

Sevan Marine ASA

Second quarter and first half
2017

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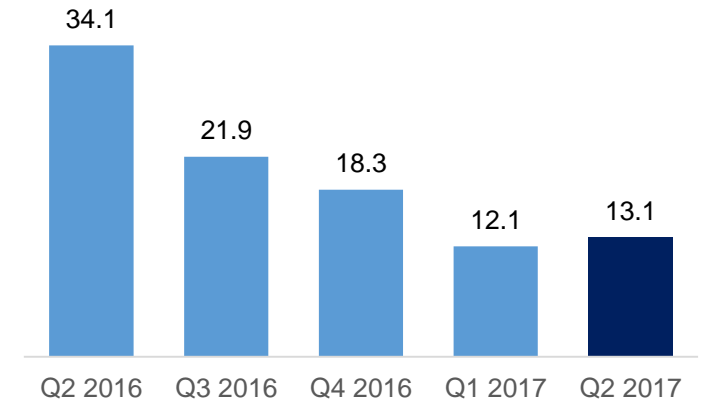
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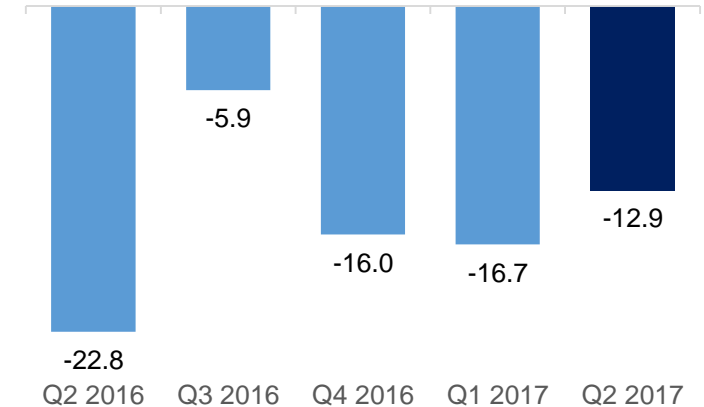
Highlights – Q2 2017

- Operating revenue for continued operations of NOK 13.1 million
 - Increased activity versus Q1
- EBITDA for continued operations of negative NOK 12.9 million
 - Includes one-off legal and restructuring costs of NOK 3.9 million
- Positive net profit for continued operations of NOK 26.8 million for quarter
 - Main driver is positive outcome of 2012 tax case
- KANFA transaction completed
- Solid financial position
 - Cash position of NOK 179 million and no interest bearing debt

Revenues continued operations
NOK million



EBITDA continued operations
NOK million



Operations

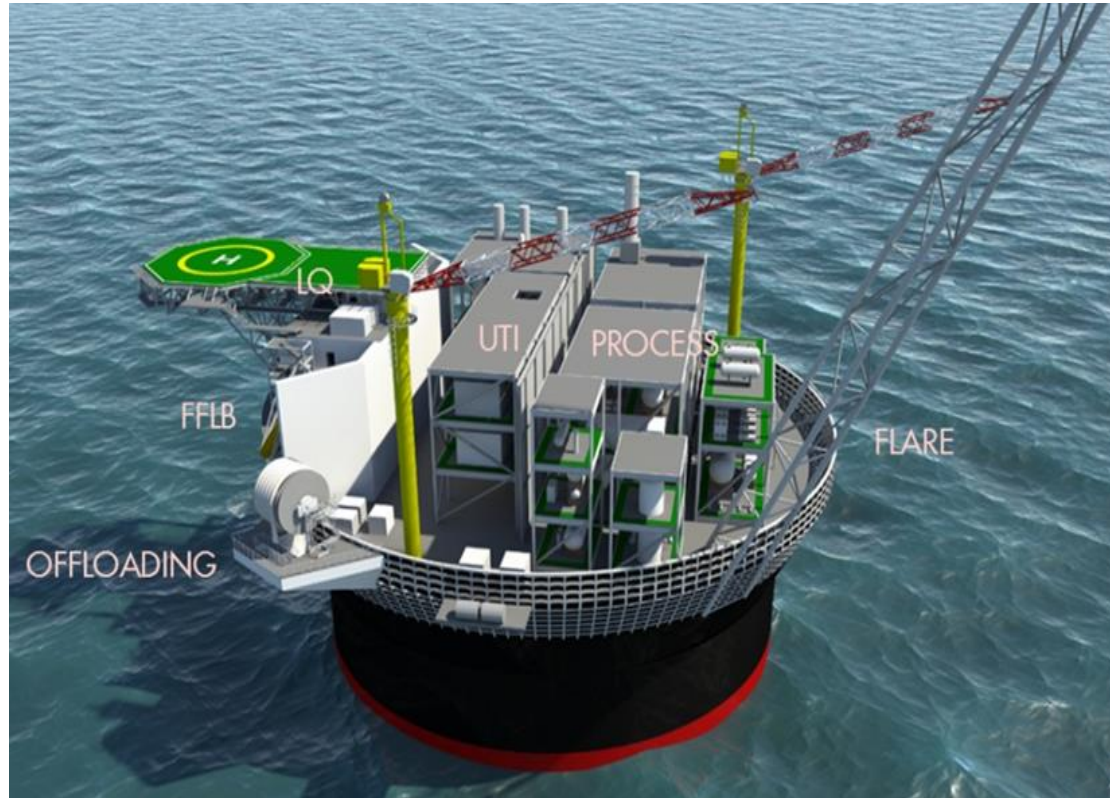


Sevan FPSO – Western Isles field



- Vessel installed on field and commissioning activities ongoing
- First oil planned for late 2017
- Plateau production is expected to be around 40,000 boepd, with a field life of 15 years
- Sevan Marine will receive USD 0.5 per produced barrel when in operation

Sevan FPSO – UK Sector Prospect



- Prospective license fee potential in 2018 and additional engineering support through project EPC
- Sevan Marine entered into a license agreement for this prospect in Q4 2015
- Payments under the license agreement are subject to the field developers' final investment decision and start of construction of the unit
- Sevan Marine has carried out detailed engineering for the hull and continues to support the client

Sevan FLNG project



- Work continuing with ExxonMobil to support specific FLNG opportunity
- Total work orders for 2017 expected to be in the range of 5,000 to 6,000 hours

Potential new developments

HiLoad LNG Offloading and Regas

- Co-operation with Flour Corporation for Regas. First study started with concrete opportunity
- Offloading concept included in current FLNG study



Drilling unit for Mid-water harsh environment

- New concept development
- Potential for cost savings by designing unit for niche market



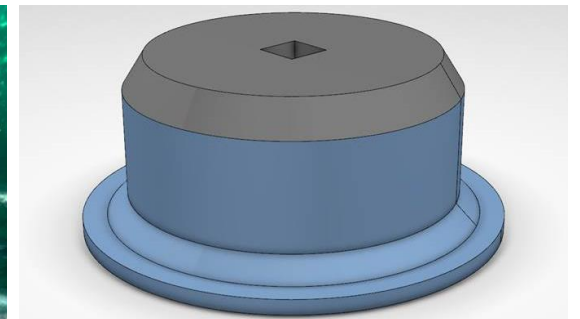
Fish farming

- New cost effective concept development
- Looking to apply cylindrical design and knowledge to growing market



Power hub for wind or subsea operations

- Further application of existing concept
- Low cost, geo-stationary, stable unit to handle power systems (potentially unmanned)



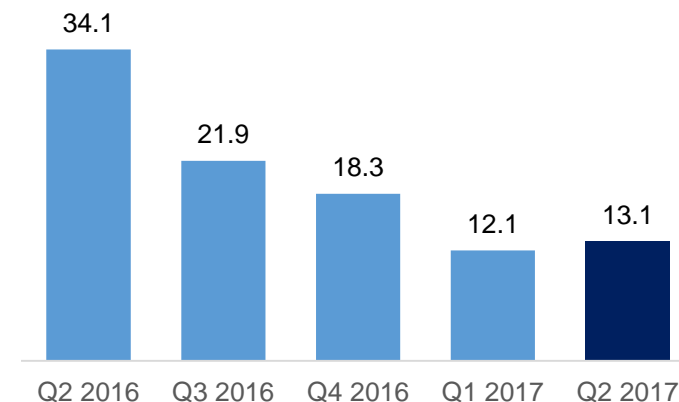
Financials



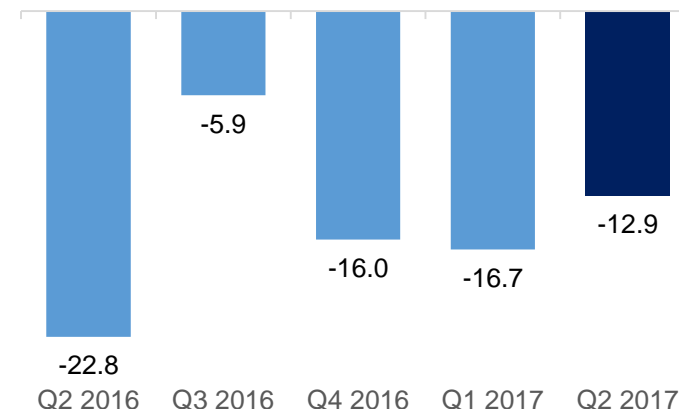
Financial highlights

- Operating revenue for continued operations of NOK 13.1 million
 - Increased activity versus Q1 particularly on ExxonMobil and Goliat projects
- EBITDA for continued operations was negative NOK 12.9 million
 - Operating costs decreased by 2.8 million
 - One-off legal and restructuring costs of NOK 3.9 million, largely related to the ongoing Logitel disputes
- Positive outcome of 2012 tax case
 - Paid back NOK 32.0 million including interest
 - Related accrual for penalty tax of NOK 9.2 million reversed
 - Seeking to recover legal fees incurred
- KANFA transaction completed in June
 - Remaining 51% stake in KANFA sold to Technip Norge AS for NOK 2.0 million
 - Net accounting effect of NOK 9.2 million booked as discontinued loss

Revenues continued operations
NOK million



EBITDA continued operations
NOK million



Concluding remarks



Summing up

Developments in the quarter

- Increased activity vs. Q1 2017
- Continued work on ExxonMobil FLNG project
- Achievement of cost reduction initiatives and further reductions coming, including office move in Oslo during October 2017
- Successful closure of 2012 legacy tax issue
- KANFA transaction completed

Short term outlook

- Western Isles license income likely before year end
- UK Sector FPSO project decision expected year end / early 2018
- Court and arbitration hearings on Logitel matters during late summer and fall 2017
- Development of new applications in fish farming and wind ongoing
- Further development and marketing of FSRU concept, Floating Regas Dock (FRD), with partners
- Focus on selling and winning new work

Our focus

Building relationships with large oil companies to:

- Promote the proven Sevan Marine design and our specialty marine engineering services and to
- Be well positioned to take advantage of opportunities in an improving market



Appendix

Profit & loss statement

<i>NOK million</i>	Q2 17	Q1 17	30.06.17	Q2 16	30.06.16	2016
Continued operations						
Operating revenue	13.1	12.1	25.1	34.1	76.9	117.1
Operating expense	-25.9	-28.7	-54.7	-56.9	-159.0	-221.1
EBITDA	-12.9	-16.7	-29.5	-22.8	-82.1	-104.0
Depreciation, amortization and impairment	-0.6	-0.6	-1.2	-0.4	-0.9	-3.3
Operating profit/(loss)	-13.5	-17.3	-30.7	-23.2	-83.0	-107.3
Financial income/(expense)	2.8	7.3	10.1	-103.6	-127.8	-127.7
FX gain/(loss)	-1.8	-2.0	-3.8	1.6	-16.6	-12.2
Net financial items	1.0	5.3	6.3	-102.0	-144.4	-139.8
Profit/(loss) before tax	-12.5	-11.9	-24.4	-125.2	-227.4	-247.1
Tax income/(expense)	39.3	0.0	39.3	-0.1	-0.3	5.7
Net profit/(loss) continued operations	26.8	-11.9	14.9	-125.3	-227.7	-241.4
Discontinued operations						
Disposed group classified as held for sale	-7.6	-2.5	-10.1	19.7	25.3	25.1
Net profit/(loss) discontinued operations	-7.6	-2.5	-10.1	19.7	25.3	25.1
Net profit/(loss)	19.2	-14.4	4.7	-105.7	-202.3	-216.3

Balance sheet

<i>NOK million</i>	Note	30.06.17	31.03.17	30.06.16	31.12.16
Fixed assets		0.3	1.2	2.3	1.4
Intangible assets		5.1	5.5	7.8	5.9
Deferred tax assets		0.0	0.0	0.9	0.0
Other non-current assets	3	45.5	46.4	45.5	46.7
Total non-current assets		50.9	53.1	56.4	54.0
Trade and other receivables	3	19.6	24.6	118.0	22.2
Cash and cash equivalents		179.1	152.3	265.8	213.9
Total current assets		198.7	176.9	383.8	236.1
Assets held for sale			81.7		75.5
Total assets		249.6	311.8	440.2	365.5
Share capital	2	210.4	210.4	210.4	210.4
Other equity		13.0	-12.9	14.5	-0.7
Total shareholders' equity		223.4	197.5	224.9	209.7
Non-controlling interest		0.3	7.0	8.6	9.2
Total equity		223.7	204.5	233.6	218.9
Retirement benefit obligations		4.2	4.2	6.5	6.4
Other non-current liabilities/provisions		0.0	0.0	3.3	0.0
Total non current liabilities		4.2	4.2	9.8	6.4
Current liabilities		21.7	29.8	196.8	77.1
Total current liabilities		21.7	29.8	196.8	77.1
Total liabilities		25.9	34.0	206.7	83.4
Liabilities held for sale			73.2		63.2
Total equity and liabilities		249.6	311.8	440.2	365.5

Cash flow statement

<i>NOK million</i>	Q2 17	Q1 17	30.06.17	30.06.16	2016
Cash flows from operating activities					
Cash from operations	-5.7	-61.6	-67.4	-32.3	-44.3
Taxes paid/repaid	31.7	0.0	31.7	-31.7	-31.7
Net cash generated from continued operating activities	26.0	-61.6	-35.7	-64.0	-76.0
Net cash generated from discontinued operating activities	13.4	11.8	25.1	-12.4	-40.2
Net cash generated from operating activities	39.3	-49.9	-10.5	-76.3	-116.2
Cash flows from investment activities					
Sale of shares KANFA Aragon AS	0.0	0.0	0.0	20.0	20.0
Sale of shares KANFA AS	0.9	0.0	0.9	0.0	0.0
Net cash from continued investment activities	0.9	0.0	0.9	20.0	20.0
Net cash from discontinued investment activities	-37.1	0.0	-37.1	0.0	0.0
Net cash from investment activities	-36.2	0.0	-36.2	20.0	20.0
Cash flows from financing activities					
Dividends paid	0.0	0.0	0.0	0.0	0.0
Net cash from continued financing activities	0.0	0.0	0.0	0.0	0.0
Net cash from discontinued financing activities	0.0	0.0	0.0	0.0	0.0
Net cash from financing activities	0.0	0.0	0.0	0.0	0.0
Net cash flow for the period - continued activities	26.8	-61.6	-34.8	-44.0	-56.0
Net cash flow for the period - discontinued activities	-23.7	11.8	-12.0	-12.4	-40.2
Cash balance at beginning of period	176.0	225.9	225.9	322.1	322.1
Cash balance at end of period	179.1	176.0	179.1	265.8	225.9
Cash balance at end of period continued operations	179.1	152.3	179.1	226.0	213.9
Cash balance at end of period discontinued operations	0.0	23.7	0.0	39.8	12.0