement	-	-	-	-	-	(0.2)
Items that are or may be reclassified to the income statement:						
Reclassification of gains on available for sale financial assets included in Financial Income	-	-	-	-	(8.4)	(8.4)
Currency translation differences	2.3	(5.5)	(4.8)	(9.6)	(5.9)	(19.9)
Total for items that are or may be reclassified to the income statement	2.3	(5.5)	(4.8)	(9.6)	(14.3)	(28.3)
Total change in other comprehensive income, net of income tax	2.3	(5.5)	(4.8)	(9.6)	(14.3)	(28.4)
Total comprehensive income for the period	28.2	17.2	19.7	67.1	56.0	72.3
Attributable to:						
Equity holders of the parent	27.7	17.2	19.7	66.7	56.0	72.3
Non-controlling interests	0.5	(0.0)	-	0.4	-	0.1
Total comprehensive income for the period	28.2	17.2	19.7	67.1	56.0	72.3

BALANCE SHEET

<i>Amounts in USD million</i>	Note	30 June 2015	30 September 2015	30 September 2014	31 December 2014
ASSETS					
Vessels and equipment	10	1 269.1	1 250.4	1 194.6	1 308.0
Intangible assets		38.3	38.3	38.3	38.3
Deferred tax assets		11.4	11.5	11.6	11.4
Restricted cash deposits		20.1	23.6	20.1	20.1
Finance lease receivables and related assets	11	235.3	355.5	165.5	159.7
Investments in AMSC bonds	8	186.7	189.6	177.9	180.9
Other interest-bearing long term receivables		0.7	0.6	0.6	0.5
Total non-current assets		1 761.8	1 869.6	1 608.5	1 719.0
Trade receivables and other interest-free receivables		13.4	13.4	13.6	15.6
Cash and cash equivalents		94.6	103.1	148.2	76.4
Total current assets		108.0	116.4	161.8	92.0
Total assets		1 869.7	1 986.1	1 770.3	1 810.9
EQUITY AND LIABILITIES					
Share capital		222.8	222.8	222.3	222.3
Treasury shares		(0.2)	(0.1)	(0.1)	(0.0)
Other paid-in capital		455.2	455.2	453.8	453.8
Total paid-in capital	14	677.9	678.0	676.0	676.1
Retained earnings and translation reserves		41.7	38.7	34.0	32.0
Total equity attributable to equity holders of the parent		719.7	716.7	710.0	708.1
Non-controlling interests		11.0	11.0	-	10.6
Total equity		730.7	727.6	710.0	718.7
Interest-bearing debt	13	926.3	1 015.8	858.7	852.9
Deferred tax liabilities		0.0	(0.0)	2.6	(0.0)
Pension liabilities		0.5	0.5	0.3	0.6
Mobilization fee and advances		36.2	33.7	43.7	41.2
Other interest-free long term liabilities		2.0	2.1	1.6	1.7
Total non-current liabilities		965.0	1 052.1	906.9	896.3
Interest-bearing short term debt	13	116.0	121.4	120.6	141.6
Current provisions		-	-	-	1.4
Mark to market of derivatives		47.7	72.5	18.2	33.7
Trade and other payables		10.4	12.4	14.5	19.2
Total current liabilities		174.1	206.4	153.3	195.9
Total liabilities		1 139.0	1 258.5	1 060.3	1 092.2
Total equity and liabilities		1 869.7	1 986.1	1 770.3	1 810.9

CHANGE IN EQUITY

<i>Amounts in USD million</i>	Share capital	Other paid-in capital	Treasury Shares reserve	Trans-lation reserve	Fair value reserve	Retained earnings	Share-holders equity	Non controll-ing interests	Total equity
Balance at 31 December 2013	221.6	452.6	-	(10.7)	8.4	31.8	703.7	-	703.7
Net profit after tax for the period	-	-	-	-	-	100.7	100.7	0.1	100.8
Other comprehensive income	-	-	-	(19.9)	(8.4)	(0.2)	(28.4)	-	(28.4)
Total comprehensive income	-	-	-	(19.9)	(8.4)	100.5	72.3	0.1	72.3
Issuance of ordinary shares	0.7	1.2	-	-	-	-	1.9	-	1.9
Dividend	-	-	-	-	-	(69.1)	(69.1)	-	(69.1)
Treasury shares acquired	-	-	(2.3)	-	-	-	(2.3)	-	(2.3)
Treasury shares sold	-	-	2.2	-	-	(0.4)	1.7	-	1.7
Non-controlling interests	-	-	-	-	-	-	-	10.5	10.5
Balance at 31 December 2014	222.3	453.8	(0.2)	(30.6)	-	62.8	708.1	10.6	718.7
Net profit after tax for the period	-	-	-	-	-	76.3	76.3	0.4	76.7
Other comprehensive income	-	-	-	(9.6)	-	-	(9.6)	-	(9.6)
Total comprehensive income	-	-	-	(9.6)	-	76.3	66.7	0.4	67.1
Issuance of ordinary shares	0.6	1.4	-	-	-	-	2.0	-	2.0
Dividend	-	-	-	-	-	(59.5)	(59.5)	-	(59.5)
Treasury shares acquired	-	-	(1.1)	-	-	-	(1.1)	-	(1.1)
Treasury shares sold	-	-	0.6	-	-	(0.1)	0.6	-	0.6
Balance at 30 September 2015	222.8	455.2	(0.6)	(40.2)	-	79.4	716.7	11.0	727.6

CASH FLOW STATEMENT

	2nd Quarter	3rd Quarter	3rd Quarter	Jan - Sep	Jan - Sep	Jan - Dec
<i>Amounts in USD million</i>	2015	2015	2014	2015	2014	2014
Profit before tax	25.8	22.7	24.9	76.7	74.5	103.6
Depreciation and amortization	24.2	24.1	25.7	72.6	73.4	96.4
Other changes in operating activities	(0.9)	2.8	3.2	(16.1)	(7.3)	(16.7)
Net cash flow from operating activities	49.2	49.6	53.8	133.2	140.6	183.3
Acquisition of vessels and equipment	(17.5)	(16.1)	(58.9)	(34.4)	(194.9)	(367.8)
Proceeds from sale of vessels	-	-	-	-	-	8.2
Acquisition of vessels accounted for as finance lease	(65.2)	(65.3)	-	(130.5)	-	-
Repayment on finance lease receivables	2.4	3.2	-	7.7	-	4.0
Net cash flow from other non-current assets	(16.4)	(60.2)	-	(76.8)	-	(16.5)
Net change in long-term interest-bearing receivables	0.0	(3.5)	(0.1)	(3.7)	(1.6)	(1.6)
Net cash flow from investing activities	(96.7)	(141.9)	(59.0)	(237.8)	(196.5)	(373.7)
Proceeds from issuance of long-term interest-bearing debt	284.4	144.8	112.0	446.5	364.5	474.0
Repayment of long-term interest-bearing debt	(194.4)	(23.7)	(43.5)	(257.0)	(242.7)	(281.5)
Dividends paid	(19.9)	(20.5)	(17.4)	(59.5)	(50.6)	(69.1)
Proceeds from issuance of new equity	-	(0.0)	0.0	2.0	1.9	1.9
Non-controlling interests	-	-	-	-	-	10.5
Net change in treasury shares	(0.8)	0.3	0.7	(0.5)	(0.9)	(0.7)
Net cash flow from financing activities	69.3	100.9	51.7	131.4	72.2	135.0
Net change in cash and cash equivalents	21.8	8.6	46.5	26.9	16.4	(55.4)
Exchange rate differences	0.1	(0.1)	(1.1)	(0.1)	(1.1)	(1.2)
Cash and cash equivalents at the beginning of the period	72.7	94.6	102.8	76.4	132.9	132.9
Cash and cash equivalents at the end of the period	94.6	103.1	148.2	103.1	148.2	76.4

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT FOR OCEAN YIELD ASA FOR THE THIRD QUARTER

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 30 September 2015 comprise Ocean Yield ASA and its subsidiaries (together referred to as the “Group”). The financial statement for the third quarter and nine months ending 30 September 2015 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 31 December 2014 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 31 December 2014.

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 2 November 2015.

Note 3 Significant accounting principles

The 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 31 December 2014.

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 31 December 2014.

Note 5 Operating segments

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

Total revenues	2nd Quarter	3rd Quarter	3rd Quarter	Jan - Sep	Jan - Sep	Jan - Dec
<i>Amounts in USD million</i>	2015	2015	2014	2015	2014	2014
FPSO	34.2	34.8	34.6	103.1	102.7	136.8
Other Oil Service	22.7	22.6	26.0	67.8	78.2	100.0
Gas Carriers	-	-	-	-	-	-
Car Carriers	6.1	6.1	4.8	18.2	6.3	12.5
Other Shipping	0.2	1.7	-	1.9	-	-
Total revenues	63.2	65.3	65.4	191.1	187.2	249.3

EBITDA	2nd Quarter	3rd Quarter	3rd Quarter	Jan - Sep	Jan - Dec	Jan - Dec
<i>Amounts in USD million</i>	2015	2015	2014	2015	2014	2014
FPSO	29.9	29.0	25.8	87.5	83.7	111.7
Other Oil Service	22.7	22.5	26.0	67.5	78.0	99.7
Gas Carriers	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Car Carriers	6.1	6.1	4.8	18.2	6.2	12.3
Other Shipping	0.2	1.7	-	1.9	-	-
Other companies and eliminations	(2.9)	(3.0)	(2.4)	(7.4)	(5.2)	(6.9)
EBITDA	56.0	56.4	54.2	167.6	162.8	216.7

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 3.5 million in Q3 2015 compared with USD 3.1 million in Q3 2014, and USD 8.7 million in the first nine months of 2015 compared with USD 7.1 million in the first nine months of 2014. This includes all land based personnel in Ocean Yield and Aker Floating Production, which counted a total of 18 persons as of Q3 2015.

The Company's share related bonus payments are accrued on a quarterly basis.

Note 8 Financial income

Financial income in Q3 2015 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 February 2018. The bonds carry an interest of LIBOR + 6.00% p.a. where minimum 50% is payable as cash interest and up to 50% may be paid in kind ("PIK"). The bonds have been classified as Interest bearing long-term receivables and are measured at amortized cost using the effective interest method less any impairment losses. In the third quarter of 2015, Interest income of USD 4.5 million was recorded related to the AMSC bonds, and in the first nine months of 2015 USD 13.4 million have been recorded as interest income related to the bonds.

Note 9 Mark to market of derivatives and other financial instruments recorded at fair value

Mark-to-market of derivatives was negative USD 24.8 million in Q3 2015, and negative USD 38.8 in the first nine months of 2015. This is mainly related to one cross currency interest rate swap related to the bond issue OCY 02, where NOK 590 million has been swapped from NIBOR + 3.90% p.a. to LIBOR + 4.603% p.a. and three cross currency interest rate swaps related to OCY 03, where NOK 1,000 million has been swapped from NIBOR + 4.00% p.a. to LIBOR +4.45% p.a. In addition the Group has entered into several interest rate swaps related to vessel financings. At the end of September 2015 the cross currency interest rates swaps are the Group's most significant financial instruments recorded at fair value, and are considered by the Group to be level 2 financial instruments under the fair value hierarchy.

Note 10 Vessels and equipment

Material changes in vessels and equipment during 2015:

<i>Amounts in USD million</i>	FPSO	Other Oil Service	Gas Carriers	Car Carriers	Other/elim	Total
Balance at 1 January	459.3	585.2	24.7	234.7	4.1	1 308.0
Acquisitions	-	(0.0)	-	-	1.0	1.0
Advances	-	-	25.0	6.2	2.2	33.5
Disposals	-	-	-	-	-	-
Depreciation	(42.6)	(22.0)	-	(7.5)	(0.5)	(72.6)
Effect of movements in foreign exchange	-	(19.4)	-	-	-	(19.4)
Balance at 30 September 2015	416.7	543.8	49.7	233.4	6.8	1 250.4

Vessels defined as finance leases are not included in Note 10 but included in Note 11 Finance lease receivables and related assets

Note 11 Finance lease receivables and related assets

Finance lease receivables and related assets of USD 356 million at 30 September 2015 are related to the vessel Aker Wayfarer, eight chemical tankers, where four vessels are under construction, and four product tankers, also under construction.

The vessel Aker Wayfarer is accounted for as a finance lease. The vessel is chartered to AKOFS Offshore AS (AKOFS), a wholly owned subsidiary of Akastor ASA until 2027. AKOFS has options to purchase the vessel in 2021, 2026 and 2027. AKOFS has been awarded a 5 + 5 year contract with Petrobras to provide subsea intervention services offshore Brazil. In order to outfit the vessel for this, a modification of approximately USD 90 million will be made to the vessel. Instalments related to this modification work are presented with the finance lease receivable. The instalments are however not included in the net investment used for calculating the finance lease interest. The investment related to the modification work will be included in the net investment at the completion date, which is expected to be in May 2016.

The eight chemical tankers that will be chartered to Navig8 Chemical Tankers Inc. are accounted for as finance leases. At the delivery of the vessels a receivable equal to the net investment in the lease is recognized as an interest-bearing long term receivable. Income is reported in the income statement as finance lease 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. Pre-delivery advances related to the four

chemical tankers that are scheduled for delivery in Q1-Q3 2016 are presented with the finance lease receivables. The pre-delivery advances are at this point not included in the net investment used for calculating the finance lease interest, but will be included from the time of vessel delivery.

The four product tankers that will be chartered to Navig8 Product Tankers Inc. are accounted for as finance leases. At the delivery of the vessels a receivable equal to the net investment in the lease is recognized as an interest-bearing long term receivable. Income is reported in the income statement as finance lease 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. Pre-delivery advances related to the vessels, which are scheduled for delivery in January, March, May and July 2016 are presented with the finance lease receivables. The pre-delivery advances are at this point not included in the net investment used for calculating the finance lease interest, but will be included from the time of vessel delivery.

In Q3 2015 USD 6.6 mill has been recognized as finance lease revenue related to the vessel Aker Wayfarer and the four chemical tankers that have been delivered. On a cash basis, USD 9.7 million was received in bareboat hire during the quarter. In the first nine months of 2015 USD 16.6 million has been recognized as finance lease revenue, while USD 24.3 was received in bareboat hire during the same period.

The net finance lease receivables as of 30 September 2015 was as follows:

<i>Amounts in USD million</i>	Gross Investment in finance lease receivables	Effect of discounting	Present value of minimum lease payments
<i>Lease payments receivable:</i>			
Less than one year	46.2		43.0
Between one and five years	232.8		160.6
More than five years	421.1		141.9
<i>Lease investments:</i>			
Less than one year	(89.2)		(81.1)
Between one and five years	-		-
More than five years	-		-
Total finance lease receivables	610.9	(346.4)	264.5
Instalments paid related to modification of Aker Wayfarer			22.4
Pre-delivery advances related to chemical tankers and product tankers			68.5
Total finance lease receivables and related assets			355.5

The gross investments above include unguaranteed residual values of a total of USD 99 million.

Note 12 Contractual obligations

Ocean Yield had as per 30 September 2015 the following contractual obligations related to the purchase of vessels:

<i>Amounts in USD million</i>	FPSO	Other Oil Service	Gas Carriers	Car Carriers	Other Shipping	Total
Already paid	-	21.8	48.6	31.1	67.9	169.4
Q4 2015	-	11.4	24.3	6.5	33.9	76.1
2016	-	55.9	170.1	87.2	230.6	543.8
Total contractual obligations	-	89.2	243.0	124.7	332.4	789.3
Total remaining payments	-	67.4	194.4	93.6	264.6	619.9
Estimated / secured bank financing	33.5*	69.2*	180.0**	94.0*	258.2*	634.9
Estimated payments to be funded by cash						(15.0)

*Already secured bank commitments

**Estimated bank financing

The obligations above related to the Other Oil Service segment are related to the modification work on the vessel Aker Wayfarer. The vessel Aker Wayfarer is accounted for as a finance lease, see note 11. Instalments related to the modification work are presented with the finance lease receivable, and is not included in vessels and equipment in note 10. Ocean Yield has secured financing for 100% of the modification work.

The obligations above related to the Gas Carriers segment are related to three LEG carriers, scheduled for delivery in Q3 and Q4 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 are related to two PCTC vessels, which will be delivered in 2016. Long term financing has been secured for the two PCTC vessels for a total of USD 94 million.

The obligations above related to the new segment named *Other Shipping* are related to four chemical tankers and four product tankers under construction. The figures are net of seller's credit in the transactions. The four chemical tankers, being 48,000 dwt IMO II chemical carriers built by STX Korea, are scheduled for delivery in Q1-Q3 2016. Long term financing has been secured for the chemical tankers for a total of USD 112 million. The four product tankers, being 115,000 dwt LR2 product tankers are built at Sungdong Shipbuilding & Marine Engineering Co., Ltd, Korea and are scheduled for delivery in January, March, May and July 2016. Long term financing has been secured for the product tankers for a total of USD 148 million. The eight vessels are accounted for as finance leases, see note 11. Instalments related to the vessels are presented with the finance lease receivables, and are not included in vessels and equipment in note 10.

Note 13 Interest-bearing debt

Material changes in interest-bearing debt (short term and long term) during 2015:

<i>Amounts in USD million</i>	FPSO	Other Oil Service	Car Carriers	Other Shipping	Other/elim	Total
Balance at 1 January	196.0	515.4	148.6	-	134.6	994.6
New loans	17.0	151.4	54.8	101.8	131.2	456.1
Paid loan fees	-	(2.4)	(0.6)	(5.1)	(1.4)	(9.6)
Instalments	(63.6)	(129.7)	(62.8)	(0.8)	-	(257.0)
Effect of movements in foreign exchange and loan fees amortized	0.6	(16.9)	0.3	0.0	(30.9)	(46.9)
Total interest-bearing debt	150.0	517.6	140.3	95.9	233.5	1 137.3

<i>Amounts in USD million</i>	FPSO	Other Oil Service	Car Carriers	Other Shipping	Other/elim	Total
Long-term	83.6	481.7	129.6	87.4	233.5	1 015.8
Short-term loan	-	-	-	-	-	-
1st year instalments	66.4	35.9	10.7	8.4	0.0	121.4
Total interest-bearing debt	150.0	517.6	140.3	95.9	233.5	1 137.3

In April, Ocean Yield ASA signed a new revolving credit facility of USD 220 million with maturity in 2021 with a group of banks for the refinancing of the vessel Aker Wayfarer. The documentation process was finalized in May and the Company had USD 150 million drawn on the loan facility at the end of the third quarter. The loan carries an interest rate of LIBOR + 2.00% p.a. and amortises down to a balloon of USD 120 million in 2021, with the first reduction scheduled in Q3 2016.

In April, Ocean Yield closed a new unsecured bond issue of NOK 1,000 million with maturity in April 2020. The bonds carry a coupon of NIBOR + 4.00% p.a. with quarterly interest payments. The bond issue attracted strong interest and was substantially oversubscribed, closing at the bottom of the indicated price range. The proceeds will be used for further growth and general corporate purposes. The

Company has subsequently entered into cross currency interest rate swaps for NOK 1,000 million with an average interest rate of LIBOR + 4.45% p.a.

In April, Ocean Yield agreed to acquire eight newbuilding chemical tankers for a total consideration of USD 306.8 million. The transaction is funded by a committed bank facility of USD 212 million. At the end of the third quarter USD 101.8 million had been drawn on the facility. The loan carries an interest rate of LIBOR + 2.00% p.a.

In July, Ocean Yield agreed to acquire four newbuilding 115,000 dwt LR2 product tankers for a total consideration of USD 198.1 million. The transaction is funded by a committed bank facility of USD 148 million. At the end of the third quarter no drawdowns have been made on the facility. The loan carries an interest rate of LIBOR + 2.00% p.a.

Note 14 Share capital and dividends

In Q3 2015 certain members of senior management have acquired a total of 41,980 shares in the Company. The purchase of shares was made as part of the Company's management incentive program. As of 30 September 2015, the Company had a share capital of NOK 1,346,285,750 divided into 134,628,575 ordinary shares, each having a par value of NOK 10.00. Total number of treasury shares held were 86,450

In Q3 2015 USD 20.5 million was paid in dividends, following the announcement of the Q2 2015 Results.

Note 15 Events after the balance sheet date

No specific events to report.