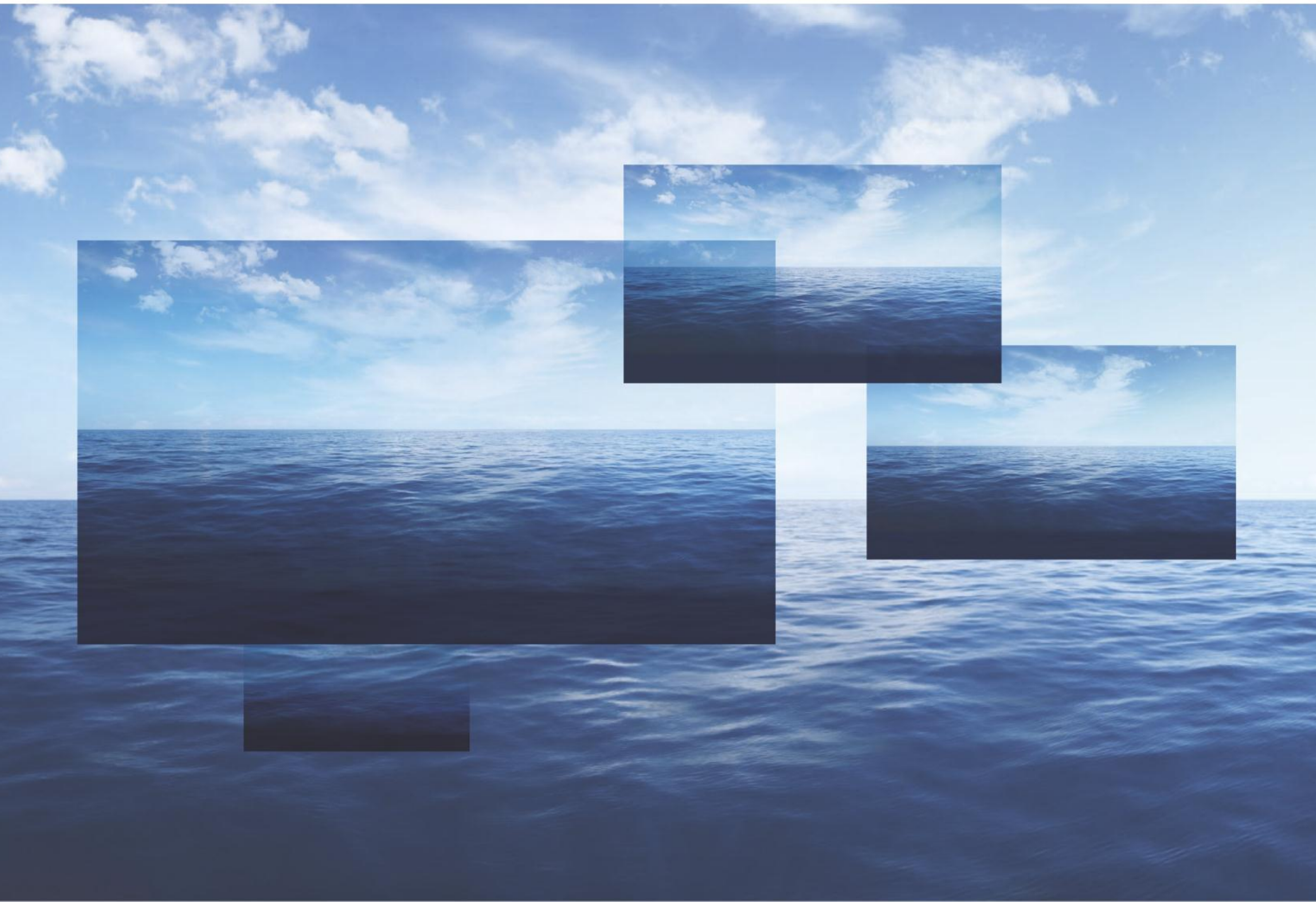

OCEAN YIELD ASA

Fourth Quarter 2013 Report


Fourth Quarter 2013 Report

Oslo, 24th February 2014, Ocean Yield ASA ("Ocean Yield" or the "Company") announces preliminary results for the fourth quarter ending 31st December, 2013.

Highlights

- The Board of Directors has declared a dividend of USD 0.1225 per share for Q4 2013. This is an increase of 0.25 cents per share compared with the previous quarter. On an annualized basis, the dividend equals USD 0.49 per share. Based on the closing share price as of 24th February 2014, this is a dividend yield of 8.3% p.a. The dividend payment related to Q4 2013 is equal to 62% of the net result after tax for the quarter.

- EBITDA was USD 52.7 million for the fourth quarter 2013 compared with USD 39.4 million for the fourth quarter of 2012.

- Net Profit after tax was USD 26.5 million for the fourth quarter 2013 compared with USD 11.3 million for the fourth quarter 2012.

- In December 2013 and January 2014, American Shipping Company ASA ("AMSC") raised approximately USD 162 million in new equity, substantially reducing the counterparty risk for Ocean Yield related to the AMSC bonds. In connection with the recapitalization of AMSC, certain amendments to the bond agreement were agreed. The equity issue in AMSC, together with the amendments to the bond agreement, has increased the value of the bonds, which is expected to have a positive profit & loss effect for Ocean Yield in Q1 2014.

- Selected key financial figures for the fourth quarter 2013 compared with the fourth quarter of 2012 and annual figures for 2013 compared with pro-forma 2012 annual figures:

Consolidated key numbers - USD million	Q4 2013	Q4 2012	Jan – Dec 2013	Jan-Dec 2012 (pro-forma)
Revenues	60.6	50.8	239.0	188.0
EBITDA	52.7	39.4	207.7	151.4
Net profit before tax	22.4	10.0	80.2	44.6
Net profit after tax	26.5	11.3	82.7	44.7
Basic and diluted earnings per share – USD	0.20	0.11	0.71	
Average no. of shares (million)	133.8	100	116.7	
Cash	132.9	104.6		
Total assets	1 672.2	1 498.4		
Interest bearing debt	871.8	858.4		
Net interest bearing debt	718.9	733.8		
Total equity	703.7	533.0		
Equity Ratio	42.1%	35.6%		

Main events during the fourth quarter

- The Board of Directors has declared a quarterly dividend payment of USD 0.1225 per share. This is in line with the Company's strategy to pay attractive and growing dividends to its shareholders. The dividend of USD 0.1225 per share is, on an annualized basis, equal to USD 0.49 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 10th March 2014 to shareholders as of 3rd March 2014 registered with the Norwegian Central Securities Depository (the "VPS") as of 6th March 2014 (the "Record Date"). The ex-dividend date will be 4th March 2014.

- In December 2013, the Company announced amendments to the terms and conditions of the bond agreement with American Shipping Company ASA. Ocean Yield holds 93.05% of the unsecured bonds issued by American Shipping Company ("AMSC") in 2007.

  The interest payments on the bonds, which previously had been payment-in-kind ("PIK") were changed to 50% cash interest and 50% PIK. The cash interest portion will further increase to 70% as from the refinancing of AMSC's external bank debt (which matures in June 2016), and to 90% as from 12 months after such refinancing. Finally, 100% of interest will be payable in cash as from 24 months after such refinancing has taken place. The parties have agreed that, AMSC will use its best endeavors to refinance the bonds upon the earlier of 30th June 2016 or the refinancing of its senior secured bank debt.

  In addition, the currency of the bonds was changed from NOK to USD and the interest margin increased from 4.75% p.a. to 6.00% p.a.

  AMSC will have an option to extend the maturity date of the bonds from 28th February 2018 to 28th February 2021 up until the earlier of the refinancing of its bank debt and 30th June 2016. If this extension option is exercised the margin of the bonds will increase by 2.5 % p.a. and will increase by 0.5 % p.a. for every 12-month period the bond is outstanding after the extension option is exercised. In addition, interest will be payable 100% in cash.

  AMSC raised approximately USD 162 million in new equity in December 2013 and January 2014, which substantially improved the credit quality of the counterparty for Ocean Yield and also increased the value of the bonds. The market capitalization of AMSC has increased from approximately USD 195 million on December 30th 2013 to USD 431 million based on the closing price as of February 24th 2014. Based on the amended terms, the bonds have been valued at USD 168.3 million as of the end of Q4 2013. This is approximately 89.6% of par value, being approximately USD 188 million. The increase in value of USD 8.4 million after tax in Q4 2013 has been recorded in *Other Comprehensive Income* in the fourth quarter. The amendment to the bond agreement became effective 3rd January 2014. Due to the amendment, the bond loan will for accounting purposes be regarded as a new loan, with an expected positive Profit &Loss effect in Q1 2014.

- The FPSO *Dhirubhai-1*, which is on a long-term charter to Reliance Industries Ltd., showed steady performance, with an operational utilisation of 99.98% in the quarter. For 2013, the overall utilization was 99.9%. Post quarter end, a new well has been set in production on the field where the *Dhirubhai-1* is operating, resulting in increased production. The combination of increased production, substantial new gas discoveries on the KG-D6 block and an increased gas price in India effective from April 2014, are all positive developments that increases the probability of an extended life of the field where the *Dhirubhai-1* is operating, beyond the end of the contract in September 2018.

- 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 newbuildings is on schedule. Ocean Yield has four newbuilding car carriers under construction, two 6,500 CEU vessels scheduled for delivery in April and August 2014 and two 8,500 CEU vessels scheduled for delivery in January and April 2016. All four vessels are chartered out on 12-year bareboat charters to Höegh Autoliners and long-term financing is secured.

- **Fourth quarter financial review**

Operating Revenues for Q4 2013 were USD 60.6 million compared with USD 50.8 million for Q4 2012. The figure for Q4 2013 includes a one-off adjustment of negative USD 0.5 million for previous quarters. Vessel Operating Expenses, which are related to the operation of the FPSO *Dhirubhai-1*, were USD 2.7 million for Q4 2013, compared with USD 4.1 million for Q4 2012. Wages and other Personnel Expenses were USD 4.0 million for Q4 2013, compared with USD 2.9 million for Q4 2012. Going forward, it is expected that the average quarterly Wages and other Personnel Expenses will be about USD 2.2 million.

Depreciation and amortization was USD 26.8 million in Q4 2013, compared with USD 24.1 million in Q4 2012. The figure for Q4 2013 includes a one-off adjustment of negative USD 0.7 million for previous quarters. The increase in depreciation relates to delivery of vessels, including the *Lewek Connector* in Q4 2012, the *Far Senator* at the end of Q1 2013 and delivery of the *Far Statesman* in early June 2013.

Financial Income was USD 3.0 million in Q4 2013 as compared with USD 2.7 million in Q4 2012. USD 3.6 million of Financial Income is related to the bonds in American Shipping Company, where the Company holds bonds with a nominal value of approximately USD 188 million as of Q4 2013. The bonds are subject to a fair value assessment on a quarterly basis. In connection with the amendments of the bond agreement with American Shipping Company, the bonds have been valued at USD 168.3 million as of the end of Q4 2013. This is approximately 89.6% of par value. As the amendment of the bond agreement was legally effective after year-end 2013, the increase in value of USD 8.4 million net after tax is not recognized in the Profit and Loss Statement, but recorded in *Other Comprehensive Income*. We expect that the increase in value will be recognized in the Profit and Loss Statement in Q1 2014.

Financial expenses were USD 9.3 million in Q4 2013, as compared with USD 8.7 million in Q4 2012. The main reason for the increase is drawdown on loans related to delivery of new vessels, including the *Far Senator* and the *Far Statesman* and the impact of slightly increased interest rates due to interest rate swaps entered into in Q2 and Q3 2013. Foreign exchange gains were USD 3.3 million in the fourth quarter, compared with USD 0.0 million in Q4 2012. Mark-to-market of derivatives was negative USD 0.6 million in Q4 2013, as compared with positive USD 0.5 million in Q4 2012. The negative mark-to-market amount is related to various interest rate swaps entered into in connection with the financing of the Company's vessels and has no cash impact. Income tax expense was positive with USD 4.1 million for the fourth quarter 2013, compared with positive USD 1.3 million in Q4 2012. The tax expense is mainly related to deferred taxes in the parent company, Ocean Yield ASA. The Net Profit after tax for Q4 2013 was USD 26.5 million compared with USD 11.3 million for Q4 2012.

- **Financial review of 2013**

Operating revenues for 2013 were USD 239.0 million as compared with USD 188.0 million on a pro-forma basis for 2012. EBITDA was USD 207.7 million for the full year 2013, compared with USD 151.4 million for 2012. Depreciation was USD 101.6 million, compared with USD 85.9 million in 2012. Operating Profit was USD 106.1 million as compared with USD 59.7 million for 2012. The increase in Operating Profit from 2012 to 2013 comes as a result of investments in additional vessels.

Financial income was USD 19.7 million for the full year 2013, compared with USD 11.4 million on a pro-forma basis for 2012. The increase in financial income is mainly related to the acquisition of bonds in American Shipping Company that was completed on March 31st 2012. Financial expenses were USD 35.6 million for 2013, compared with USD 24.7 million in the full year 2012. The increase in financial expenses relates to interest expenses on Ocean Yield's bond loan and bank financing of new vessels. Foreign exchange losses were USD 0.1 million for 2013, compared with USD 0.0 million in 2012. Mark-to-market of derivatives was negative USD 10.0 million in 2013, as compared with negative USD 1.7 million for 2012. Income tax expense was positive USD 2.5 million for the full year 2013, compared with USD 0.0 million for 2012. Net Profit after tax was USD 82.7 million for the year 2013, compared with USD 44.7 million on a pro-forma basis for 2012.

Total Assets at the end of Q4 2013 was USD 1,672.2 million, compared with USD 1,498.4 million in Q4 2012. Net interest bearing debt was USD 718.9 million at the end of Q4 2013 and Book Equity was USD 703.7 million, compared with USD 733.8 million of Net interest bearing debt and Book Equity of USD 533.0 million respectively, at the end of Q4 2012. The Equity Ratio was 42.1%. The Book Equity at the end of Q3 2013 was USD 687.8 million. The change in Book Equity from Q3 2013 to Q4 2013 is attributable to Net Profit of USD 26.5 million, translation reserves of USD 4.0 million, less a dividend payment of USD 16 million made in Q4 2013.

Net Cash flow from operating activities was USD 156.5 million in 2013, compared with USD 118.7 million for 2012. Cash flow from investing activities was negative USD 260.0 million for the year, compared with negative USD 316.1 million for 2012. Net cash flow from financing was USD 133.6 million, compared with USD 238.3 million for 2012. Net cash flow for the year was USD 30.1 million, compared with USD 40.8 in 2012, resulting in cash and cash equivalents of USD 132.9 million at the end of the year, compared with USD 104.6 million at the end of Q4 2012.

- **Share price development:**

The share price of Ocean Yield has shown a positive development since the IPO in July 2013. The company was listed with an initial listing price of NOK 27.00 per share. The closing price on December 30th 2013 was NOK 34.70, which is an increase of 31.2%, adjusted for dividends paid in Q4 2013. During the fourth quarter 2013, the Ocean Yield share price increased from NOK 31.10 per share to a close of NOK 34.70 at year end. This is an increase of 13.8% in the quarter, adjusted for dividends paid in Q4 2013.

Ocean Yield has an unsecured bond outstanding, which matures in July 2017. The bond has a coupon of NIBOR+6.50% p.a. The bond traded around 106.50% of par at the end of Q4 2013 compared to 102% at the start of 2013. Ocean Yield can call the bonds at 106% as from July 2014.

- **Fleet status:**

The charter backlog at the end of the fourth quarter was USD 1.88 billion in revenues and USD 1.74 billion in EBITDA. Average remaining contract tenor (weighted by EBITDA) as of the end of the fourth quarter was 7.1 years.

Vessel	Vessel type	Client	Contract expiry	Remaining tenor (years)	EBITDA Backlog USD M**
Dhirubhai-1	FPSO	Reliance	Sep-18	4.7	513
Aker Wayfarer	Subsea	Aker Solutions	Sep-20	6.8	261
Lewek Connector	Subsea	Ezra/EMAS AMC	Oct-22	8.8	337
Höegh 4401 (newbuild)*	Car Carrier	Höegh Autoliners	Apr-26	12.0	87
Höegh 4402 (newbuild)*	Car Carrier	Höegh Autoliners	Aug-26	12.0	87
Höegh XS E (newbuild)*	Car Carrier	Höegh Autoliners	Jan-28	12.0	95
Höegh XS F (newbuild)*	Car Carrier	Höegh Autoliners	Apr-28	12.0	95
FAR Senator	AHTS	Farstad	Mar-25	11.2	124
Far Statesman	AHTS	Farstad	Jun-25	11.4	127
Geco Triton	Seismic	Western Geco	Dec-15	2.0	12
Total					**1,737**

**Contract start for Höegh 4401 / 4402 is expected to be April 2014 and August 2014 respectively and for Höegh XS E / XS F January 2016 and April 2016 respectively.*

***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 2012 and the Prospectus dated 7th June 2013, with the exception of the bonds in American Shipping Company, where the counterparty risk has been substantially reduced. For a more detailed description of risk factors, please refer to the annual report for 2012 and the Prospectus dated 7th June 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. Ocean Yield currently has a strong balance sheet with cash of USD 132.9 million and an equity ratio of 42.1%. This provides for substantial investment capacity without raising any new equity. The Company is actively pursuing new potential investments and expects to continue to grow its investment portfolio.

  Ocean Yield has declared a dividend of USD 0.1225 per share for Q4 2013, which on an annualized basis equals to USD 0.49 per share. Based on the substantial contract backlog, delivery of additional vessels in 2014 and the current conservative pay-out ratio, the Board of Directors expect to further increase the quarterly dividends in 2014.

24th February 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*

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Ocean Yield ASA Group condensed consolidated financial statement for the fourth quarter 2013

Income statement

Amounts in USD million	Note	3rd Quarter 2013	4th Quarter 2013	4th Quarter 2012	Jan - Dec 2013	Pro forma Jan - Dec 2012
Operating revenues	5	61.8	60.6	50.8	239.0	188.0
Vessel operating expenses	6	(3.7)	(2.7)	(4.1)	(14.2)	(16.3)
Wages and other personnel expenses	7	(1.0)	(4.0)	(2.9)	(9.5)	(10.1)
Other operating expenses		(1.5)	(1.2)	(4.5)	(7.6)	(10.2)
EBITDA	5	**55.6**	**52.7**	**39.4**	**207.7**	**151.4**
Depreciation and amortization	11	(25.6)	(26.8)	(24.1)	(101.6)	(85.9)
Impairment charges and other non-recurring items		-	-	0.1	-	(5.9)
Operating profit		**30.0**	**25.9**	**15.4**	**106.1**	**59.7**
Financial income	8	5.0	3.0	2.7	19.7	11.4
Financial expenses	9	(8.8)	(9.3)	(8.7)	(35.6)	(24.7)
Foreign exchange gains/losses		(3.3)	3.3	-	(0.1)	-
Mark to market of derivatives	10	(2.7)	(0.6)	0.5	(10.0)	(1.7)
Net financial items		**(9.8)**	**(3.6)**	**(5.4)**	**(26.0)**	**(15.1)**
Net Profit before tax		**20.2**	**22.4**	**10.0**	**80.2**	**44.6**
Income tax expense		(1.1)	4.1	1.3	2.5	0.0
Net Profit after tax		**19.1**	**26.5**	**11.3**	**82.7**	**44.7**

Total comprehensive income

Amounts in USD million	3rd Quarter 2013	4th Quarter 2013	4th Quarter 2012	Jan - Dec 2013	Pro forma Jan - Dec 2012
Net profit after tax for the period	19.1	26.5	11.3	82.7	44.7
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	-	0.1	-
Total for items that will not be reclassified to the income statement	**-**	**0.1**	**-**	**0.1**	**-**
Items that may be reclassified to the income statement					
Change in fair value of available for sale financial assets	-	8.4	-	8.4	-
Currency translation differences	3.5	(4.5)	1.4	(9.7)	9.4
Total for items that may be reclassified to the income statement	**3.5**	**3.9**	**1.4**	**(1.3)**	9.4
Total change in other comprehensive income, net of income tax	**3.5**	**4.0**	**1.4**	**(1.3)**	9.4
Total comprehensive income for the period	**22.6**	**30.5**	**12.7**	**81.4**	**54.0**
Attributable to:					
Equity holders of the parent	22.6	30.5	12.7	81.4	54.0
Total comprehensive income for the period	**22.6**	**30.5**	**12.7**	**81.4**	**54.0**
Weighted average number of shares outstanding	132.3	133.8	100.0	116.7	
Basic and diluted earnings per share (USD)	**0.14**	**0.20**	**0.11**	**0.71**	

Balance sheet

Amounts in USD million	Note	30 September 2013	31 December 2013	31 December 2012
ASSETS				
Vessels and equipment	11	1 304.0	1 281.1	1 157.7
Intangible assets		38.3	38.3	38.3
Deferred tax assets		7.6	10.5	10.1
Restricted cash deposits		22.2	20.1	20.0
Investments in AMSC Bonds		155.7	168.3	151.8
Other non-current assets		-	4.5	-
Total non-current assets		**1 527.8**	**1 522.9**	**1 377.9**
Trade receivables and other interest-free receivables		16.9	16.4	15.8
Cash and cash equivalents		148.7	132.9	104.6
Total current assets		**165.6**	**149.3**	**120.4**
Total assets		**1 693.4**	**1 672.2**	**1 498.4**
EQUITY AND LIABILITIES				
Share capital		221.5	221.6	175.6
Other paid-in capital		467.2	451.3	400.4
Total paid-in capital		**688.7**	**672.9**	**576.0**
Retained earnings and translation reserves		(0.9)	30.8	(43.0)
Total equity attributable to equity holders of the parent		**687.8**	**703.7**	**533.0**
Total equity	**14**	**687.8**	**703.7**	**533.0**
Interest-bearing debt	13	803.8	744.8	746.6
Deferred tax liabilities		-	0.2	-
Pension liabilities		0.5	0.4	1.6
Mobilization fee and advances		71.6	68.1	86.7
Other interest-free long term liabilities		-	0.8	1.8
Total non-current liabilities		**875.9**	**814.3**	**836.7**
Interest-bearing short term debt	13	108.0	127.0	111.8
Trade and other payables		21.7	27.1	17.0
Total current liabilities		**129.7**	**154.1**	**128.7**
Total liabilities		**1 005.6**	**968.4**	**965.4**
Total equity and liabilities		**1 693.4**	**1 672.2**	**1 498.4**

Change in equity

Amounts in USD million	Note	3rd Quarter 2013	4th Quarter 2013	4th Quarter 2012	Jan - Dec 2013	Pro forma Jan - Dec 2012
Balance at the beginning of the period		**522.0**	**687.8**	**520.6**	**533.0**	**478.9**
Net Profit after tax for the period		19.1	26.5	11.0	82.7	44.7
Other comprehensive income		3.5	4.0	1.4	(1.3)	9.4
Total comprehensive income		**22.6**	**30.5**	**12.4**	**81.4**	**54.0**
New Equity in Ocean Yield ASA		**147.9**	0.2	**-**	148.1	-
Expenses related to raising new equity, net of tax		**(4.8)**	1.3	**-**	(3.5)	-
Dividend		-	(16.0)	**-**	(56.0)	**-**
Impact of implementing IAS 19R, net of tax	3	-	-	-	0.8	**-**
Balance at the end of the period		**687.8**	**703.7**	**533.0**	**703.7**	**533.0**

Cash flow statement

Amounts in USD million	3rd Quarter 2013	4th Quarter 2013	4th Quarter 2012	Jan - Dec 2013	Pro forma Jan - Dec 2012
Net Profit before tax	20.2	22.4	10.0	80.2	44.6
Sales losses/gains (-) and write-downs	-	0.0	0.0	0.0	6.0
Depreciation and amortization	25.6	26.8	24.1	101.6	85.9
Other changes in operating activities	(2.4)	(9.7)	(4.8)	(25.2)	(17.9)
Net cash flow from operating activities	**43.5**	**39.5**	**29.3**	**156.5**	**118.7**
Proceeds from sales of property, plant and equipment	-	-	-	-	11.2
Acquisition of property, plant and equipment	(20.6)	(9.1)	(327.3)	(255.5)	(327.3)
Net change in long term receivables	-	(4.5)	-	(4.5)	-
Transfer to restricted cash	(2.3)	2.3	-	0.0	-
Net cash flow from investing activities	**(22.9)**	**(11.3)**	**(327.3)**	**(260.0)**	**(316.1)**
Issuance of long-term interest-bearing debt	0.3	-	234.6	178.7	334.9
Repayment of long-term interest-bearing debt	(33.4)	(34.7)	(32.0)	(132.3)	(96.6)
Issuance of short-term interest-bearing debt	-	-	-	20.0	-
Repayment of short-term interest-bearing debt	(20.0)	-	-	(20.0)	-
Dividend paid	(20.0)	(16.0)	-	(56.0)	-
New Equity	143.1	0.2	-	143.3	-
Net cash flow from financing activities	**70.0**	**(50.6)**	**202.6**	**133.6**	**238.3**
Net change in cash and cash equivalents	**90.6**	**(17.9)**	**(95.4)**	**30.1**	**40.8**
Exchange rate differences	(2.0)	2.2	(2.3)	(1.7)	2.2
Cash and cash equivalents at beginning of the period	60.1	148.7	202.2	104.6	61.5
Cash and cash equivalents at the end of the period	**148.7**	**132.9**	**104.6**	**132.9**	**104.6**

Notes to the condensed consolidated interim financial statements for Ocean Yield ASA for the fourth quarter 2013

Note 1 Introduction – Ocean Yield ASA

Ocean Yield ASA is a company domiciled in Norway. The condensed consolidated interim financial statements for the fourth quarter and twelve months ended 31 December 2013 comprise Ocean Yield ASA and its subsidiaries (together referred to as the “Group”). The financial statement for the fourth quarter 2013 include the financial statements of the parent company, Ocean Yield ASA and its subsidiaries owned at end of the fourth quarter 2013.

The consolidated financial statements of the Group for the year ended 31 December 2012 and quarterly reports, which includes information on the basis of preparation of the pro-forma information for first half 2012 and full year 2012 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 2012.

A number of standards, amendments to standards and interpretations are not yet effective for the period ended 31 December 2013, and have not 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. These new and amended standards are effective from 1 January 2014.
The implementation of IFRS 9 Financial Instruments (mandatory from 1 January 2015) may result in certain amendments to the measurement and classification of financial instruments.

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 24 February 2014.

Note 3 Significant accounting principles

The Group has as of 1 January 2013, implemented revised IAS 19 Employee benefits (IAS 19R), IFRS 13 Fair Value Measurement and amendments to IAS 1 Presentation of Financial Statements. As of 1 July 2013 the functional currency of Ocean Yield ASA was changed from NOK to USD. 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 2012.

IAS 19R

The Group has previously employed the “corridor” method for accounting of unamortised estimate deviations. The corridor method is no longer permitted and, in accordance with IAS 19R, all actuarial gains and losses are to be recognised under other comprehensive income (OCI). Return on pension plan assets was previously calculated on the basis of a long-term expected return on the pension plan assets. Due to the application of IAS 19R, the net interest cost of the period is now calculated by applying the discount rate applicable to the liability at the start of the period on the net liability. Thus, the net interest cost comprises interest on the liability and return on the pension plan assets, both calculated with the discount rate. Changes in net pension liabilities due to premium payments and pension benefits are taken into consideration. The difference between actual return on the pension plan assets and the recognised return is recognised against the OCI on an on-going basis. The changes in IAS 19R required retrospective implementation, but have been assessed to be immaterial as regards their impact on Ocean Yield financial statements for previous reporting periods. Consequently prior periods’ information has not been restated to reflect the impact of the implemented standards and amendments.

Change of functional currency in parent company

As of 1 July 2013 the functional currency of the parent company Ocean Yield ASA was changed from NOK to USD. IAS 21 states that the functional currency of an entity should be the primary economic environment in which an entity operates. Since the establishment of Ocean Yield the majority of the investments made have been denominated in USD. As vessel values and day rates worldwide are quoted in USD, this is the dominating currency within the shipping and offshore industry. Hence, the functional currency of the parent company Ocean Yield ASA has been changed to USD as from 1 July 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 2012.

Note 5 Operating segments

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

Operating revenues	3rd Quarter	4th Quarter	4th Quarter	Jan - Dec	Pro forma Jan - Dec
Amounts in USD million	2013	2013	2012	2013	2012
FPSO	34.7	34.6	30.5	139.2	133.1
Other Oil Service	27.1	26.0	20.3	99.8	54.9
Car Carriers	-	-	-	-	-
Operating revenues	**61.8**	**60.6**	**50.8**	**239.0**	**188.0**

EBITDA	2nd Quarter	4th Quarter	4th Quarter	Jan - Dec	Pro forma Jan - Dec
Amounts in USD million	2013	2013	2012	2013	2012
FPSO	30.1	29.8	20.0	116.1	98.9
Other Oil Service	27.1	25.9	20.3	99.4	54.8
Car Carriers	-	-	-	-	-
Ocean Yield ASA	(1.6)	(2.9)	(1.0)	(7.7)	(2.3)
Other companies and eliminations	-	(0.1)	0.1	(0.1)	-
EBITDA	**55.6**	**52.7**	**39.4**	**207.7**	**151.4**

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 in Q4 2013 include accrued bonuses to management for the year 2013. Going forward, it is expected that the average quarterly amount related to Wages and other personnel expenses will be around USD 2.2 million.

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

Note 8 Financial income

Financial income in Q4 2013 includes recorded interest income related to the investment in AMSC bonds. The bonds carry interest at NIBOR + 4.75% p.a. and AMSC can choose to pay interest as Payment in Kind ("PIK"), where accrued interest is added to the principal outstanding each quarter. At initial recognition as of March 2012, Ocean Yield classified the AMSC bond into the category "available-for-sale" financial assets. Subsequent to initial measurement, the bonds are measured at fair value. Impairment losses are recognized in profit and loss as they arise. Any other variation in value will be recorded through Other Comprehensive Income. Interest income is recognized under the effective interest method, with the effective interest rate being calculated on the instrument's initial recognition. In the fourth quarter, interest income of USD 3.6 million was recorded related to the AMSC bonds. As a result of the amendments to the bond agreement announced in December 2013, a positive value adjustment of USD 8.4 million after tax has been recorded in Other Comprehensive Income. It is expected that the Company will have a positive effect in the Profit and Loss statement for Q1 2014, based on the amendment being effective on January 3rd 2014.

Financial Income for Q4 2013 includes a reversal of USD 0.6 million related to reclassification of financial income accounted for in Q3 2013.

Note 9 Financial expenses

The increase in financial expenses from Q3 2013 is mainly due to capitalization of interest expenses related to advances on the two Höegh 4401/4402 newbuilding vessels in Q3 2013. Please refer to the Q3 2013 Report for further information.

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

Mark-to-market of derivatives of negative USD 0.6 million in Q4 2013 and negative USD 10.0 million for the year 2013 is mainly related to a cross currency interest rate swap related to the NOK 600 million bond loan issued by Ocean Yield and certain other interest rate swaps related to vessel financings. The bond loan matures in July 2017, and the coupon on the bond loan has been swapped from NIBOR+6.50% p.a. to LIBOR+7.07% p.a. The cross currency interest rate swap and the investment in AMSC bonds are the Group's most significant financial instruments recorded at fair value. The cross currency interest rate swap is considered by the Group to be a level 2 financial instrument under the fair value hierarchy and the AMSC bonds are considered to be level 3.

Note 11 Vessels and equipment

Material changes in vessels and equipment during 2013:

Amounts in USD million	FPSO	Other Oil Service	Car Carriers	Other/elim	Total
Balance at 1 January	578.6	566.8	12.3	0.1	1 157.8
Acquisitions	1.3	213.5	-	1.4	216.2
Advances	-	-	39.3	-	39.3
Depreciation	(65.3)	(36.1)	-	(0.2)	(101.6)
Effect of movements in foreign exchange	-	(30.5)	-	(0.1)	(30.6)
Balance at 31 December	**514.6**	**713.7**	**51.6**	**1.2**	**1 281.1**

A one-off adjustment of USD 0.7 million has been made to Depreciation in the fourth Quarter 2013, related to the depreciation of the *Far Senator* and the *Far Statesman*.

Note 12 Contractual obligations

Ocean Yield have 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 2013:

Amounts in USD million	FPSO	Other Oil Service	Ocean Yield ASA	Total
Balance at 1 January 2013	348.0	408.3	106.5	862.8
New loans	17.0	161.7	20.0	198.7
Installments	(89.7)	(42.6)	(20.0)	(152.3)
Effect of movements in foreign exchange	-	(22.7)	(7.6)	(30.3)
Interest-bearing debt	**275.3**	**504.7**	**98.9**	**878.9**
Loan fee amortized	(2.8)	(2.8)	(1.5)	(7.0)
Total interest-bearing liabilities	**272.5**	**501.9**	**97.4**	**871.8**
Long-term	195.6	451.7	97.4	744.8
Short-term loan	-	-	-	-

1st year installments	76.9	50.2	-	127.0
Total interest-bearing liabilities at the end of Q4 2013	**272.5**	**501.9**	**97.4**	**871.8**

As commented in the Q2 2013 report, a new loan facility was made available to Ocean Yield in Q2 2013, related to the cash sweep payment on the loan related to the *Dhirubhai-1*, where the Company could re-draw the amounts that had been paid under the cash sweep. A total of USD 17 million was drawn under this facility in Q2 2013 and this amount was repaid in full in Q3 2013. Subsequent to quarter end, the Company has cancelled the commitment related to this facility as part of the Company's cash management policy.

Note 14 Share capital and dividends

At the end of Q3 2013, the Company had issued a total of 133,736,110 shares. Subsequently, members of senior management subscribed to a total of 47,404 new shares in the Company. As of 31st December 2013, the Company had a share capital of NOK 1,337,835,140 divided into 133,783, 514 ordinary shares, each having a par value of NOK 10.00.

Subsequent to the end of Q4 2013, members of senior management has subscribed for a total of 365,428 new shares in the Company. Following this share issue, the Company has a share capital of NOK 1,341,489,420 divided into 134,148,942 shares each with a par value of NOK 10.00.

A total of USD 56.0 million of dividends has been paid in 2013. USD 40 million of this dividend was declared in April 2013, when Aker ASA was the sole shareholder. The remaining USD 16 million was paid following the announcement of the Q3 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

The amendments to the bond agreement with American Shipping Company became effective on January 3rd 2014. A positive P&L effect is expected in Q1 2014. The book value of the bonds was USD 168.3 million by the end of Q4 2013, which is approximately 89.6 % of par value.