

Presentation Q3 2015

3rd November 2015

Third Quarter 2015 financial highlights

- Quarterly dividend increased to USD 0.1575 per share
 - Increase of 0.5 cents versus Q2'15, equal to 13% increase annualized
 - USD 0.63 per share annualized, representing a dividend yield of 7.7% p.a.
 - The dividend will be paid on or about 16th November.
 - The ex-dividend date will be 6th November 2015
- EBITDA was USD 56.4m, compared with USD 56.0m in Q2'15
- Net profit was USD 22.7m, compared with USD 25.8m in Q2'15
 - Net profit after tax adjusted for non-recurring items (mainly FX & m-t-m of derivatives) was USD 27.9m, compared with USD 27.1m in Q2'15
- The EBITDA charter backlog at the end of Q3'15 was USD 2.75bn with an average weighted tenor of 10.4 years



Events during Q3 2015

- Acquisition of 4 newbuilding LR 2 product tankers with 13 years bareboat charters to Navig8 Product Tankers Inc.
- Successful delivery of 2 x 37,000 IMO II chemical tankers from Hyundai Mipo Dockyard with 15 years charter to Navig8 Chemical Tankers Inc.
- Agreed with AMSC to increase cash interest payments on the bond to 100%
- Steady production on the FPSO Dhirubhai-1 with operational utilization of 100% in Q3 2015



Acquisition of 4 LR2 Product Tankers with 13 years charter to Navig8 Product Tankers Inc.



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LR2

Vessels:	4 x 115,000 dwt
Yard:	Sungdong Shipbuilding, Korea
Built:	2016
Gross price:	USD 49.5m per vessel
Seller credit:	5%
Charterer:	Navig8 Product Tankers Inc.
Contract:	13 year floating interest rate BB
Financing:	USD 37m per vessel
Bank margin:	LIBOR + 200 bps

NAVIG8 PRODUCT TANKERS INC.

- Established in 2013 by Navig8 Group
- Book equity of about USD 400m and NAV of about USD 600m
- Listed on Norwegian OTC ("EIGHT")
- Fleet of 27 modern product tankers with delivery expected from Sep'15 through 2016, of which 15x LR2s and 12x LR1s
- Commercial management done by Navig8 Group, which has about 330 vessels committed to 15 pools in three segments

Expected delivery schedule

Vessel #1 - LR2 S3082	Jan'16
Vessel #2 - LR2 S3083	Mar'16
Vessel #3 - LR2 S3084	May'16
Vessel #4 - LR2 S3085	Jun'16



Another quarter with steady production on the FPSO Dhirubhai-1



- Steady production with operational utilization of 100% in Q3 2015
- Gas prices in India are regulated and declined to USD 4.16 per mmbtu from Oct'15 and until Mar'16
 - Same price level as the period Sep'08 until Sep'14
 - Gas prices are substantially below Indian import prices
- Fixed rate charter with Reliance Ind. until Sep'18 with cash EBITDA of USD +100m p.a. with main alternatives at the end of the contract
 - Charterer exercises the purchase option at USD 255m
 - Extension of contract
 - Redeployment
- Outstanding loan of USD 150m, which is expected to be fully repaid in 2017

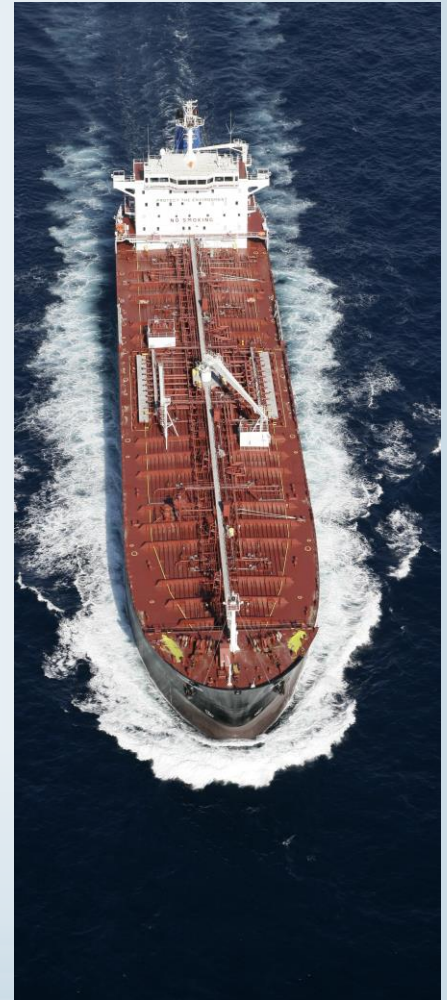


Agreed with AMSC to increase cash interest payments on unsecured bond to 100%



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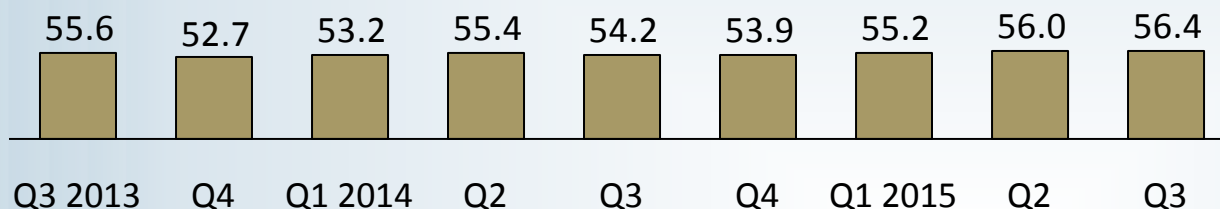
- Ocean Yield owns bonds in American Shipping Company ASA
 - Nominal value of USD 201m
 - Book value of USD 190m
 - Maturity in February 2018
 - Interest of LIBOR + 6.00% p.a.
- AMSC signed loan agreements for a total of USD 450m to refinance the secured bank debt
- Ocean Yield has agreed to certain waivers and approved the refinancing against 100% cash interest payments on the bond
 - Previously 50% cash interest / 50% payment-in-kind (PIK)
 - Will increase cash interest by about USD 6m per annum
- AMSC waived the option to extend the maturity of the bond beyond Feb'18



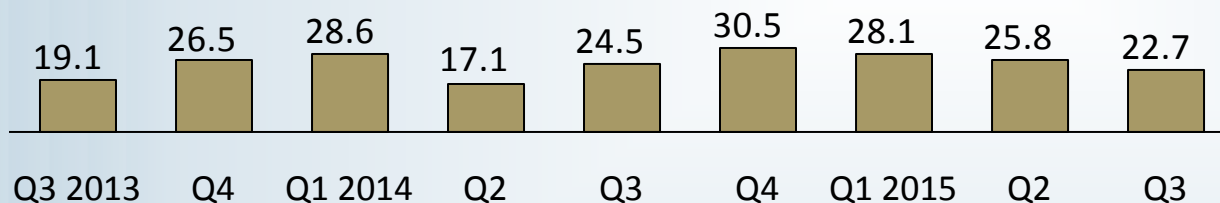


Steady EBITDA with expected strong growth during 2016 from delivery of newbuildings

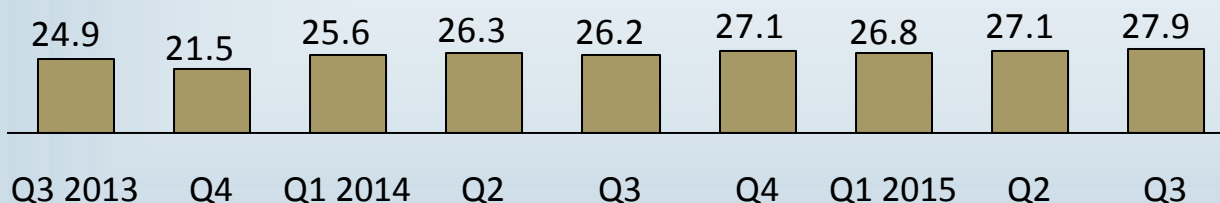
EBITDA¹ per quarter (USDm)



Net profit per quarter (USDm)



Net profit per quarter adjusted for non-recurring items (USDm)

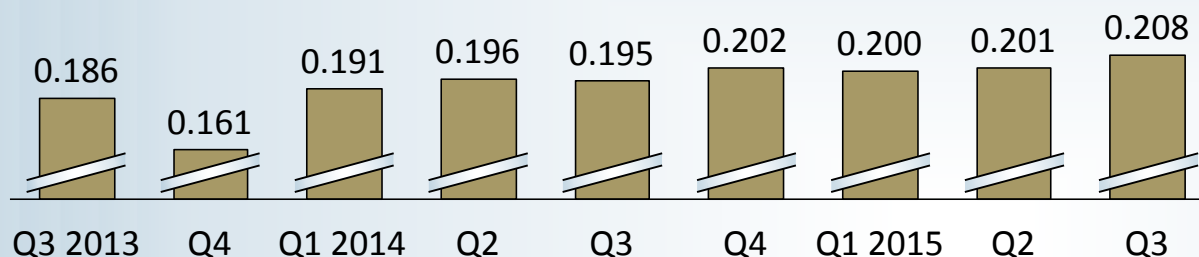


Q3 EBITDA adjusted for finance lease effects was USD 59.6m.

Q3 net profit adjusted for non-recurring items was USD 27.9m.

Declared growth in cash dividends for the 8th consecutive quarter

Adjusted earnings per share (USD)²



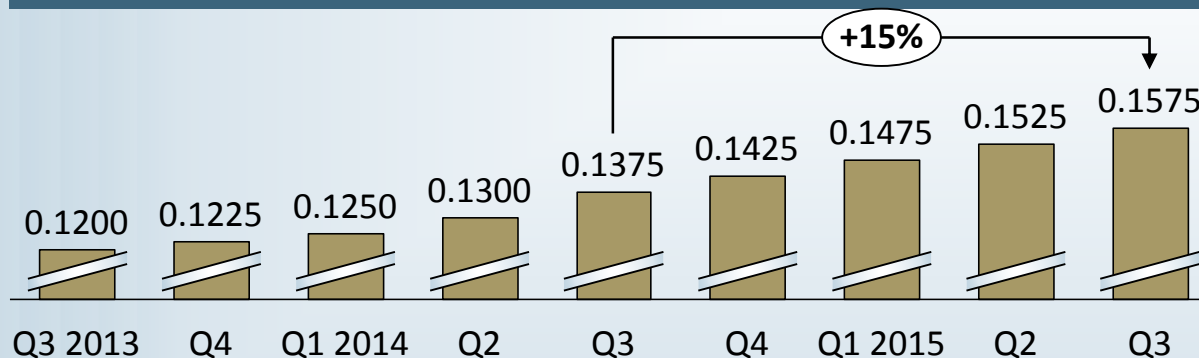
Dividend yield

7.7%¹ p.a.

Pay-out ratio on adjusted Q3 EPS

76%

Dividend per share (USD)



Adjusted earnings yield

10.2%¹ p.a.

¹As per 02.11.2015 - Q3 2015 dividend annualized, share price of NOK 69.25 and NOK/USD 8.53

²Reported EPS has been adjusted for non-recurring items. Reported EPS for Q3'13, Q4'13, Q1'14, Q2'14, Q3'14, Q4'14, Q1'15, Q2'15 and Q3'15 was USD 0.14, USD 0.20, USD 0.21, USD 0.13, USD 0.18, USD 0.23, USD 0.21, USD 0.19 and USD 0.17, respectively.

P&L

Income statement				
	Q2	Q3	Jan-Sep	Jan-Sep
<i>Amounts in USD million</i>	2015	2015	2015	2014
Operating revenues	58.1	58.7	174.5	187.2
Finance lease revenue	5.1	6.6	16.6	-
Total revenues	63.2	65.3	191.1	187.2
Vessel operating expenses	(3.1)	(4.4)	(11.6)	(10.8)
Wages and other personnel expenses	(3.1)	(3.5)	(8.7)	(7.1)
Other operating expenses	(1.0)	(1.0)	(3.3)	(6.6)
EBITDA	56.0	56.4	167.6	162.8
Depreciation and amortization	(24.2)	(24.1)	(72.6)	(73.4)
Loss from sale of vessels and equip.	(0.1)	0.1	-	-
Operating profit	31.7	32.4	95.0	89.4
Financial income	4.6	4.5	13.5	25.5
Financial expenses	(9.1)	(8.9)	(27.1)	(40.5)
Foreign exchange gains/losses	(0.2)	19.5	34.1	7.1
Mark to market of derivatives	(1.0)	(24.8)	(38.8)	(7.0)
Net financial items	(5.8)	(9.7)	(18.3)	(14.9)
Net profit before tax	25.8	22.7	76.7	74.5
Income tax expense	0.0	0.0	(0.0)	(4.3)
Net profit after tax	25.8	22.7	76.7	70.2

Comments

Finance lease revenue

- Navig8 Chemical Tankers contributed with USD 1.7m in Q3 vs. USD 0.2m in Q2. Cash received was USD 2.7m in Q3.
- Aker Wayfarer Q3 charter hire of USD 7.0m vs. finance lease revenue recognized of USD 4.8m.

Vessel opex

- Seasonally low activity in Q2
- Higher activity in Q3 and expensed maintenance

Wages and other personnel expenses

- Higher than normal provisions for management incentive program due to the strong increase in the share price during 2015

Net profit after tax adjusted for non-recurring items

Adjustments			Comments	
	Q2 2015	Q3 2015		
<i>Amounts in USD million</i>				
Profit after tax	25.8	22.7		
- Loss from sale of vessels and equipment	0.1	(0.1)	• Related to Dhirubhai-1	
- One-off adjustment to Financial Income	-	-		
- One-off adjustment to Financial Expenses	-	-		
- Foreign exchange gains/losses	0.2	(19.5)	• Mainly related to bond and bank loans in NOK	
- Mark to market of derivatives	1.0	24.8	• Related to loss on USDNOK cross currency swap on bond loan and interest rate swaps	
- Tax	-	-		
Net profit after tax adjusted for non-recurring items	27.1	27.9		

Balance sheet

Balance sheet				
	Q2	Q3		
<i>Amounts in USD million</i>	2015	2015	Q2	Q3
			2015	2015
ASSETS			EQUITY AND LIABILITIES	
Vessels and equipment	1 269.1	1 250.4	Equity to holders of the parent	719.7
Intangible assets	38.3	38.3	Non-controlling interests	11.0
Deferred tax assets	11.4	11.5	Total equity	730.7
Restricted cash deposits	20.1	23.6		
Finance lease receivables and related assets	235.3	355.5	Interest-bearing debt	926.3
Investments in AMSC Bonds	186.7	189.6	Mobilization fee and advances	36.2
Other non-current assets	0.7	0.6	Other interest-free long term liabilities	2.5
Total non-current assets	1 761.8	1 869.6	Total non-current liabilities	965.0
			Interest-bearing short term debt	116.0
Trade- and other interest-free receivables	13.4	13.4	Mark to market of derivatives	47.7
Cash and cash equivalents	94.6	103.1	Trade and other payables	10.4
Total current assets	108.0	116.4	Total current liabilities	174.1
Total assets	1 869.7	1 986.1	Total liabilities	1 139.0
			Total equity and liabilities	1 869.7
			Equity ratio	39.1 %
				36.6 %

Non-controlling interest of USD 11 million relates to the SBM transaction

Contractual obligations and financing

Contractual obligations and financing

<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 ¹	69.2 ¹	180.0 ²	94.0 ¹	258.2 ¹	634.9
Estimated payments to be funded by cash						-15.0

¹Already secured bank commitments

²Estimated bank financing

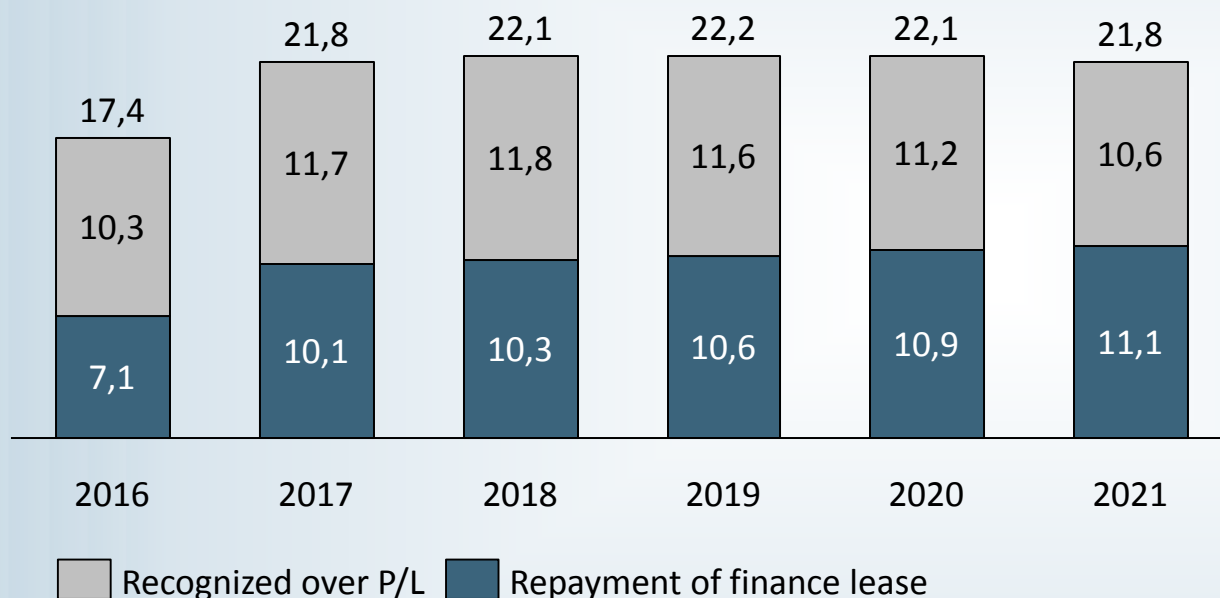
Comments

- Financing of 3 x LEG carriers is planned to commence in H1 2016
- The contractual payments related to the Navig8 Chemical Tankers and Navig8 Product Tankers is net of seller credits
- Unrestricted cash of USD 103.1m at the end of Q3

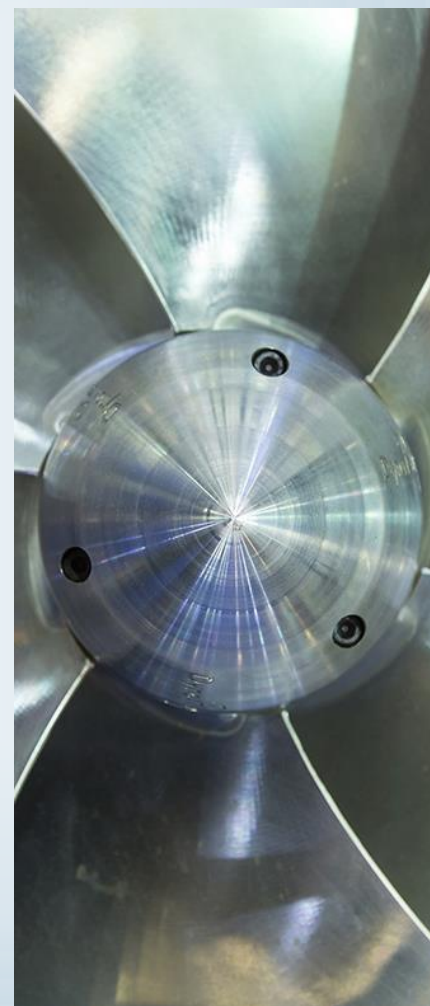


Accounting recognition of Navig8 Product Tankers finance lease

Cash received vs. income recognition (USDm)*



*Estimates based on current forward LIBOR curve



Diversified fleet of modern fuel efficient vessels

SHIPPING

Product Tankers
115,000 dwt LR2



Chemical Tankers
37,000 dwt IMO2
Aronaldo, Aquamarine,
Amessi & Azotic



49,000 dwt MR IMO2



Car Carriers
8,500 CEU PCTCs
XS1462E & XS1462F



PCTCs 6,500 CEU
Jacksonville & Jeddah



PCTCs 4,900 CEU
Beijing & Xiamen



**Liquefied Ethylene
Gas Carriers**
36,000 cbm



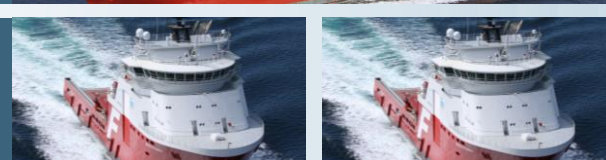
**Diving Support &
Construction Vessel**
SBM Installer



**Subsea Equipment
Support Vessel**
Aker Wayfarer



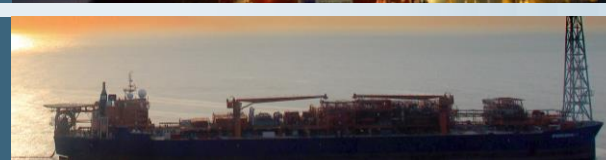
Offshore Supply
FAR Senator
FAR Statesman



**Subsea
Construction**
Lewek Connector



FPSO
Dhirubhai-1



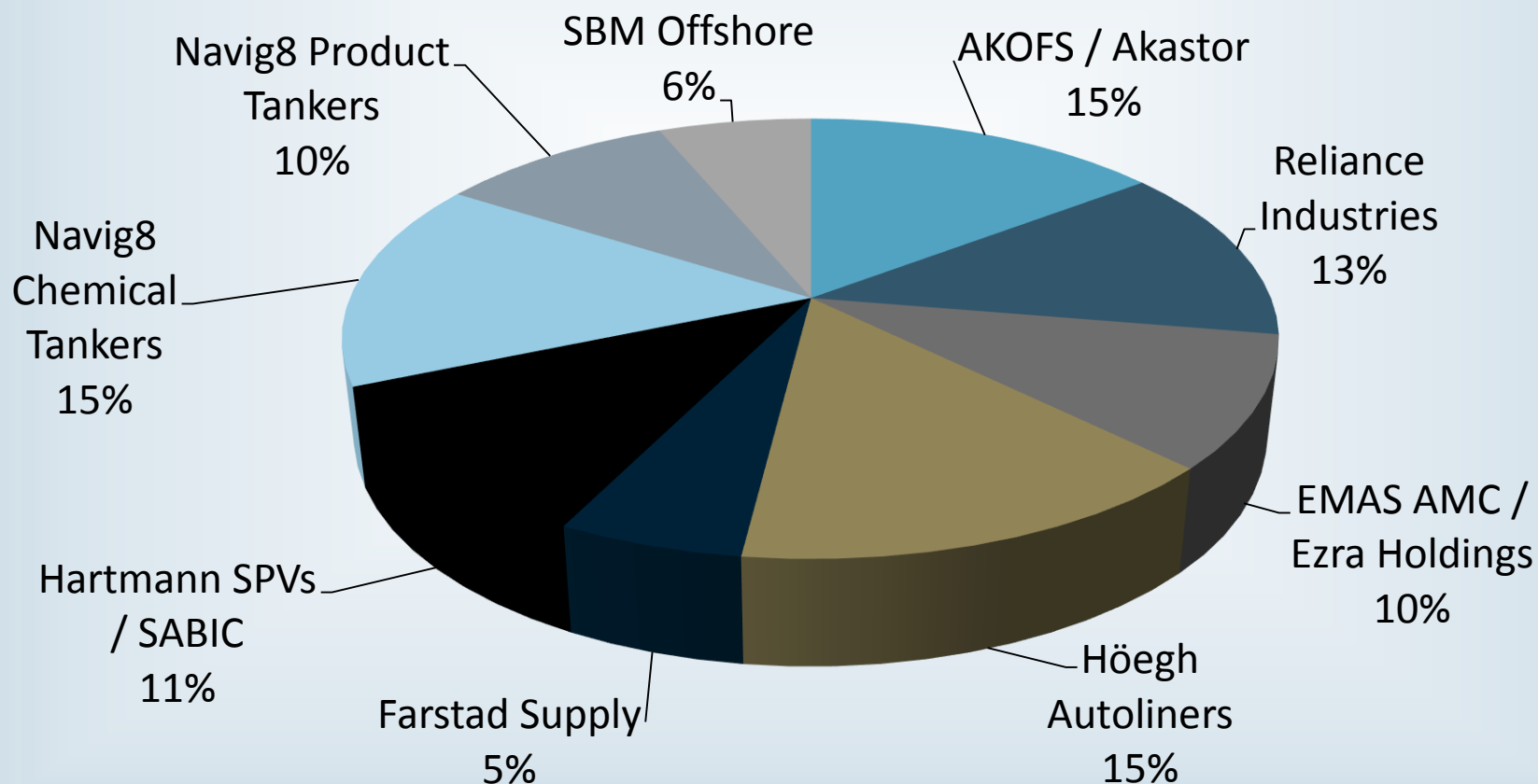
BONDS
AMSC

Bonds in American Shipping Company with
book value USD 190m and par value USD 201m

OIL SERVICE

EBITDA* backlog of USD 2.75bn with average tenor of 10.4 years

Charter backlog by counterparty



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

Summary

- Increased quarterly dividends for the 8th consecutive quarter. With a strong financial position, the company expects to continue its policy of paying increasing quarterly dividends to its shareholders
- Invested about USD 500m in new assets in 2015. A total of 13 newbuildings with long-term contracts will substantially increase earnings and dividend capacity once delivered during 2016
- Cash interest on the AMSC bond to increase by about USD 6m per annum going forward
- Continuing the process of building a larger and more diversified fleet. With soft bond and equity markets for shipping and oil-service companies, we expect to see interesting investment opportunities going forward

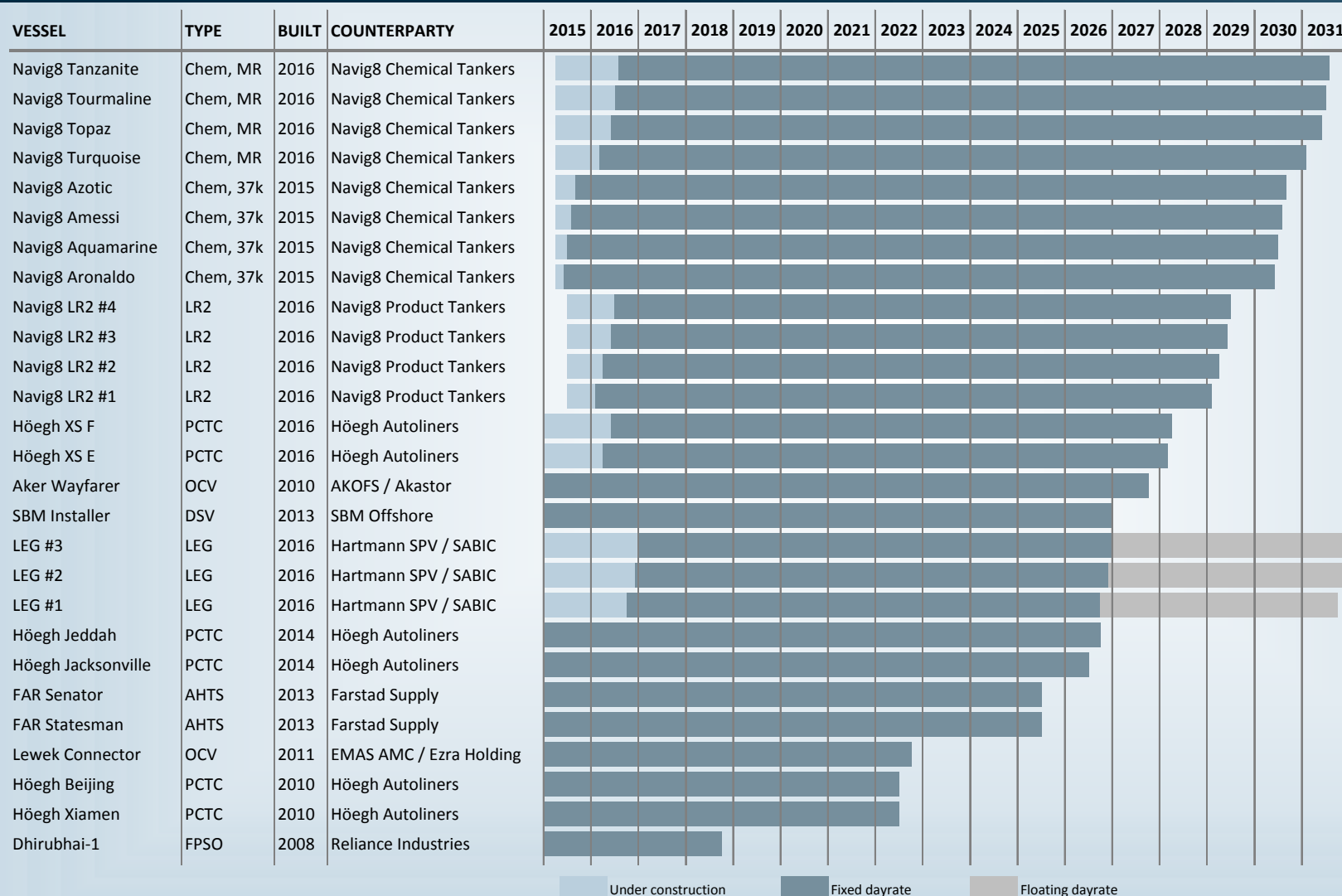


Appendix

EBITDA* backlog of USD 2.8bn with average tenor of 10.4 years



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HARTMANN REEDEREI



HÖEGH AUTOLINERS



Reliance Industries Limited
Growth is Life



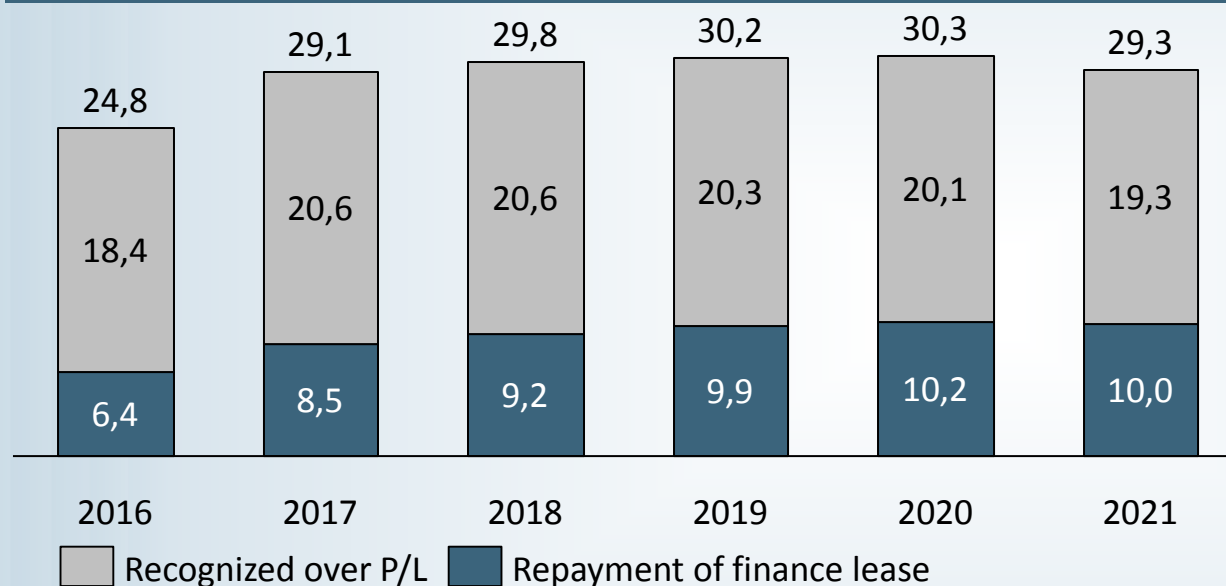
AKOFS Offshore AKASTOR



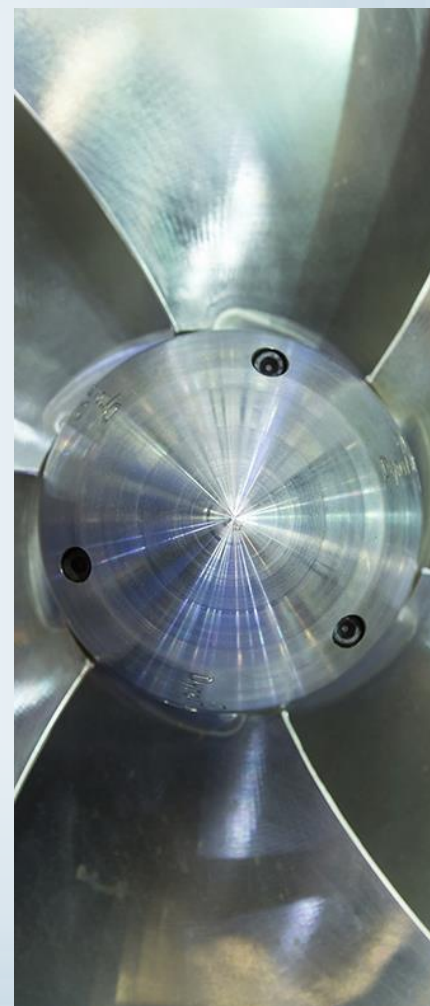
*EBITDA backlog based on management's estimates on DB-1, certain options not being exercised, LIBOR forward curve, USDNOK and adjusted for finance lease effects.

Accounting recognition of finance lease; cash received vs. income recognition

Navig8 Chemical Tankers (USDm)*



*Estimates based on current forward LIBOR curve and USDNOK





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