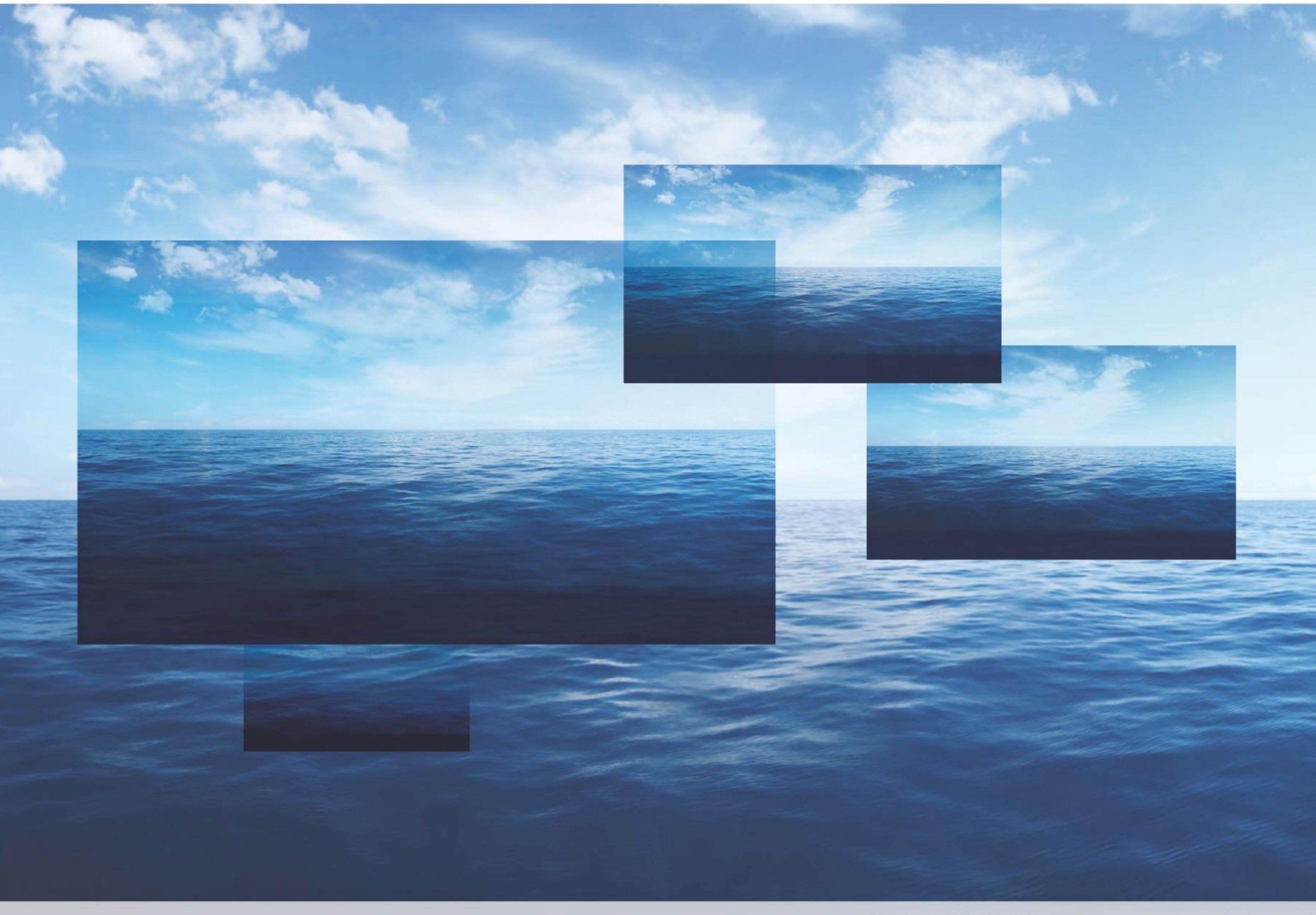
OCEAN YIELD



OCEAN YIELD ASA

Second Quarter and First Half Year 2014 Report

In April, Ocean Yield took delivery of its first newbuilding car carrier. The vessel “Höegh Jacksonville” has a capacity of 6 500 cars and entered into a 12-year bareboat charter with Höegh Autoliners immediately from delivery.

Second Quarter and Half Year 2014 Report

Oslo, 10th July 2014, Ocean Yield ASA ("Ocean Yield" or the "Company") announces results for the second quarter ending 30th June and first half year 2014.

Highlights

- The Board of Directors has declared a dividend of USD 0.13 per share for Q2 2014. This is an increase of 0.50 cents per share compared with the previous quarter. On an annualized basis, the dividend equals USD 0.52 per share. Based on the closing share price as of 10th July 2014, this gives a dividend yield of 8.03% p.a.

- Operating Revenues increased to USD 62.1 million, EBITDA to USD 55.4 million and Operating Profit (EBIT) to USD 31.0 million in the second quarter 2014.

- Net Profit after tax was USD 17.1 million for the second quarter 2014. This includes net non-recurring negative amounts of USD 9.2 million in the quarter related to refinancing of vessels, repurchase of bonds, mark-to-market of derivatives and foreign exchange.

- Selected key financial figures for the second quarter 2014 compared with the second quarter of 2013 and first half 2014 compared with first half 2013:

Consolidated key P&L figures - USD million	Q2 2014	Q2 2013	1st half 2014	1st half 2013
Revenues	62.1	60.0	121.8	116.6
EBITDA	55.4	50.6	108.6	99.4
Operating Result (EBIT)	31.0	25.5	60.9	50.2
Net profit after tax	17.1	19.9	45.7	37.1

- Ocean Yield entered into newbuilding contracts for three Liquefied Ethylene Gas carriers with 15-year bareboat charters to the Hartmann Group, with a sub-charter for 10 years on a time-charter basis to a strong counterparty. The total contract price is USD 243 million.

- Ocean Yield agreed to acquire two car carriers of 4 900 car capacity with 8-year bareboat charters to Höegh Autoliners for a total consideration of USD 90 million.

- Ocean Yield took delivery of its first newbuilding car carrier, the "Höegh Jacksonville".

- Ocean Yield closed a new USD 250 million bank facility, secured against six car carriers. The new facility provides for significantly reduced interest rate expenses related to the car carriers going forward.

- The FPSO Dhirubhai-1 had operational utilization of 100% during the quarter.

Main events during the second quarter

- The Board of Directors has declared a quarterly dividend payment of USD 0.13 per share. This is in line with the Company's strategy to pay attractive and growing dividends to its shareholders. The dividend of USD 0.13 per share is, on an annualized basis, equal to USD 0.52 per share. The dividend will be paid on or about 29th July 2014 to shareholders as of 16th July 2014 registered with the Norwegian Central Securities Depository (the "VPS") as of 21st July 2014 (the "Record Date"). The ex-dividend date will be 17th July 2014.

- In April 2014, Ocean Yield took delivery of its first newbuilding car carrier. The vessel was built by DSME-Mangalia Heavy Industries and has a capacity of 6500 cars and has a fuel efficient design. The vessel was delivered on time and on budget and entered into a 12-year bareboat charter with Höegh Autoliners immediately from delivery.

- In May 2014, Ocean Yield ASA entered into newbuilding contracts for three LEG (Liquefied Ethylene Gas) carriers of 36,000 cbm capacity with Sinopacific Offshore & Engineering, China. The vessels are scheduled for delivery in August, October and December 2016 respectively, and will after delivery be chartered on 15-year "hell and high water" bareboat charters to the Hartmann Group ("Hartmann"), Germany, where the first ten years have a fixed charter rate and the last five years a floating charter rate. Hartmann has sub-chartered the vessels for a 10-year period on Time Charter basis with additional five one-year options to a strong counterparty. The total contract price is USD 243 million.

  Hartmann will have an opportunity to buy into 1/3 ownership of the vessels at the end of year 10 at depreciated value, or alternatively receive a 1/3 profit share from year 11 to year 15. Once the vessels are delivered, they are expected to contribute approximately USD 31.5 million in annual EBITDA in aggregate.

- In May 2014, Ocean Yield ASA agreed to acquire two Pure Car Truck Carriers (PCTC) of 4 900 car capacity with long-term bareboat charters to Höegh Autoliners. The vessels, which were built in 2010, were delivered to Ocean Yield on June 20th 2014 and immediately entered into their 8-year charters. Höegh will have certain options to acquire the vessels during the bareboat charter period, with the first option after five years. The total investment is was USD 90 million.

- In June 2014, Ocean Yield signed a new credit facility with a group of banks for a total loan amount of USD 250 million. The loan matures in August 2021 and is secured against six car carriers. The credit facility was completed on competitive terms, reducing the margin by one percentage point related to two of the vessels. The refinancing will significantly reduce the interest expenses related to the car carriers going forward and increase the dividend capacity related to the vessels. Due to the refinancing, accrued commitment fees and upfront bank fees related to the old loans which were booked in the balance sheet, have been recognized in the Profit and Loss this quarter. This results in a negative, non-cash effect of USD 5.5 million.

- 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 of USD 3.5 million were lower than budgeted for the quarter.
- Ocean Yield's other vessels, the *Lewek Connector, Far Senator, Far Statesman, Aker Wayfarer* and the *Geco Triton* all received charter hire as per their respective bareboat agreements.
- The progress on the Company's remaining newbuildings is on schedule. Ocean Yield has three newbuilding car carriers under construction, one 6,500 CEU vessel scheduled for delivery in August 2014 and two 8,500 CEU vessels scheduled for delivery in January and April 2016. All three vessels are chartered out on 12-year bareboat charters to Höegh Autoliners and long-term financing is secured.

Second quarter financial review

- Operating Revenues for Q2 2014 were USD 62.1 million compared with USD 60.0 million for Q2 2013. The Operating Revenues reflect a strong operational performance in Q2 2014 with full bonus for the FPSO *Dhirubhai-1* and delivery of the vessels *Höegh Jacksonville, Höegh Beijing and Höegh Xiamen* during the second quarter. Also in this quarter, the Operating Expenses for the FPSO were lower than budgeted. Vessel Operating Expenses, which are related to the operation of the FPSO *Dhirubhai-1*, were USD 3.5 million for Q2 2014, compared with USD 3.9 million for Q2 2013. Wages and other Personnel Expenses were USD 2.2 million for Q2 2014, compared with USD 2.8 million for Q2 2013.
- Depreciation and amortization was USD 24.4 million in Q2 2014, compared with USD 25.0 million in Q2 2013.
- Financial Income was USD 4.7 million in Q2 2014 as compared with USD 7.3 million in Q2 2013. USD 4.5 million of Financial Income is related to the bonds in American Shipping Company, where the Company holds bonds with a book value of USD 174.8 million as of Q2 2014. This is about 91% of par value.
- Financial expenses were USD 14.9 million in Q2 2014, as compared with USD 9.4 million in Q2 2013. This includes a one-off cost of USD 5.5 million related to the refinancing of the car carriers, which has no cash effect for the Company and USD 0.4 million related to the repurchase of bonds. Hence, recurring interest rate expenses were USD 9.0 million in the second quarter. In April 2014, the Company repurchased another NOK 30.5 million of bonds outstanding under the bond loan OCY 01 in the market. Under this loan, the remaining NOK 137.5 million of outstanding bonds with maturity in July 2017, are callable in July 2014 at 106% of par.
- Foreign exchange gains were USD 2.0 million in the second quarter, compared with a loss of USD 0.2 million in Q2 2013. Mark-to-market of derivatives was negative USD 5.3 million in Q2 2014, as compared with negative USD 3.4 million in Q2 2013. The mark-to-market amount is related to various interest rate swaps entered into in connection with the financing of the Company's vessels and has no cash impact.
- Income tax expense was negative with USD 0.4 million for the second quarter 2014, compared with positive USD 0.2 million in Q2 2013.
- The Net Profit after tax for Q2 2014 was USD 17.1 million compared with USD 19.9 million for Q2 2013. Non-recurring, non-cash items had a negative impact on the Net Profit after tax of USD 9.2 million.
- Cash and cash equivalents were USD 102.8 million at the end of Q2 2014, as compared with USD 60.1 million in Q2 2013. Book Equity was USD 707.1 million at the end of the quarter compared with USD 522.0 million in Q2 2013. Total Assets were USD 1,734.2 million at the end of Q2 2014 compared with USD 1,604.6 million in Q2 2013. The equity ratio as per end of Q2 2014 was 40.8%.

Year to date financial review

- Operating revenues for the first half 2014 were USD 121.8 million as compared with USD 116.6 million for the first half 2013. EBITDA was USD 108.6 million for the first half 2014, compared with USD 99.4 million for the first half 2013. Depreciation was USD 47.7 million, compared with USD 49.2 million in the first six months of 2013. Operating Profit was USD 60.9 million as compared with USD 50.2 million for the first half 2013.
- Financial income was USD 20.7 million for the first half 2014, compared with USD 11.7 million for the first half 2013. The increase in financial income compared to first half 2013 is related to the one-off effects of the amendments of the bonds in American Shipping Company of USD 11.5 million, that was recognized in Q1 2014. Financial expenses were USD 29.3 million in the first half 2014, compared to USD 17.5 million in the first half of 2013. The major reason for the increase is one-off effects related to the repurchase of 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 45.7 million in the first half 2014, compared to USD 37.1 million for the first half 2013. Non-recurring, non-cash items had a negative effect on the Net Profit after tax of USD 3.2 million in the first half of 2014.

Fleet status:

The charter backlog at the end of the second quarter was USD 2.15 billion in revenues and USD 2.0 billion in EBITDA. Average remaining contract tenor (weighted by EBITDA) at the end of the second quarter was 7.1 years.

Vessel	Vessel type	Client	Contract expiry	Remaining tenor (years)	EBITDA Backlog USD M
Dhirubhai-1	FPSO	Reliance	Sep-18	4.2	462
Aker Wayfarer	Subsea	Aker Solutions	Sep-20	6.3	244
Lewek Connector	Subsea	Ezra/EMAS AMC	Oct-22	8.3	317
Höegh Car Carriers	Car Carrier	Höegh Autoliners	Apr-22/Apr-28	11.6	436
FAR Senator/ FAR Statesman	AHTS	Farstad	Mar/June-25	11.0	240
LEG Carrier –S1034/S1035/S1036	Gas Carriers	Hartmann	Aug/Dec-26	10.0	315
Geco Triton	Seismic	Western Geco	Dec-15	1.5	9
Total					**2,024**
Number of vessels (including 6 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.

Outlook:

Ocean Yield has all its vessels on long term charters to solid counterparties. The average weighted tenor of the charters is 7.1 years and the contract backlog on an EBITDA basis as per the end of second quarter 2014 was USD 2.0 billion. The substantial contract backlog secures strong revenues over the coming years. The company has six newbuildings on order and these vessels will as from delivery contribute to increased revenues compared to the current level. Further, the company has a strong balance sheet with an equity ratio of 40.8 % enabling it to continue to make new investments and thereby increase the revenues.

Ocean Yield intends to continue to pay attractive and growing dividends to its shareholders. With increased revenues both from delivery of additional newbuildings and contribution from further investments, the Company expects to have the capacity to continue to grow the dividends.

Ocean Yield has a target growth of minimum USD 350 million in new investments per year. With the ordering of the three gas carriers and the purchase of two car carriers announced this quarter, the

Company has committed USD 333 million to new investments during the first half of 2014 and expects to make further investments during the second half of the year.

The funding market for Ocean Yield has developed very positively so far in 2014 and the Company has experienced substantial reductions in margins, both for unsecured bond loans and secured bank loans. The reduced margins are both a reflection of the general funding market and that Ocean Yield has become a larger company with a more diversified portfolio of assets.

10th July 2014
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

Directors' responsibility statement:

Today, the Board of Directors and the company's chief executive officer reviewed and approved the interim financial report and the unaudited condensed interim consolidated financial statements for the second quarter and the first half of 2014.

The interim consolidated financial statement has been prepared and presented in accordance with IAS 34 Interim Financial Reporting as endorsed by the EU, and the additional requirements found in the Norwegian Securities Trading Act.

To the best of our knowledge:

The interim consolidated financial statement for the second quarter and the first half of 2014 has been prepared in accordance with applicable accounting standards.

The interim consolidated financial statement provides a true and fair picture of the Company's assets, liabilities, financial position, and profit as of 30 June 2014.

The interim financial report for the first six months of 2014 also includes a fair overview of the development and performance of the business, and it also provides a true and fair description of the most important risks and uncertainties the group may face.

10th July 2014
Ocean Yield ASA

Trond Brandsrud *Chairman*	Kjell Inge Røkke *Director*	Annicken Gann Kildahl *Director*
Anne Christin Døvigen *Director*	Jens Ismar *Director*	Lars Solbakken *CEO*

Ocean Yield ASA Group condensed consolidated financial statement for the second quarter and half year 2014

Income statement

Amounts in USD million	Note	1st Quarter 2014	2nd Quarter 2014	2nd Quarter 2013	1st Half 2014	1st Half 2013	Jan - Dec 2013
Operating revenues	5	59.7	62.1	60.0	121.8	116.6	239.0
Vessel operating expenses	6	(3.5)	(3.5)	(3.9)	(7.1)	(7.8)	(14.2)
Wages and other personnel expenses	7	(1.8)	(2.2)	(2.8)	(4.0)	(4.5)	(9.5)
Other operating expenses		(1.1)	(1.0)	(2.7)	(2.1)	(4.9)	(7.6)
EBITDA	5	**53.2**	**55.4**	**50.6**	**108.6**	**99.4**	**207.7**
Depreciation and amortization	11	(23.4)	(24.4)	(25.0)	(47.7)	(49.2)	(101.6)
Operating profit		**29.9**	**31.0**	**25.5**	**60.9**	**50.2**	**106.1**
Financial income	8	16.0	4.7	7.3	20.7	11.7	19.7
Financial expenses	9	(14.4)	(14.9)	(9.4)	(29.3)	(17.5)	(35.6)
Foreign exchange gains/losses		(0.7)	2.0	(0.2)	1.3	(0.1)	(0.1)
Mark to market of derivatives	10	1.3	(5.3)	(3.4)	(4.0)	(6.7)	(10.0)
Net financial items		**2.2**	**(13.5)**	**(5.8)**	**(11.3)**	**(12.6)**	**(26.0)**
Net Profit before tax		**32.1**	**17.5**	**19.8**	**49.6**	**37.6**	**80.2**
Income tax expense		(3.4)	(0.4)	0.2	(3.9)	(0.5)	2.5
Net Profit after tax		**28.6**	**17.1**	**19.9**	**45.7**	**37.1**	**82.7**
Weighted average number of shares outstanding		134.0	134.1	100.0	134.1	100.0	116.7
Basic and diluted earnings per share (USD)		**0.21**	**0.13**	**0.20**	**0.34**	**0.37**	**0.71**

Total comprehensive income

Amounts in USD million	Note	1st Quarter 2014	2nd Quarter 2014	2nd Quarter 2013	1st Half 2014	1st Half 2013	Jan - Dec 2013
Net profit after tax for the period		28.6	17.1	19.9	45.7	37.1	82.7
Other comprehensive income, net of income tax							
Items that will not be reclassified to the income statement:							
Remeasurements 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	-	-	-	-	-	8.4
Reclassification of gains on available for sale financial assets included in Financial Income	8	(8.4)	-	-	(8.4)	-	-
Currency translation differences		0.9	(1.9)	(4.8)	(1.0)	(8.9)	(9.7)
Total for items that are or may be reclassified to the income statement		**(7.5)**	**(1.9)**	**(4.8)**	**(9.4)**	**(8.9)**	**(1.3)**
Total change in other comprehensive income, net of income tax		**(7.5)**	**(1.9)**	**(4.8)**	**(9.4)**	**(8.9)**	**(1.3)**
Total comprehensive income for the period		**21.1**	**15.2**	**15.1**	**36.3**	**28.2**	**81.4**

Attributable to:						
Equity holders of the parent	21.1	15.2	15.1	36.3	28.2	81.4
Total comprehensive income for the period	**21.1**	**15.2**	**15.1**	**36.3**	**28.2**	**81.4**

Balance sheet

Amounts in USD million	Note	31 March 2014	30 June 2014	30 June 2013	31 December 2013
ASSETS					
Vessels and equipment	11	1 263.4	1 366.4	1 307.3	1 281.1
Intangible assets		38.3	38.3	38.3	38.3
Deferred tax assets		10.8	10.5	9.7	10.5
Restricted cash deposits		20.1	20.1	20.0	20.1
Investments in AMSC Bonds		171.7	174.8	150.1	168.3
Other non-current assets		5.1	0.5	0.5	4.5
Total non-current assets		**1 509.4**	**1 610.7**	**1 526.0**	**1 522.9**
Trade receivables and other interest-free receivables		15.4	20.7	18.5	16.4
Cash and cash equivalents		147.1	102.8	60.1	132.9
Total current assets		**162.5**	**123.5**	**78.6**	**149.3**
Total assets		**1 671.9**	**1 734.2**	**1 604.6**	**1 672.2**
EQUITY AND LIABILITIES					
Share capital		222.3	222.3	175.6	221.6
Treasury shares		-	(0.3)	-	-
Other paid-in capital		453.8	432.8	400.4	452.6
Total paid-in capital	**14**	**676.1**	**654.8**	**576.0**	**674.2**
Retained earnings and translation reserves		34.1	52.3	(54.0)	29.5
Total equity attributable to equity holders of the parent		**710.2**	**707.1**	**522.0**	**703.7**
Total equity		**710.2**	**707.1**	**522.0**	**703.7**
Interest-bearing debt	13	760.5	811.5	838.7	744.8
Deferred tax liabilities		0.6	1.0	1.3	0.2
Pension liabilities		0.1	0.3	0.4	0.4
Mobilization fee and advances		65.2	69.5	75.5	68.1
Other interest-free long term liabilities		1.1	1.4	(0.0)	0.8
Total non-current liabilities		**827.5**	**883.7**	**915.8**	**814.3**
Interest-bearing short term debt	13	109.9	117.6	125.4	127.0
Trade and other payables		24.2	25.9	41.4	27.1
Total current liabilities		**134.1**	**143.4**	**166.8**	**154.1**
Total liabilities		**961.6**	**1 027.1**	**1 082.6**	**968.4**
Total equity and liabilities		**1 671.9**	**1 734.2**	**1 604.6**	**1 672.2**

Change in equity

Amounts in USD million	1st Quarter 2014	2nd Quarter 2014	2nd Quarter 2013	1st Half 2014	1st Half 2013	Jan - Dec 2013
Balance at the beginning of the period	**703.7**	**710.2**	**546.8**	**703.7**	**533.0**	**533.0**
Net Profit after tax for the period	28.6	17.1	19.9	45.7	37.1	82.7
Other comprehensive income	(7.5)	(1.9)	(4.8)	(9.4)	(8.9)	(1.3)
Total comprehensive income	**21.1**	**15.2**	**15.1**	**36.3**	**28.2**	**81.4**
New Equity in Ocean Yield ASA	1.9	-	-	1.9	-	148.1
Expenses related to raising new equity, net of tax	-	-	-	-	-	(3.5)
Dividend	(16.4)	(16.8)	(40.0)	(33.2)	(40.0)	(56.0)
Acquisition of Treasury shares	-	(1.6)	-	(1.6)	-	-
Impact of implementing IAS 19R, net of tax	**-**	-	**-**	-	0.8	0.8
Balance at the end of the period	**710.2**	**707.1**	**522.0**	**707.1**	**522.0**	**703.7**

Cash flow statement

Amounts in USD million	1st Quarter 2014	2nd Quarter 2014	2nd Quarter 2013	1st Half 2014	1st Half 2013	Jan - Dec 2013
Profit before tax	32.1	17.5	19.8	49.6	37.6	80.2
Depreciation and amortization	23.4	24.4	25.0	47.7	49.2	101.6
Other changes in operating activities	(12.9)	2.4	(4.0)	(10.4)	(16.3)	(25.2)
Net cash flow from operating activities	**42.6**	**44.3**	**40.8**	**86.9**	**70.4**	**156.5**
Acquisition of property, plant and equipment	(1.0)	(135.0)	(104.9)	(136.0)	(225.8)	(255.5)
Net change in long term receivables	(0.5)	(0.9)	-	(1.5)	-	(4.5)
Net cash flow from investing activities	**(1.5)**	**(135.9)**	**(104.9)**	**(137.4)**	**(225.8)**	**(260.0)**
Proceeds from issuance of long-term interest-bearing debt	98.9	153.6	96.4	252.5	177.0	178.7
Repayment of long-term interest-bearing debt	(111.6)	(87.5)	(35.2)	(199.2)	(64.2)	(132.3)
Proceeds from issuance of short-term interest-bearing debt	-	-	20.0	-	20.0	20.0
Repayment of short-term interest-bearing debt	-	-	-	-	-	(20.0)
Dividend paid	(16.4)	(16.8)	(20.0)	(33.2)	(20.0)	(56.0)
Proceeds from issuance of new equity	1.9	(0.0)	-	1.9	0.0	143.3
Acquisition of Treasury shares	-	(1.6)	-	(1.6)	-	-
Net cash flow from financing activities	**(27.2)**	**47.7**	**61.2**	**20.5**	**112.8**	**133.6**
Net change in cash and cash equivalents	**13.8**	**(43.9)**	**(2.9)**	**(30.1)**	**(42.6)**	**30.1**
Exchange rate differences	0.4	(0.4)	(0.8)	(0.0)	(1.9)	(1.7)
Cash and cash equivalents at beginning of the period	132.9	147.1	63.7	132.9	104.6	104.6
Cash and cash equivalents at the end of the period	**147.1**	**102.8**	**60.1**	**102.8**	**60.1**	**132.9**

Notes to the condensed consolidated interim financial statements for Ocean Yield ASA for the second quarter and first half year of 2014

Note 1 Introduction – Ocean Yield ASA

Ocean Yield ASA is a company domiciled in Norway. The condensed consolidated interim financial statements for the second quarter and first half year 2014 comprise Ocean Yield ASA and its subsidiaries (together referred to as the “Group”). The financial statement for the second quarter and first half year 2014 include the financial statements of the parent company, Ocean Yield ASA and its subsidiaries owned at end of the second quarter 2014.

The consolidated financial statements of the Group for the year ended 31 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 31 December 2013.

A number of standards, amendments to standards and interpretations are effective from 1 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 10 July 2014.

Note 3 Significant accounting principles

The Group has as of 1 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 31 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 31 December 2013.

Note 5 Operating segments

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

Operating revenues *Amounts in USD million*	1st Quarter 2014	2nd Quarter 2014	2nd Quarter 2013	1st Half 2014	1st Half 2013	Jan - Dec 2013
FPSO	33.9	34.2	34.9	68.1	69.9	139.2
Other Oil Service	25.8	26.4	25.1	52.2	46.7	99.8
Gas Carriers	-	-	-	-	-	-
Car Carriers	-	1.5	-	1.5	-	-
Operating revenues	**59.7**	**62.1**	**60.0**	**121.8**	**116.6**	**239.0**

EBITDA *Amounts in USD million*	1st Quarter 2014	2nd Quarter 2014	2nd Quarter 2013	1st Half 2014	1st Half 2013	Jan - Dec 2013
FPSO	28.7	29.2	27.9	57.9	56.2	116.1
Other Oil Service	25.8	26.3	24.9	52.1	46.5	99.4
Gas Carriers	-	-	-	-	-	-
Car Carriers	(0.1)	1.5	-	1.4	-	-
Other companies and eliminations	(1.1)	(1.7)	(2.2)	(2.8)	(3.2)	(7.8)
EBITDA	**53.2**	**55.4**	**50.6**	**108.6**	**99.4**	**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 2.2 million in Q2 2014 compared with USD 2.8 million in Q2 2013. This includes all land based personnel in Ocean Yield and Aker Floating Production, which counted a total of 19 persons as of Q2 2014. The Company's share related bonus payments are accrued on a quarterly basis based on the closing share price as of June 30th 2014.

Note 8 Financial income

Financial income in Q2 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 loans and receivables. Subsequent to initial recognition the bonds are measured at amortized cost using the effective interest method less any impairment losses. In the second quarter, interest income of USD 4.5 million was recorded related to the AMSC bonds.

Note 9 Financial expenses

Financial expenses in Q2 2014 include a financial expense of USD 5.5 million related to a refinancing carried out in June 2014. Ocean Yield signed a new credit facility with a group of banks for a total loan amount of USD 250 million. For more information regarding the new facility see note 13. As the new credit facility was signed, two existing loan agreements were prepaid and cancelled. As a consequence, accrued commitment fees and upfront bank fees related to the old agreements have been expensed. This results in a negative, non-cash effect of USD 5.5 million in the quarter. In relation to the repurchase of bonds with maturity in July 2017, a financial expense of USD 0.4 million was recognized in the quarter.

Note 10 Mark to Market of Derivatives and Other Financial Instruments Recorded At Fair Value

Mark-to-market of derivatives was negative USD 5.3 million in Q2 2014. This is mainly related to a cross currency interest rate swap originally related to the NOK 600 million bond loan issued by Ocean Yield in 2012 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 some of the bonds issued in 2012, see note 13. As a consequence of this, the cross currency interest rate swap was amended with effect from 26 Mars 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 June 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 first half 2014:

Amounts in USD million	FPSO	Other Oil Service	Gas Carriers	Car Carriers	Other/elim	Total
Balance at 1 January	514.6	713.7	-	51.6	1.2	1 281.1
Acquisitions	0.2	-	0.1	134.2	0.2	134.6
Advances	-	-	-	1.3	-	1.3
Depreciation	(28.4)	(18.7)	-	(0.5)	(0.2)	(47.7)
Effect of movements in foreign exchange	-	(3.0)	-	-	-	(3.0)
Balance at 30 June	**486.4**	**692.0**	**0.1**	**186.6**	**1.2**	**1 366.4**

Note 12 Contractual obligations

Ocean Yield had as per 30 June 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	-	-	24.3	55.5	79.8	46.5
2015	-	-	48.6	12.5	61.1	0.0
2016	-	-	170.1	87.2	257.3	94.0
Total	**-**	**-**	**243.0**	**155.1**	**398.1**	**140.5**

The obligations above related to the Gas segment is related to three LEG carriers, scheduled for delivery in August, October and December 2016.

The obligations above related to the Car Carriers segment is related to three PCTC vessels, which will be delivered in August 2014 and January and April 2016. Long term financing have been secured for the three PCTC vessels for a total of USD 140.5 million.

Note 13 Interest bearing debt

Material changes in interest-bearing debt (short term and long term) during first half 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	-	1.3	153.0	98.3	252.5
Installments	(46.8)	(24.5)	(46.0)	-	(117.3)
Repurchase	-	-	-	(81.9)	(81.9)
Loss from repurchase	-	-	-	6.6	6.6
Effect of movements in foreign exchange and loan fees amortized	0.4	(2.0)	-	(1.0)	(2.7)
Total interest-bearing liabilities	**226.1**	**476.6**	**107.0**	**119.4**	**929.1**
Long-term	164.8	427.7	99.7	119.4	811.5
Short-term loan	-		-	-	-
1st year installments	61.3	48.9	7.3	-	117.6
Total interest-bearing liabilities	**226.1**	**476.6**	**107.0**	**119.4**	**929.1**

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 some of the bonds issued in 2012. As of 30 June 2014 Ocean Yield had purchased NOK 462.5 million of the bonds issued in 2012, whereof NOK 30.5 million was purchased in Q2 2014.

In June 2014, Ocean Yield signed a new credit facility with a group of banks in a total loan amount of USD 250 million. The loan matures in August 2021 and is secured against six car carriers. The credit facility was completed on competitive terms, reducing the margin by one percentage point related to two of the vessels and 0.65% relating to the other two vessels. The refinancing will significantly reduce the interest expenses related to the car carriers going forward.

Note 14 Share capital and dividends

In Q2 2014 the Company has purchased 350 000 treasury shares in connection with its incentive scheme for employees. Certain members of senior management have in Q2 2014 acquired a total of 141 931 of these shares. As of 30th June 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 208,069.

In Q2 2014 USD 16.8 million was paid in dividends, following the announcement of the Q1 2014 Results.

Note 15 Pension, tax and contingencies

Calculation of pension cost and liability is done annually by actuaries. In the interim financial reporting, pension costs and liabilities are based on the actuarial forecasts. Income tax expense is recognized in each interim period based on the best estimate of the expected annual income tax rates.

Note 16 Events after the balance sheet date

None.