OCEANTEAM SHIPPING

OCEANTEAM SHIPPING ASA

An Oslo Stock Exchange listed shipping company

Ticker: OTS

CEO: Haico Halbesma

CFO: Torbjørn Skulstad

Q4 presentation Oslo – 16th February 2012

Agenda

OCEANTEAM SHIPPING

- **Company Overview**
- **Financials**
- **Market Outlook**
- **Tax, Bonds & Loans**

Oceanteam Shipping ASA
Company Overview

Company overview

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SHIPPING

Ship Owning, Chartering and Management

- The Shipping segment owns four vessels through joint ventures plus two smaller crew vessels
- Solid clients (Oceaneering/BP Angola, Fugro TSM, McDermott)
- Revenues of USDm 9.6. EBITDA of USDm 5.7 and EBITDA margin of 60 %

ENGINEERING

Engineering Services & Design Equipment Solutions

- The Engineering segment with focus on Oil & Gas and Offshore Renewables
- No project execution risk
- Revenues of USDm 5.9, EBITDA of USDm 0.7 and EBITDA margin of 11 %

Our mission

Creating value through:

- **Building and operating a fleet of large and advanced CSVs**
- **Providing complex offshore support & vessel solutions**
- **Integrating engineering know-how and a pool of special purpose support equipment with our fleet**

DNV

ISO 14008:2004
ISO 9001:2008
ISO 18001:2007

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Uniquely flexible North Ocean CSV-series

- High-end deep-water offshore construction tonnage series
- Proven quality in the most demanding and advanced deep-water operations
- Vessel type orders to date: 6
- Building and operational economics
- Configuration flexibility: In-house engineering team provides complex and complete solutions
- New enhanced design completed: CSV North Ocean 200 Series

Key specs Southern Ocean (104)	
Length overall	137 m
Beam	27 m
Draft	6.85 m
Deck space	2,500 m2 @ 10m2
Dead weight	10,000t
Power installed	13,440 kW
Crane capacity	1 x 250t and 1 x 110t 3.000 mtr reach
Owners	Bourbon Offshore Oceanteam Shipping

Fleet list & charter status

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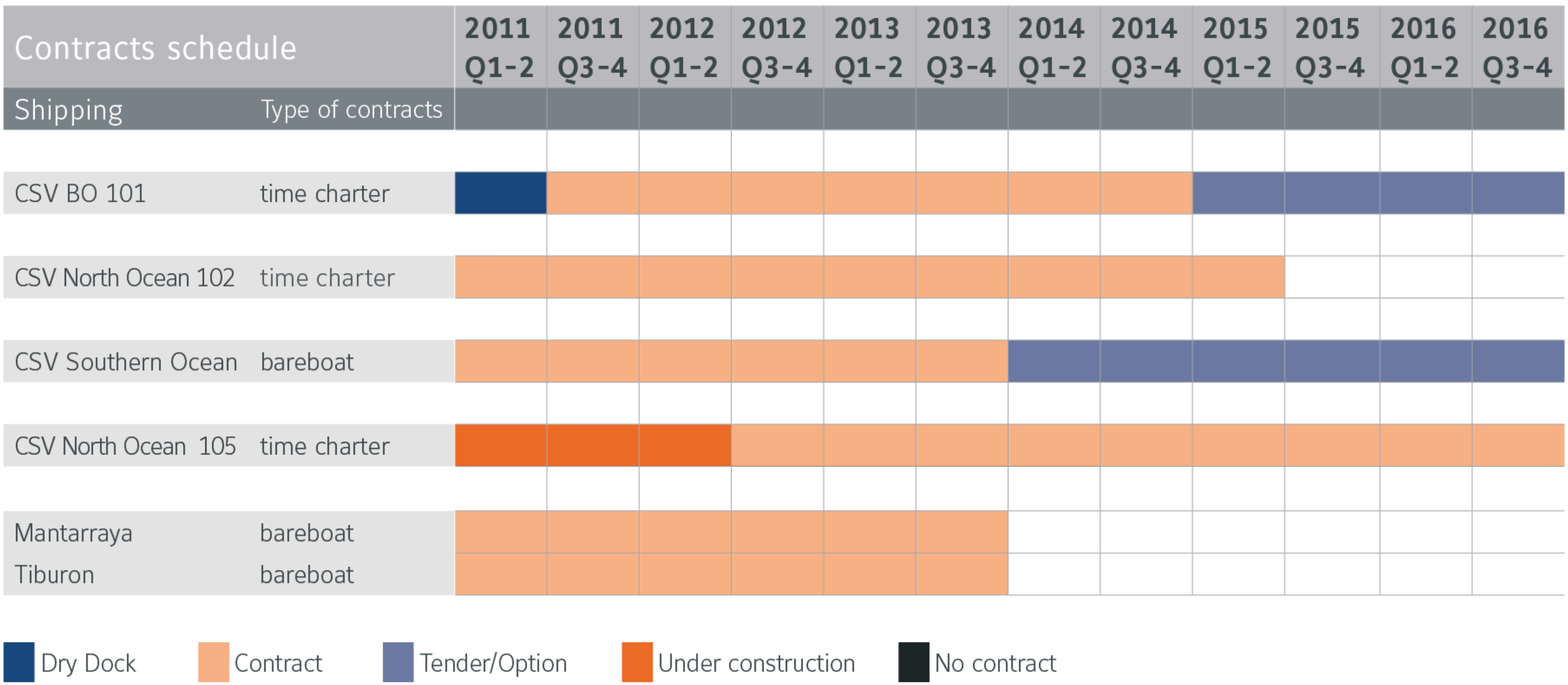

Global reach

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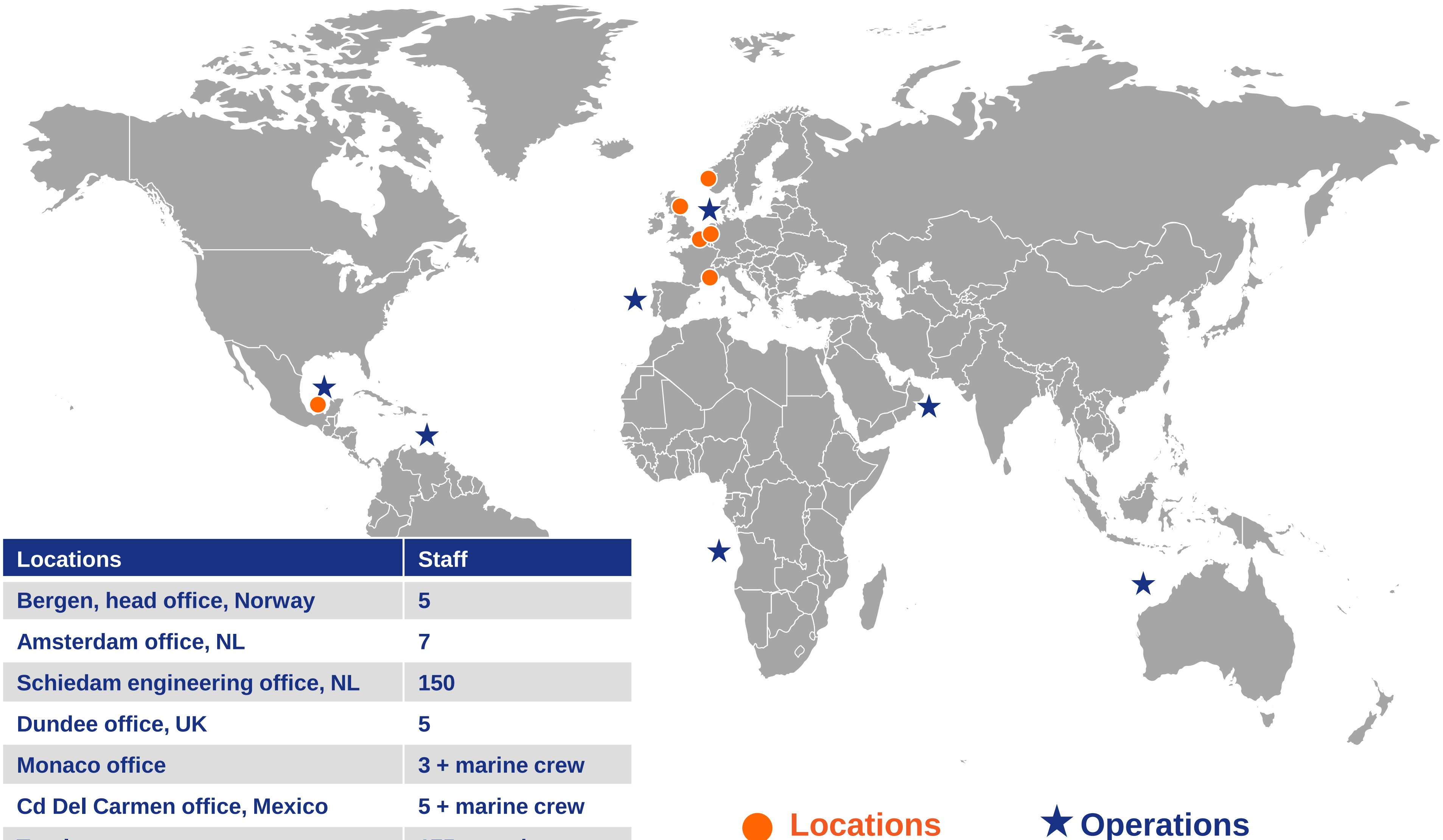
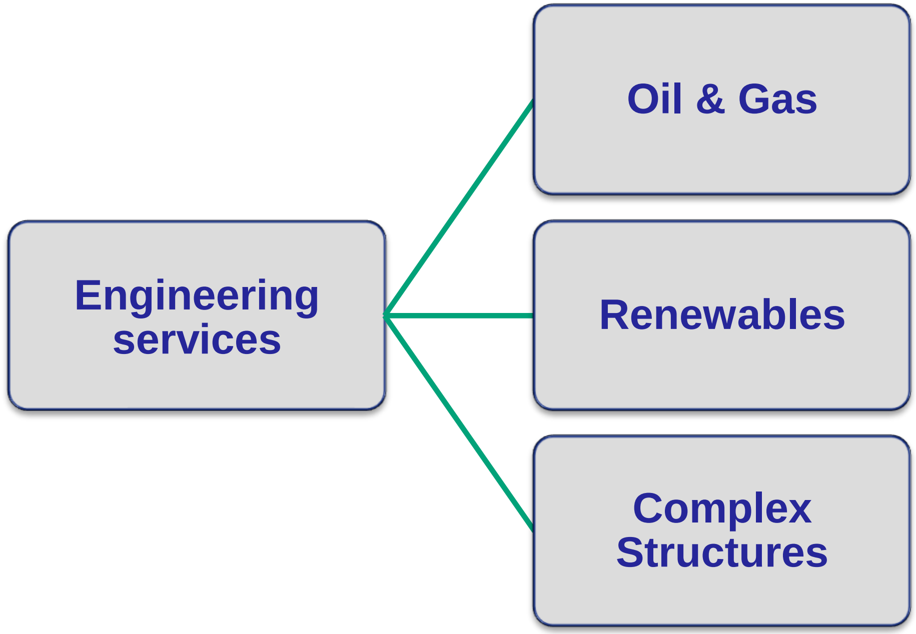


Locations	Staff
Bergen, head office, Norway	5
Amsterdam office, NL	7
Schiedam engineering office, NL	150
Dundee office, UK	5
Monaco office	3 + marine crew
Cd Del Carmen office, Mexico	5 + marine crew
Total	175 + marine crew

Engineering



Areas of business:

- **Integrated support of Oceanteam Shipping and Client Solutions**
- **Integrated support of Oceanteam Joint Ventures and new investments**
- **Integrated support of equipment pool and related services**
- **Third party client projects**

Engineering

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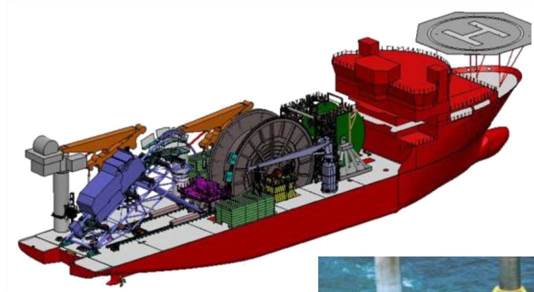
KCI Engineering

- Experienced engineering company focusing on the oil and gas industry, complex structures and the renewable energy industry:
  - Design and build complete oil and gas and renewable energy development concepts
  - Develop complex and special structures for both industries
  - Create contemporary solutions for complex environmental challenges
- Employs approximately 125 engineers and 25 support and management staff
- Revenues are driven by hourly rates and utilization. Company does not take on project risk
- Frame agreements with Shell/NAM, Chevron, Siemens and Huisman

In-house Design & Engineering Capacity



Strong client base

Chevron, GDF SUEZ, bp, wintershall BASF Group, Apache Corporation, CIRRUS energy nederland, TAQA, Shell, RWE, PETRO-CANADA, NEWFIELD, TOTAL, NAM, VENTURE PRODUCTION plc

Engineering

Equipment rental division

- Oceanteam has an equipment rental division with a deep-water base in Dundee Scotland
- Oceanteam provides various equipment for installation and burial of pipelines, umbilicals and high voltage submarine power cable installations
- The equipment pool includes trenchers, ploughs, tensioners, carousels and additional equipment such as chutes, static tanks etc.
- The equipment can be rented stand alone or in combination with Oceanteam's fleet
- Clients include: Van Oord, Boskalis, VSMC, Reef Subsea, Boylen & Doylen, Global Marine

Selected equipment

SMD 3 HD plough

OJ 900 ROV jetting system

750 ton carousel + 1250t carousel tensioners

EB Sea Stallion 2m plough

Dundee deep-water base

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Financials

Operational highlights Q4

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- EBITDA in line with expectations
- Settlement on contract dispute with renewables operator
- Continued improved demand for engineering services
  - Oil & Gas
  - Offshore Renewables
- Reduced equipment utilization as anticipated by low season
- Advisors continue to work on refinancing

Financial highlights Q4

- EBITDA USD 6.4 million
- Operating revenues USD 15.5 million
- Operating profit USD 3.2 million

	Q4 2011	Q3 2011
• EBITDA / Revenue % Shipping	60%	58%
• EBITDA / Revenue % Engineering	11%	23%

- FOREX effect positive USD 1.9 million

Subsequent events Q4

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- **CSV Bourbon Oceanteam 101 renewed 3 year firm charter plus 2 x 1 year option with Oceaneering for end client BP Angola**
- **Order of 1250t modular carousel system**

Key figures Q4 2011

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Figures in USD million	Q4 2011	Q3 2011	Q2 2011	Q1 2011	2011	2010
Total operating revenues	**15,5**	**16,7**	**16,3**	**12,7**	**61,2**	**47,0**
Operating costs	(6,3)	(6,1)	(6,6)	(5,6)	(24,6)	(21,8)
EBITDA	**6,4**	**7,3**	**6,7**	**4,4**	**24,7**	**17,0**

EBITDA percentage	**41 %**	**43 %**	**41 %**	**35 %**	**40 %**	**36 %**

Key figures Q4 2011

USD 000

Segment information	SHIPPING		ENGINEERING		TOTAL Q4 2011	TOTAL Q3 2011
	Q4 2011	**Q3 2011**	**Q4 2011**	**Q3 2011**	**Q4 2011**	**Q3 2011**
Revenue	9 596	9 622	5 876	7 116	15 472	16 738
Operating costs	(2 699)	(2 481)	(3 636)	(3 657)	(6 335)	(6 137)
General & Administration	(1 174)	(1 542)	(1 577)	(1 801)	(2 751)	(3 343)
EBITDA	5 723	5 600	663	1 658	6 386	7 258
EBITDA percentage of revenue	60 %	58 %	11 %	23 %	41 %	43 %

P&L report end Q4 2011

USD 000

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Figures in USD '000	Q4 2011	Q4 2010	Cum 2011	Cum 2010
Revenue	15 473	13 132	61 208	46 988
Total operating revenues	**15 473**	**13 132**	**61 208**	**46 988**
Operating costs	(6 333)	(5 741)	(24 651)	(21 784)
General & administration	(2 751)	(1 916)	(11 795)	(8 202)
Depreciation	(3 140)	(3 474)	(14 742)	(11 577)
Write off assets			2 098	
Total operating expenses	**(12 224)**	**(11 131)**	**(49 090)**	**(41 563)**
Operating profit (loss)	**3 249**	**2 002**	**12 118**	**5 425**
Net finance	**(1 847)**	**(2 047)**	**(10 965)**	**(9 080)**
Ordinary profit (loss) before taxes	**1 402**	**(45)**	**1 153**	**(3 655)**
Corporate income tax	(69)	2 949	(417)	2 678
Net result	**2 002**	**2 904**	**1 406**	**(1 754)**
			* 2011/ 10 incl. disc. Operations	* 2011/ 10 incl. disc. Operations

Balance sheet Q4 2011
USD 000

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Figures in USD' 000	31.12.2011 (Unaudited)	31.12.2010
Assets		
Intangible assets	**19 649**	**20 852**
Tangible assets	**230 324**	**226 345**
Total non current assets	**249 973**	**247 197**
Receivables	**11 794**	**9 824**
Cash and cash equivalents	**11 638**	**13 501**
Current assets	**23 432**	**23 325**
Total assets	**273 405**	**270 523**

Figures in USD' 000	31.12.2011 (Unaudited)	31.12.2010
Equity and liabilities		
Total equity	**112 958**	**102 078**
Total non-current liabilities	**123 315**	**139 839**
First year instalments	22 782	11 810
Other current liabilities	14 350	16 794
Total current liabilities	**37 132**	**28 604**
Total liabilities	**160 447**	**168 443**
Total equity and liabilities	**273 405**	**270 523**
Equity percentage	41,3 %	37,7 %

Our Market

Strong pipelay market in harsh & deepwater regions

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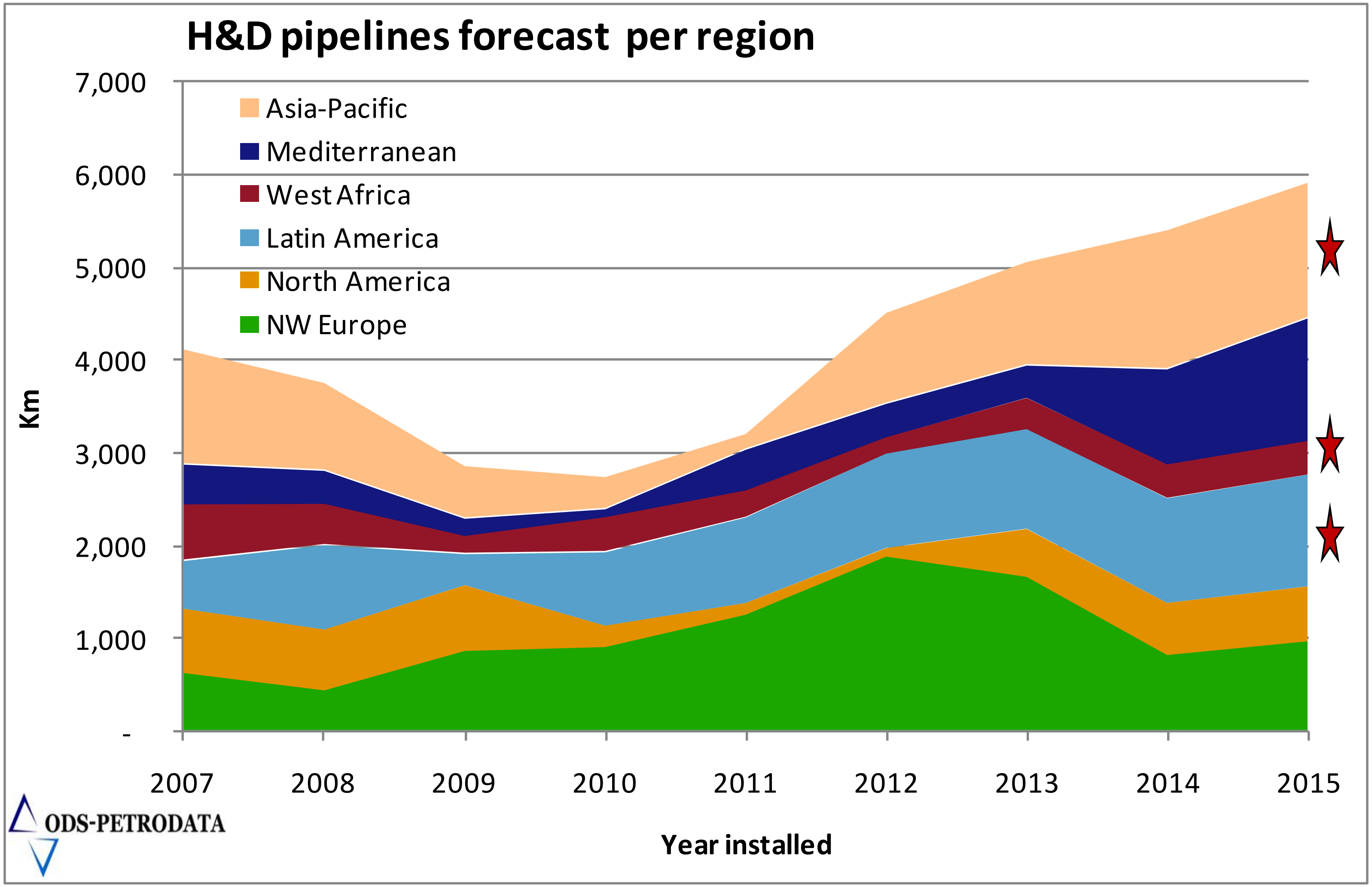
Annual demand growth of about 15% expected to 2015



Strong growth in harsh & deepwater demand

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- Annual demand growth of 19% in period 2010-14 expected
- Some pipelay vessels operating in S&B areas today will be reallocated to H&D areas while others will not due to vessel design and/or contractor capabilities

Growth in all major regions

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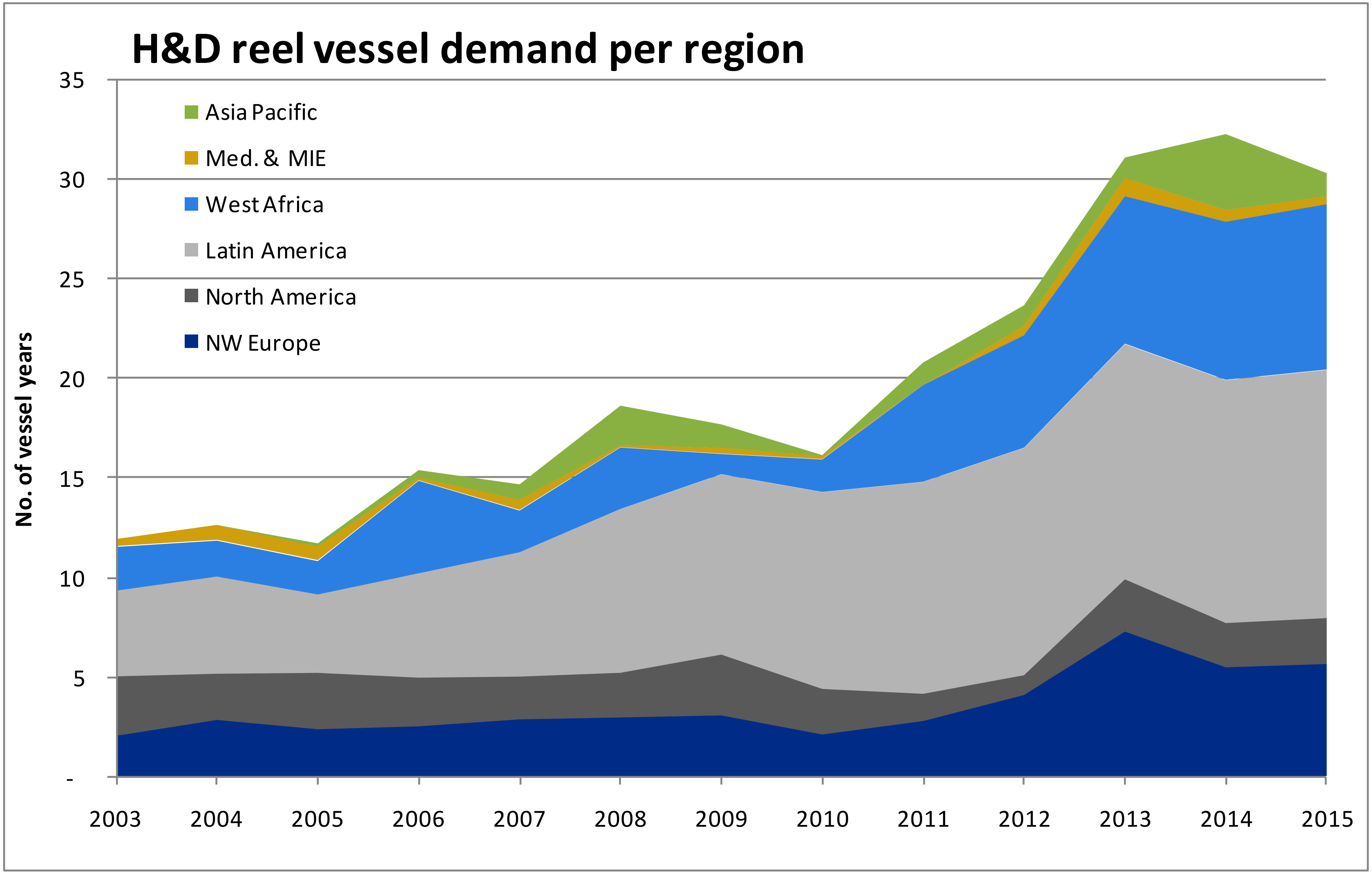
Brazil is main market followed by NW Europe and West Africa



A large number of old vessels in the subsea fleet

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North Ocean Series qualified as H&D Reel Lay / Multiservice Vessel

No. of vessels	Year built						
Type	Before 1980	1980-89	1990-99	2000-09	2010	2011-13	Total
Lay Barge	8	3		9	2	13	35
Reel Lay Vessels	3	8	2	8	4	4	29
Multiservice vessels	1	1	5	10		1	18
Diving Support Vessels	8	34	5	23	15	7	92
ROV Support Vessels	8	7	21	90	20	40	186
Total	28	53	33	140	41	65	360

Total fleet size per year

No. of vessels	Year												
Type	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Lay Barges	13	14	14	15	15	18	20	21	25	30	34	35	35
Reel lay vessels	15	15	16	16	18	21	22	22	26	28	29	29	29
Multiservice	5	6	9	11	12	14	16	17	19	19	19	19	18
Diving Support Vessels	46	48	48	49	53	58	66	73	88	92	92	92	92
ROV Support Vessels	61	64	67	83	96	101	117	134	159	178	184	185	186
Total	140	147	154	174	194	212	241	266	316	348	359	360	360
Fleet growth		5%	4%	13%	12%	9%	14%	11%	19%	10%	3%	0%	0%

Source: ODS Petrodata

Capacity shortage from 2013 even without scrapping

Nearly 30 additional vessels required in 2015

Should expect that support vessels operating in S&B areas will transfer to H&D areas from 2013

Offshore renewables is an exciting growth market

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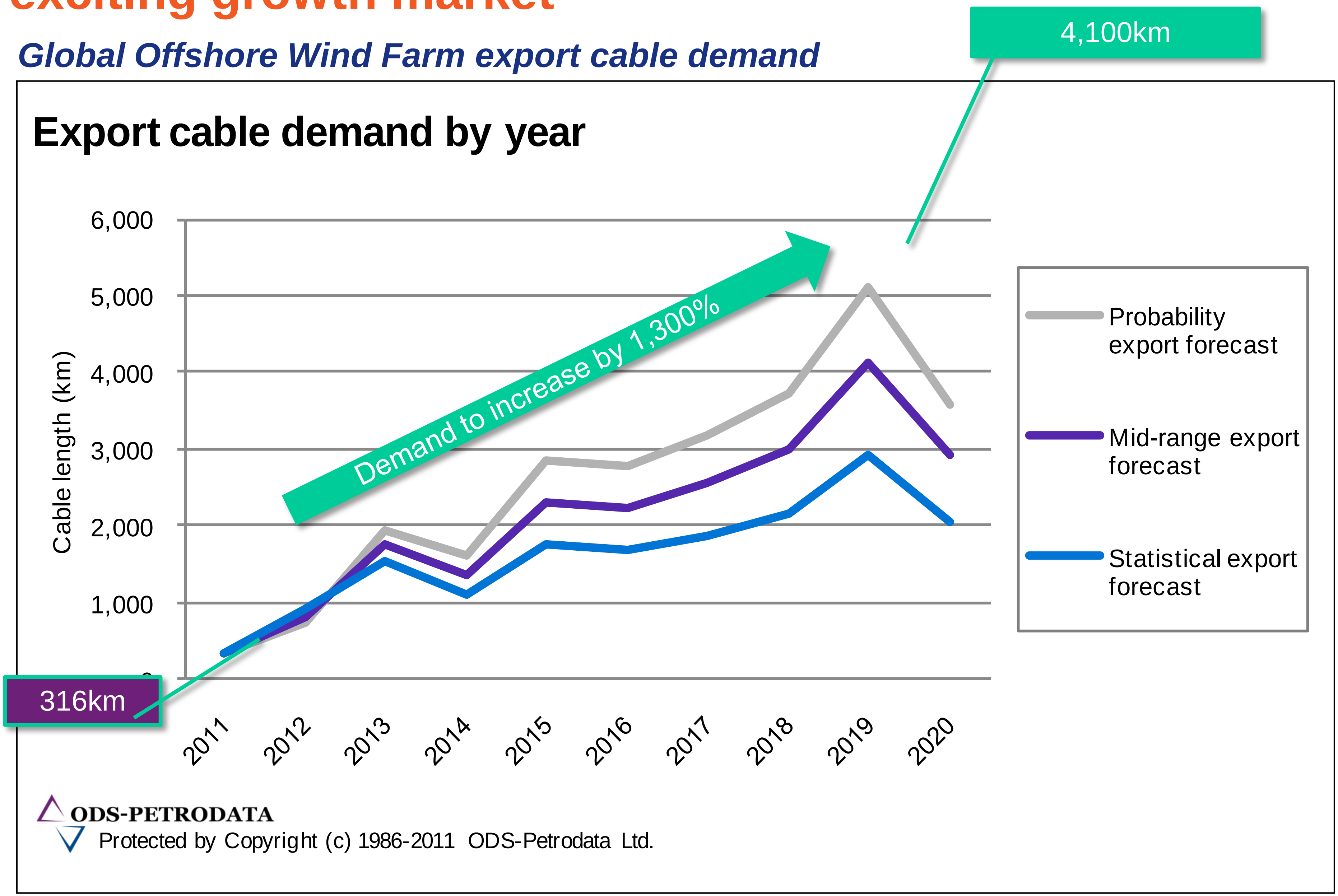
Global Offshore Wind Farm export cable demand



Most of activity increase until 2015 in Southern North Sea

Offshore Renewables

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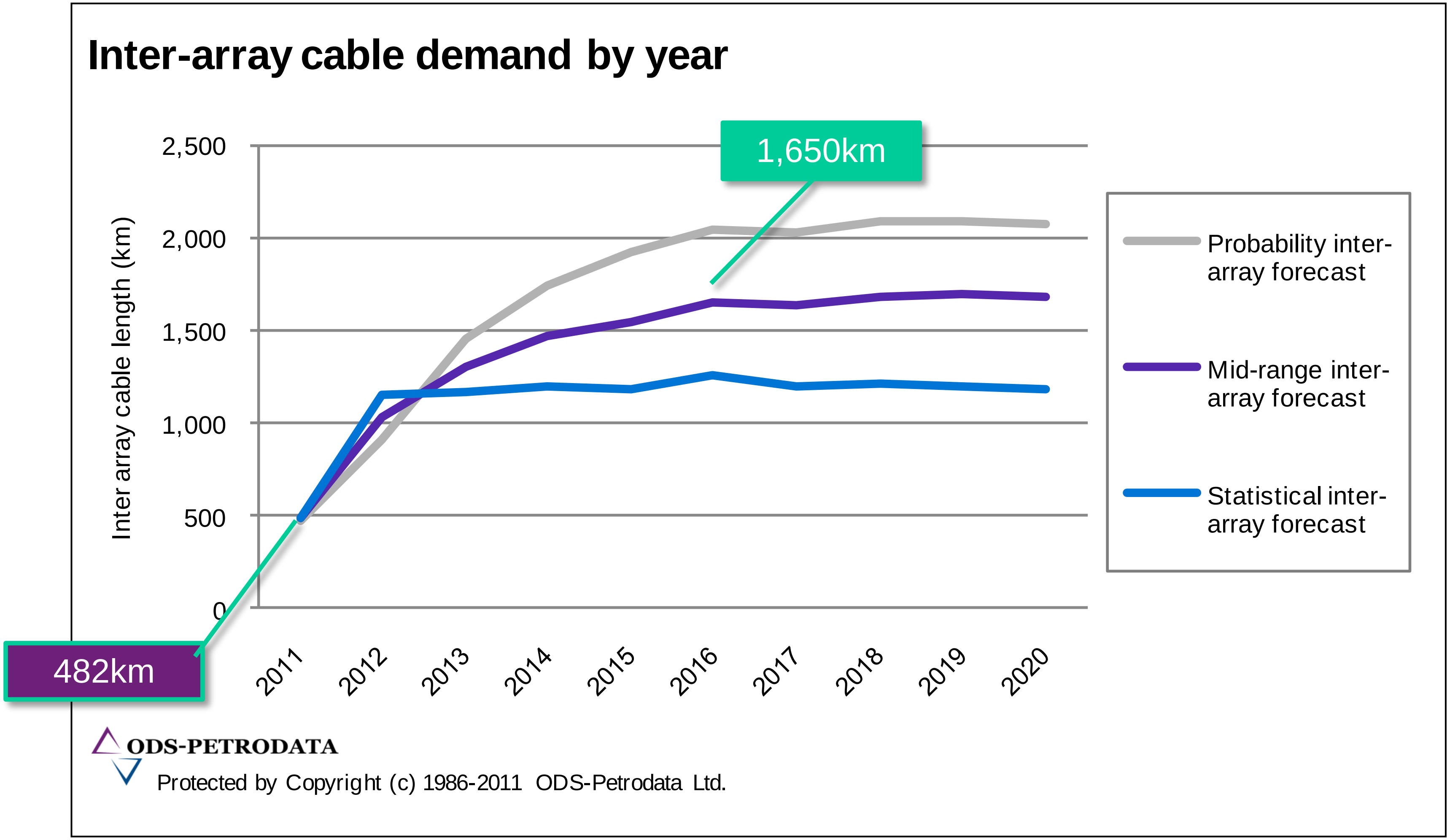
Global Offshore Wind Farm Inter-array cable demand



Most of activity increase until 2015 in Southern North Sea

Tax, Bonds & loans

Tax planning

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- **NORWAY**
  - OTS has confirmed tax loss to carry forward of USD 144 million (NOK 866 million).
  - The CSV vessels comply with the Norwegian Tonnage Tax regime with approx. 0% tax
  - CSV 101, 104 and 105 are under the NTT regime
  - CSV 102 will be using the deferred tax loss
  - Internal merger completed in quarter

- **THE NETHERLANDS**
  - BV entities have a estimated tax loss to carry forward of EUR 45 million
  - A restructuring has been finalised to further utilize tax losses

OTS Bond loan

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OTS ASA (M NOK)	Q4 '10	Q2 '11	Q2 '12	Q2 '13	Q2 '14
Bond loan	(400)	(400)	(400)	(400)	(400)
Call balance	(21)	(23)	(57)	(97)	(141)
OTS bonds	30				
Outstanding debt (OB)	**(391)**	**(423)**	**(457)**	**(497)**	**(541)**

Call premium if refinanced before:

- <19th June 2011: NOK 23 million
- <19th June 2012: NOK 34 million in addition to previous calls
- <19th June 2013: NOK 40 million in addition to previous calls
- <19th June 2014: NOK 44 million in addition to previous calls
- Interest is currently NIBOR + 4,75% + (1,00 point increase per anniversary)
- Call 30 banking days before refinance date

- Number of shares 150.788.378
- Warrants I if bond loan is repaid before 19th June 2014, warrant II before 19th June 2014
- Warrants I: 148.986.069
- Warrants II: 295.996.677
- Subscription price NOK 0.10 for both warrants

Focus going forward

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- **Target market**
  - Continue to focus on the market for large harsh- and deep-water Construction Support Vessels
  - Continue marketing CSVs combined with in-house engineering know-how
  - Continue to grow contract back log
- **Consolidate financial platform**
  - Refinance Oceanteam Shipping ASA bond loan
  - Clean up capital structure to enhance the OTS equity instrument
  - Secure cash flow from long-term shipping contracts
  - Additional earnings from low-risk engineering jobs
  - Reduce risks through joint ventures
  - Reduce exchange rate exposure
  - Utilize tonnage tax and deferred tax assets
- **Continue developing the company**
  - Positioned for growth through JVs
  - CSV North Ocean 200 series new build options secured

Thank you

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Appendix: Bond loan

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Bond loan

- In 2009 the OTS bond loan was restructured to NOK 400 million. Furthermore, it was added to an incentive structure that would compensate bondholders for the reduction in par value, consisting of a growing call premium, rising interest rates and issuing warrants in two stages.

- First, 148,986,069 warrants were issued to bondholders (Warrants I) which is activated when the company calls the bond loan. Each warrant gives the right to subscribe for one share for NOK 0.1. The Warrants I will create NOK 14,986 million in new equity, with half going into the share capital and half into the share premium account . As of today, OTS has 150,788,378 shares. The exercise of Warrants I will thus result in an almost doubling of the number of shares in the company.

- In addition, the company must pay a premium to the bond loan's par value. This premium is adjusted each year in June until the loan is repaid. Until June 2012 the premium is NOK 57 million, so the company must pay NOK 457 when calling. Unless the loan is called/refinanced by June 2012, the premium will increase by a further NOK 40 million, the total cost of call will then be NOK 497 million.

Bond loan

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- The interest rate on the bonds increase every year in mid-December with 100 basis points (= 1%-points). Currently the interest rate is LIBOR + 5.75%-points after 19th of December 2011. If the loan is not redeemed before 19th of December 2012, interest rate rises to LIBOR + 6.75%-points, etc.

- If the bond is not called by June 2014, this activates Warrants II consisting of 295,996,677 warrants, where 1 warrant = 1 share. The owners of Warrants II must exercise them in the period June 30th to July 14th 2014, and pay NOK 0.10 for each new share. The 295,996,677 new shares will give the company NOK 29.599 million in new equity, half of which goes into the share capital and half into the share premium account .

- Hence, the overall structure of the bond loan gives the company such strong incentives for refinancing that if the loan is not refinanced by June 30th 2014, it will be because of uncertainty regarding continued operations.

- OTS may at any time call all or part of the loan. The company works actively to refinance as soon as possible, both to eliminate the Warrants II scenario which the company perceives is putting a damper on the stock price, and because the structure of the current bond loan prevents using equity to finance future growth.