

Sevan Marine ASA

Fourth quarter 2017

Oslo, 28 February 2018

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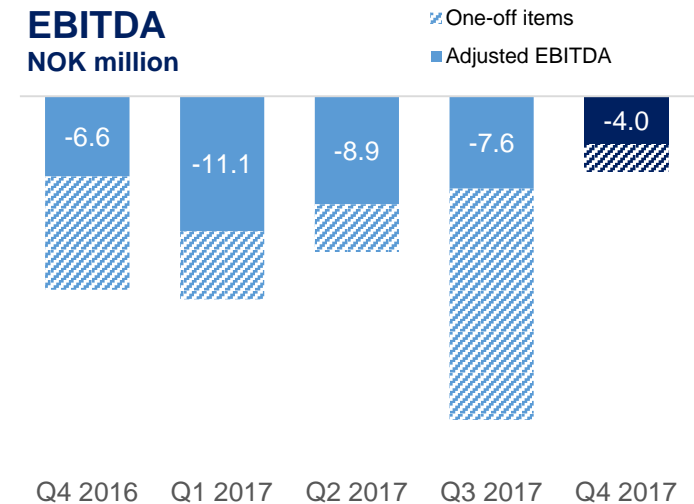
Highlights – Q4 2017

- Increased operating revenue, driven largely by start up of Dana Western Isles project and related revenue in Q4 of NOK 3.2 million
- Adjusted EBITDA of NOK -4.0 million, NOK 3.6 million better than Q3 2017. Consistently improving trend through 2017
- Solid financial position - Q4 2017 cash position of NOK 197.5 million and no interest bearing debt
- Dividend payment of NOK 0.5 per share, subject to general meeting approval

Revenues
NOK million



EBITDA
NOK million



Operations



Sevan FPSO – Western Isles field



- Start-up of production in Q4 2017
- Sevan Marine receiving USD 0.5 per produced barrel offloaded
- Income in Q4 2017 of NOK 3.2 million
- Sevan Marine to also provide ongoing engineering support as requested by Dana going forward

Sevan FPSO – Shell Penguins Redevelopment



- Final investment decision taken in January 2018
- Sevan Marine has invoiced and received the first milestone payment of USD 2.625 million under the license agreement in Q1 2018
- Further payments remain subject to completion of the unit, start-up and successful production
- Sevan Marine is to continue to provide engineering support during construction of the unit
- Total revenue, including license income, is expected to be in the range of USD 19 to 20 million over the coming 3 to 4 years

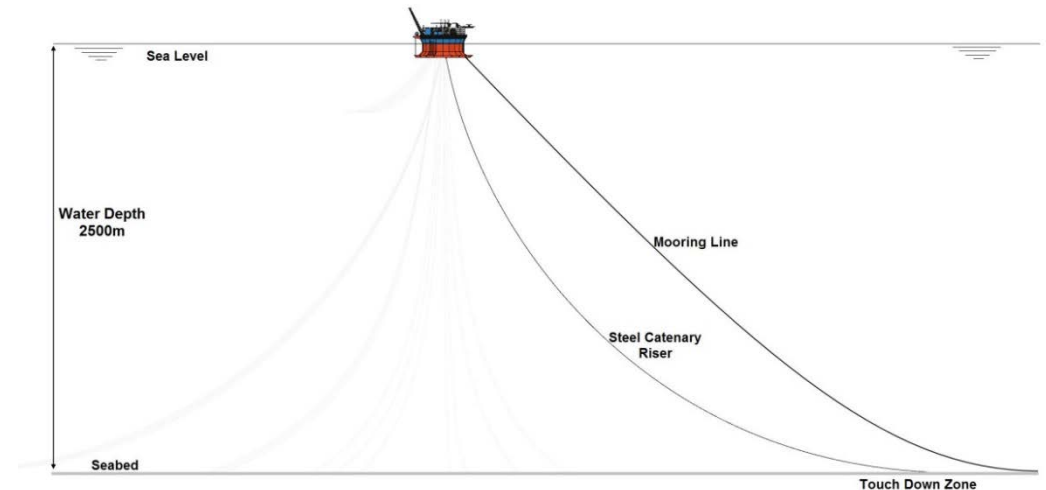
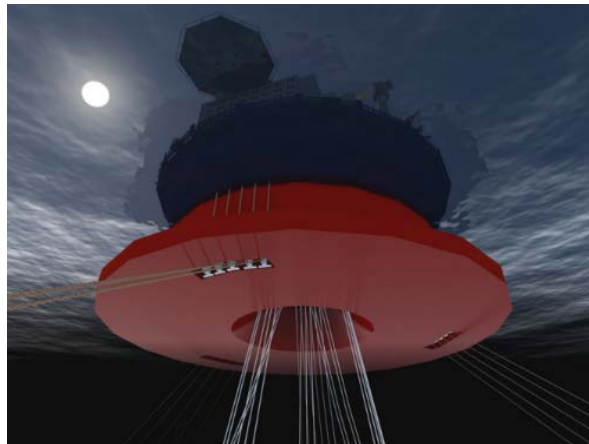
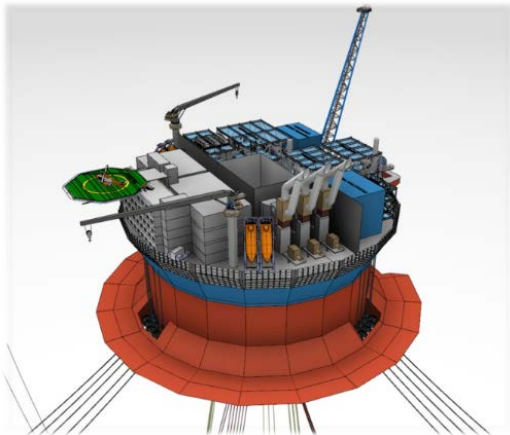
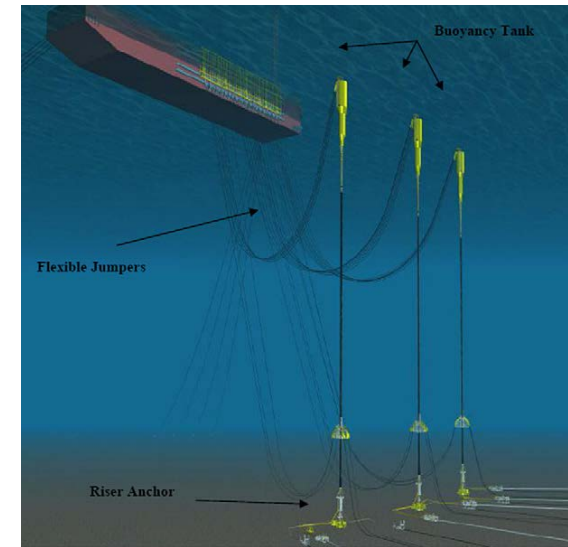
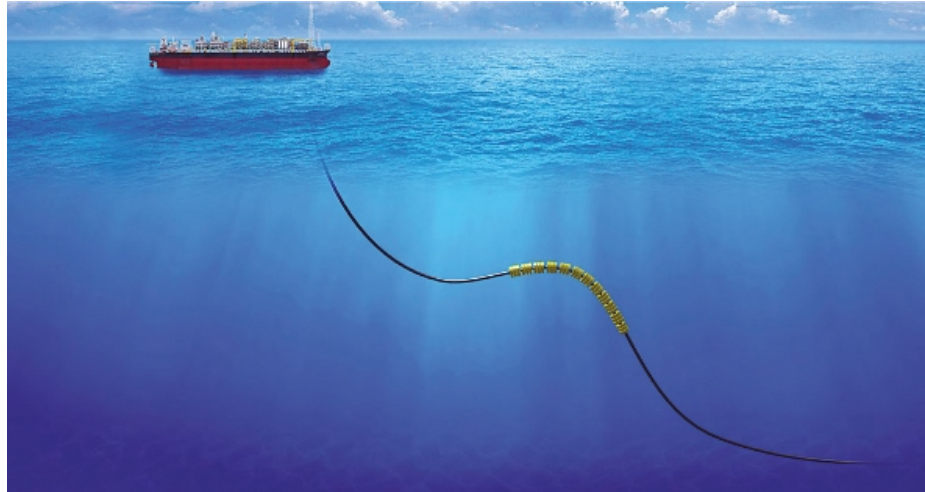
Sevan – Key prospects and market development



- Cost effective, cylindrical design has attracted increased interest, particularly from oil majors (Shell and ExxonMobil as examples)
- Concept is very competitive for upcoming projects in the UK sector of North Sea, Norwegian Barents Sea and Australia where small studies have been carried out
- Objective for 2018 is to ensure that the concept is included in relevant upcoming early phase studies
- Will continue to support existing units in operation with Teekay, ENI, Sevan Drilling and Dana

Sevan SCR FPSO

- SCRs in moonpool
 - Extended bilge box/skirt
 - Deep to ultradeep water
 - Hurricane conditions
-
- Alternative to complex solutions
 - Steel lazy wave risers (e.g. Stones)
 - Hybrid towers (e.g. Chinook Cascade)



New developments

HiLoad LNG Offloading and Regas

- Co-operation with industry partners. Jointly marketing concept with hope to start a FEED in 2018
- Continuing to promote LNG offloading solution



Drilling unit for harsh environment

- New concept development for harsh environment
- Model testing and further design work to be carried out in 2018



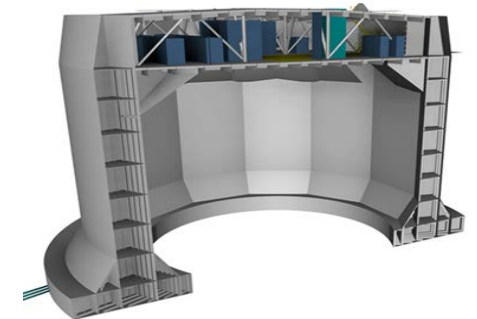
Fish farming

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



Cylindrical unit without storage

- Low-cost, geo-stationary unit with reduced displacement for various sizes and applications
- Model testing and further design work to be carried out in 2018



Financials



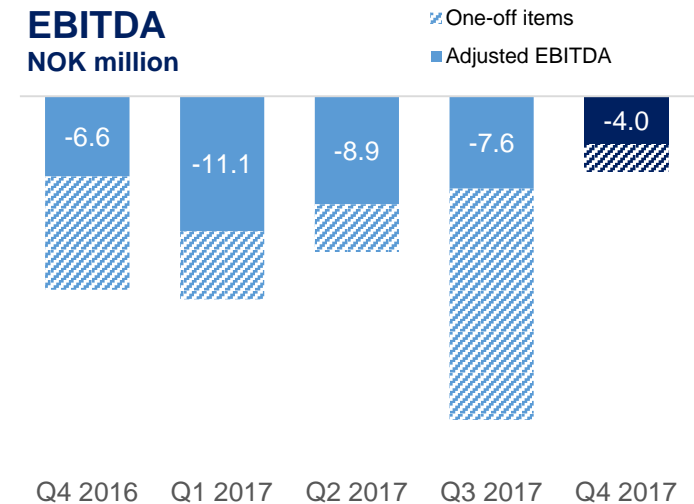
Financial highlights

- Increased operating revenue
 - Stable revenue from engineering activities through 2017
 - Revenue from Dana Western Isles, NOK 3.2 million
- Adjusted EBITDA of NOK -4.0 million, NOK 3.6 million better than last quarter
 - Revenue from Dana Western Isles, NOK 3.2 million
 - Operational cost excluding one-off costs stable at NOK 20.4 million
- Dividend payment of NOK 0.5 per share, subject to general meeting approval. The board will also consider future dividends pending financial performance and future cash flow

Revenues
NOK million

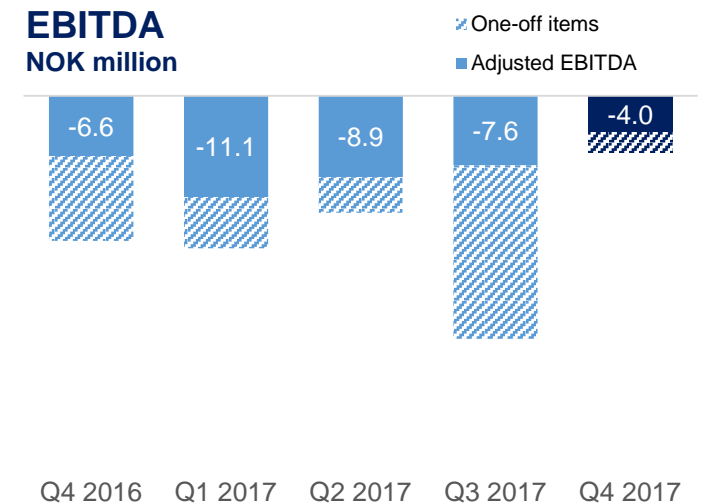
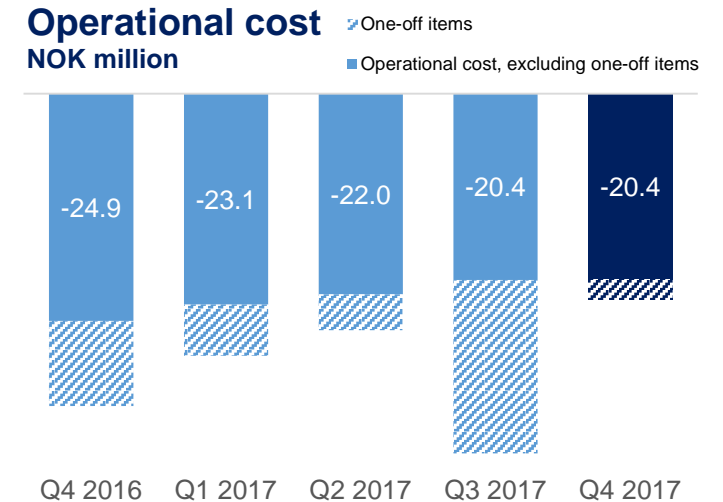


EBITDA
NOK million



Performance – EBITDA adjusted for one-offs

- Reported EBITDA impacted by one-off items
- Underlying operational costs decreasing consistently over last quarters, stable in Q4 2017
- EBITDA going forward driven by:
 - Engineering studies
 - License income from Dana Western Isles
 - Shell Penguins redevelopment project



Concluding remarks



Summing up

- Western Isles producing
- Shell Penguins redevelopment project FID confirmed
- Stable engineering revenue in the quarter
- Further decreases in operating cost base expected in 2018
- Continued development of new concepts
- Continued focus on selling design packages and winning new engineering work
- NOK 0.5 dividend proposed. First dividend since 2014

Appendix

Profit & loss statement (as reported)

NOK million	Q4 17	Q3 17	2017	Q4 16	2016
Continued operations					
Operating revenue	16.3	12.8	54.3	18.3	117.1
Operating expense	-22.6	-39.4	-116.6	-34.2	-221.1
EBITDA	-6.2	-26.6	-62.3	-16.0	-104.0
Depreciation, amortization and impairment	-0.5	-0.5	-2.2	-2.0	-3.3
Operating profit/(loss)	-6.7	-27.1	-64.6	-18.0	-107.3
Financial income/(expense)	0.8	0.6	11.5	-0.6	-127.7
FX gain/(loss)	4.0	-3.6	-3.4	9.1	-12.2
Net financial items	4.8	-3.0	8.1	8.5	-139.8
Profit/(loss) before tax	-2.0	-30.1	-56.5	-9.5	-247.1
Tax income/(expense)	-6.5	0.0	32.8	-0.2	5.7
Net profit/(loss) continued operations	-8.5	-30.1	-23.7	-9.7	-241.4
Discontinued operations					
Disposed group classified as held for sale	0.0	0.0	-10.1	-1.3	25.1
Net profit/(loss) discontinued operations	0.0	0.0	-10.1	-1.3	25.1
Net profit/(loss)	-8.5	-30.1	-33.8	-11.0	-216.3

Balance sheet (as reported)

NOK million	Note	31.12.17	30.09.17	31.12.16
Fixed assets		0.1	0.2	1.4
Intangible assets		4.3	4.7	5.9
Other non-current assets	3	3.2	3.5	46.7
Total non-current assets		7.6	8.4	54.0
Trade and other receivables	3	16.1	52.3	22.2
Cash and cash equivalents		197.5	161.6	213.9
Total current assets		213.6	214.0	236.1
Assets held for sale				75.5
Total assets		221.2	222.4	365.5
Share capital	2	210.4	210.4	210.4
Other equity		-26.7	-17.1	-0.7
Total shareholders' equity		183.7	193.4	209.7
Non-controlling interest		0.3	0.2	9.2
Total equity		184.0	193.6	218.9
Retirement benefit obligations		0.0	0.0	6.4
Other non-current liabilities		2.3	0.0	0.0
Total non current liabilities		2.3	0.0	6.4
Current liabilities		34.9	28.8	77.1
Total current liabilities		34.9	28.8	77.1
Total liabilities		37.1	28.8	83.4
Liabilities held for sale				63.2
Total equity and liabilities		221.2	222.4	365.5

Cash flow statement (as reported)

NOK million	Q4 17	Q3 17	2017	Q4 16	2016
Cash flows from operating activities					
Cash from operations	35.8	-17.5	-49.7	4.8	-44.3
Taxes paid/repaid	0.0	0.0	31.7	0.0	-31.7
Net cash generated from continued operating activities	35.8	-17.5	-18.0	4.8	-76.0
Net cash generated from discontinued operating activities	0.0	0.0	25.1	2.4	-40.2
Net cash generated from operating activities	35.8	-17.5	7.1	7.2	-116.2
Cash flows from investment activities					
Sale of shares KANFA Aragon AS	0.0	0.0	0.0	0.0	20.0
Sale of shares KANFA AS	0.0	0.0	0.9	0.0	0.0
Sale of fixed assets	0.1	0.0	0.7	0.0	0.0
Net cash from continued investment activities	0.1	0.0	1.6	0.0	20.0
Net cash from discontinued investment activities **	0.0	0.0	-37.1	0.0	0.0
Net cash from investment activities	0.1	0.0	-35.5	0.0	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	35.9	-17.5	-16.5	4.8	-56.0
Net cash flow for the period - discontinued activities	0.0	0.0	-12.0	2.4	-40.2
Cash balance at beginning of period	161.6	179.1	225.9	218.7	322.1
Cash balance at end of period	197.5	161.6	197.5	225.9	225.9
Cash balance at end of period continued operations	197.5	161.6	197.5	213.9	213.9
Cash balance at end of period discontinued operations	0.0	0.0	0.0	12.0	12.0