

Sevan Marine ASA

First quarter 2018

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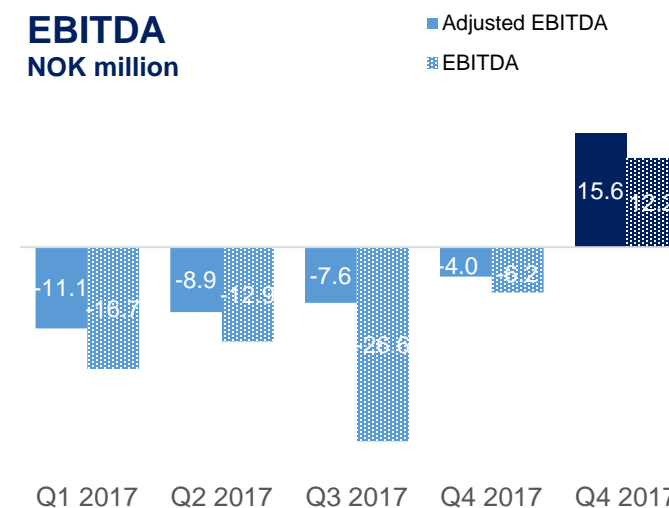
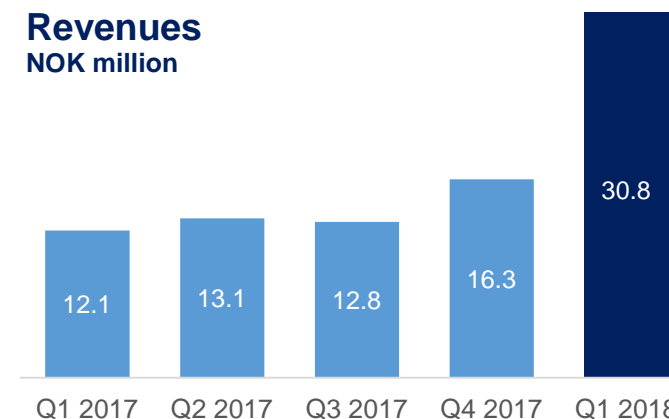
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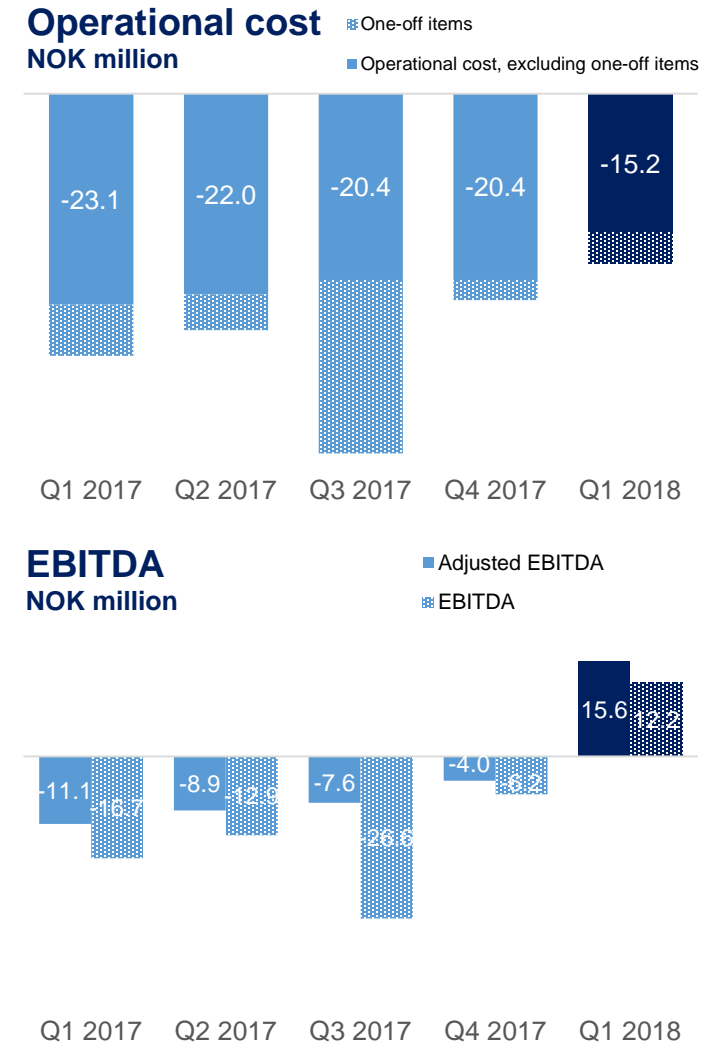
Highlights – Q1 2018

- Strong quarter with doubled revenue of NOK 30,8 million
- First positive EBITDA quarter for Sevan Marine in over 3 years with continued reduction in operational costs
- Dana Western Isles - continued ramp-up with peak production reached, improving license fee and engineering work
- Shell Penguins - Final investment decision in January 2018, with first milestone payment of NOK 20,7 million
- Reduced service revenue from engineering activities in Q1-18, due to completion of existing projects and delayed start up of new ones
- Return of NOK 0.5 per share to shareholders through a reduction in share capital



Performance – EBITDA adjusted for one-offs

- Reported EBITDA impacted by one-off legal fees and further restructuring charge
- Continued one-off legal costs expected related to patent infringement lawsuit in US and Logitel matter
- Adjusted EBITDA of NOK 15.6 million, NOK 19.6 million better than Q4 2017 due to reduced costs and license income
 - Reduction in operational cost excluding one-off costs of NOK 5.2 million compared to Q4 2017
 - Approaching target level after decreasing consistently over last quarters
- EBITDA going forward driven by:
 - License income from Dana Western Isles
 - Engineering studies



Sevan FPSO – Western Isles field



- Start-up of production in Q4 2017
- Sevan Marine receiving USD 0.5 per produced barrel offloaded
- Income in Q1 2018 of NOK 6.8 million as commissioning and start-up activities continued
- Capacity production of some 40,000 barrels per day was reached in April
- Sevan Marine also providing engineering support as requested by Dana

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 three further milestones: 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 17 to 18 million over the coming 3 to 5 years

Current activities and key prospects

North Sea

- Western Isles
- Shell Penguins
- Redeployments
- Cambo

Barents Sea

- Goliat
- Alta Gotha
- Wisting

Americas

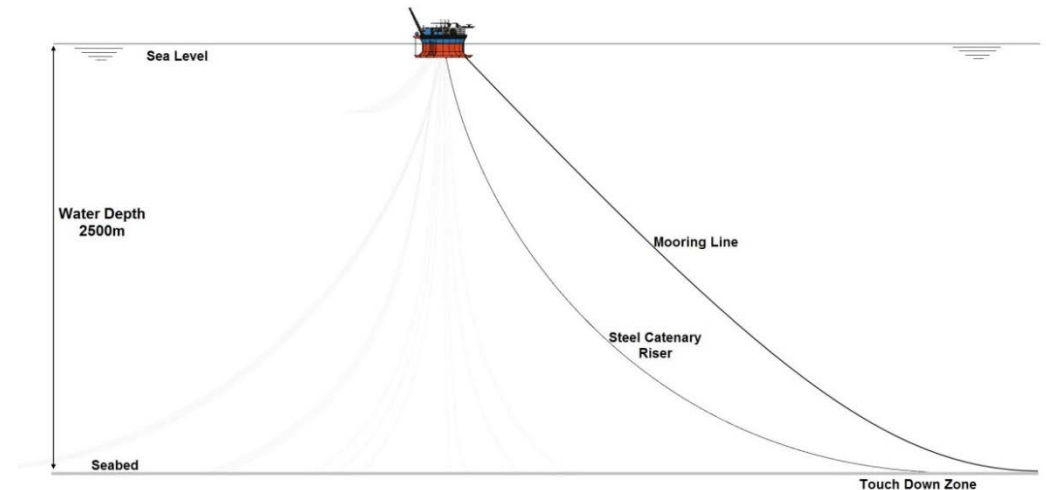
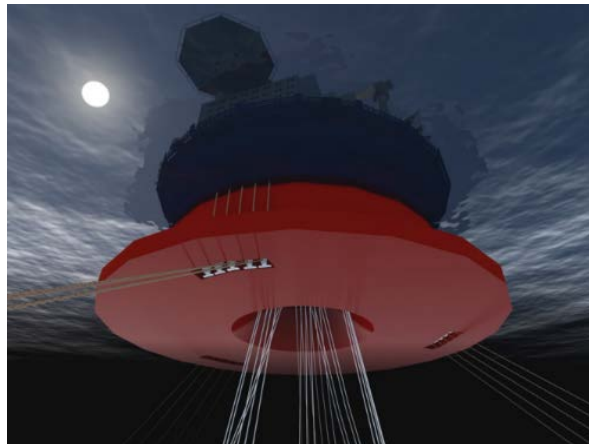
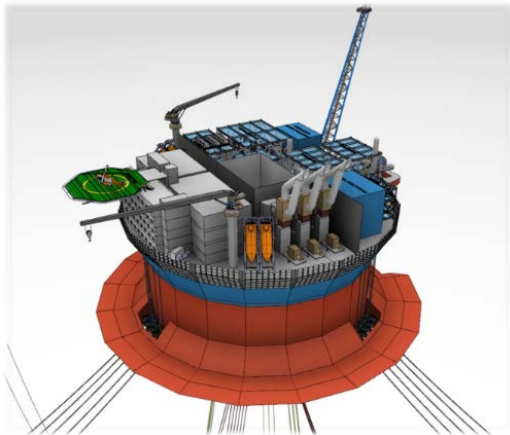
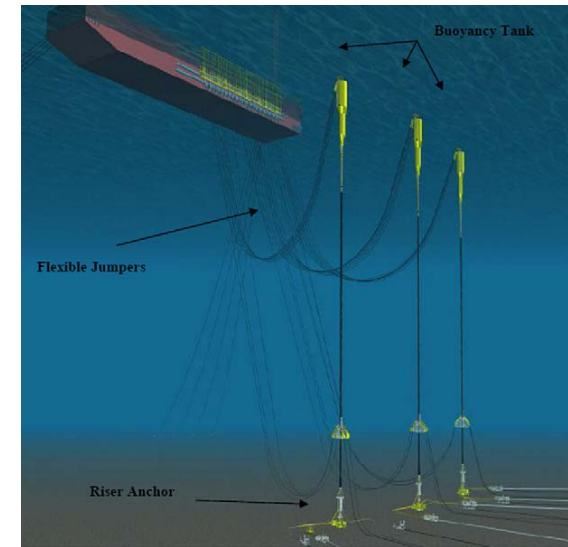
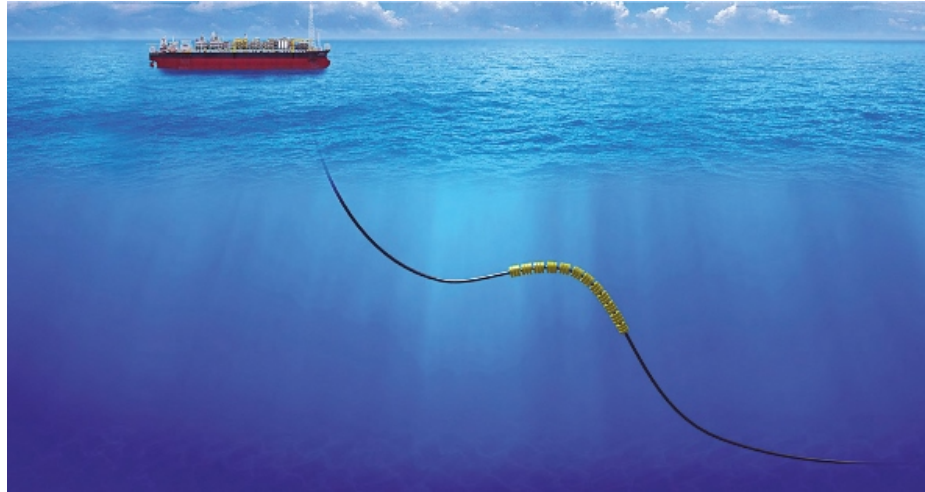
- SCR solution
- FSRU - FRD

Australia

- FLNG
- Gas processing units

Sevan SCR FPSO

- SCRs in moonpool
 - Extended bilge box/skirt
 - Deep to ultradeep water
 - Hurricane conditions
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- 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



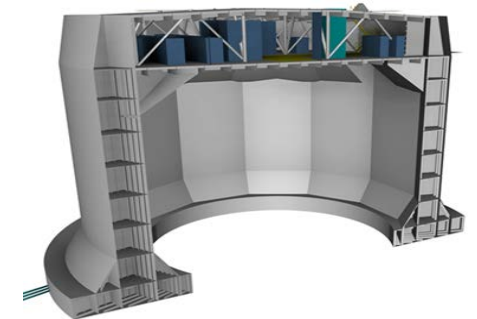
Fish farming

- 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



Concluding remarks



Summing up

- Positive outcome of Brazil investigation
- Western Isles peak production
- Shell Penguins redevelopment project FID confirmed and engineering work started
- Further decreases in operating cost base
- First return of capital / dividend since 2014
- Continued development of new concepts
- Continued focus on selling design and winning new engineering work
- Strong improvement in market sentiment but key Barents Sea and North Sea opportunities keep sliding
- Targeting break-even result through remainder of 2018. Result is highly dependant upon services income and Dana Western Isles

Appendix

Profit & loss statement (as reported)

NOK million	Q1 18	Q4 17	Q1 17	2017
Continued operations				
Operating revenue	30.8	16.3	12.1	54.3
Operating expense	-18.6	-22.6	-28.7	-116.6
EBITDA	12.2	-6.2	-16.7	-62.3
Depreciation, amortization and impairment	-0.4	-0.5	-0.6	-2.2
Operating profit/(loss)	11.8	-6.7	-17.3	-64.6
Financial income/(expense)	0.8	0.8	7.3	11.5
FX gain/(loss)	0.2	4.0	-2.0	-3.4
Net financial items	1.0	4.8	5.3	8.1
Profit/(loss) before tax	12.8	-2.0	-11.9	-56.5
Tax income/(expense)	0.0	-6.5	0.0	32.8
Net profit/(loss) continued operations	12.8	-8.5	-11.9	-23.7
Discontinued operations				
Disposed group classified as held for sale	0.0	0.0	-2.5	-10.1
Net profit/(loss) discontinued operations	0.0	0.0	-2.5	-10.1
Net profit/(loss)	12.8	-8.5	-14.4	-33.8

Balance sheet (as reported)

<i>NOK million</i>	Note	31.03.18	31.03.17	31.12.17
Fixed assets		0.1	1.2	0.1
Intangible assets		3.9	5.5	4.3
Other non-current assets	3	3.2	46.4	3.2
Total non-current assets		7.2	53.1	7.6
Trade and other receivables	3	11.8	24.6	16.1
Cash and cash equivalents		208.7	152.3	197.5
Total current assets		220.5	176.9	213.6
Assets held for sale			81.7	
Total assets		227.7	311.8	221.2
Share capital	2	210.4	210.4	210.4
Other equity		-14.5	-12.9	-26.7
Total shareholders' equity		196.0	197.5	183.7
Non-controlling interest		0.2	7.0	0.3
Total equity		196.2	204.5	184.0
Retirement benefit obligations		0.0	4.2	0.0
Other non-current liabilities		2.2	0.0	2.3
Total non current liabilities		2.2	4.2	2.3
Current liabilities		29.4	29.8	34.9
Total current liabilities		29.4	29.8	34.9
Total liabilities		31.5	34.0	37.1
Liabilities held for sale			73.2	
Total equity and liabilities		227.7	311.8	221.2

Cash flow statement (as reported)

<i>NOK million</i>	Q1 18	Q4 17	Q1 17	2017
Cash flows from operating activities				
Cash from operations	11.2	35.8	-61.6	-49.7
Taxes paid/repaid	0.0	0.0	0.0	31.7
Net cash generated from continued operating activities	11.2	35.8	-61.6	-18.0
Net cash generated from discontinued operating activities	0.0	0.0	11.8	25.1
Net cash generated from operating activities	11.2	35.8	-49.9	7.1
Cash flows from investment activities				
Sale of shares KANFA AS	0.0	0.0	0.0	0.9
Sale of fixed assets	0.0	0.1	0.0	0.7
Net cash from continued investment activities	0.0	0.1	0.0	1.6
Net cash from discontinued investment activities *	0.0	0.0	0.0	-37.1
Net cash from investment activities	0.0	0.1	0.0	-35.5
Cash flows from financing activities				
Dividends paid	0.0	0.0	0.0	0.0
Net cash from continued financing activities	0.0	0.0	0.0	0.0
Net cash from discontinued financing activities	0.0	0.0	0.0	0.0
Net cash from financing activities	0.0	0.0	0.0	0.0
Net cash flow for the period - continued activities	11.2	35.9	-61.6	-16.5
Net cash flow for the period - discontinued activities	0.0	0.0	11.8	-12.0
Cash balance at beginning of period	197.5	161.6	225.9	225.9
Cash balance at end of period	208.7	197.5	176.0	197.5
Cash balance at end of period continued operations	208.7	197.5	152.3	197.5
Cash balance at end of period discontinued operations	0.0	0.0	23.7	0.0