Presentation 2nd Quarter 2016

Oslo 25.08.2016

CEO Jan Fredrik Meling

News in 2nd Quarter 2016

Counterparty for the subsea vessel «Viking Poseidon» contract, Harkand Gulf Contracting Limited, is set under administration. By notice from the administrators, the contract is terminated.

The vessel has later been awarded a 75 days contract with Siemens Wind Power on German sector. The contract commencement was late June.

News after 30.06.2016

Statoil has awarded the supply vessel Viking Prince a 6 month contract. Terms are in accordance with current market conditions. commencement is ultimo August 2016.

2nd Quarter 2016 results

(2nd Quarter 2015 in brackets)

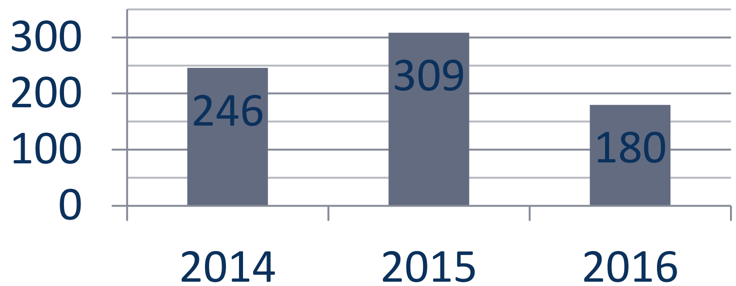
Revenues	**MNOK 180,0**	***(308,5)***
EBITDA	**MNOK 89,6**	***(177,7)***
Operating profit	**MNOK 35,4**	***(113,6)***
Pre-tax profit	**MNOK -24,9**	***(145,0)***

Q2 2016 profits influenced by agio of MNOK -25,8 (60,3)

Results 2nd Quarter 2016

(in million NOK)

Operating revenue Q2



The results in 2nd Quarter compared to last year are influenced of:

-The subsea vessel “Viking Neptun” was operated on lower rate in 2016.

-“Viking Poseidon” contract terminated in Q2 2016

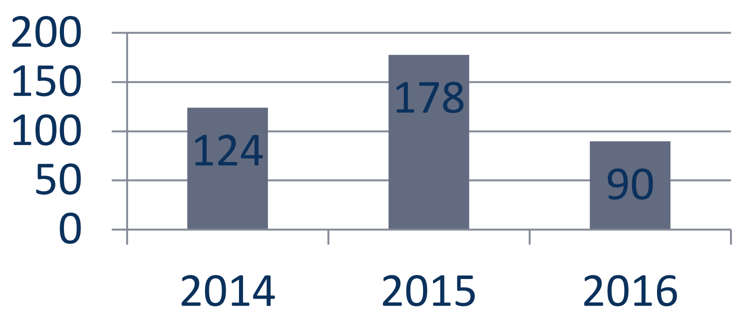
-“Acergy Viking” and “Veritas Viking” without contract from 2015

-PSV’s “Viking Prince”, “Viking Lady” and “Viking Athene” operated on weaker rates

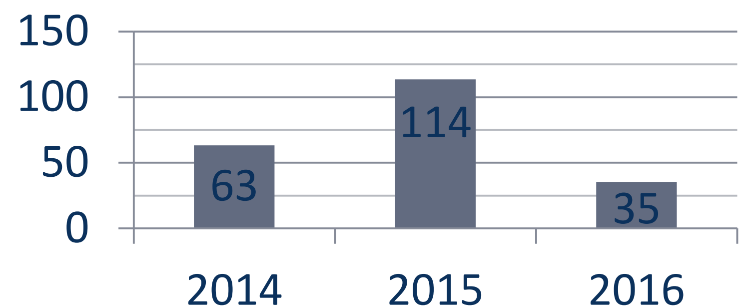
-“European Supporter” and “Viking 2” sold

-“Vantage” in lay-up after contract termination in Q1 2015

EBITDA Q2

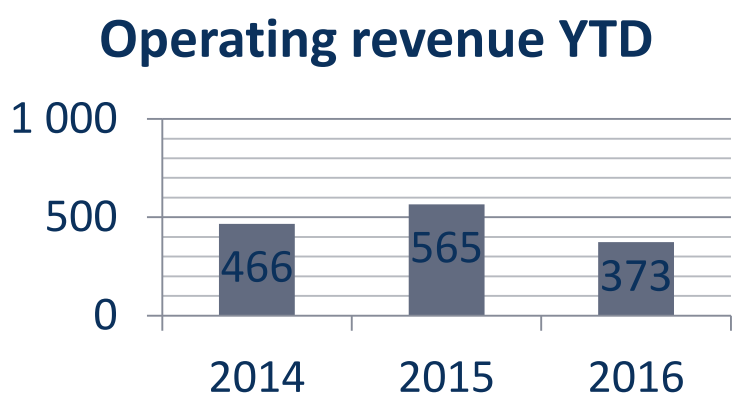


EBIT Q2



Results pr 30.06.2016

(in million NOK, Gain on sale and termination fee excluded)



The results YTD compared to last year are influenced of:

-The subsea vessel "Viking Neptun" was operated on lower rate in 2016.

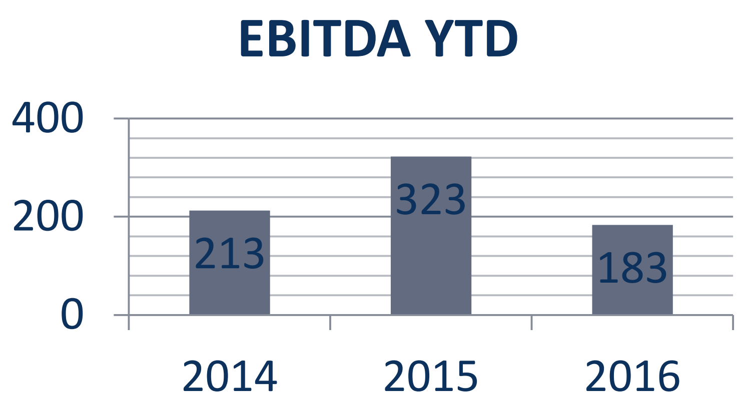
-"Viking Poseidon" contract terminated in Q2 2016

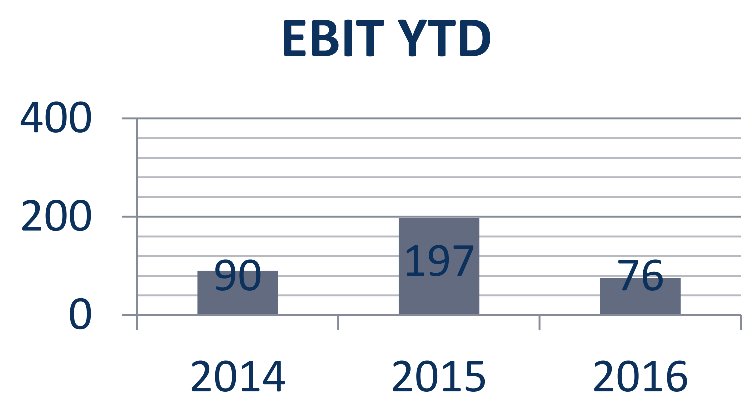
-"Acergy Viking" and "Veritas Viking" without contract from 2015

-PSV's "Viking Prince" and "Viking Lady" operated on weaker rates

-"European Supporter" and "Viking 2" sold

-"Vantage" in lay-up after contract termination in Q1 2015





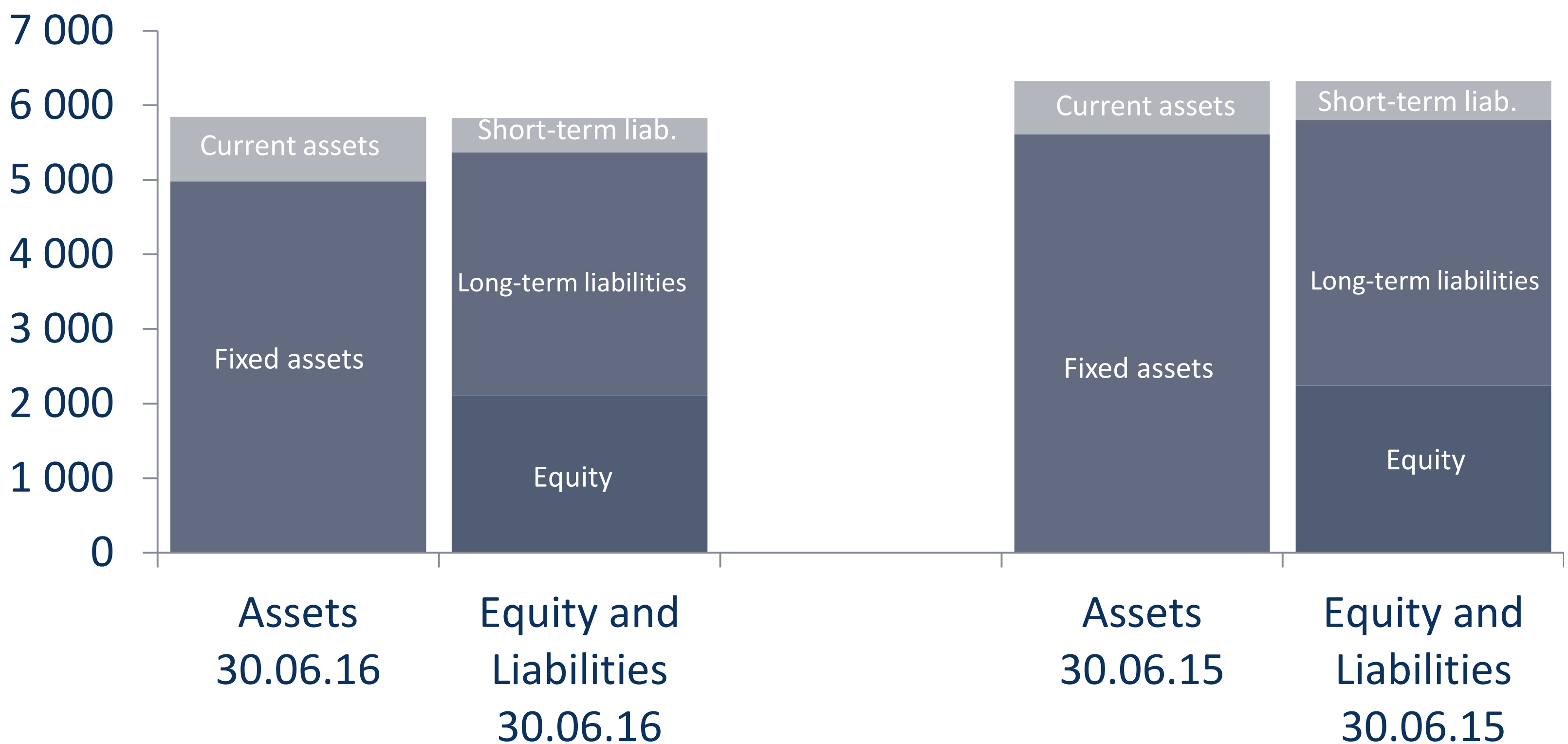
Cash Flow *(in million NOK)*

	2nd Quarter 2016	2nd Quarter 2015	**1.1-30.06.2016**	1.1-30.06.2015	**2015**
Net cashflow from operating activities	**107,4**	161,4	**134,6**	230,2	**629,8**
Net cashflow from investment	**24,5**	21,3	**16,1**	(922,2)	**(706,7)**
Net cashflow from finance activities	**(93,1)**	(75,9)	**(231,1)**	558,4	**229,6**
Net changes in cash holdings	**38,8**	106,8	**(80,4)**	(133,6)	**152,7**
Cash at beginning of period	**583,1**	309,2	**702,3**	549,6	**549,6**
Cash at end of period	**621,9**	416,0	**621,9**	416,0	**702,3**

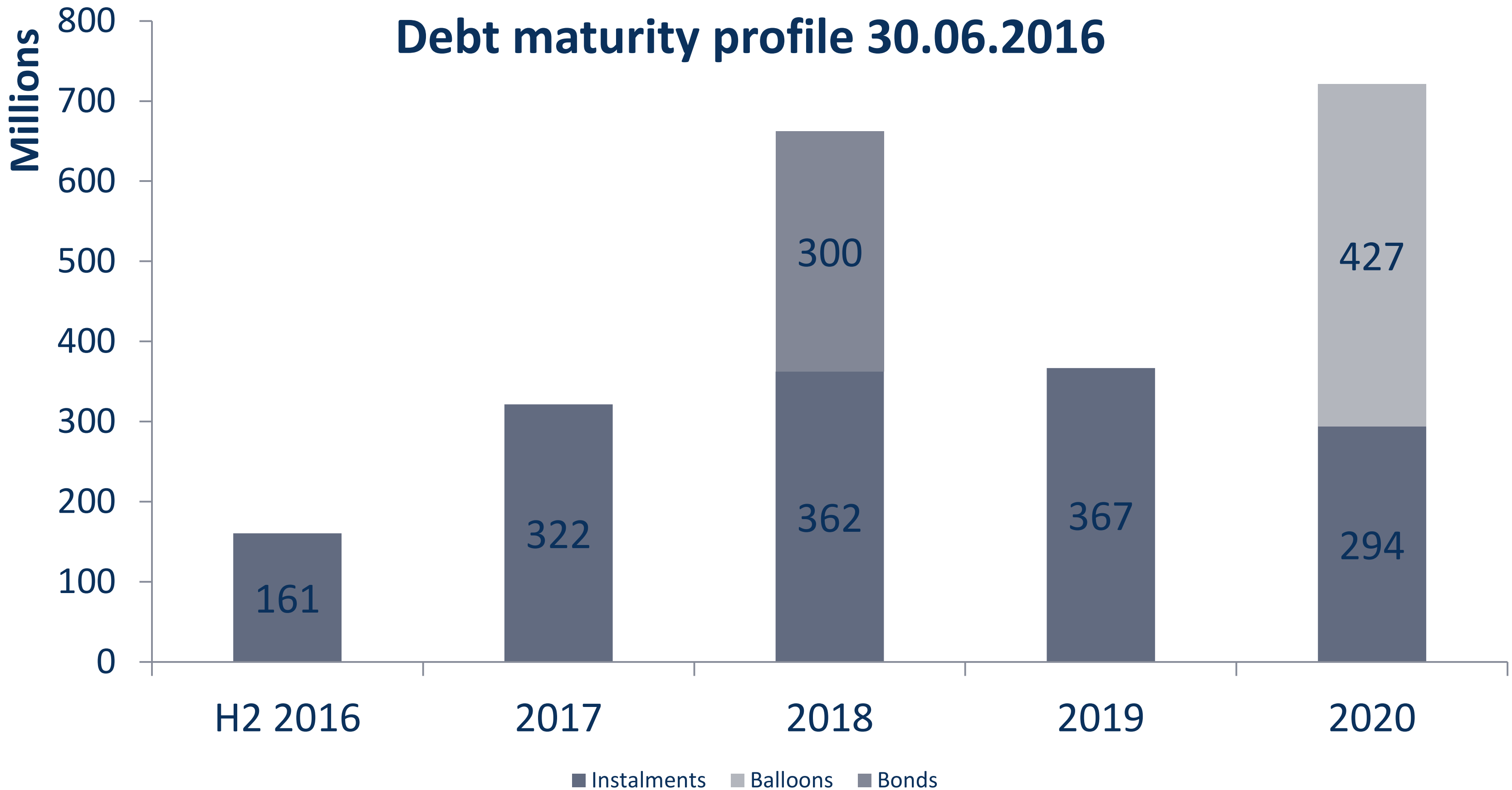
Interest paid is categorized under financing activities, interest received is categorized under operating activities.

Balance

(in million NOK)



Equity ratio 30.06.16: 36 % (35 %)



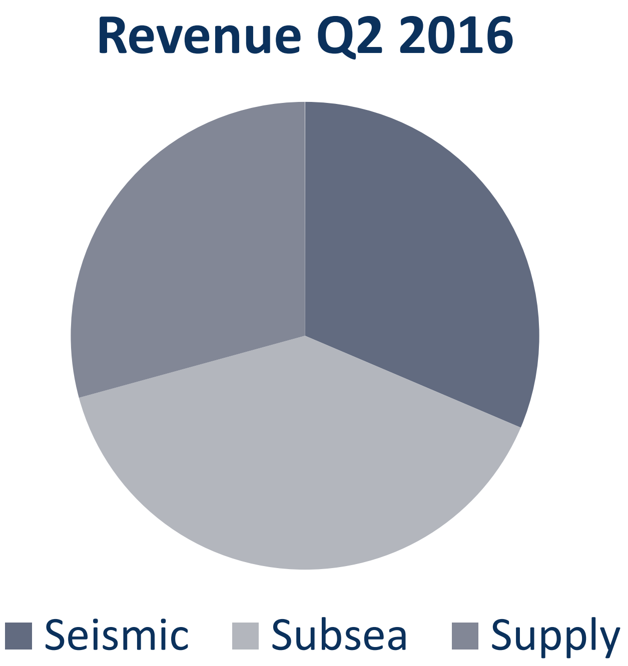
Debt maturity profile 30.06.2016
Millions
800
700
600
500
400
300
200
100
0
161
322
300
362
367
427
294
H2 2016
2017
2018
2019
2020
Instalments
Balloons
Bonds

Segments

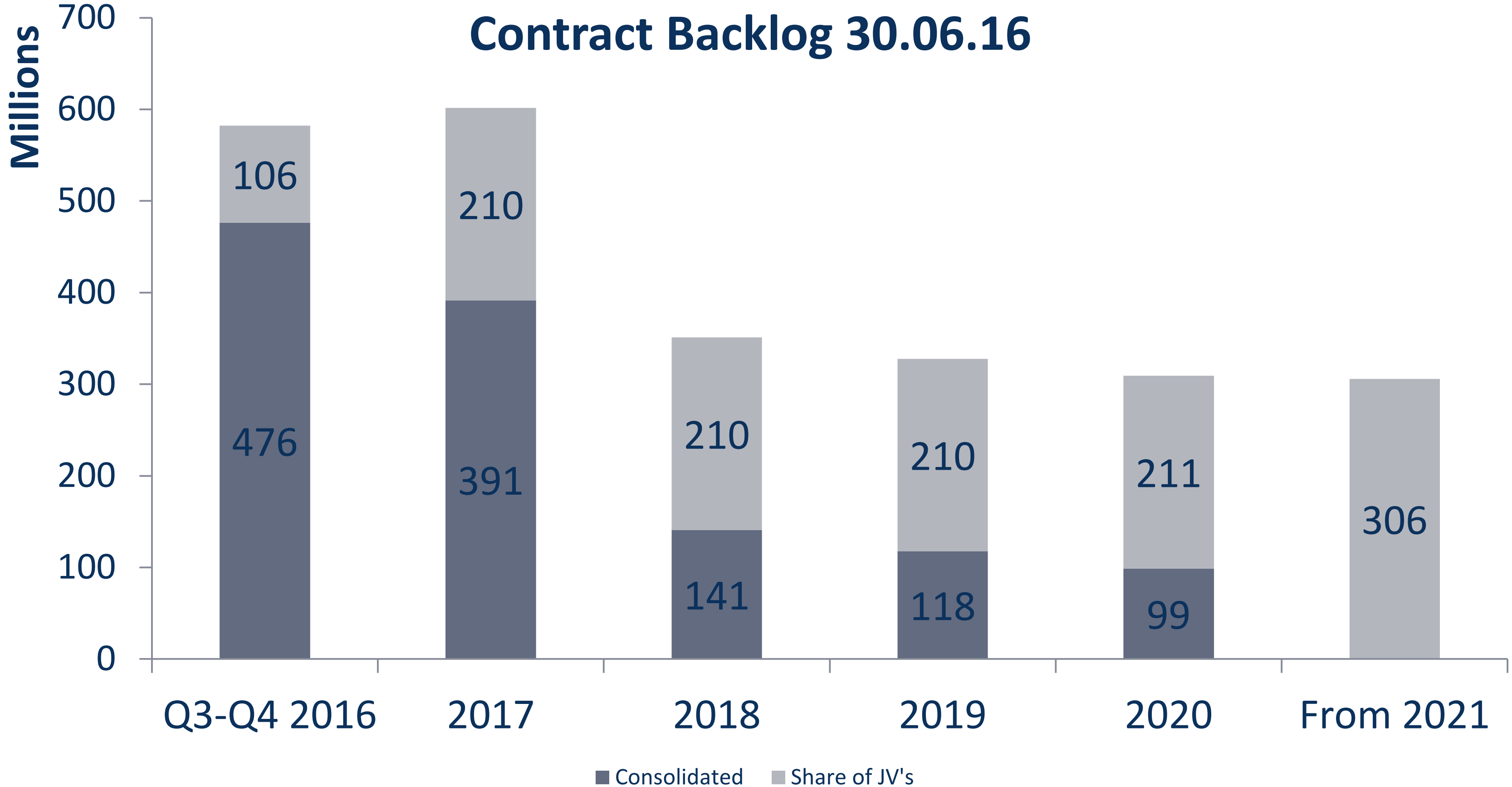
Incl. Share of Joint Ventures
Excluded termination fee
(MNOK)

2nd Quarter 2016	Seismic	Subsea	Supply	Other
Revenue	71,0	88,8	66,2	4,6
EBITDA	68,9	48,7	20,6	-6,1
EBIT	43,5	10,0	-5,1	-6,6
EBITDA margin	97%	55%	31%	N/A
EBIT margin	61%	11%	-8%	N/A

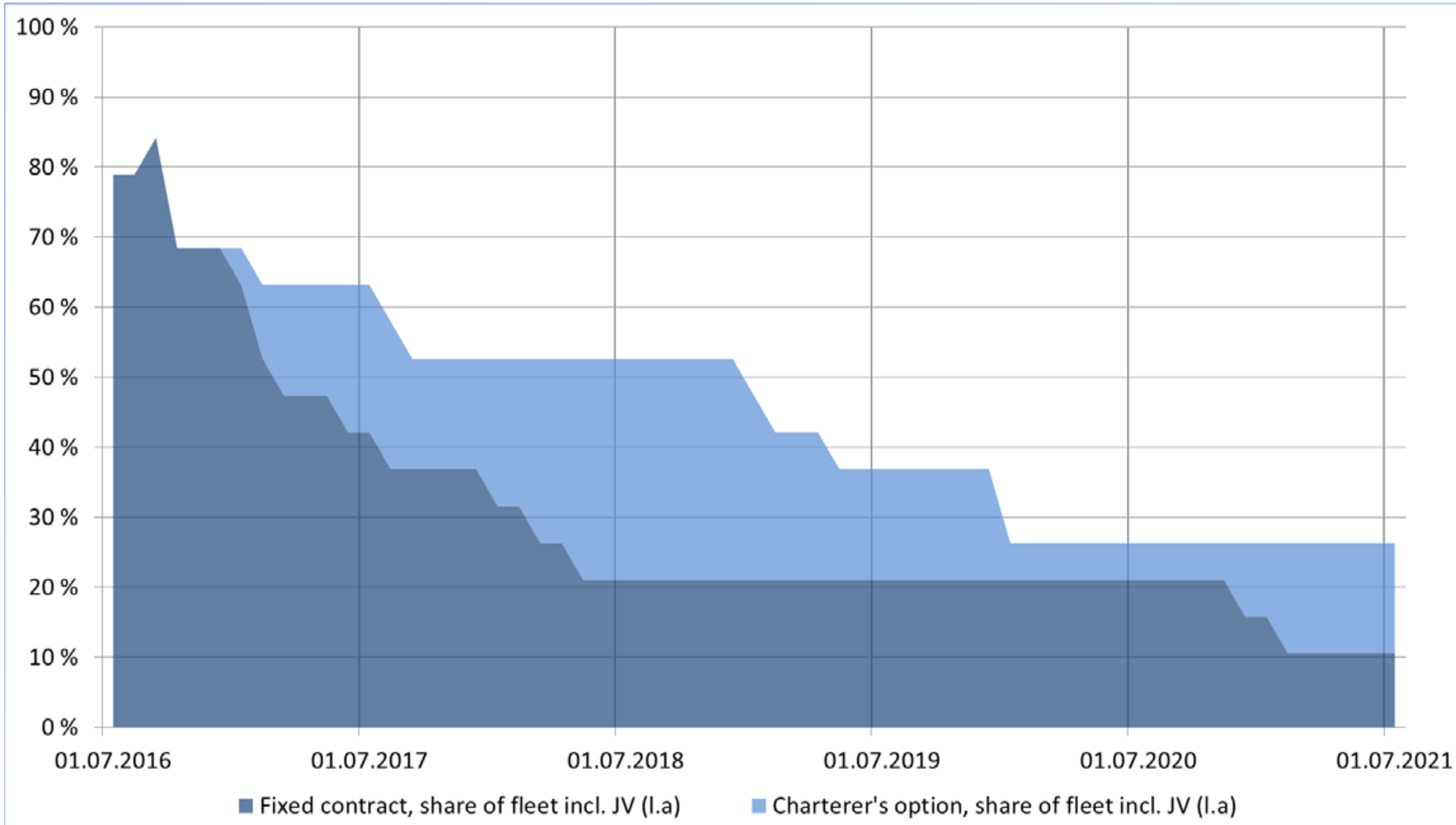
2nd Quarter 2015	Seismic	Subsea	Supply	Other
Revenue	76,6	183,6	91,6	5,3
EBITDA	74,3	122,5	31,2	-10,2
EBIT	50,4	80,8	-0,3	-10,7
EBITDA margin	97%	67%	34%	N/A
EBIT margin	66%	44%	0%	N/A



Contract Backlog 30.06.16



Contract coverage (per 30.06.2016)



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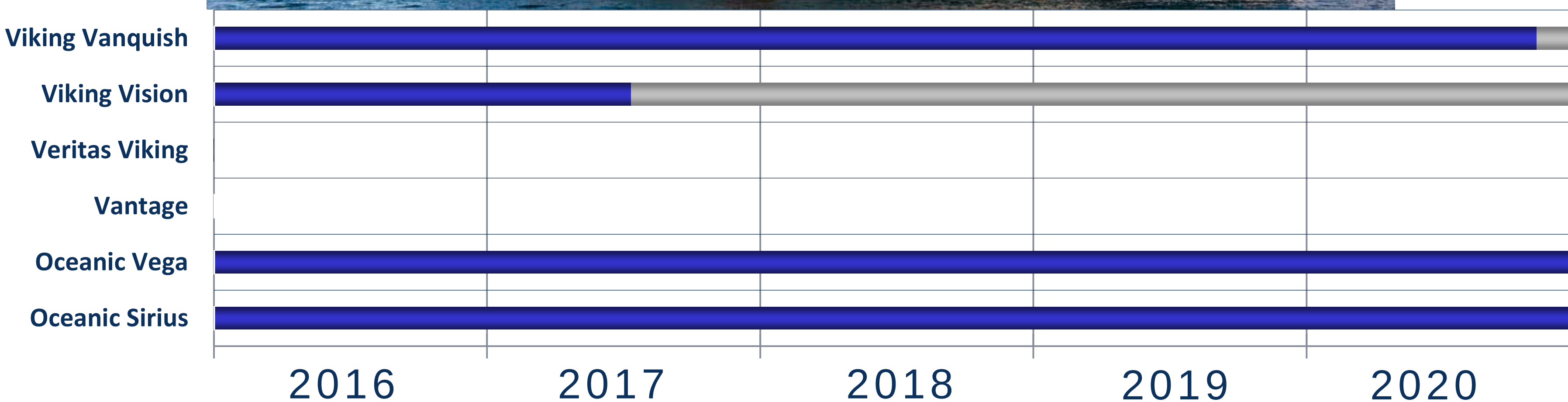
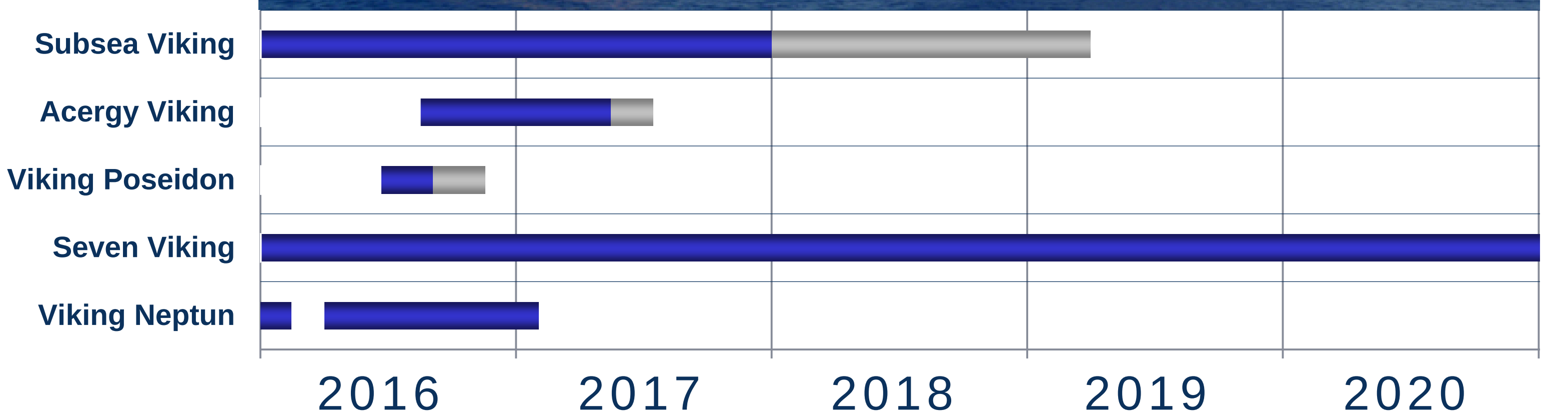
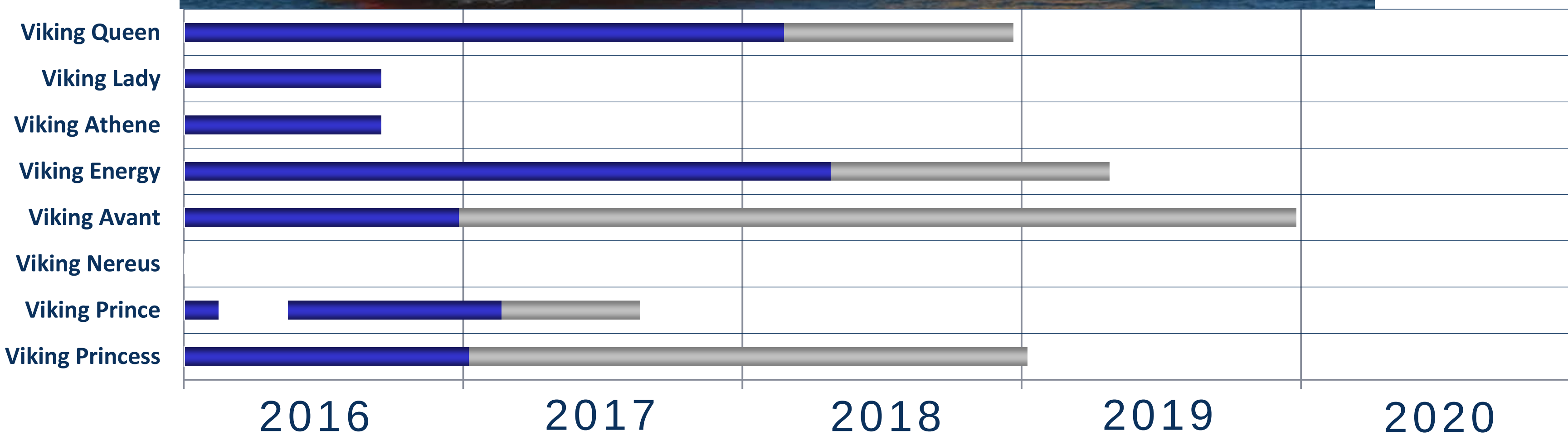
Contract status seismic



Contract status subsea



Contract status supply



Market

We still experience imbalance between supply and demand of vessels within all of the company's three segments.

As continued low oil-price is leading to global reduction in activity, we do not expect that the challenging market condition will improve in a short or midterm horizon.

The company maintains its focus on cost cutting and efficiency, and have a continuous evaluation of measures to adjust the company's activities in accordance with the current market condition.

Additional cost reduction initiatives

Further cost reductions on- and offshore MNOK 45 with full effect from november 2016

Eidesvik

Thanks for Your attention!