



GOLDEN OCEAN™

Results Q3 - 2017

November 21, 2017

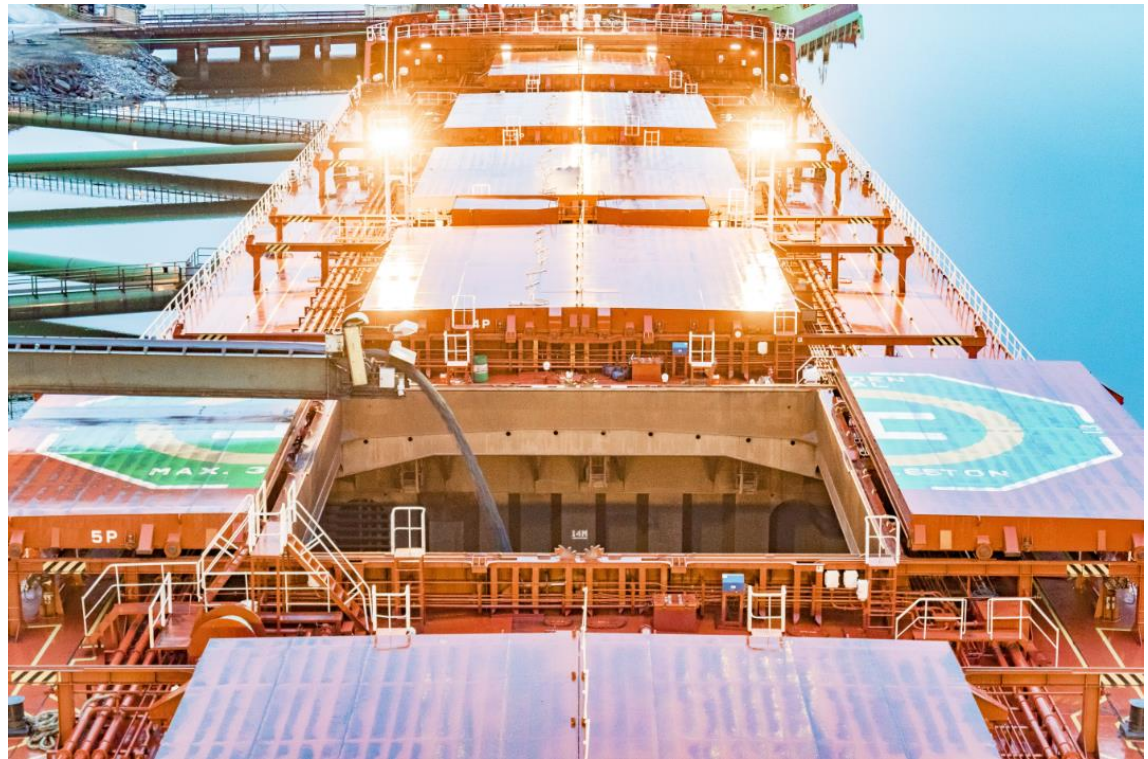
Forward-Looking Statements

- *Matters discussed in this presentation may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements, which include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. Words such as "believe," "anticipate," "intends," "estimate," "forecast," "project," "plan," "potential," "may," "should," "expect," "pending" and similar expressions identify forward-looking statements. The forward-looking statements in this presentation are based upon various assumptions. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections. The information set forth herein speaks only as of the date hereof, and we disclaim any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this communication.*
- *In addition to these important factors and matters discussed elsewhere herein, important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies, fluctuations in currencies and interest rates, general market conditions, including fluctuations in charter hire rates and vessel values, changes in demand in the dry bulk market, changes in our operating expenses, including bunker prices, drydocking and insurance costs, the market for our vessels, availability of financing and refinancing, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents, political events or acts by terrorists, and other important factors described from time to time in the reports filed by the Company with the Securities and Exchange Commission.*
- *Certain shipping, steel, Chinese and global industry information, statistics and charts contained herein have been derived from several sources. You are hereby advised that such industry data, charts and statistics have not been prepared specifically for inclusion in these materials and Golden Ocean has not undertaken any independent investigation to confirm the accuracy or completeness of such information*



GOLDEN OCEAN™

Company update



Highlights

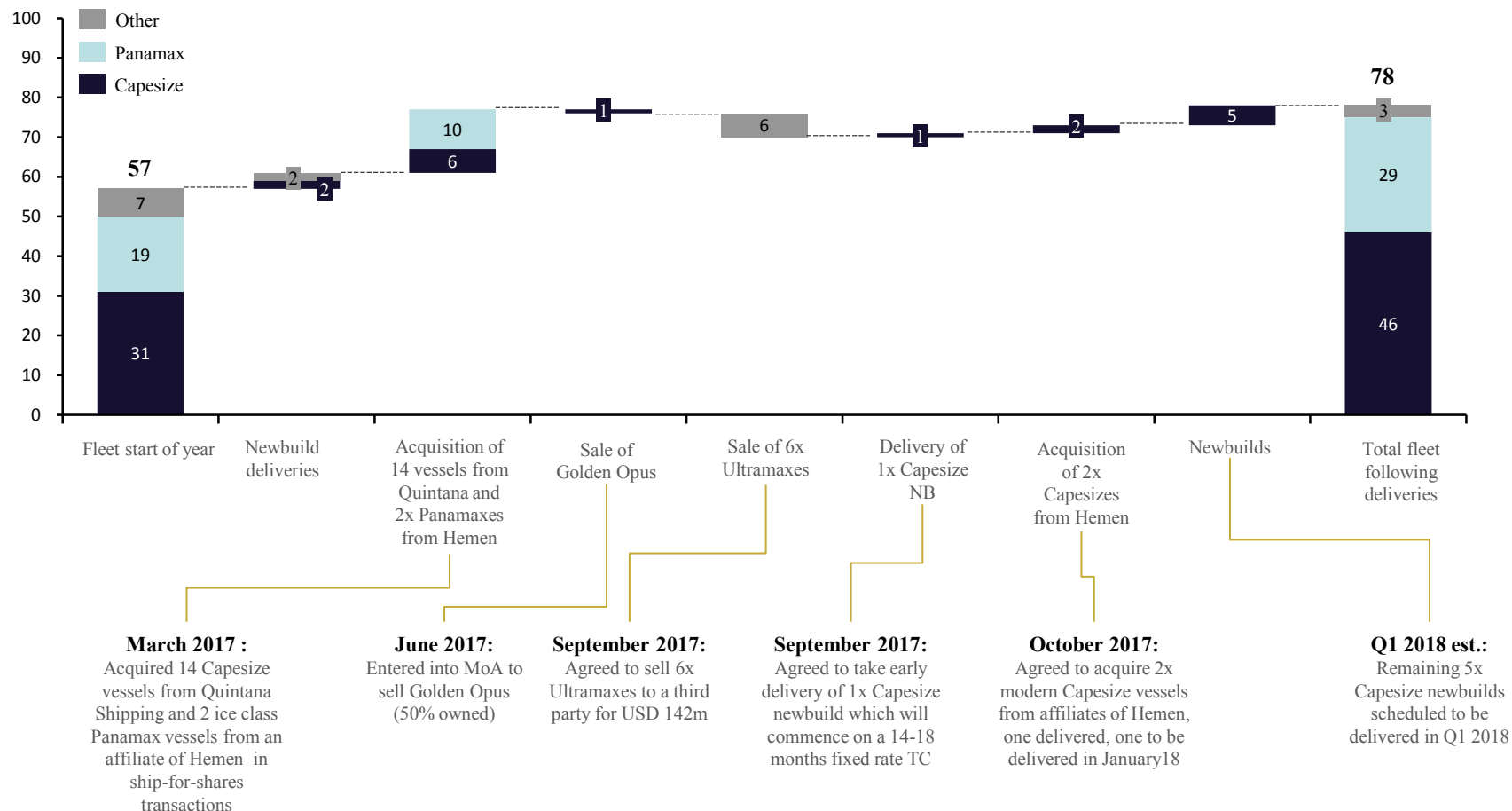
- The Company reports net income of \$0.4 million and earnings per share of \$0.00 for the third quarter of 2017
 - *An improvement of \$12.4 million compared with a net loss of \$12.0 million for the second quarter of 2017*
- Adjusted EBITDA in the third quarter was \$40.4 million, compared with \$29.7 million in the second quarter of 2017
- Entered into agreement to sell six Ultramax vessels
- Took early delivery of one Capesize newbuilding and took delivery of the remaining three of the 14 modern dry bulk vessels acquired earlier this year
- Raised \$100 million in capital through a \$66 million equity offering and a \$34 million equity in-kind contribution as partial consideration for two modern Capesize vessels, one of which was delivered in the fourth quarter
- Terminated the covenant waivers related to the Company's recourse debt



Focusing on Fleet Segments with Greatest Market Leverage



Fleet development YTD (# vessels¹)



1) Including vessels under long term charter-in and upon completion of all announced transactions

Profit & Loss



<i>(in thousands of \$)</i>	<i>Q3 2017</i>	<i>Q2 2017</i>
Operating revenues		
Time charter revenues	59,506	50,095
Voyage charter revenues	67,178	49,551
Other revenues	266	36
Total operating revenues	126,950	99,682
Gain (loss) on sale of assets and amortization of deferred gains	65	64
Other operating income (expenses)	1,591	1,149
Operating expenses		
Voyage expenses and commission	34,970	28,567
Ship operating expenses	37,206	31,317
Charter hire expense	20,837	13,313
Administrative expenses	3,151	3,515
Impairment loss on vessels and newbuildings	1,066	-
Depreciation	21,235	19,239
Total operating expenses	118,465	95,951
Net operating income/(loss)	10,141	4,944
Other income (expenses)		
Interest income	520	483
Interest expense	(16,245)	(14,394)
Gain/(Loss) on derivatives	1,523	(3,772)
Equity results of associated companies, including impairment	4,117	283
Other financial items	337	519
Total other (expenses) income, net	(9,748)	(16,881)
Net income (loss) before income taxes	393	(11,936)
Tax expense	(25)	24
Net income/ (loss)	368	(11,961)
Earnings (loss) per share: basic and diluted	\$0.00	\$(0.10)
Adjusted EBITDA	40,448	29,741
TCE per day	12,958	12,237

- TCE (Operating revenues, including other operating income, less voyage expenses) increased by \$21.3 million in the third quarter compared to the previous quarter, primarily due to a \$9.8 million contribution from 16 recently acquired vessels as well as improved freight rates
- Ship operating expenses increased by \$5.9 million mainly due to a full quarter's operating expenses for most of the recently acquired vessels
- Charterhire expenses increased by \$7.5 million, reflecting increased short-term charter-in activity at higher rates
- Positive contribution from derivatives of US interest rate hedges, FFA and bunkers instruments during third quarter
- \$4.1 million income from associated companies mainly relates to the sale of the joint venture vessel Golden Opus

Balance Sheet



<i>(in thousands of \$)</i>	<i>Q3 2017</i>	<i>Q2 2017</i>
ASSETS		
Short term		
Cash and cash equivalents	123,926	122,699
Restricted cash	3,966	4,361
Other current assets	109,562	107,963
Long term		
Restricted cash	62,370	64,168
Vessels, net	2,193,838	2,243,448
Vessels held for sale	141,500	-
Vessels under capital lease, net	2,286	2,512
Newbuildings	105,726	126,506
Other long term assets	51,732	58,413
Total assets	2,794,906	2,730,070
LIABILITIES AND EQUITY		
Short term		
Current portion of long-term debt	28,780	-
Current portion of obligations under capital lease	5,140	5,043
Other current liabilities	54,649	51,898
Long term		
Long-term debt	1,302,120	1,287,498
Obligations under capital lease	8,793	10,125
Other long term liabilities	8,098	8,136
Equity	1,387,327	1,367,370
Total liabilities and equity	2,794,906	2,730,070

- \$190.3 million in cash, including cash classified as restricted, only a marginal change compare to previous quarter
- \$26.2 million in positive cash generated from operation, offset by \$20.8 million net used in investing activities and \$4.2 million used in financing activities
- Three remaining vessels from the Quintana acquisition delivered to the company early in the third quarter. The acquisition cost of the vessels primarily comprised of 2,850,000 shares in the Company, and \$43.3 million in assumed debt financing
- Final installments paid on Golden Nimbus of \$29.6 million following delivery in September. Available financing of \$25 million related to this delivery was drawn early October 2017
- Only debt to be paid under cash sweep classified as short term, not regular amortization or debt related to the sale of Ultramax

Entered into agreement to sell six Ultramax vessels

- Transaction announced in September 2017
- Following the delivery of all vessels, expected net proceeds to be ~\$100 million after debt prepayment of \$40 million

Equity offering and concurrent acquisition of two Capesize vessels

- Net cash proceeds of \$64 million from equity offering
- \$34 million in equity-in-kind from Hemen Holding Ltd as part-finance for two Capesize vessels
 - Sellers credit of \$43 million in total to be assumed on delivery
 - Cash payment of \$9 million in total to be paid at delivery
 - One vessel delivered in November, and the remaining vessel expected in January 2018

Termination of waivers on resource debt

- One year ahead of the schedule agreed to in the first quarter 2016
- Prepaid all deferred debt of \$28.8 million in October 2017
- Resumption of ordinary quarterly amortization as from Q4 2017
 - \$14.8 million in Q4 2017
 - \$16.7 million from Q1 2018 after newbuilding deliveries

Young, fuel efficient fleet with average age of less than 5 years

Fleet profile

	Capesize	Panamax / Kamsarmax	Iceclass Panamax	Ultramax / Supramax	Total
Sailing vessels	41	17	12	3	73
Newbuildings	5	-	-	-	5
Total	46	17	12	3	78

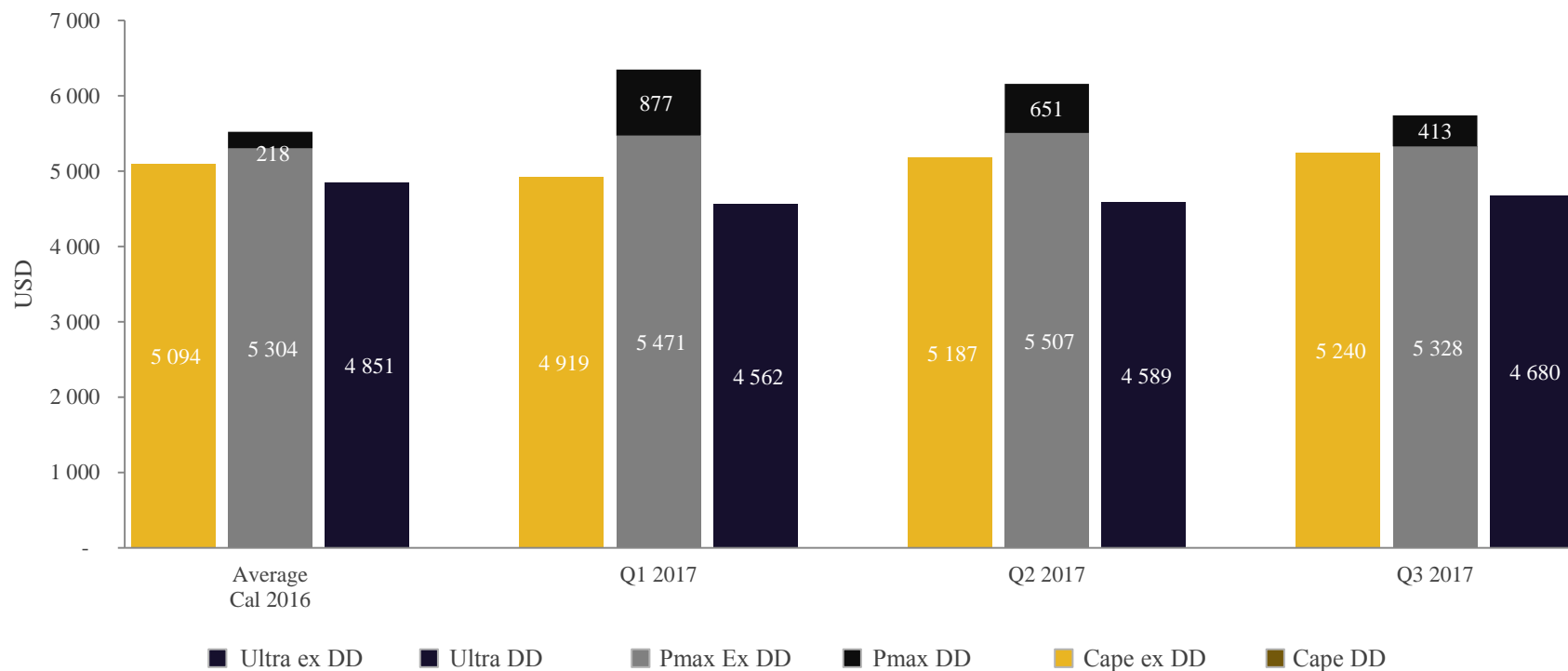
- Took delivery of one Capesize in September and paid delivery installment of \$29.6 million in cash and drew down \$25 million in debt in October 2017
- Available financing of \$125 million and net cash requirement of \$20 million related to remaining CAPEX

Chartering profile

- 10 Capesize vessels on index-linked long term TC-out
- Four Panamax vessels on long term TC out at fixed rate
- Fixed seven Capesize vessels on fixed rates for the year 2018 at an average gross rate of \$16,850
 - Includes one vessel delivered early to the Company and two newbuildings scheduled to be delivered in Q1 2018
- Remaining fleet is trading spot, in spot pools or on short term charters expiring within six to nine months

Maintaining competitive OPEX levels

- Fully-burdened Opex includes dry docking and management fees
- Two vessels completed dry docks in the third quarter of 2017
- Start-up costs for the newly acquired vessels have contributed to slightly higher daily costs
- G&A net of management fees are estimated to be approximately \$400 per day in 2018 on a fully delivered fleet





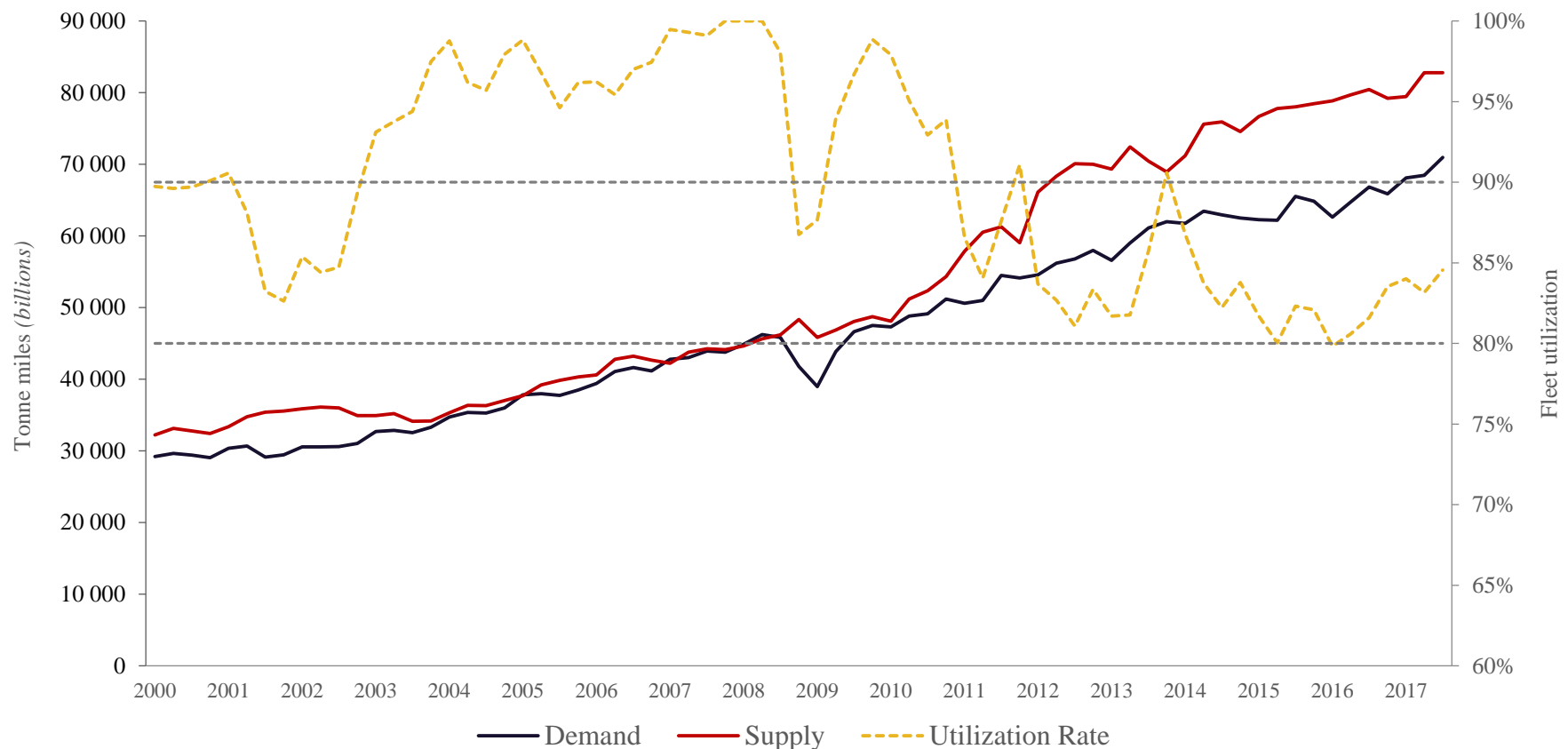
GOLDEN OCEAN™

Dry bulk market



Utilization continues to rebound from historically low levels

Supply, demand and utilization rate - dry bulk ships 10,000 dwt +

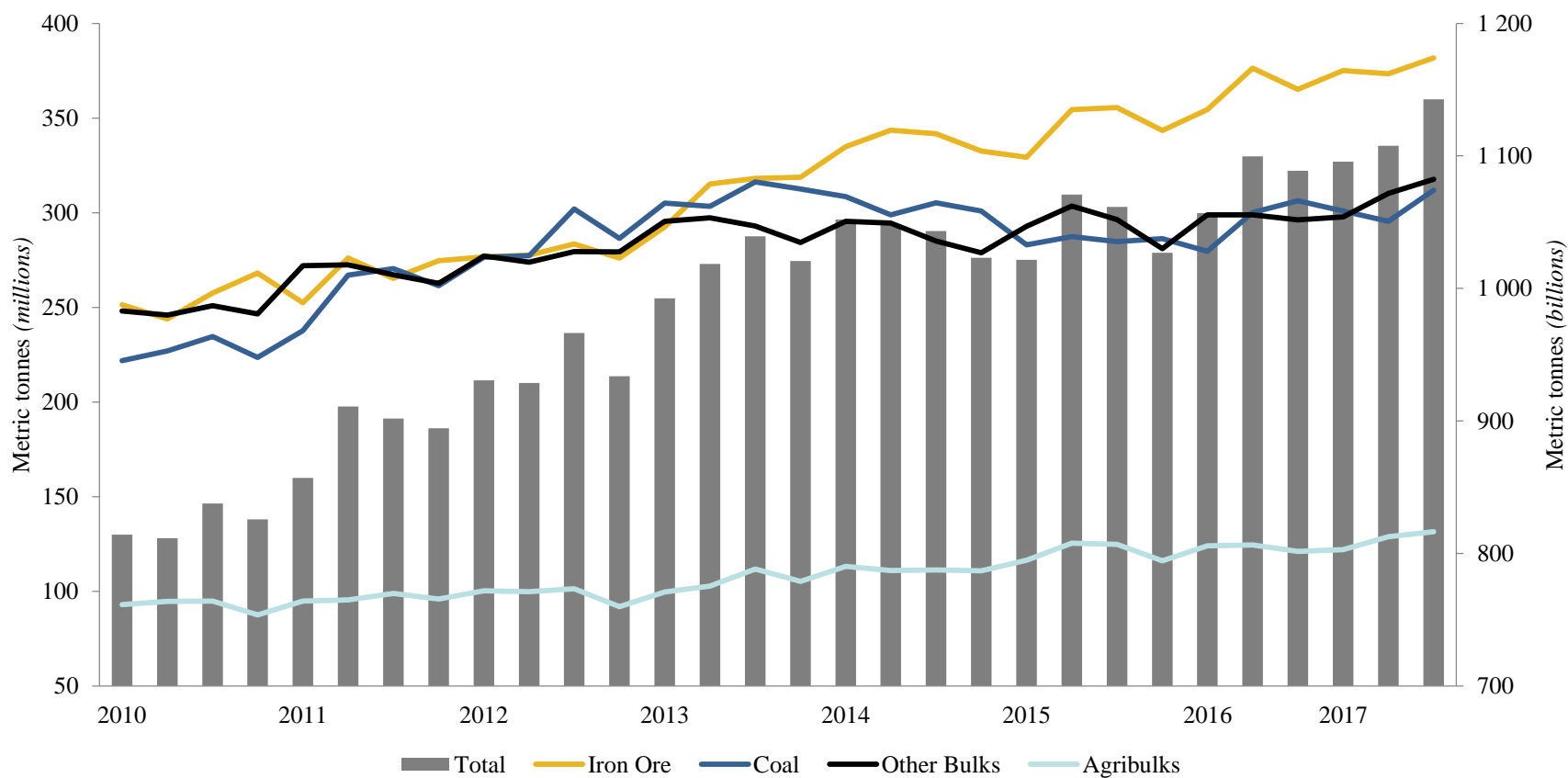


Seaborne Trade Continues to Record New Highs



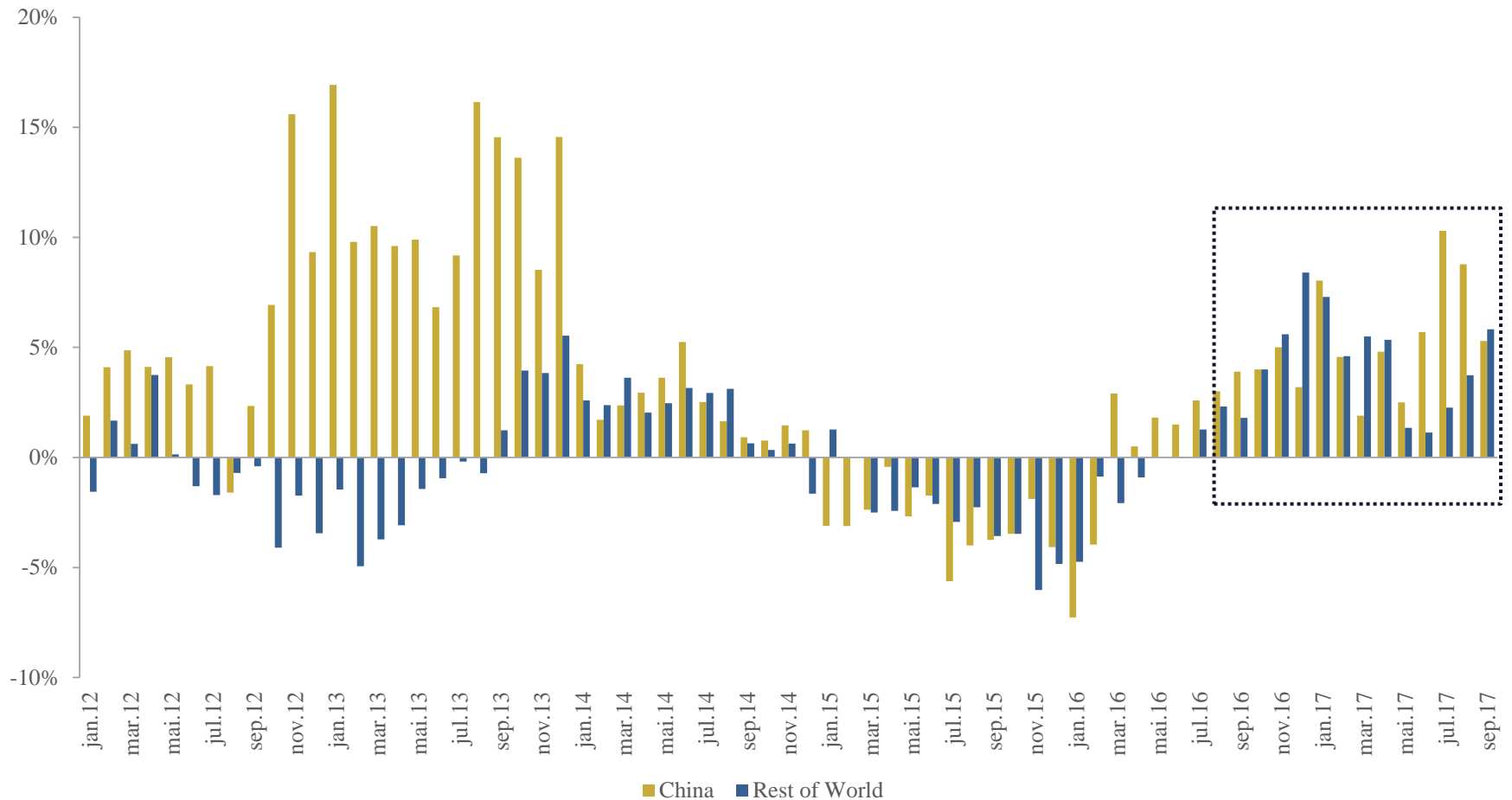
Growth observed for all major commodities in the third quarter

Seaborne trade of dry bulk commodities (*major importers*)



World Steel Production Trends Intact

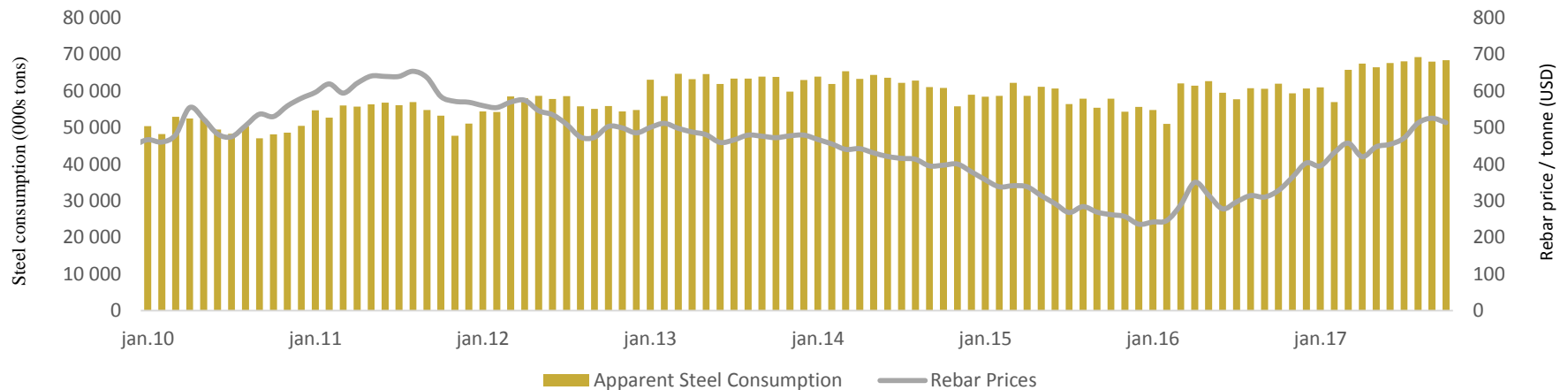
Annual change in steel production



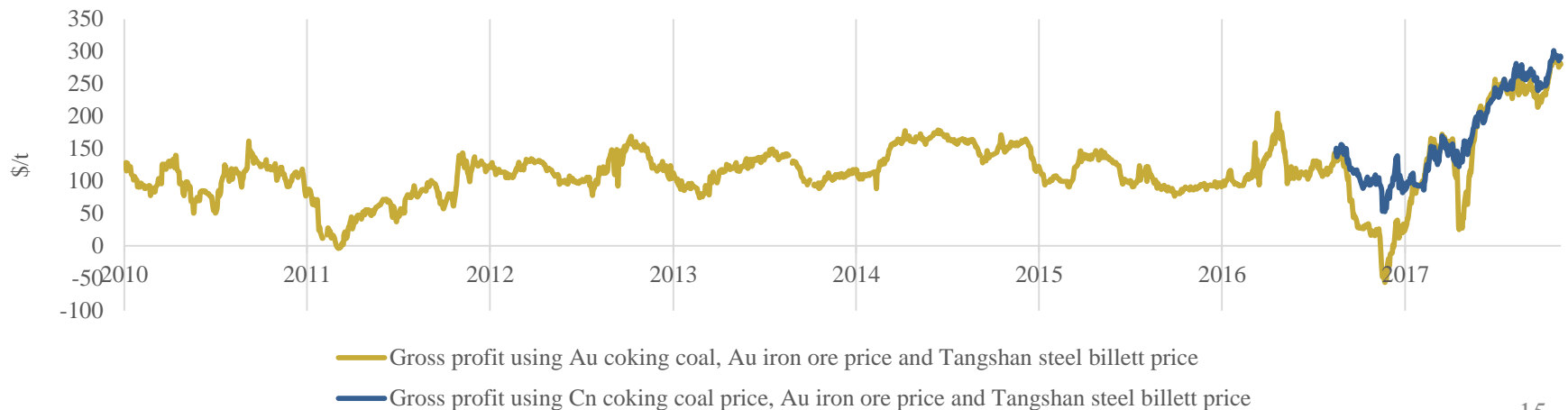
Chinese Apparent Steel Demand Remains at Strong Levels



Chinese apparent steel consumption & rebar prices



Gross profit (steel price minus cost of coking coal and iron ore; all prices spot)

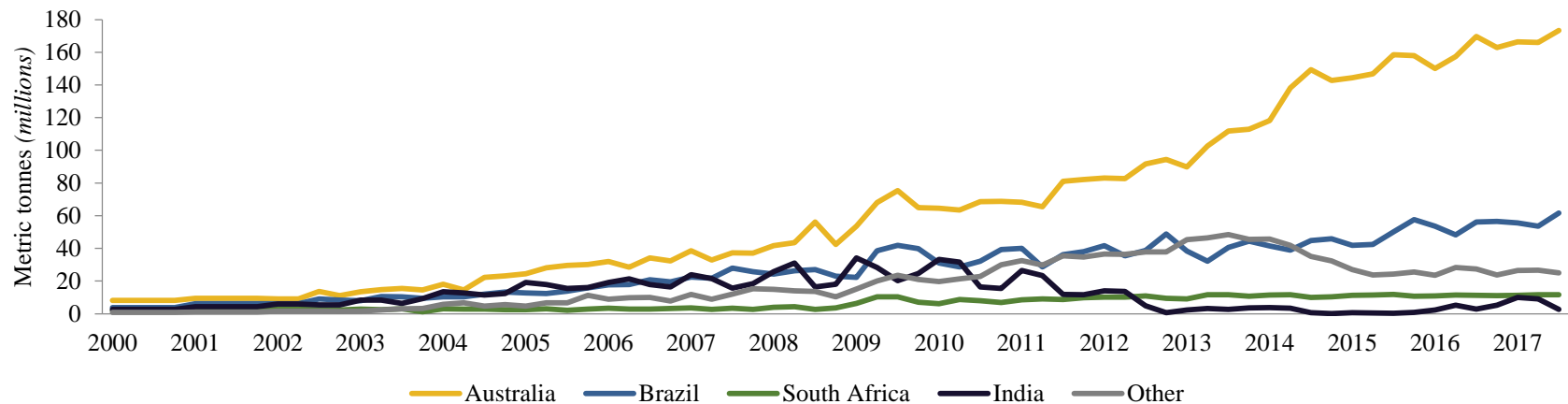


Australia and Brazil Remain Major Iron Ore Exporters

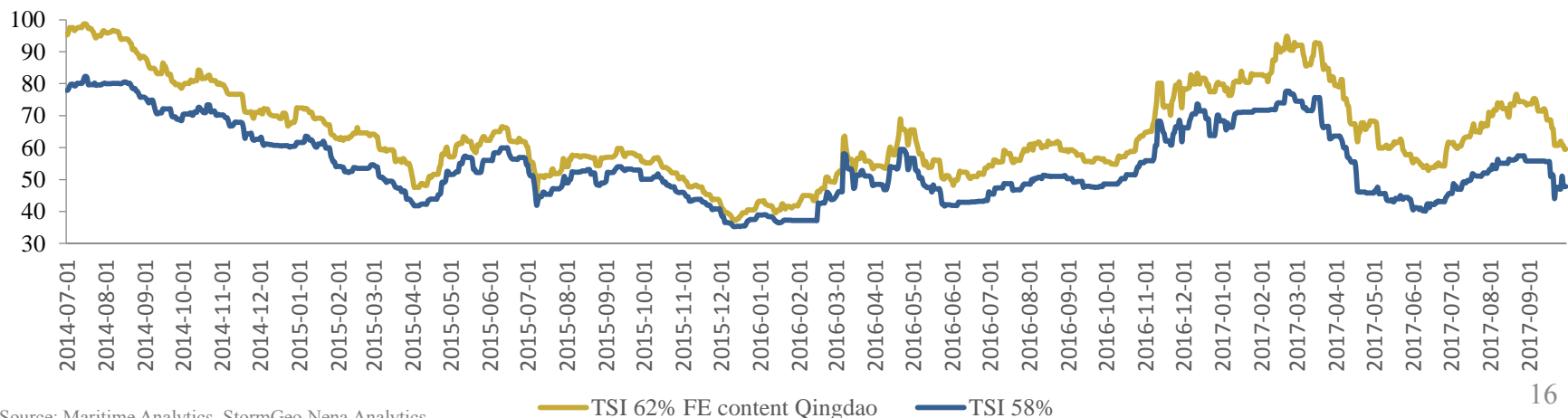


Price differentials on higher quality iron ore support this trend

Iron ore exports by region



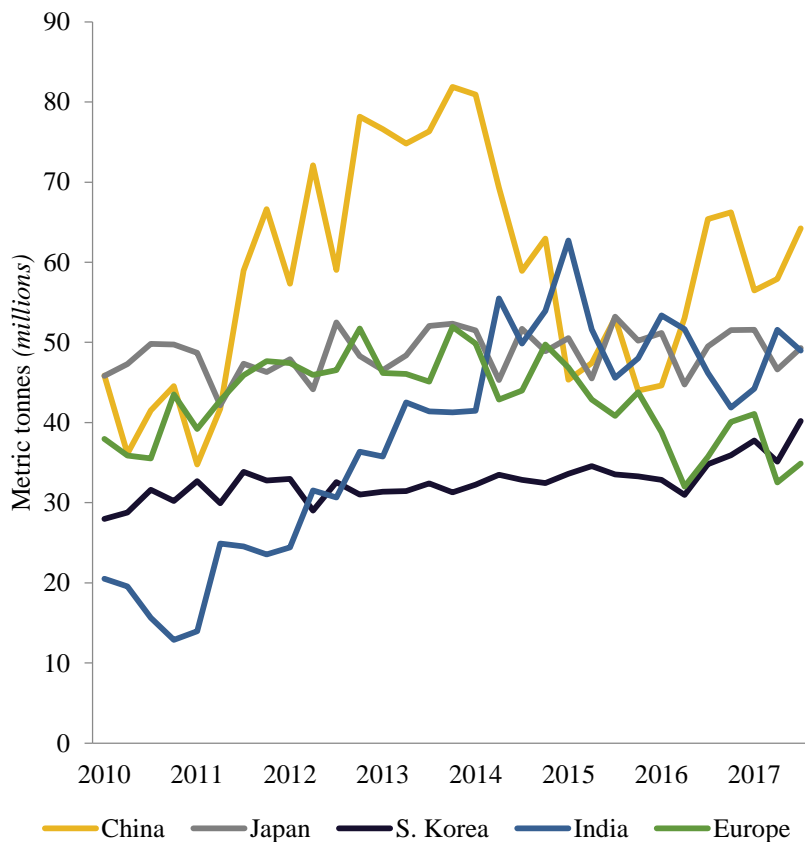
Iron ore price differentials



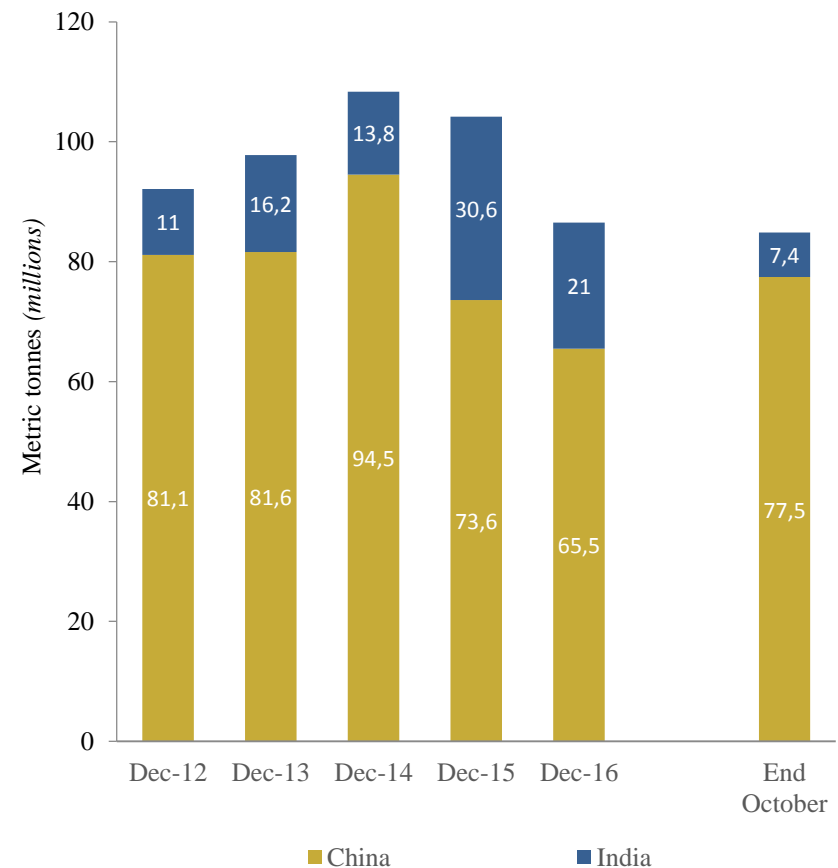
Coal Imports Continue at Healthy Levels

Improvements have come primarily from Asia, where inventories are lower than average

Seaborne coal imports by major importers



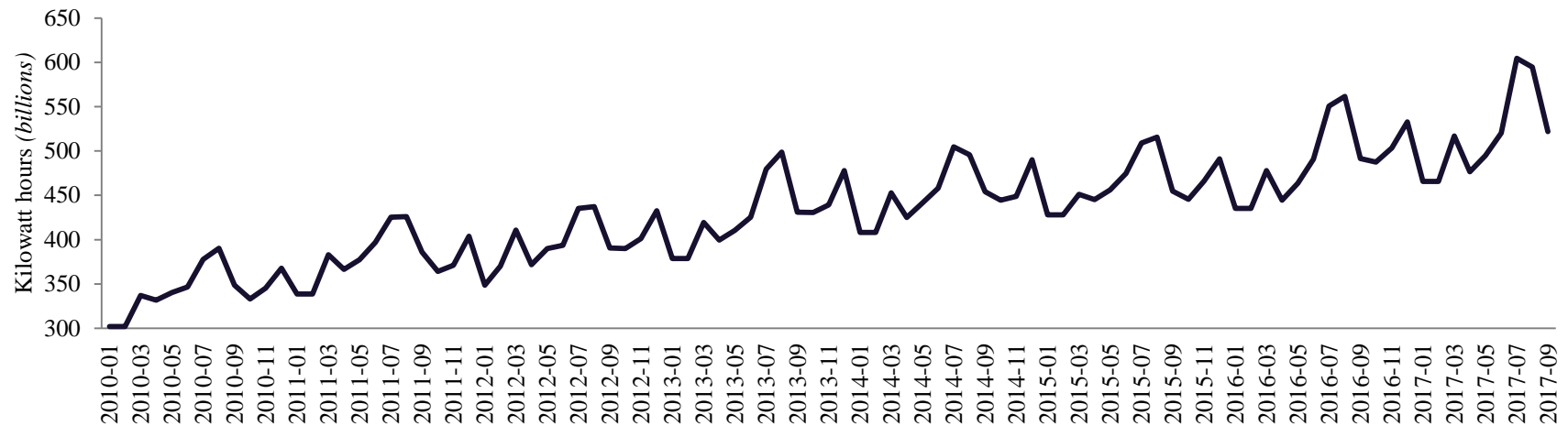
China and India coal inventories



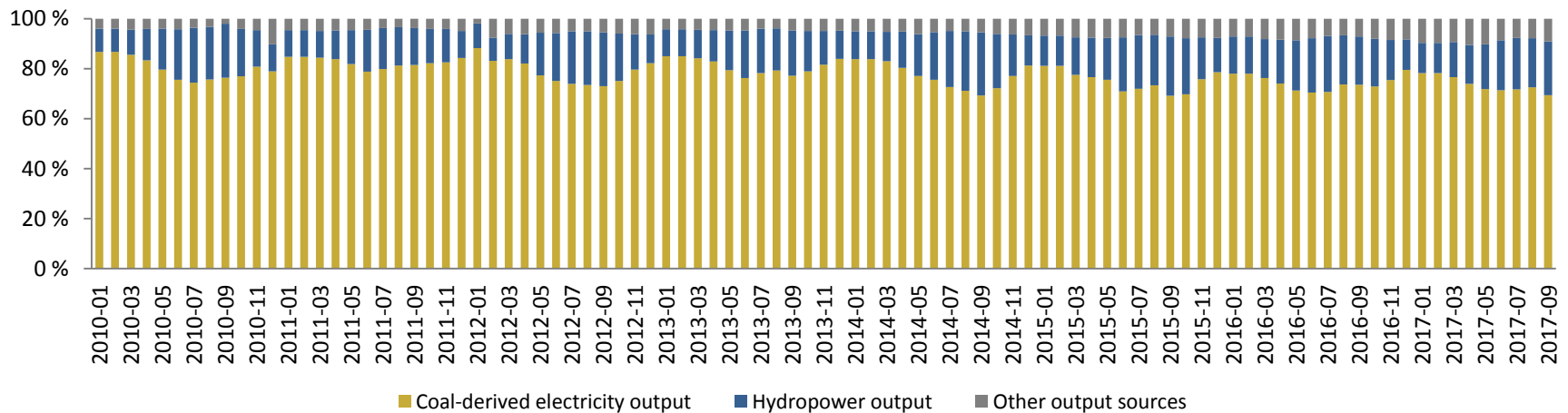
Strong Electricity Consumption Supports Coal Demand



Chinese electricity output



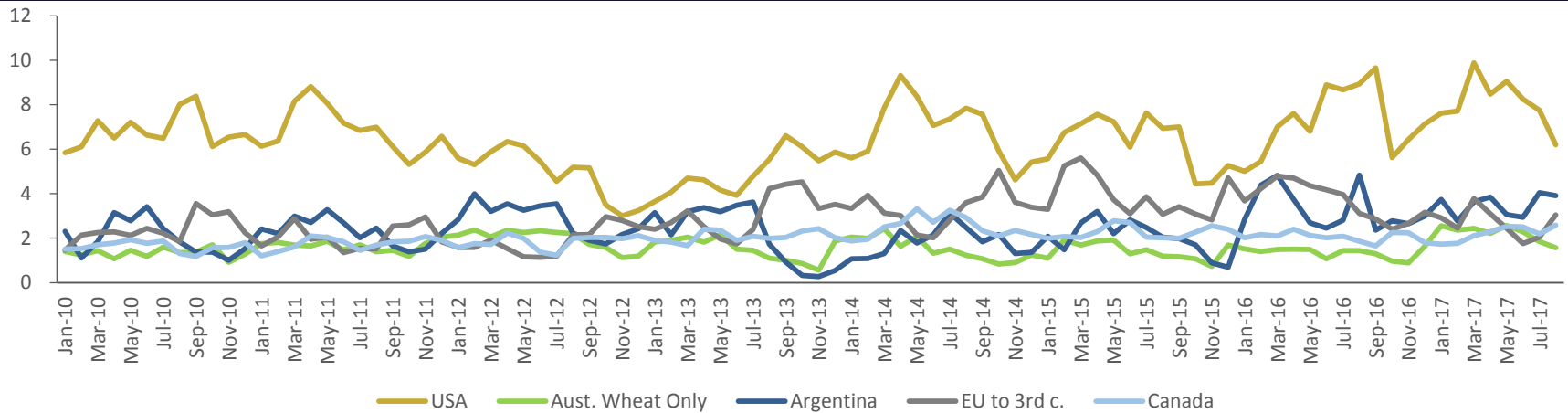
Chinese electricity output by source



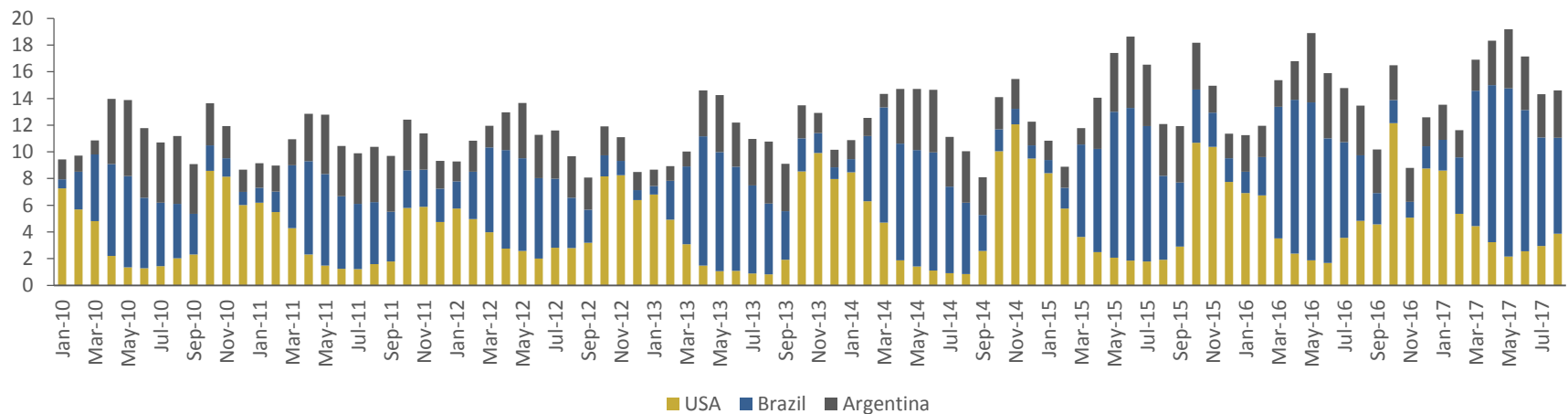
Grain Exports had a Strong Year so far



Grain exports by source



Soybean and soybean meal exports by source

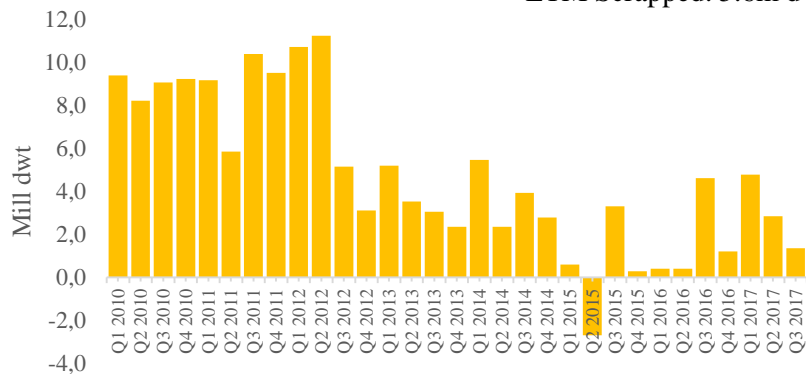


Deliveries Slowing into Year End



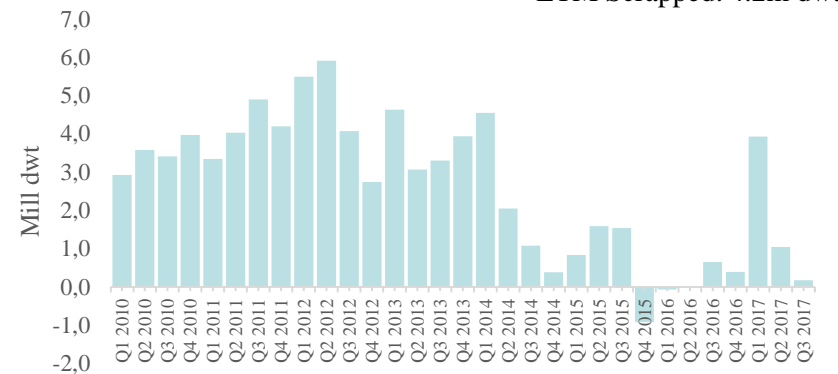
Capesize

LTM Delivered: 18.1m dwt
LTM Scrapped: 5.6m dwt



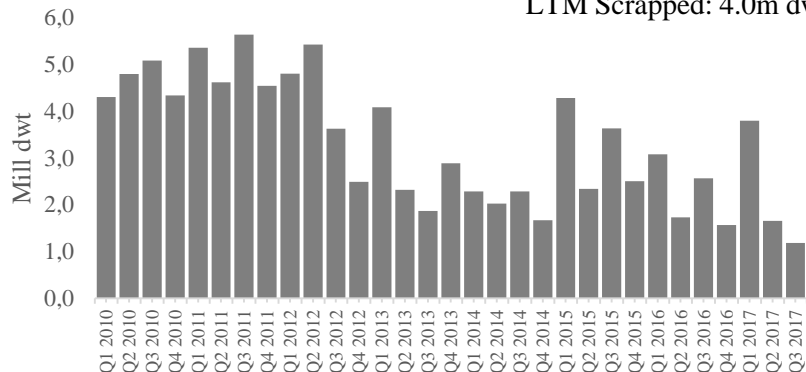
Panamax / Post-Panamax

LTM Delivered: 10.1m dwt
LTM Scrapped: 4.2m dwt



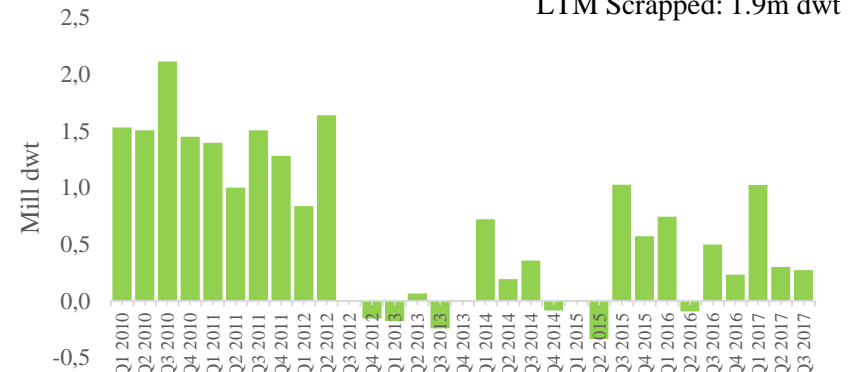
Handymax / Supramax

LTM Delivered: 13.0m dwt
LTM Scrapped: 4.0m dwt



Handysize

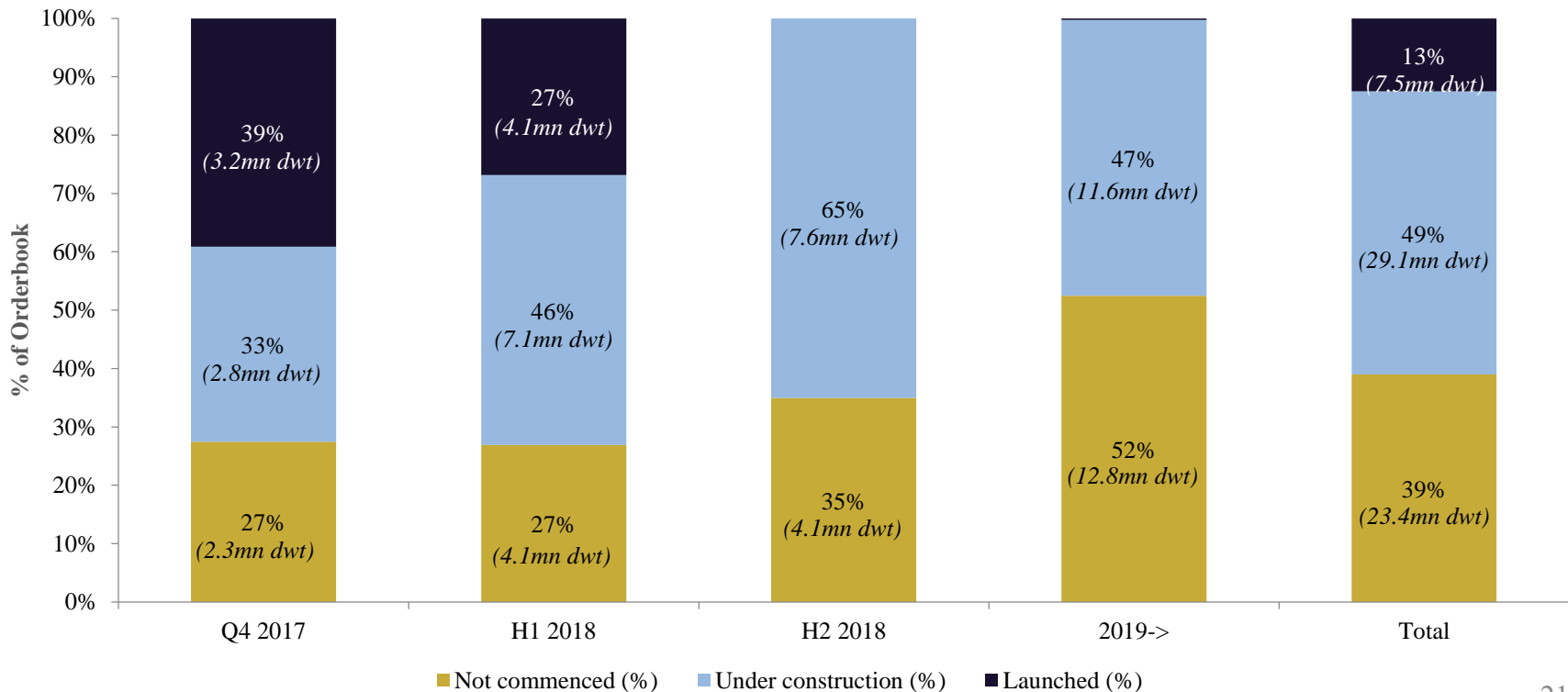
LTM Delivered: 3.8m dwt
LTM Scrapped: 1.9m dwt



Downside Case for Supply Growth

- Construction has not even commenced on 27% of the orders (in dwt) scheduled for delivery within end of H1 2018
- Further delays of deliveries are likely based on progress in production
- Should see very few deliveries in Q4 2017

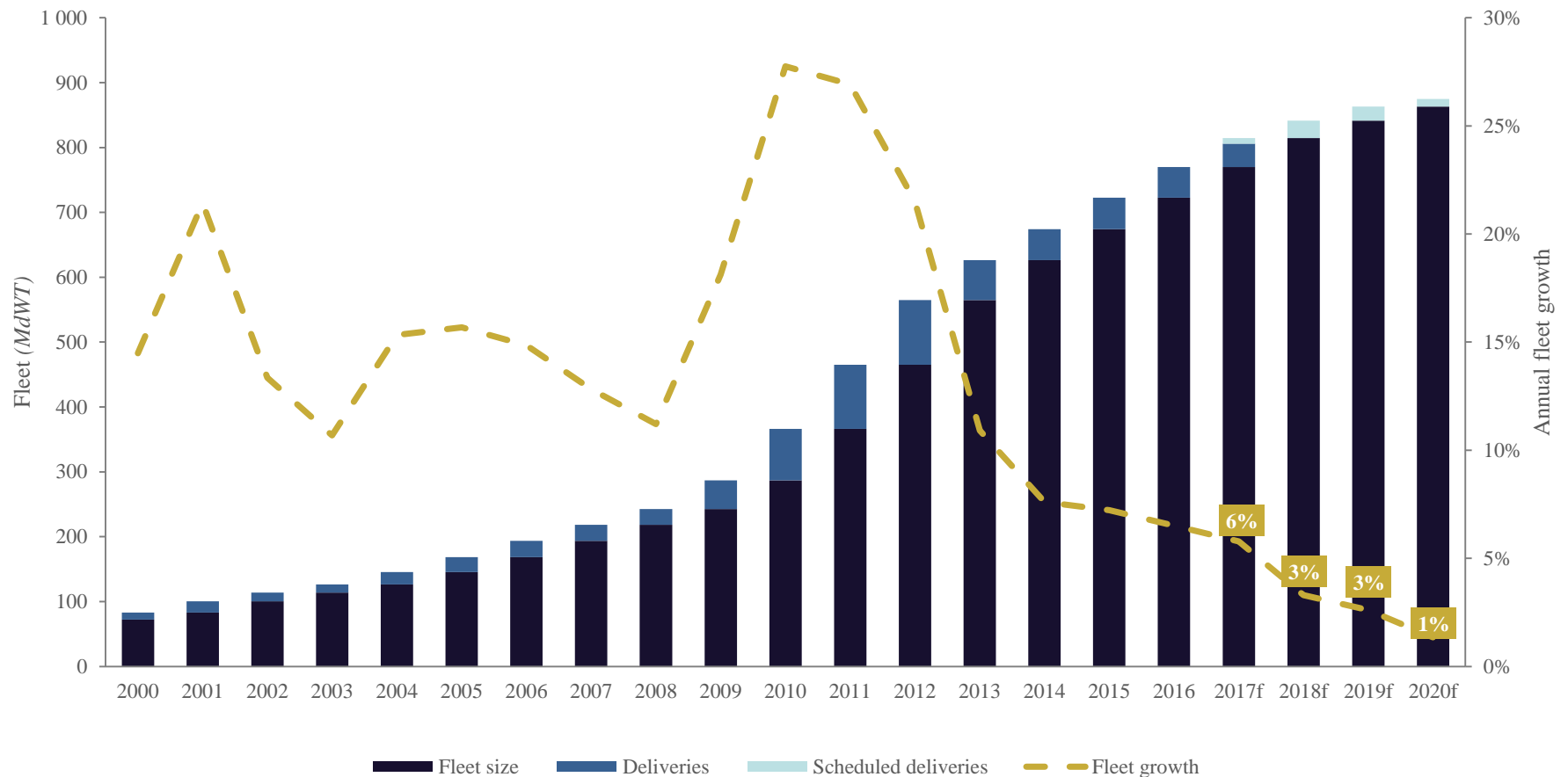
Status of orderbook



Fleet Growth is Rapidly Declining

Forecast fleet growth is at its lowest point ever, despite some new ordering

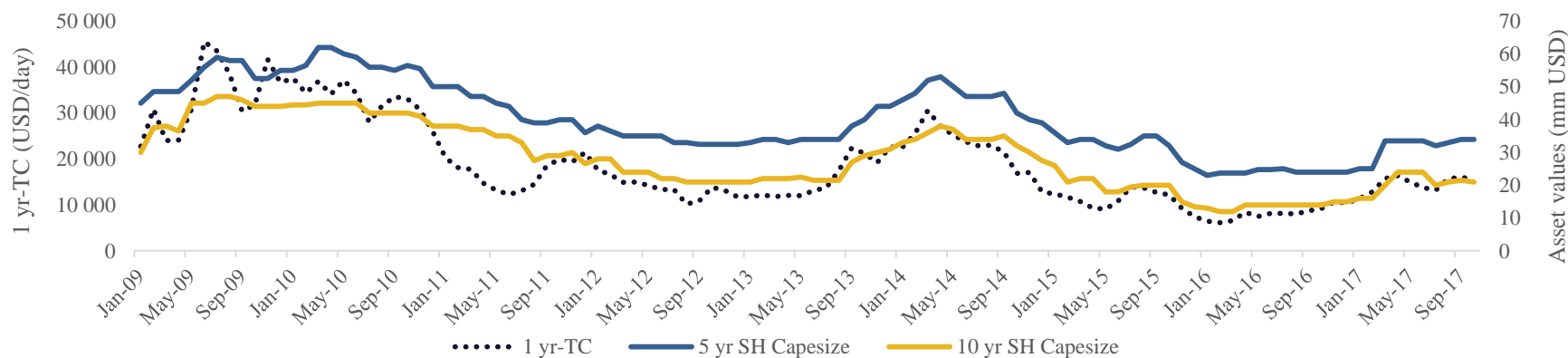
Fleet growth (assumes no scrapping or new ordering)



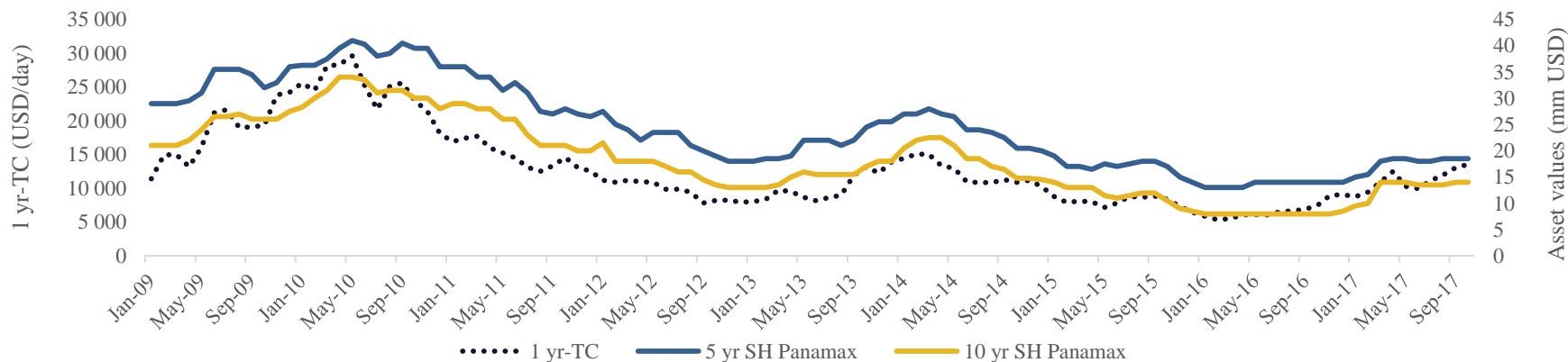
S&P Prices Stable (yet still low) Following Strong Increases



Capesize values and earnings



Panamax values and earnings



Market has performed according to expectations as supply/demand balance improves

Upside potential

- Continued improvements in global growth supporting dry bulk demand
- Steel prices and margins remain strong, fueling further imports of high quality iron ore into China
- Continued growth of thermal coal volumes with increased exports from the U.S.
- New regulations and higher investment costs leads to higher scrapping

Downside risks

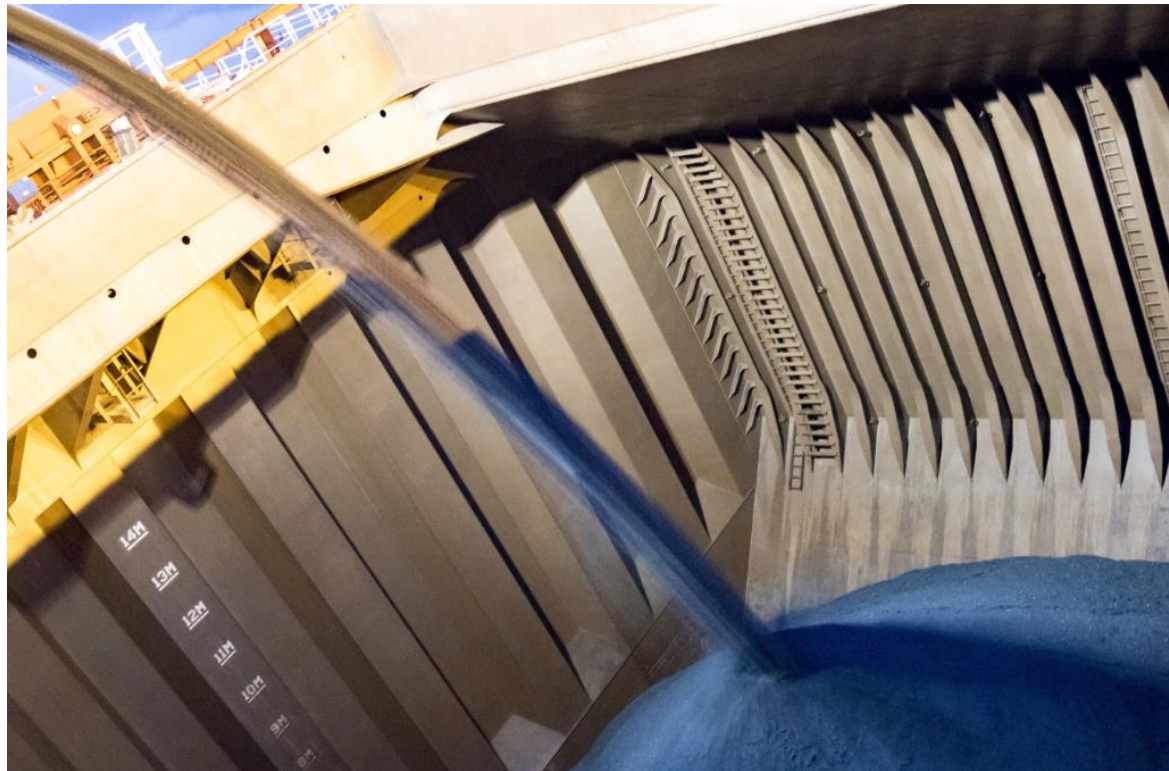
- Change in Chinese policy regarding steel and thermal electricity production to curb pollution
- Credit tightening and general slowdown in China leading to lower demand for steel and energy
- New ordering motivated by improved rate environment and narrowing spreads to newbuilding prices

Expect to see continuation of positive trend in dry bulk environment, despite near-term concerns around China. Longer term fundamentals are supportive as long as new ordering is minimal.



GOLDEN OCEAN™

Q & A





GOLDEN OCEAN™

Thank you for
your attention!

