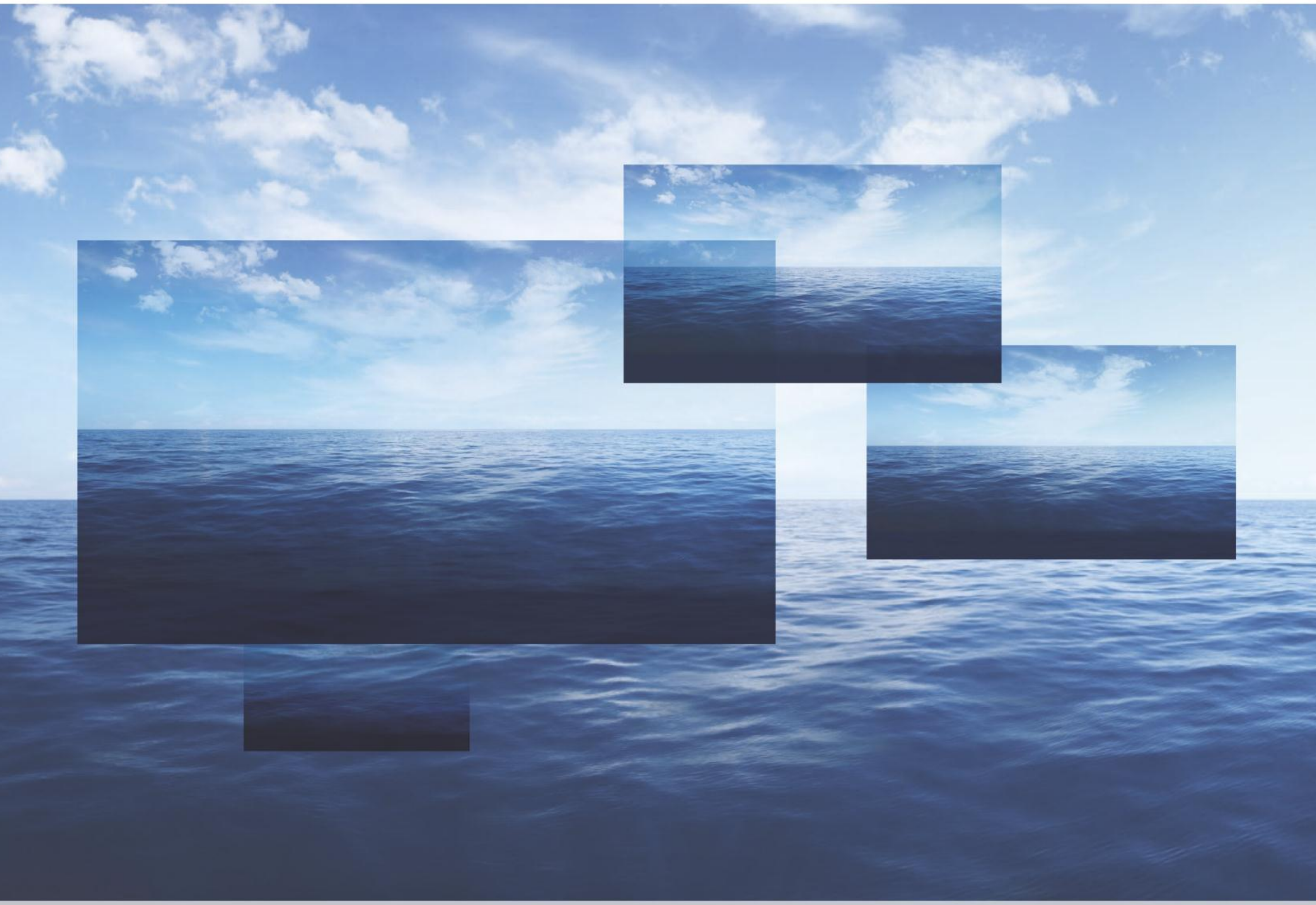

OCEAN YIELD ASA

Second Quarter 2013 Report

Second Quarter and Half Year 2013 Report

Oslo, 27th August 2013, Ocean Yield ASA ("Ocean Yield" or the "Company") announces preliminary results for the second quarter and half year ending 30th June, 2013.

Highlights

- Consolidated EBITDA was USD 50.6 million for the second quarter 2013 compared to USD 38.8 million for the second quarter 2012.
- Consolidated Net Profit after tax was USD 19.9 million for the second quarter 2013 compared to USD 11.7 million for the second quarter 2012.
- The AHTS newbuilding "*Far Statesman*" was delivered to the Company on 4th June 2013.
- After the end of the second quarter, Ocean Yield completed a Public Offering of 33.5 million new shares which was priced at NOK 27 per share with gross proceeds, including additional shares sold to management, of NOK 904.1 million. The shares commenced trading on the Oslo Stock Exchange on 5th July 2013.
- Selected key financial figures for the second quarter 2013 compared to the second quarter 2012 and first half 2013 compared to pro-forma first half 2012 figures:

Consolidated key numbers - USD million	Q2 2013	Q2 2012	First half 2013	First half 2012 (pro-forma)
Revenues	60.0	45.8	116.6	91.1
EBITDA	50.6	38.8	99.4	74.0
Net profit after tax	19.9	11.7	37.1	21.2
Earnings per share – USD	0.20*	0.12	0.37	0.21
Cash	60.1	78.4		
Total assets	1 604.6	1160.1		
Interest bearing debt	964.0	551.1		
Net interest bearing debt	883.9	452.7		
Total equity	522.0	500.0		

*Calculated on 100,000,000 shares, which was the number of shares outstanding as of 30.06.2013

Second quarter results

Operating Revenues for Q2 2013 were USD 60.0 million compared to USD 45.8 million for Q2 2012. Operating expenses, which are related to the FPSO *Dhirubhai-1*, were USD 3.9 million for Q2 2013, compared to USD 4.2 million for Q2 2012. Depreciation and amortization was USD 25.0 million in Q2 2013, compared to USD 20.6 million in Q2 2012. The increase in depreciation relates to delivery of the *Lewek Connector* in October 2012, the *Far Senator* at the end of Q1 2013 and delivery of the *Far Statesman* in early June. Wages and other personnel expenses were USD 2.8 million compared to USD 1.4 million in Q2 2012. The Q2 2013 amount includes annual discretionary bonuses to employees of approximately USD 0.9 million.

Financial income was USD 7.4 million in Q2 2013 as compared to USD 2.6 million in Q2 2012. Out of the USD 7.4 million recognized, approximately USD 4.4 million is interest income and approximately USD 2.8 million is a non-recurring item. Financial expenses were USD 9.8 million in Q2 2013, as compared to USD 6.1 million in Q2 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*. Mark-to-market of derivatives was negative USD 3.4 million in Q2 2013, as compared to USD 0.0 million in Q2 2012. The negative mark-to-market amount is mainly related to the cross-currency interest rate swap on the Company's bond loan, which has been swapped from NOK to USD. This amount has no cash impact. The Net Profit after tax for Q2 2013 was USD 19.9 million compared to USD 11.7 million for Q2 2012.

Book Equity was USD 522.0 million at the end of the second quarter 2013, compared to USD 500.0 at the end of Q2 2012. Book Equity at the end of Q1 2013 was USD 546.8 million. The change in equity from Q1 to Q2 2013 was due to a net profit of USD 19.9 million, other comprehensive Income of negative USD 4.8 million and declaration of dividends for 2012 of USD 40 million. USD 20 million of dividends for 2012 was paid at the end of June and the remaining dividends will be paid in September 2013.

Year to date results

Operating revenues for the first half 2013 were USD 116.6 million as compared to USD 91.1 million on a pro-forma basis for the first half 2012. EBITDA was USD 99.4 million for the first half 2013, compared to USD 74.0 million for the first half 2012. Depreciation was USD 49.2 million, compared to USD 41.4 million in the first six months of 2012, as a result of delivery of additional vessels into Ocean Yield's fleet. Operating Profit was USD 50.2 million as compared to USD 26.3 million for the first half 2012.

Financial income was USD 12.0 million for the first half 2013, compared to USD 5.5 million on a pro-forma basis for the first half 2012. The increase in financial income is related to the acquisition of bonds in American Shipping Company that was completed on March 31st 2012. Financial expenses were USD 17.9 million in the first half 2013, compared to USD 9.7 million in the first half of 2012. The increase in financial expenses relates to interest expenses on Ocean Yield's bond loan and bank financing of new vessels. Net Profit after tax was USD 37.1 million in the first half 2013, compared to USD 21.2 million for the first half 2012.

Main events during the second quarter

- On 4th June 2013 the AHTS newbuilding vessel *Far Statesman* was delivered to Ocean Yield and immediately commenced its 12-year bareboat charter to Farstad Supply AS. Together with the AHTS vessel "*Far Senator*", which was delivered at the end of March 2013, this contributed positively to Net Profit after tax in the second quarter 2013. The *Far Statesman* was acquired for approximately USD 105 million (NOK 611 million). Bank financing for approximately 75 per cent of the purchase price was drawn down on delivery. The vessel was built at Vard Langsten and is of UT 731 CD design, being a high-end AHTS vessel with 24,371 BHP and 265 mt bollard pull.

- The FPSO *Dhirubhai -1*, which is on a long-term charter to Reliance Industries Ltd., had an operational utilisation of 99.8% in the quarter. The *Aker Wayfarer*, the *Lewek Connector, Far Senator, Far Statesman* and the *Geco Triton* received charter hire as per their respective bareboat agreements
- In May, the Company established a loan facility related to the FPSO *Dhirubhai-1*, which will allow the company to re-draw the cash sweep amounts payable annually. The loan agreement will, on an uncommitted basis, allow for this tranche to be increased up to USD 101 million, for the financing of future cash sweep payments.

Main events post the second quarter

- In June Ocean Yield launched an initial public offering of 33.5 million new shares. After adjusting the initial price range, the offering was oversubscribed and priced at NOK 27 per share. The transaction closed in the beginning of July, post the second quarter, and the shares started trading on the Oslo Stock Exchange on the 5th of July 2013. The offering received particular strong demand from US institutional investors and Norwegian retail investors. Following the IPO, Ocean Yield has more than 3,700 shareholders.

  Gross proceeds from the offering were NOK 904.1 million, including proceeds from an additional 236,110 shares subscribed by Ocean Yield's management and key employees. The Company's new shares were registered on the 4th July 2013, increasing the share capital to NOK 1,337,361,100 divided into 133,736,110 shares each having a par value of NOK 10.00. As part of the stabilization program in connection with the IPO, Aker ASA sold 1,757,425 shares in Ocean Yield and thereafter controls 73.46% of the shares in the company.
- With effect as of the listing of the shares on 5th July 2013, three new independent board members assumed their position as directors of Ocean Yield. The board now consists of Mr. Trond Brandsrud (chairman), Mr. Kjell Inge Røkke (director), Mr. Jens Ismar (director), Ms. Anne-Christin Døvigen (director) and Ms. Annicken Gann Kildahl (director).

Fleet status:

The charter backlog at the end of the second quarter was USD 1.8 billion in revenues and USD 1.6 billion in EBITDA. Average remaining contract tenor (weighted by EBITDA) as of the end of the second quarter was 7.3 years

Vessel	Vessel type	Client	Contract expiry	Remaining tenor (years)	EBITDA Backlog USD M**
Dhirubhai-1	FPSO	Reliance	Sep-18	5.2	549
Aker Wayfarer	Subsea	Aker Solutions	Sep-20	7.3	285
Lewek Connector	Subsea	Ezra/EMAS AMC	Oct-22	9.3	355
Höegh 4401 (newbuild)*	Car Carrier	Höegh Autoliners	Apr-26	12.0	86
Höegh 4402 (newbuild)*	Car Carrier	Höegh Autoliners	Aug-26	12.0	86
FAR Senator	AHTS	Farstad	Mar-25	11.7	131
Far Statesman	AHTS	Farstad	Jun-25	11.9	134
Geco Triton	Seismic	WesternGeco	Dec-15	2.5	14

** Contract start for Höegh 4401 / 4402 is expected to be April 2014 and August 2014 respectively*
***Figures are based on management 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. For a more detailed description of risk factors, please refer to the annual report for 2012.

Strategy and Outlook:

Ocean Yield is a ship owning company with investments within oil-service and industrial shipping. The company focuses on modern assets with long-term charters to solid counterparties. The company has a significant contract backlog that offers visibility with respect to future earnings and dividend capacity. Ocean Yield has an ambition to pay attractive and growing semi-annual dividends to its shareholders.

With the proceeds from the initial public offering, Ocean Yield currently has a strong cash position and substantial investment capacity. The Company is actively pursuing new potential investments within the oil-service and industrial shipping segments and the Company expects to continue to grow its investment portfolio going forward.

Target dividend for the year 2013 is USD 0.46 per share, payable with 50% in April 2014 and 50% in September 2014.

27th August 2013
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 2013.

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 2013 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 2013.

The interim financial report for the first six months of 2013 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.

27th August 2013
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 Q2 2013 and first half 2013

Income statement and total comprehensive income

Income statement *Amounts in USD million*	Note	1st Quarter 2013	2nd Quarter 2013	2nd Quarter 2012	1st Half 2013	Pro forma 1st Half 2012	Pro forma Jan - Dec 2012
Operating revenues	5	56.6	60.0	45.8	116.6	91.1	188.0
Vessel operating expenses	6	(3.9)	(3.9)	(4.2)	(7.8)	(8.8)	(16.3)
Wages and other personnel expenses	7	(1.7)	(2.8)	(1.4)	(4.5)	(5.1)	(10.1)
Other operating expenses		(2.2)	(2.7)	(1.3)	(4.9)	(3.3)	(10.2)
EBITDA	5	**48.8**	**50.6**	**38.8**	**99.4**	**74.0**	**151.4**
Depreciation and amortization	11	(24.2)	(25.0)	(20.6)	(49.2)	(41.4)	(85.9)
Impairment charges and other non-recurring items		-	-	(3.3)	-	(6.3)	(5.9)
Operating profit		**24.7**	**25.5**	**15.0**	**50.2**	**26.3**	**59.7**
Financial income	8	4.6	7.4	2.6	12.0	5.5	11.4
Financial expenses	9	(8.1)	(9.8)	(6.1)	(17.9)	(9.7)	(24.7)
Mark to market of derivatives	10	(3.4)	(3.4)	-	(6.7)	(0.0)	(1.7)
Profit before tax		**17.8**	**19.8**	**11.5**	**37.6**	**22.1**	**44.6**
Income tax expense		(0.7)	0.2	0.2	(0.5)	(0.8)	-
Net profit after tax		**17.1**	**19.9**	**11.7**	**37.1**	**21.2**	**44.7**

Total comprehensive income *Amounts in USD million*	1st Quarter 2013	2nd Quarter 2013	2nd Quarter 2012	1st Half 2013	Pro forma 1st Half 2012	Pro forma Jan - Dec 2012
Result for the period	17.1	19.9	11.7	37.1	21.2	44.7
Other comprehensive income, net of income tax for items that may be reclassified to the income statement						
Currency translation differences	(4.1)	(4.8)	(7.4)	(8.9)	(0.4)	9.4
	(4.1)	(4.8)	(7.4)	(8.9)	(0.4)	9.4
Total comprehensive income for the period	**13.1**	**15.1**	**4.3**	**28.2**	**20.9**	**54.0**
Attributable to:						
Equity holders of the parent	13.1	15.1	4.3	28.2	20.9	54.0
Total comprehensive income for the period	**13.1**	**15.1**	**4.3**	**28.2**	**20.9**	**54.0**
Basic and diluted earnings per share (USD)	**0.17**	**0.20**	**0.12**	**0.37**	**0.21**	**0.45**

Balance sheet

Amounts in USD million	Note	31 March 2013	30 June 2013	30 June 2012	31 December 2012
ASSETS					
Vessels and equipment	11	1 241.0	1 307.3	858.5	1 157.7
Intangible assets		38.3	38.3	38.3	38.3
Deferred tax assets		9.2	9.7	9.6	10.1
Restricted cash deposits		20.0	20.0	20.0	20.0
Investments in AMSC Bonds		148.0	150.1	136.7	151.8
Other non-current assets			0.5	1.0	
Total non-current assets		**1 456.6**	**1 526.0**	**1 064.1**	**1 378.0**
Trade receivables and other interest-free receivables		18.9	18.5	17.6	15.8
Cash and cash equivalents		63.7	60.1	78.4	104.6
Total current assets		**82.7**	**78.6**	**96.0**	**120.4**
Total assets		**1 539.2**	**1 604.6**	**1 160.1**	**1 498.4**
EQUITY AND LIABILITIES					
Share capital		175.6	175.6	175.6	175.6
Other paid-in capital		400.4	400.4	400.4	400.4
Total paid-in capital		**576.0**	**576.0**	**576.0**	**576.0**
Retained earnings and translation reserves		(29.1)	(54.0)	(76.0)	(43.0)
Total equity attributable to equity holders of the parent		**546.8**	**522.0**	**500.0**	**533.0**
Total equity	**13**	**546.8**	**522.0**	**500.0**	**533.0**
Interest-bearing loans	12	800.9	838.7	481.7	746.6
Deferred tax liabilities		0.6	1.3	1.5	-
Pension liabilities		0.3	0.4	0.6	1.6
Mobilization fee and advances		80.9	75.5	93.1	86.7
Other interest-free long term liabilities		(0.0)	(0.0)	1.8	1.8
Total non-current liabilities		**882.6**	**915.8**	**578.7**	**836.7**
Interest-bearing short term debt	12	93.0	125.4	69.4	111.8
Trade and other payables		16.8	41.4	12.1	17.0
Total current liabilities		**109.8**	**166.8**	**81.5**	**128.7**
Total liabilities		**992.4**	**1 082.6**	**660.2**	**965.4**
Total equity and liabilities		**1 539.2**	**1 604.6**	**1 160.1**	**1 498.4**

Change in equity

Amounts in USD million	Note	1st Quarter 2013	2nd Quarter 2013	2nd Quarter 2012	1st Half 2013	Pro forma 1st Half 2012	Pro forma Jan - Dec 2012
Balance at the beginning of the period		533.0	546.8	495.6	533.0	478.9	478.9
Profit for the period		17.1	19.9	11.7	37.1	21.4	44.7
Other comprehensive income		(4.1)	(4.8)	(7.4)	(8.9)	(0.4)	9.4
Total comprehensive income		**13.1**	**15.1**	**4.3**	**28.2**	**21.1**	**54.0**
Dividend			(40.0)		(40.0)		
Impact of implementing IAS 19R, net of tax	3	0.8			0.8		
Balance at the end of the period		**546.8**	**522.0**	**500.0**	**522.0**	**500.0**	**533.0**

Cash flow statement

Amounts in USD million	Note	1st Quarter 2013	2nd Quarter 2013	2nd Quarter 2012	1st Half 2013	Pro forma 1st Half 2012	Pro forma Jan - Dec 2012
Profit before tax		17.8	19.8	11.5	37.6	22.1	44.6
Sales losses/gains (-) and write-downs		-	-	3.3	-	6.3	6.0
Depreciation and amortization		24.2	25.0	20.6	49.2	41.4	85.9
Other changes in operating activities		(12.4)	(4.0)	(8.2)	(16.3)	(12.6)	(17.9)
Net cash flow from operating activities		**29.6**	**40.8**	**27.2**	**70.4**	**57.1**	**118.7**
Proceeds from sales of property, plant and equipment	11	-	-	11.2	-	11.2	11.2
Acquisition of property, plant and equipment	11	(120.9)	(104.9)	-	(225.8)	(0.0)	(327.3)
Net cash flow from investing activities		**(120.9)**	**(104.9)**	**11.2**	**(225.8)**	**11.2**	**(316.1)**
Proceeds from issuance of long-term interest-bearing debt	12	80.5	116.4	-	197.0	-	334.9
Repayment of long-term interest-bearing debt	12	(29.0)	(35.2)	(21.8)	(64.2)	(51.5)	(96.6)
Dividend paid			(20.0)		(20.0)		
Net cash flow from financing activities		**51.6**	**61.2**	**(21.8)**	**112.7**	**(51.5)**	**238.3**
Net change in cash and cash equivalents		**(39.7)**	**(2.9)**	**16.5**	**(42.6)**	**16.8**	**40.8**
Exchange rate differences		(1.1)	(0.8)	(1.9)	(1.9)	0.1	2.2
Cash and cash equivalents at beginning of the period		104.6	63.7	63.7	104.6	61.5	61.5
Cash and cash equivalents at the end of the period		**63.7**	**60.1**	**78.4**	**60.1**	**78.4**	**104.6**

Notes to the condensed consolidated interim financial statements for Ocean Yield ASA for the second quarter 2013 and for the first half 2013

Note 1 Introduction – Ocean Yield ASA

Ocean Yield ASA is a company domiciled in Norway. The condensed consolidated interim, unaudited financial statements for the first half of 2013, ended 30 June 2013, comprise Ocean Yield ASA and its subsidiaries (together referred to as the “Group”). The financial statement for the 1st half 2013 include the financial statements of the parent company, Ocean Yield ASA and its subsidiaries owned at end of 1st half 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 30 June 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 27 August 2013.

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. 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.

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 *Amounts in USD million*	1st Quarter 2013	2nd Quarter 2013	2nd Quarter 2012	1st Half 2013	Pro forma 1st Half 2012	Pro forma Jan - Dec 2012
Aker Floating Production (Dhirubhai 1)	35.0	34.9	34.4	69.9	68.1	133.1
Aker ShipLease (Aker Wayfarer)	10.3	10.1	10.0	20.4	20.1	40.6
New Pollock (Geco Triton)	1.4	1.4	1.4	2.9	2.9	5.8
Connector (Lewek Connector)	9.5	9.6	-	19.0	-	8.5
F-Shiplease (FAR Senator/FAR Statesman)	0.4	4.0	-	4.4	-	-
Operating revenues	**56.6**	**60.0**	**45.8**	**116.6**	**91.1**	**188.0**

EBITDA *Amounts in USD million*	1st Quarter 2013	2nd Quarter 2013	2nd Quarter 2012	1st Half 2013	Pro forma 1st Half 2012	Pro forma Jan - Dec 2012
Aker Floating Production (Dhirubhai 1)	28.3	27.9	27.9	56.2	51.6	98.9
Aker ShipLease (Aker Wayfarer)	10.3	10.1	10.0	20.4	20.1	40.6
New Pollock (Geco Triton)	1.4	1.4	1.4	2.8	2.9	5.7
Connector (Lewek Connector)	9.4	9.5	-	19.0	-	8.5
F-Shiplease (FAR Senator/FAR Statesman)	0.4	3.9	-	4.2	-	-
Ocean Yield AS	(0.9)	(2.2)	(0.5)	(3.2)	(0.5)	(2.3)
Other companies and eliminations	(0.0)	-	-	(0.0)	-	(0.0)
EBITDA	**48.8**	**50.6**	**38.8**	**99.4**	**74.0**	**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 Q2 2013 of USD 2.8 million include bonuses to employees in Ocean Yield of about USD 0.9 million. Expenses recorded in Q1 2012 include one-off costs related to a reduction of employees in Aker Floating Production AS in 2012.

Note 8 Financial income

Financial income in Q2 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 with changes therein included in other comprehensive income. Interest income is recognised under the effective interest method, with the effective interest rate being calculated on the instrument's initial recognition. Impairment losses are recognised in profit and loss as they arise. In the second quarter, a non-recurring item of approximately USD 2.8 million has occurred. Any other variation in value will be recorded through Other Comprehensive Income.

Note 9 Financial expenses

Increase in Financial expenses is mainly related to drawdown of a new loan facility related to delivery of the AHTS vessel “Far Statesman”. A loan of approximately USD 76 million (NOK 458 million) was drawn down on delivery of the vessel.

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

Mark-to-market of derivatives is mainly related to a cross currency interest rate swap on the NOK 600 million bond loan issued by Ocean Yield, where the coupon on the bond loan has been swapped from NIBOR+6.50% p.a. to LIBOR+7.07% p.a. The bond loan matures in July 2017. The cross currency interest rate swap and the investment in AMSC bonds are the Group’s most significant financial instruments recorded at fair value and are considered by the Group to be level 2 financial instruments under the fair value hierarchy.

Note 11 Vessels and equipment

Material changes in vessels and equipment during 2013:

Amounts in USD million	Dhirubhai-1	Aker Wayfarer	Geco Triton	Lewek Connector	LH Shiplease	FAR Senator/ FAR Statesman	Total
Balance at 1 January	579	240	15	312	12	-	1 158
Depreciation	-33	-8	-1	-7	-	-1	-49
Acquisition	-	-	-	-	12	213	226
Effect of movements in foreign exchange	-	-17	-	-	-	-10	-27
Balance at 30 June	**546**	**215**	**14**	**305**	**25**	**202**	**1 307**

Note 12 Interest bearing debt

Material changes in interest-bearing debt (short term and long term) during 2013:

Amounts in USD million	Dhirubhai-1	Aker Wayfarer	Ocean Yield AS	Connector	FAR Senator/FAR Statesman	Total
Balance at 1 January	344	184	105	224	-	858
New loans	17	-	20	-	160	197
Repayments	(44)	(9)	-	(10)	(1)	(64)
Effect of movements in foreign exchange and loan fees expensed out	-	(13)	(7)	-	(7)	(27)
Total interest-bearing liabilities	**317**	**162**	**118**	**214**	**152**	**964**
Long-term	262	145	98	195	139	839
Short-term loan			20			20
1st year instalments	56	17	-	20	13	105
Total interest-bearing liabilities	**317**	**162**	**118**	**214**	**152**	**964**

As commented in the Q1 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.

A short-term loan of USD 20 million was provided to Ocean Yield at the end of June 2013. This loan was repaid on July 5th 2013.

Note 13 Share capital and dividend

As of 30 June 2013 Ocean Yield had issued 100 million ordinary shares. Subsequent to the IPO, the company has a share capital of NOK 1,337,361,100 divided into 133,736,110 ordinary shares, each having a par value of NOK 10.00. Gross proceeds from the offering were NOK 904.1 million, including proceeds from an additional 236,110 shares subscribed by Ocean Yield's management and key employees.

Note 14 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.