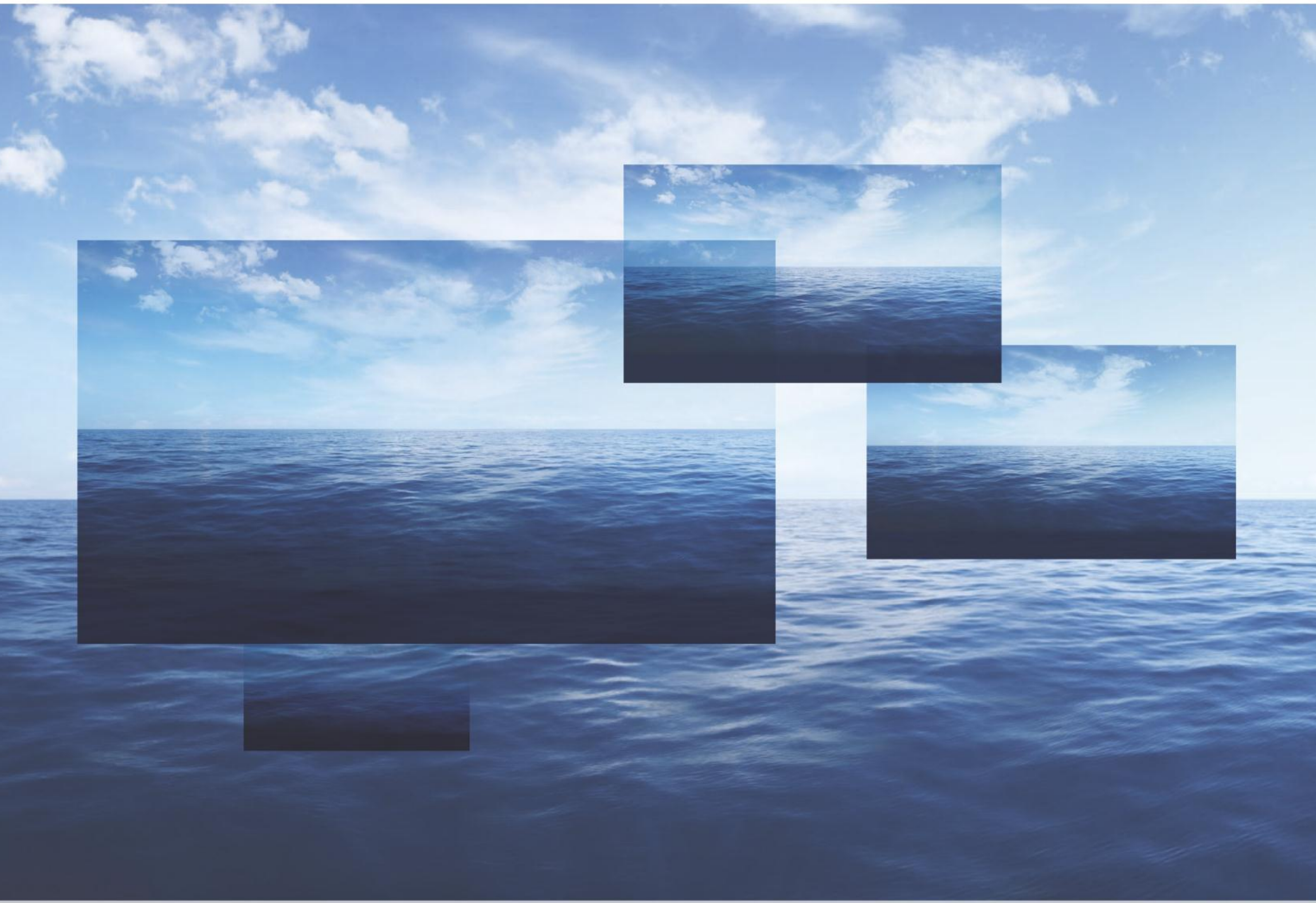

OCEAN YIELD ASA

First Quarter 2014 Report

First Quarter 2014 Report

Oslo, 8th May 2014, Ocean Yield ASA ("Ocean Yield" or the "Company") announces preliminary results for the first quarter ending 31st March, 2014.

Highlights

- The Board of Directors has declared a dividend of USD 0.125 per share for Q1 2014. This is an increase of 0.25 cents per share compared with the previous quarter. On an annualized basis, the dividend equals USD 0.50 per share. Based on the closing share price as of 8th May 2014, this is a dividend yield of 7.6% p.a. The dividend payment related to Q1 2014 is equal to 59% of the net result after tax for the quarter.

- EBITDA was USD 53.2 million for the first quarter 2014 compared with USD 48.8 million for the first quarter of 2013.

- Net Profit after tax was USD 28.6 million for the first quarter 2014 compared with USD 17.1 million for the first quarter 2013.

- In March 2014, Ocean Yield completed a new unsecured bond issue of NOK 600 million with maturity in March 2019. The bonds have a coupon of NIBOR plus 3.90% p.a. At the same time, NOK 432 million of outstanding bonds maturing in July 2017 was repurchased in the market.

- After the end of the quarter, Ocean Yield took delivery of its first newbuilding car carrier. The vessel "Höegh Jacksonville" is of 6 500 car capacity and entered into its 12 year bareboat charter with Höegh Autoliners immediately from delivery.

- After the end of the quarter, Ocean Yield entered into newbuilding contracts for three Liquefied Ethylene Gas carriers with 15-year bareboat charter to the Hartmann Group, with a sub-charter for 10 years on a time-charter basis to a strong counterparty. The total investment is estimated to be approximately USD 243 million.

- After the end of the quarter, Ocean Yield agreed to acquire two car carriers of 4 900 car capacity with long-term bareboat charters to Höegh Autoliners. The total investment will be about USD 90 million.

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

Consolidated key P&L figures - USD million	Q1 2014	Q1 2013	Jan – Dec 2013
Revenues	59.7	56.6	239.0
EBITDA	53.2	48.8	207.7
Net profit before tax	32.1	17.8	80.2
Net profit after tax	28.6	17.1	82.7
Basic and diluted earnings per share – USD	0.21	0.17	0.71
Average no. of shares (million)	134.0	100.0	116.7

Consolidated key balance sheet figures - USD million	Q1 2014	Q1 2013	Jan – Dec 2013
Cash	147.1	63.7	132.9
Total assets	1671.9	1539.2	1 672.2
Interest bearing debt	870.3	893.9	871.8
Net interest bearing debt	703.2	810.1	718.9
Total equity	710.2	546.8	703.7
Equity Ratio	42.5%	35.5%	42.1%

Main events during the first quarter

- The Board of Directors has declared a quarterly dividend payment of USD 0.125 per share. This is in line with the Company's strategy to pay attractive and growing dividends to its shareholders. The dividend of USD 0.125 per share is, on an annualized basis, equal to USD 0.50 per share, which is above Ocean Yield's previously announced annual dividend target of USD 0.46 per share for 2014. The dividend will be paid on or about 26th May 2014 to shareholders as of 14th May 2014 registered with the Norwegian Central Securities Depository (the "VPS") as of 19th May 2014 (the "Record Date"). The ex-dividend date will be 15th May 2014. At the Company's annual General Meeting held on April 28th 2014, the shareholders of Ocean Yield has authorized the Board of Directors to continue to pay quarterly dividends up until the next annual general meeting in 2015.

- Following the amendments to the bond agreement with American Shipping Company ASA, which were announced in December 2013, Ocean Yield has recognized a one-off pre-tax profit of USD 11.5 million related to such bonds in the first quarter. The AMSC bonds are recognized at amortized cost and the book value of the bonds was as of Q1 2014 USD 171.7 million, which is approximately 90% of par value. The bonds carry a coupon of LIBOR + 6.0% p.a., of which 50% of the interest is payable in cash and 50%, is "payment-in-kind". The one-off profit related to the bonds triggered a non-cash tax expense in the quarter of USD 3.4 million.

- Ocean Yield completed a NOK 600 million unsecured bond issue in March. The bonds carry a coupon of NIBOR +3.90 % p.a. and mature in March 2019. At the same time, NOK 432 million of outstanding bonds with maturity in July 2017 were repurchased in the market and subsequently cancelled. Subsequent to quarter end, another NOK 30.5 million of bonds have been repurchased. These bonds carry a coupon of NIBOR + 6.50% p.a. The remaining NOK 137.5 million of outstanding bonds with maturity in July 2017, are callable in July 2014 at 106% of par.

- The FPSO *Dhirubhai-1*, which is on a long-term charter to Reliance Industries Ltd., showed steady performance in the quarter, with an operational utilisation 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.

Post first quarter events

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

- Subsequent to the end of the quarter, Ocean Yield ASA has entered into newbuilding contracts for three LEG (Liquefied Ethylene Gas) carriers of 36,000 cbm capacity, to be built at 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 investment is estimated to be approximately 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.

- Subsequent to the end of the quarter, 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, will be delivered to Ocean Yield within Q2 2014 and will from delivery be chartered to Höegh for a period of 8 years. 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 approximately USD 90 million. The transaction is subject to agreement on final documentation.

First quarter financial review

Operating Revenues for Q1 2014 were USD 59.7 million compared with USD 56.6 million for Q1 2013. The Operating Revenues reflect a strong operational performance in Q1 2014 with full bonus for the FPSO *Dhirubhai-1*. Further, 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 Q1 2014, compared with USD 3.9 million for Q1 2013. Wages and other Personnel Expenses were USD 1.8 million for Q1 2014, compared with USD 1.7 million for Q1 2013.

Depreciation and amortization was USD 23.4 million in Q1 2014, compared with USD 24.2 million in Q1 2013. The reduction in depreciation is due to the fact that certain equipment related to the FPSO Dhirubhai-1 has reached the end of its five-year depreciation schedule. In addition, the Company has reviewed and adjusted the depreciation schedule for the *Aker Wayfarer*, in line with other comparable vessels. For the coming quarters depreciation is expected to increase slightly compared to Q1 2014, due to delivery of further vessels.

Financial Income was USD 16.0 million in Q1 2014 as compared with USD 4.4 million in Q1 2013. USD 11.5 million of Financial Income is related to the bonds in American Shipping Company, where the Company holds bonds with a nominal value of USD 189.9 million as of Q1 2014. Due to the significant changes in the amended bond agreement with American Shipping Company ASA the old loan was derecognized and the amended agreement was recognized as a new loan. This resulted in a gain of USD 11.5 million, which is a reclassification of fair value adjustments on available for sale financial assets previously reported in other comprehensive income. In addition, about USD 4.3 million is related to interest income on the bonds. The bonds under the amended agreement are accounted for at amortised cost with a book value of USD 171.7 million as of the end of Q1 2014. This is about 90% of par value.

Financial expenses were USD 14.4 million in Q1 2014, as compared with USD 8.1 million in Q1 2013. This includes a one-off cost of USD 6.0 million related to the buy-back of NOK 432 million of Ocean Yield bonds issued in 2012 with maturity in July 2017 at 107% of par. Foreign exchange losses were USD 0.7 million in the first quarter, compared with a gain of USD 0.2 million in Q1 2013. Mark-to-market of derivatives was positive USD 1.3 million in Q1 2014, as compared with negative USD 3.4 million in Q1 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 3.4 million for the first quarter 2014, compared with negative USD 0.7 million in Q1 2013. The tax expense is mainly related to the AMSC bonds. Due to the Company's tax losses carried forward, the tax expense is not expected to result in cash taxes payable. The Net Profit after tax for Q1 2014 was USD 28.6 million compared with USD 17.1 million for Q1 2013.

Cash and cash equivalents were USD 147.1 million at the end of Q1 2014, as compared with USD 132.9 million in Q4 2013. Book Equity was USD 710.2 million at the end of the quarter compared with USD 703.7 million in Q4 2013. Total Assets were USD 1,671.9 million at the end of Q1 2014 compared with USD 1,672.2 million in Q4 2013. The equity ratio as of Q1 2014 was 42.5%.

Fleet status:

The charter backlog at the end of the first quarter was USD 1.82 billion in revenues and USD 1.69 billion in EBITDA. Average remaining contract tenor (weighted by EBITDA) as of the end of the first quarter was 6.9 years. Including the two transactions announced today, the EBITDA backlog is approximately USD 2.1 billion and average remaining contract tenor (weighted by EBITDA) is 7.3 years.

Vessel	Vessel type	Client	Contract expiry	Remaining tenor (years)	EBITDA Backlog USD M
Dhirubhai-1	FPSO	Reliance	Sep-18	4.5	486
Aker Wayfarer	Subsea	Aker Solutions	Sep-20	6.5	254
Lewek Connector	Subsea	Ezra/EMAS AMC	Oct-22	8.5	327
Höegh Jacksonville & Höegh 4402	Car Carrier	Höegh Autoliners	Apr-26	12.0	173
Höegh XSI462E & XSI462F	Car Carriers	Höegh Autoliners	Mar-25	12.0	190
Höegh Xiamen & Beijing	Car Carriers	Höegh Autoliners	June-22	8.0	78
FAR Senator/ FAR Statesman	AHTS	Farstad	Mar/June-25	11.0/11.2	248
LEG Carrier –S1034/S1035/S1036	Gas Carriers	Hartmann	Aug/Dec-26	15.0	315
Geco Triton	Seismic	Western Geco	Dec-15	1.8	10
Total					**2,082**

- *Contract start for Höegh Jacksonville was April 30th 2014 and Höegh 4402 is expected to be August 2014 and for Höegh XS E / XS F January 2016 and April 2016 respectively.*
- *Contract start for Höegh Xiamen and Höegh Beijing is expected to be within Q2 2014.*
- *Contract start for LEG Carrier S1034/S1035/S1036 is expected to be August, September and December 2016.*
- *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 is a ship owning company with investments within oil-service and industrial shipping. The company focuses on modern, fuel efficient assets with long-term charters to solid counterparties. All our vessels are on long-term charters and we expect that both EBITDA and net profit after tax will be higher in 2014 than in 2013. Further, Ocean Yield is well positioned to continue to pay attractive and growing dividends going forward.

8th May 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

Ocean Yield ASA Group condensed consolidated financial statement for the first quarter 2014

Income statement

Amounts in USD million	Note	1st Quarter 2014	1st Quarter 2013	Jan - Dec 2013
Operating revenues	5	59.7	56.6	239.0
Vessel operating expenses	6	(3.5)	(3.9)	(14.2)
Wages and other personnel expenses	7	(1.8)	(1.7)	(9.5)
Other operating expenses		(1.1)	(2.2)	(7.6)
EBITDA	5	**53.2**	**48.8**	**207.7**
Depreciation and amortization	11	(23.4)	(24.2)	(101.6)
Impairment charges and other non-recurring items		-	-	-
Operating profit		**29.9**	**24.7**	**106.1**
Financial income	8	16.0	4.4	19.7
Financial expenses	9	(14.4)	(8.1)	(35.6)
Foreign exchange gains/losses		(0.7)	0.2	(0.1)
Mark to market of derivatives	10	1.3	(3.4)	(10.0)
Net financial items		**2.2**	**(6.9)**	**(26.0)**
Net Profit before tax		**32.1**	**17.8**	**80.2**
Income tax expense		(3.4)	(0.7)	2.5
Net Profit after tax		**28.6**	**17.1**	**82.7**

Total comprehensive income

Amounts in USD million	Note	1st Quarter 2014	1st Quarter 2013	Jan - Dec 2013
Net profit after tax for the period		28.6	17.1	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)	-	-
Currency translation differences		0.9	(4.1)	(9.7)
Total for items that are or may be reclassified to the income statement		(7.5)	(4.1)	(1.3)
Total change in other comprehensive income, net of income tax		(7.5)	(4.1)	(1.3)
Total comprehensive income for the period		**21.1**	**13.1**	**81.4**

Attributable to:			
Equity holders of the parent	21.1	13.1	81.4
Total comprehensive income for the period	**21.1**	**13.1**	**81.4**
Weighted average number of shares outstanding	134.0	100.0	116.7
Basic and diluted earnings per share (USD)	**0.21**	**0.17**	**0.71**

Balance sheet

Amounts in USD million	Note	31 March 2014	31 March 2013	31 December 2013
ASSETS				
Vessels and equipment	11	1 263.4	1 241.0	1 281.1
Intangible assets		38.3	38.3	38.3
Deferred tax assets		10.8	9.2	10.5
Restricted cash deposits		20.1	20.0	20.1
Investments in AMSC Bonds		171.7	148.0	168.3
Other non-current assets		5.1	0.0	4.5
Total non-current assets		**1 509.4**	**1 456.6**	**1 522.9**
		-	-	-
Trade receivables and other interest-free receivables		15.4	18.9	16.4
Cash and cash equivalents		147.1	63.7	132.9
Total current assets		**162.5**	**82.7**	**149.3**
Total assets		**1 671.9**	**1 539.2**	**1 672.2**
EQUITY AND LIABILITIES				
Share capital		222.3	175.6	221.6
Other paid-in capital		453.8	400.4	452.6
Total paid-in capital		**676.1**	**576.0**	**674.2**
Retained earnings and translation reserves		34.1	(29.1)	29.5
Total equity attributable to equity holders of the parent		**710.2**	**546.8**	**703.7**
Total equity	**14**	**710.2**	**546.8**	**703.7**
Interest-bearing debt	13	760.5	800.9	744.8
Deferred tax liabilities		0.6	0.6	0.2
Pension liabilities		0.1	0.3	0.4
Mobilization fee and advances		65.2	80.9	68.1
Other interest-free long term liabilities		1.1	(0.0)	0.8
Total non-current liabilities		**827.5**	**882.6**	**814.3**
Interest-bearing short term debt	13	109.9	93.0	127.0
Trade and other payables		24.2	16.8	27.1
Total current liabilities		**134.1**	**109.8**	**154.1**
Total liabilities		**961.6**	**992.4**	**968.4**
Total equity and liabilities		**1 671.9**	**1 539.2**	**1 672.2**

Change in equity

Amounts in USD million	Note	1st Quarter 2014	1st Quarter 2013	Jan - Dec 2013
Balance at the beginning of the period		**703.7**	**533.0**	**533.0**
Net Profit after tax for the period		28.6	17.1	82.7
Other comprehensive income		(7.5)	(4.1)	(1.3)
Total comprehensive income		**21.1**	**13.1**	**81.4**
New Equity in Ocean Yield ASA		1.9	-	148.1
Expenses related to raising new equity, net of tax		-	-	(3.5)
Dividend		(16.4)	**-**	**(56.0)**
Impact of implementing IAS 19R, net of tax	3	-	**0.8**	**0.8**
Balance at the end of the period		**710.2**	**546.8**	**703.7**

Cash flow statement

Amounts in USD million	1st Quarter 2014	1st Quarter 2013	Jan - Dec 2013
Profit before tax	32.1	17.8	80.2
Depreciation and amortization	23.4	24.2	101.6
Other changes in operating activities	(12.9)	(12.4)	(25.2)
Net cash flow from operating activities	**42.6**	**29.6**	**156.5**
Acquisition of property, plant and equipment	(1.0)	(120.9)	(255.5)
Net change in long term receivables	(0.5)	-	(4.5)
Net cash flow from investing activities	**(1.5)**	**(120.9)**	**(260.0)**
Proceeds from issuance of long-term interest-bearing debt	98.9	80.5	178.7
Repayment of long-term interest-bearing debt	(111.6)	(29.0)	(132.3)
Proceeds from issuance of short-term interest-bearing debt	-	-	20.0
Repayment of short-term interest-bearing debt	-	-	(20.0)
Dividend paid	(16.4)	-	(56.0)
Proceeds from issuance of new equity	1.9	0.0	143.3
Net cash flow from financing activities	**(27.2)**	**51.6**	**133.6**
Net change in cash and cash equivalents	**13.8**	**(39.7)**	**30.1**
Exchange rate differences	0.4	(1.1)	(1.7)
Cash and cash equivalents at beginning of the period	132.9	104.6	104.6
Cash and cash equivalents at the end of the period	**147.1**	**63.7**	**132.9**

Notes to the condensed consolidated interim financial statements for Ocean Yield ASA for the first 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 first quarter 2014 comprise Ocean Yield ASA and its subsidiaries (together referred to as the “Group”). The financial statement for the first quarter 2014 include the financial statements of the parent company, Ocean Yield ASA and its subsidiaries owned at end of the first 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 8 May 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	1st Quarter	1st Quarter	Jan - Dec
Amounts in USD million	2014	2013	2013
FPSO	33.9	35.0	139.2
Other Oil Service	25.8	21.6	99.8
Car Carriers	-	-	-
Operating revenues	**59.7**	**56.6**	**239.0**

EBITDA	1st Quarter	1st Quarter	Jan - Dec
Amounts in USD million	2014	2013	2013
FPSO	28.7	28.3	116.1
Other Oil Service	25.8	21.5	99.4
Car Carriers	-	-	-
Ocean Yield ASA	(0.9)	(0.9)	(7.7)
Other companies and eliminations	(0.1)	(0.0)	(0.1)
EBITDA	**53.5**	**48.8**	**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 1.8 million in Q1 2014 compared with USD 1.7 million in Q1 2013. This includes all land based personnel in Ocean Yield and Aker Floating Production, which counted a total of 19 persons as of Q1 2014. The Company's share related bonus payments are accrued on a quarterly basis based on the closing share price as of March 31th 2014.

Note 8 Financial income

Financial income in Q1 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. Due to the significant changes in terms the bonds under the amended bond loan agreement is considered to be a new loan, and the bonds under the old terms have thus been derecognized on 3 January 2014. This resulted in a financial gain of USD 11.5 million (before tax) in Q1 2014.

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 first quarter, interest income of USD 4.3 million was recorded related to the AMSC bonds.

Note 9 Financial expenses

Financial expenses in Q1 2014 include a financial expense of USD 6.0 million related to the NOK 600 million bond loan issued by Ocean Yield in 2012. On 17 March 2014 Ocean Yield successfully completed a new unsecured bond issue of NOK 600 million with maturity in March 2019. Parts of the net proceeds were used to purchase back some of the bonds issued in 2012. As of March 2014 Ocean Yield had purchased NOK 432 million of the bond loan from 2012. The bonds were purchased at a price of 107% of the nominal amount, which resulted in a loss of USD 6.0 million.

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

Mark-to-market of derivatives was positive of USD 1.3 million in Q1 2014, and is mainly related to a cross currency interest rate swap related to the NOK 600 million bond loan issued by Ocean Yield in 2012 and certain other interest rate swaps related to vessel financings. Parts of the bond loan have been purchased back by Ocean Yield ASA in March 2014, see note 9. The cross currency interest rate swap agreement has however not been changed. NOK 590 million has been swapped from NIBOR+6.50% p.a. to LIBOR+7.07% p.a. until July 2017. At the end of March 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 quarter 2014:

Amounts in USD million	FPSO	Other Oil Service	Car Carriers	Other/elim	Total
Balance at 1 January	514.6	713.7	51.6	1.2	1 281.1
Acquisitions	0.1	-	-	0.0	0.1
Advances	-	-	0.9	-	0.9
Depreciation	(14.2)	(9.1)	-	(0.1)	(23.4)
Effect of movements in foreign exchange	-	4.6	-	-	4.6
Balance at 31 March	**500.5**	**709.2**	**52.5**	**1.1**	**1 263.4**

Note 12 Contractual obligations

Ocean Yield had as per 31 March 2014 the following contractual obligations related to the purchase of vessels:

Amounts in USD million	FPSO	Other Oil Service	Car Carriers	Total	Committed Funding	Equity
2014	-	-	98.6	98.6	92.0	6.60
2015	-	-	12.5	12.5	0.0	12.5
2016	-	-	87.2	87.2	94.0	(6.80)
Total	**-**	**-**	**198.2**	**198.2**	**186.0**	**12.30**

The obligations above are related to four Pure Car Truck Carrier vessels. Long term financing have been secured for all the vessels for a total amount of USD 186 million.

Note 13 Interest bearing debt

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

Amounts in USD million	FPSO	Other Oil Service	Ocean Yield ASA	Total
Balance at 1 January	272.5	501.9	97.4	871.8
New loans	-	0.6	98.3	98.9
Installments	(32.0)	(3.1)	-	(35.1)
Repurchase	-	-	(76.5)	(76.5)
Loss from repurchase	-	-	6.0	6.0
Effect of movements in foreign exchange and loan fees amortized	0.2	3.6	1.4	5.2
Total interest-bearing liabilities	**240.7**	**503.0**	**126.7**	**870.3**
Long-term	180.4	453.4	126.7	760.5
Short-term loan	-	-	-	-
1st year installments	60.3	49.5	-	109.9
Total interest-bearing liabilities	**240.7**	**503.0**	**126.7**	**870.3**

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 some of the bonds issued in 2012. As of March 2014 Ocean Yield had purchased NOK 432 million of the bond loan from 2012.

Note 14 Share capital and dividends

In Q1 2014 members of senior management have subscribed to a total of 408,597 new shares in the Company. As of 31st March 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.

In Q1 2014 USD 16.4 million was paid in dividends, following the announcement of the Q4 2013 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

- Subsequent to quarter end, the Company has bought back NOK 30.5 million of bonds with maturity in 2017 at 107% of par value.
- Subsequent to quarter end, Ocean Yield took delivery of its first newbuilding car carrier. The vessel was built by DSME-Mangalia Heavy Industries and has capacity for 6500 cars and is of eco-design. The vessels was delivered on time and on budget and entered on to its 12-year bareboat charter with Höegh Autoliners immediately from delivery.
- Also post quarter end, Ocean Yield ASA has entered into newbuilding contracts for three LEG (Liquefied Ethylene Gas) carriers of 36,000 cbm capacity, to be built at Sinopacific Offshore Engineering Zhejiang, 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 10-years have a fixed charter rate and the last five years have 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 investment is estimated to be approximately 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.
- Ocean Yield ASA has 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, will be delivered to Ocean Yield within Q2 2014 and will from delivery be chartered to Höegh for a period of 8 years. Höegh will have certain options to acquire the vessels during the bareboat charter period, with the first option after five years.