



GOLDEN OCEAN™

RESULTS Q1 - 2018

May 30, 2018

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. We desire to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and are including this cautionary statement in connection with this safe harbor legislation. Words such as "believe," "anticipate," "intends," "estimate," "forecast," "project," "plan," "potential," "may," "will," "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 Golden Ocean Group Limited with the U.S. Securities and Exchange Commission.
- Certain third-party shipping, steel 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 Group Limited has not undertaken any independent investigation to confirm the accuracy or completeness of such information



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COMPANY UPDATE

HIGHLIGHTS



- The Company reports **net income of \$16.7 million** and earnings per share of \$0.12 for the first quarter of 2018, compared with net income of \$27.1 million and earnings per share of \$0.19 for the fourth quarter of 2017
- Adjusted **EBITDA** in the first quarter was **\$53.3 million, compared with \$65.3 million** in the fourth quarter of 2017 and \$17.5 million in the first quarter 2017
- **Completed the newbuilding program** by taking delivery of the remaining five Capesize newbuildings.
- **Took delivery of the Golden Monterrey**, a Capesize vessel acquired in October 2017
- **Agreed a \$120 million loan facility** to refinance 10 vessels at favorable terms
- **Agreed to sell the Golden Eminence**, a Panamax vessel, for \$14.7 million to an unrelated third party
- Announces a cash **dividend of \$0.10** per share for the first quarter

PROFIT & LOSS

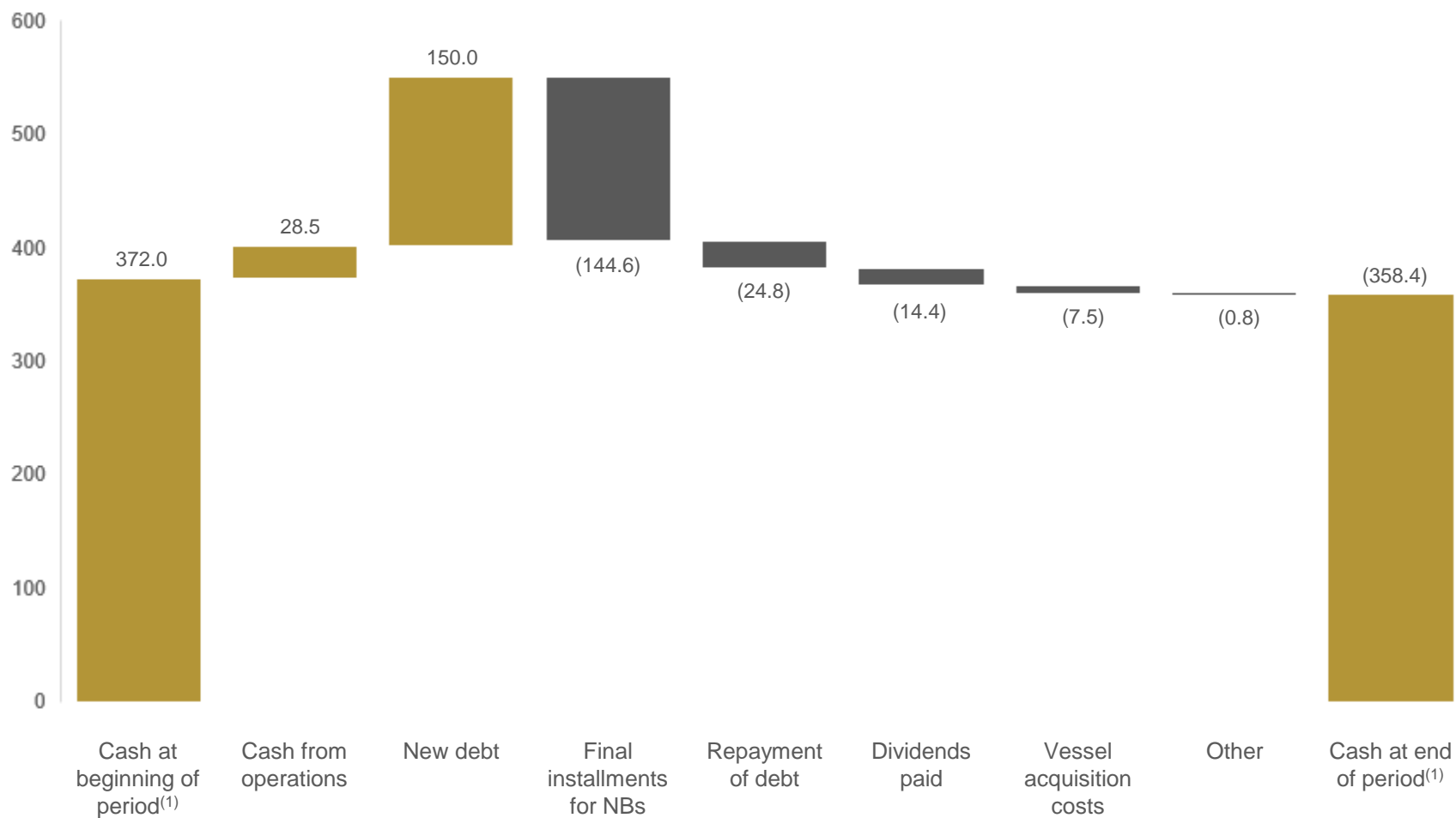


(in thousands of \$)	Q1 2018	Q4 2017	Quarterly Variance
Operating revenues	147,888	150,712	(2,824)
Voyage expenses	(30,841)	(28,949)	(1,893)
Net revenues	117,047	121,763	(4,717)
Ship operating expenses	(37,279)	(36,383)	(896)
Administrative expenses	(3,668)	(3,279)	(389)
Charter hire expenses	(27,642)	(20,382)	(7,260)
Depreciation / impairment	(22,113)	(20,873)	(1,239)
Other gains (losses)	65	(505)	570
Net operating expenses	(90,637)	(81,423)	(9,214)
Net operating income (loss)	26,409	40,340	(13,931)
Net financial expenses	(15,903)	(15,619)	284
Derivatives and other financial income (loss)	6,190	2,386	(3,804)
Net income before taxation (loss)	16,696	27,107	(10,411)
Income Tax expense	13	(16)	23
Net income (loss)	16,683	27,124	(17,878)
Earnings (loss) per share: basic and diluted	\$0.12	\$0.19	
Adjusted EBITDA	53,273	65,325	(12,053)
TCE per day	15,593	16,444	(851)

CASH FLOW DURING THE QUARTER



Q1 2018



(1) INCLUDES RESTRICTED CASH

BALANCE SHEET



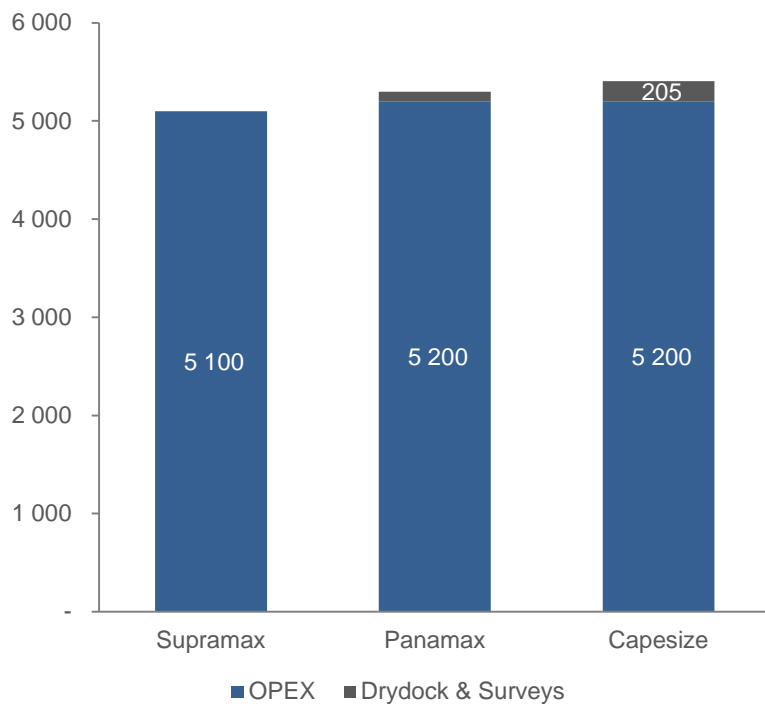
(in thousands of \$)	Q1 2018	Q4 2017	Quarterly Variance
ASSETS			
Short term			
Cash and cash equivalents (incl. restricted cash)	306,192	317,139	(10,947)
Other current assets	144,019	127,361	16,658
Long term			
Restricted cash	52,193	54,845	(2,652)
Vessels (incl. newbuildings and held-for-sale)	2,489,836	2,320,730	169,106
Other long term assets	44,988	49,983	(4,995)
Total assets	3,037,228	2,870,058	167,170
LIABILITIES AND EQUITY			
Short term			
Current portion of long term debt and capital lease	306,636	114,910	191,726
Other current liabilities	71,284	66,817	4,467
Long term			
Long term debt and capital lease	1,143,060	1,186,223	(43,163)
Other long term liabilities	7,944	8,059	(115)
Equity	1,508,304	1,494,049	14,255
Total liabilities and equity	3,037,228	2,870,058	167,170

MODERN, EFFICIENT FLEET

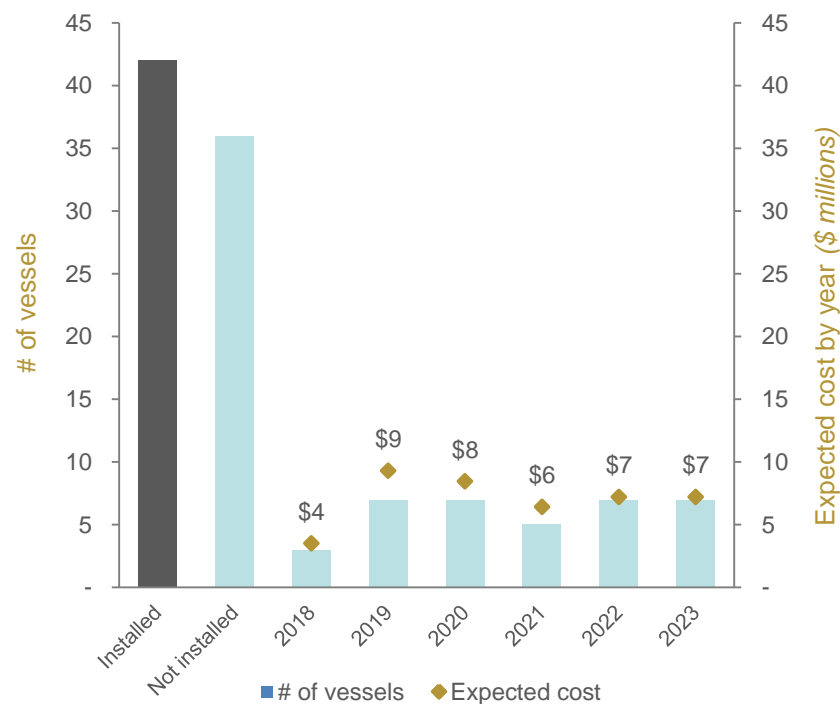


- Fully-burdened Opex includes dry docking and management fees
- One vessel dry docked in the first quarter of 2018, and five more to be docked later this year
- Average fleet age of ~5 years and majority of the fleet designed with fuel-efficient engines and ballast water treatment systems

OPERATING EXPENSES (Q1 2018)



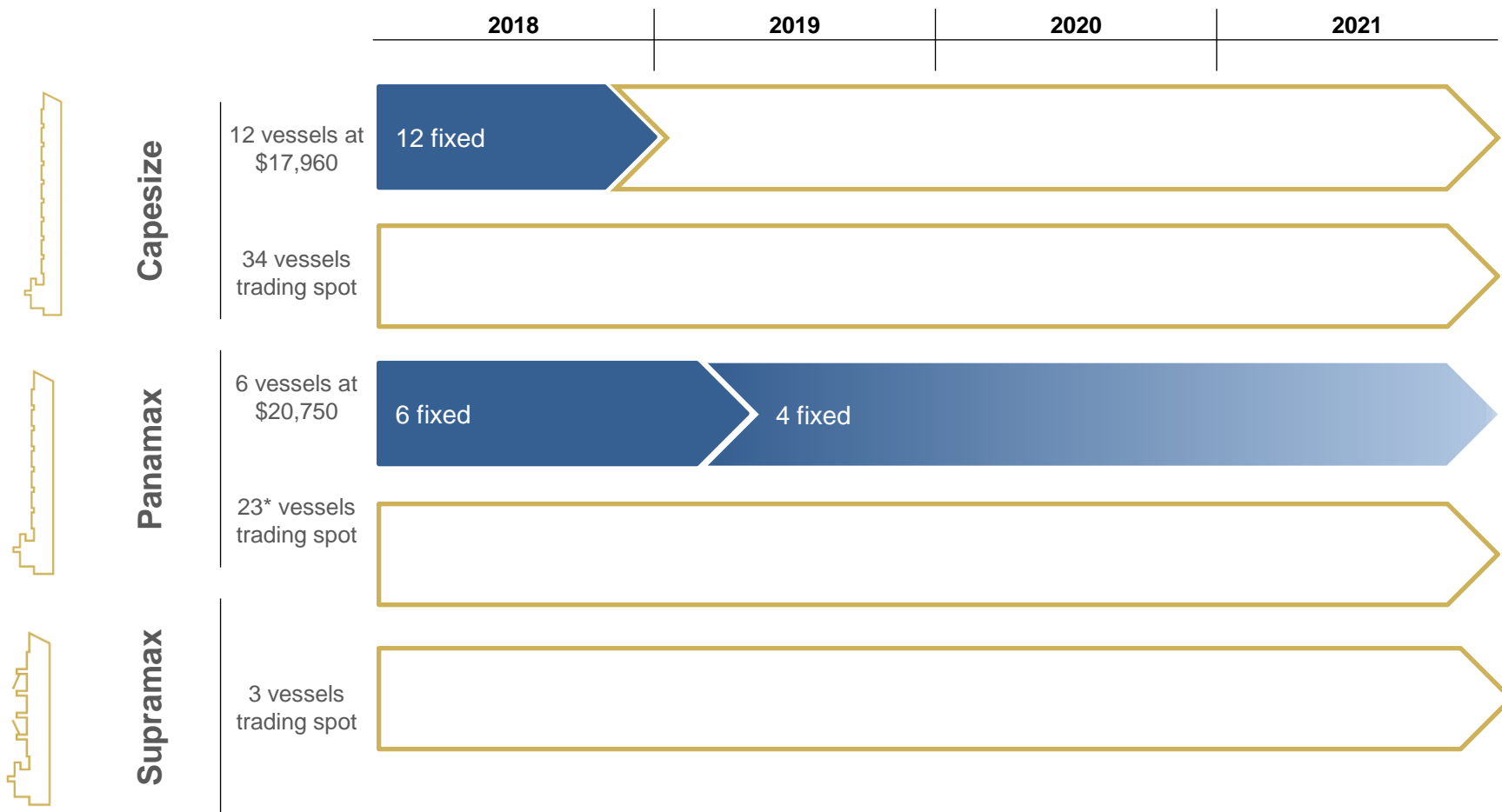
BWTS INSTALLATION SCHEDULE



FLEET DEPLOYMENT

Fleet heavily skewed towards spot exposure to capture market upside

CHARTERING PROFILE

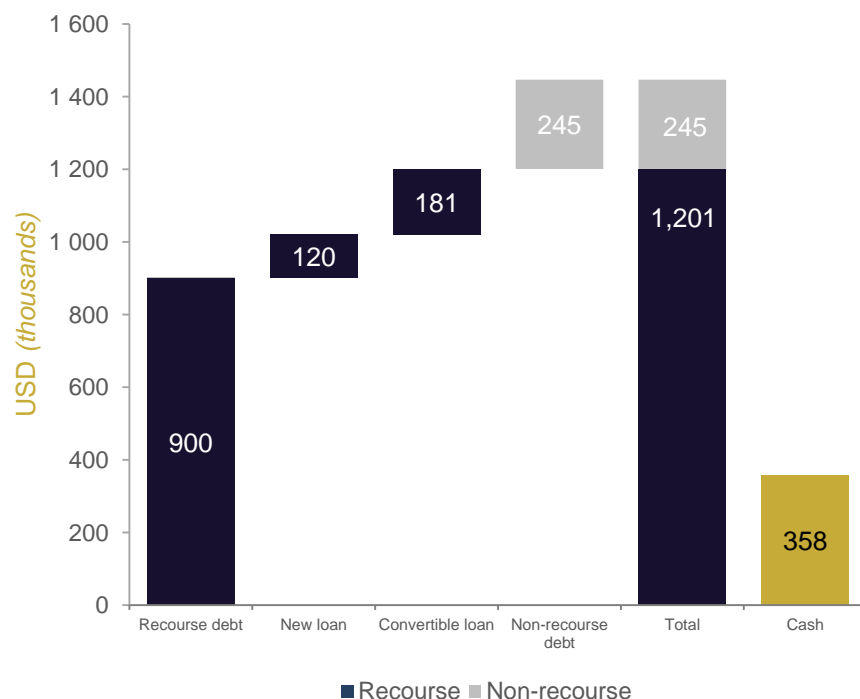


NOTE: CHARTERING PROFILE AS OF FEBRUARY 2018; GROSS RATES SHOWN ARE FOR 2018; FOUR PANAMAX CHARTERS EXPIRE BETWEEN JANUARY 2020 AND DECEMBER 2021

* GOLDEN EMINENCE TO BE DELIVERED TO THE NEW OWNER LATER THIS YEAR

CREDIT FACILITIES

CREDIT FACILITY SUMMARY⁽¹⁾



RECOURSE DEBT

Selected covenants

- Resumed ordinary amortization of 16.5 million per quarter
- No further cash sweep or outstanding deferred debt
- 125 - 135% MVC
- Convertible Bond matures in January 2019

NON-RECOURSE DEBT

Selected covenants through July 1, 2019

- No amortization payments
- Cash sweep mechanism
- 105% MVC

Selected covenants post July 1, 2019

- Amortization payments resume
- 125 - 135% MVC

RECENT DEVELOPMENTS

- New \$120 million loan facility to refinance \$58.3 million due under two loan facilities maturing in 2018 and seller credit loans of \$65.5 million
- 20-year amortization profile with seven year tenor and interest of L + 2.25%



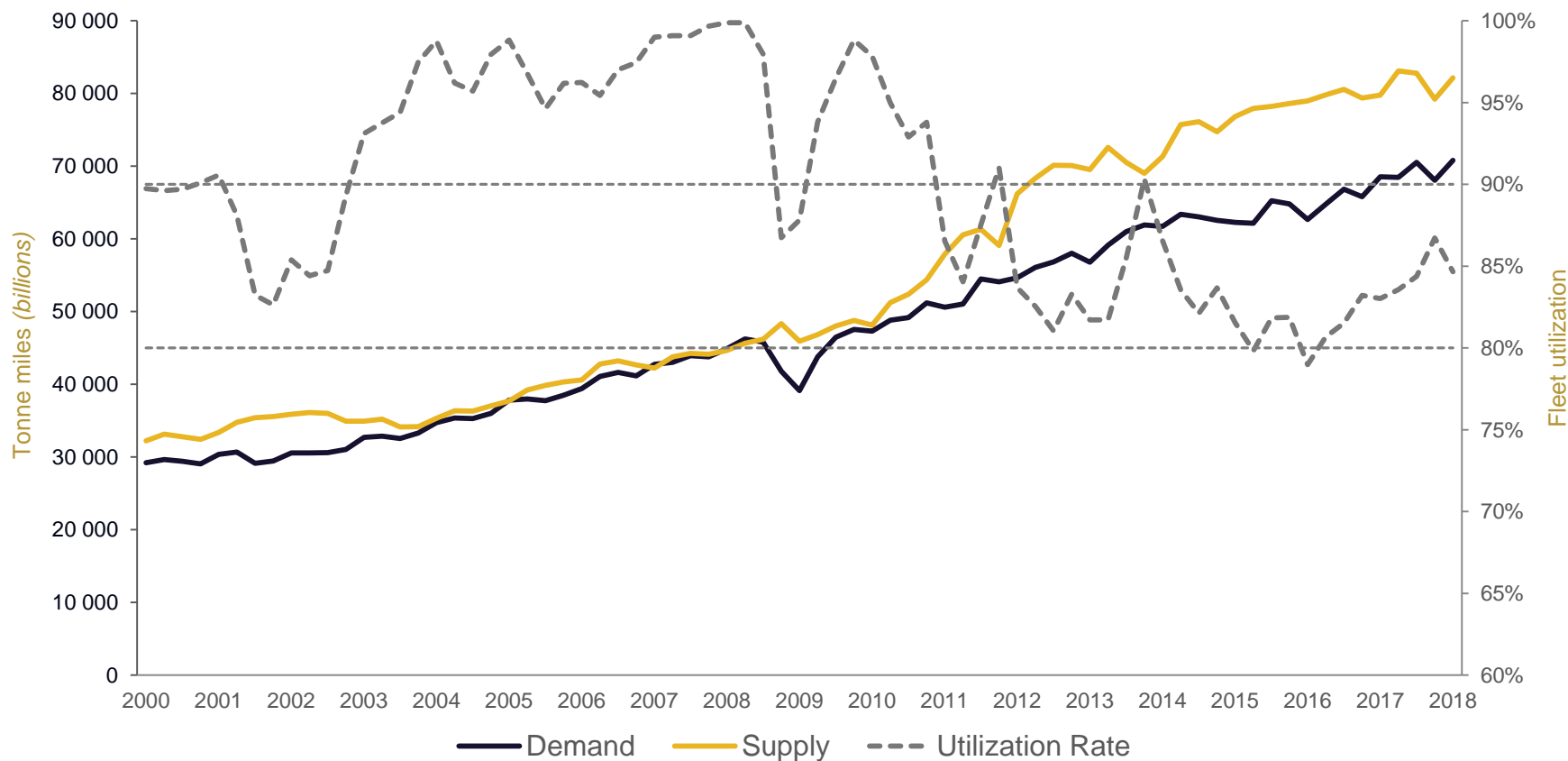
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DRY BULK MARKET UPDATE

DRY BULK SUPPLY / DEMAND & UTILIZATION

Utilization decreased in the first quarter following increased capacity due to easing of port delays

SUPPLY, DEMAND AND UTILIZATION RATE - DRY BULK SHIPS 10,000 DWT +

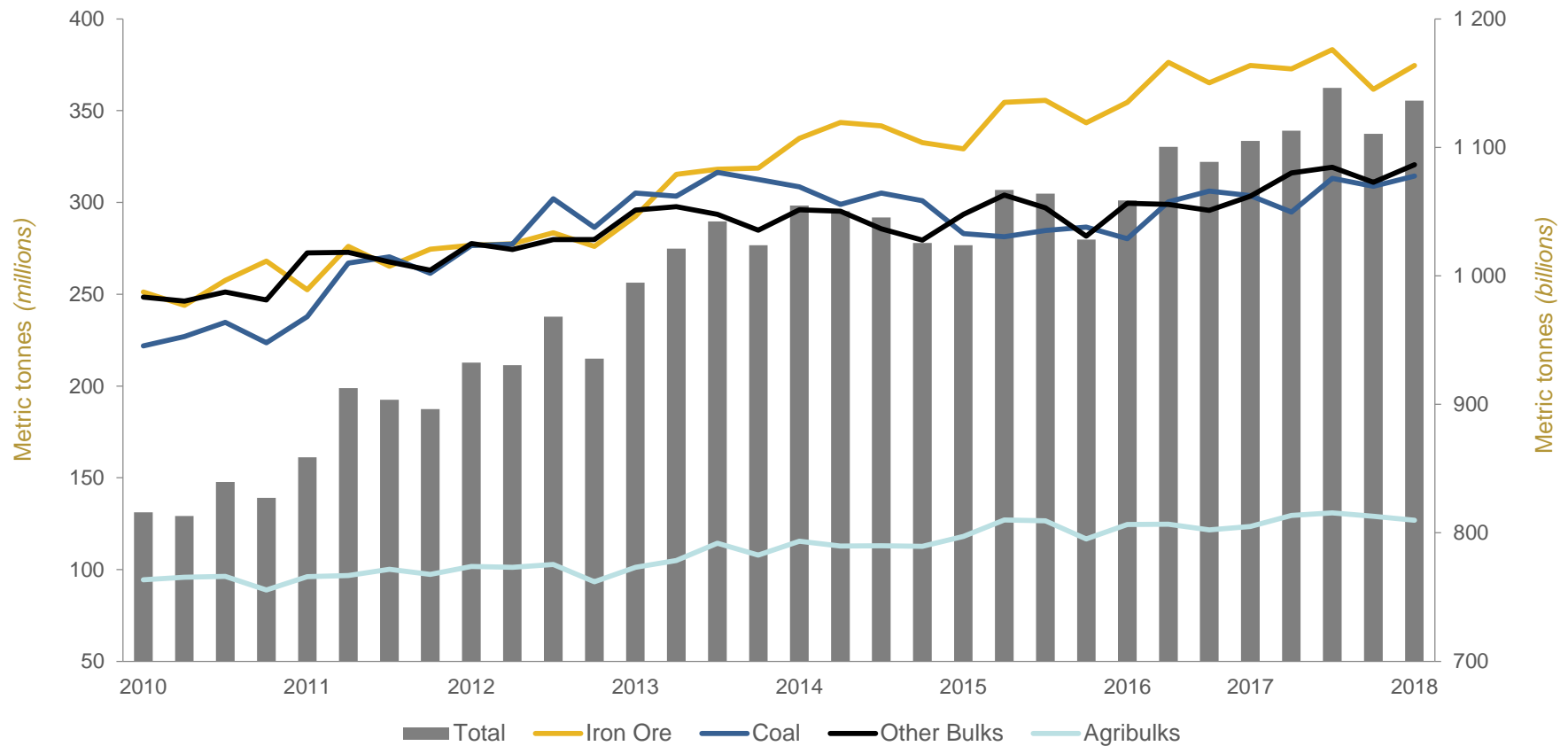


GROWTH IN SEABORNE TRADE CONTINUES



First quarter import increased due to discharge after port delayed and overall increases in year-over-year imports

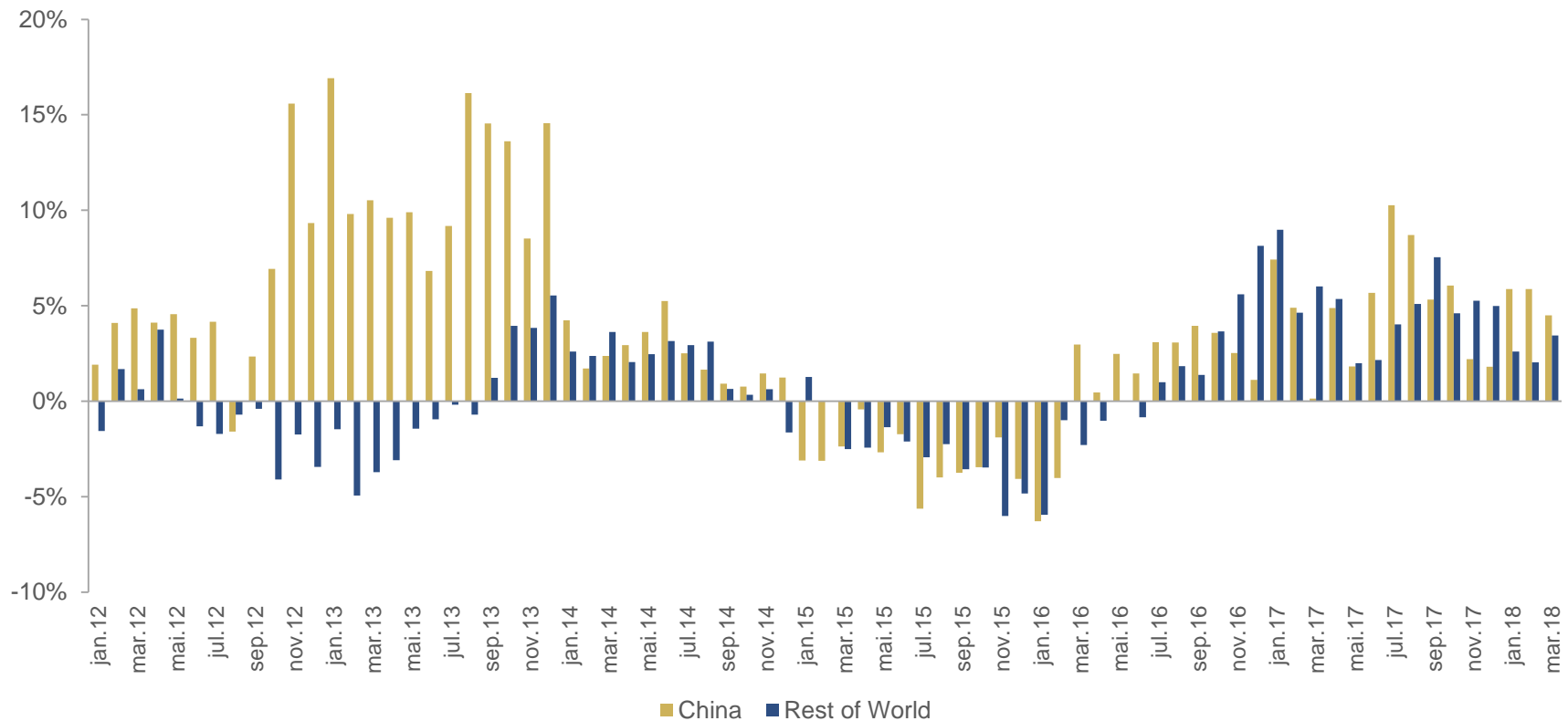
SEABORNE TRADE OF DRY BULK COMMODITIES (MAJOR IMPORTERS)



WORLD STEEL PRODUCTION TRENDS INTACT

Synchronised growth both in Chinese and Rest of World production

ANNUAL CHANGE IN STEEL PRODUCTION

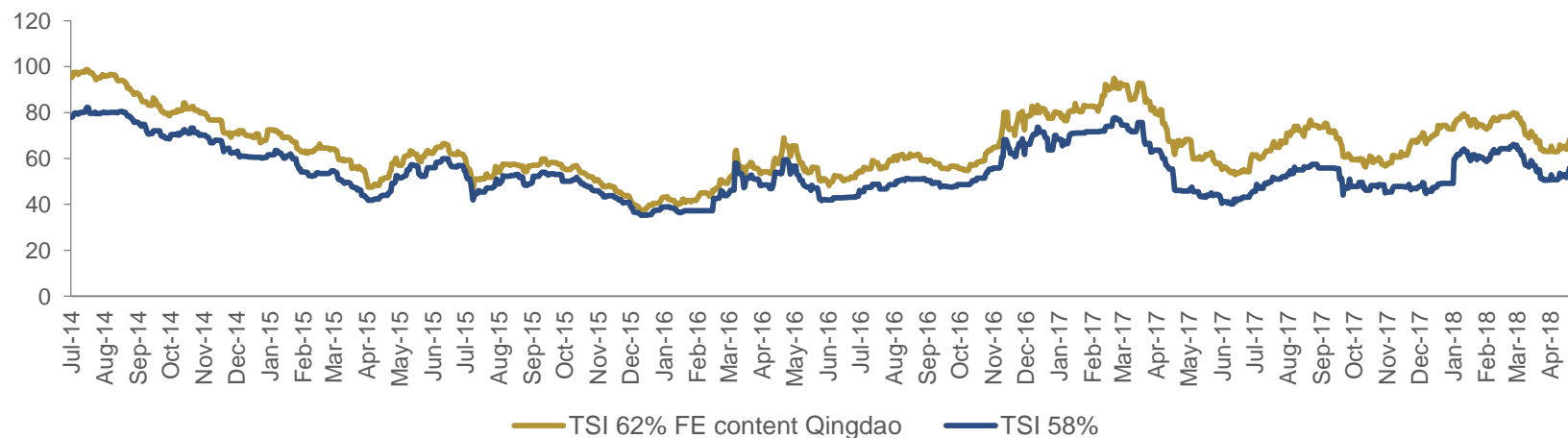


STEEL MARGINS AND IRON ORE PRICE DIFFERENTIALS SUPPORTIVE

GROSS PROFIT (STEEL PRICE MINUS COST OF COKING COAL AND IRON ORE; ALL PRICES SPOT)

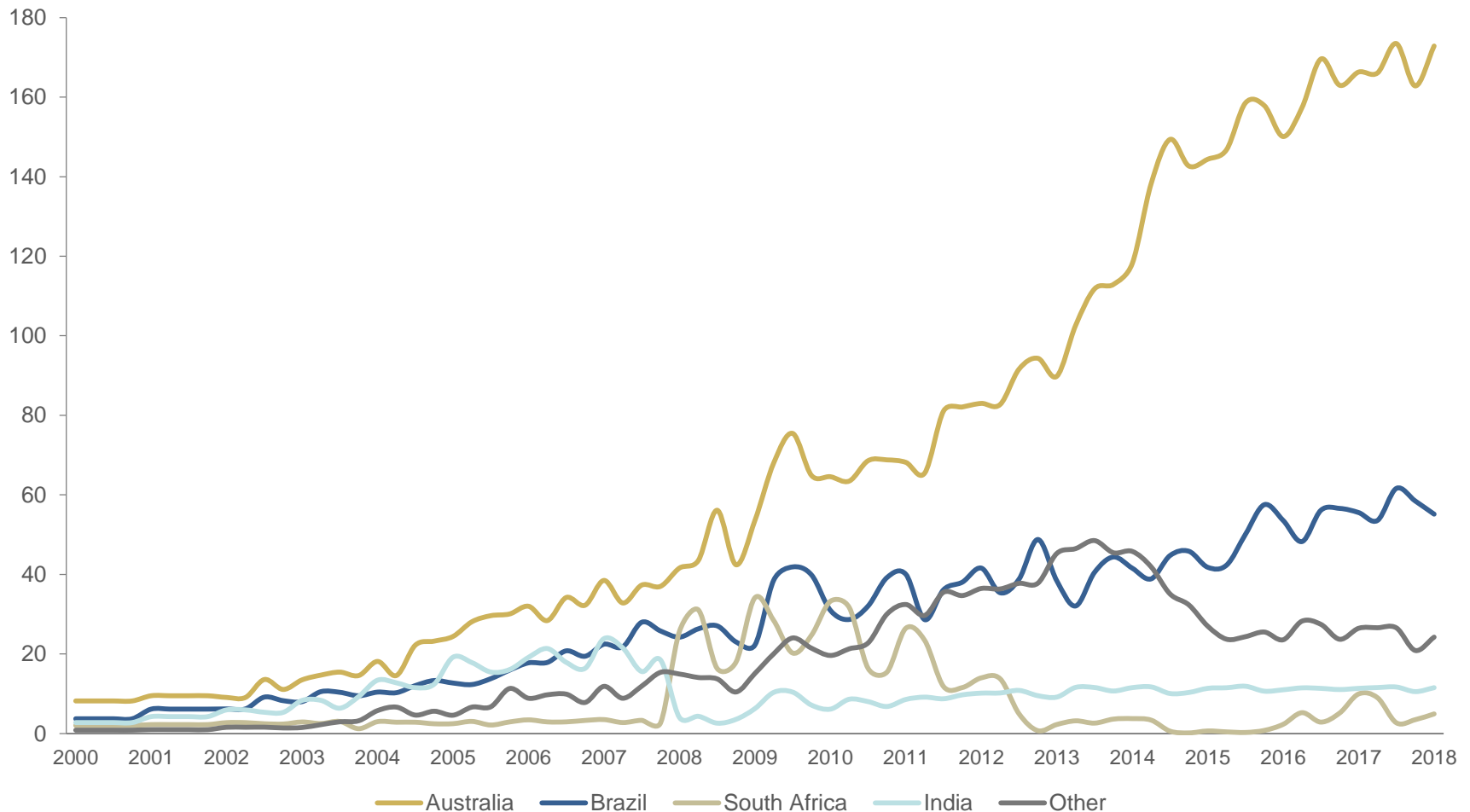


IRON ORE PRICE DIFFERENTIALS



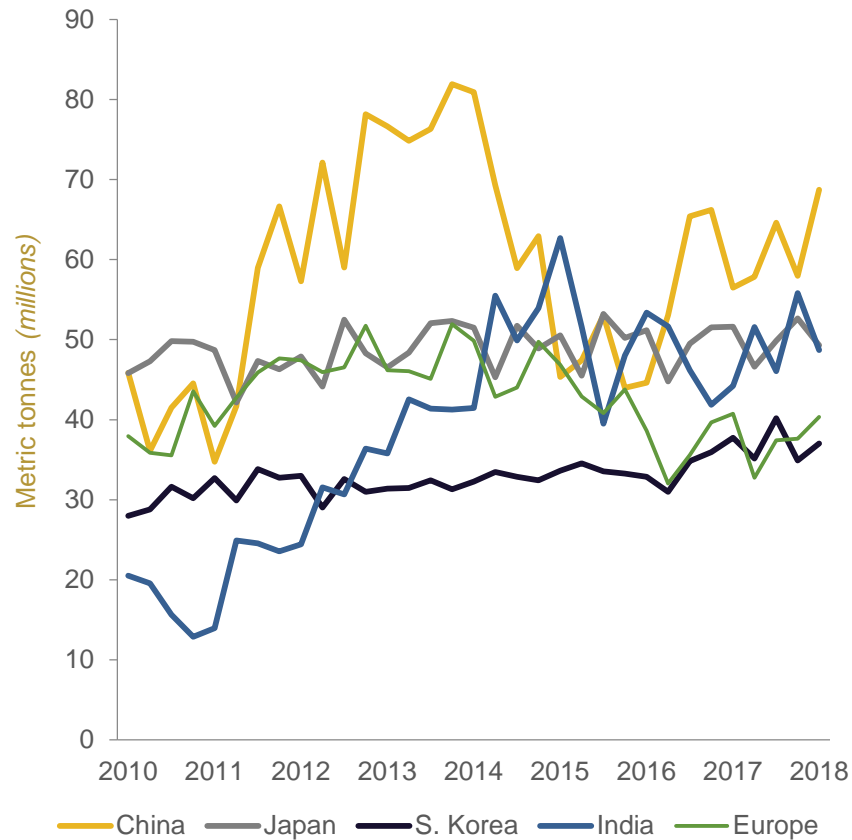
AUSTRALIA AND BRAZIL REMAIN MAJOR IRON ORE EXPORTERS

QUARTERLY EXPORTED IRON ORE VOLUMES PER COUNTRY

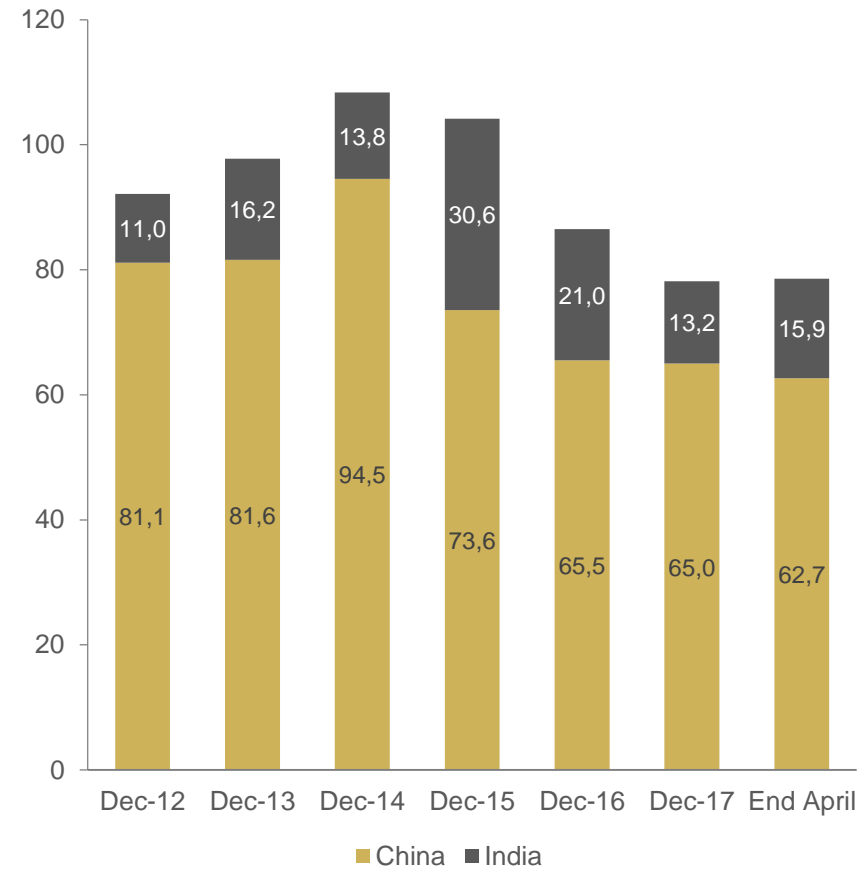


COAL IMPORTS REMAINS HEALTHY, AND INVENTORIES REMAIN AT LOW LEVELS AHEAD OF COOLING SEASON

COAL IMPORTS BY MAJOR IMPORTERS

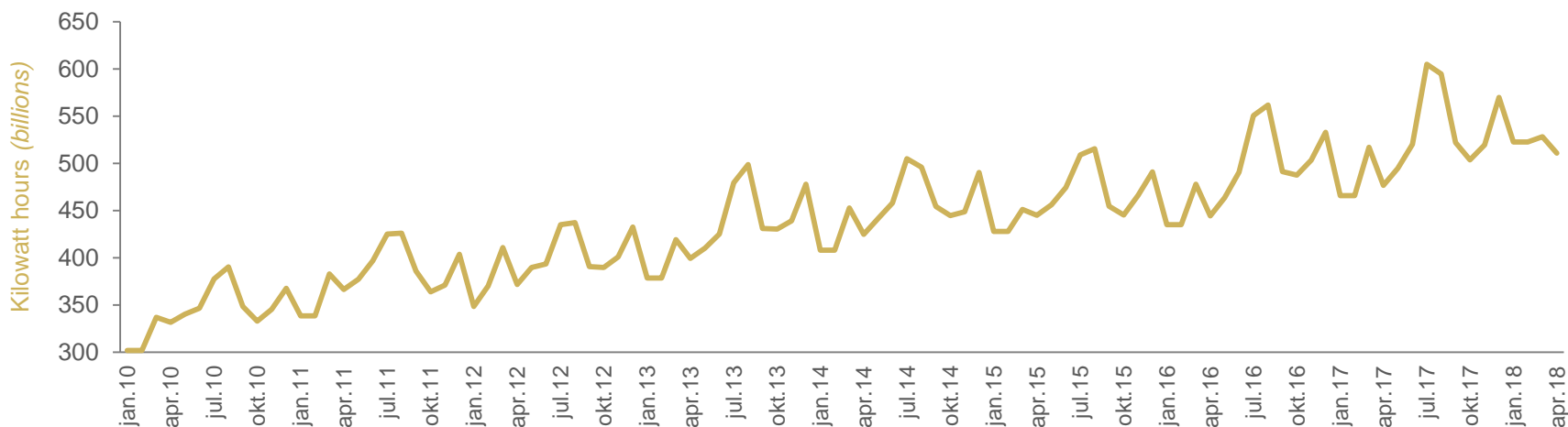


CHINA AND INDIA COAL INVENTORIES

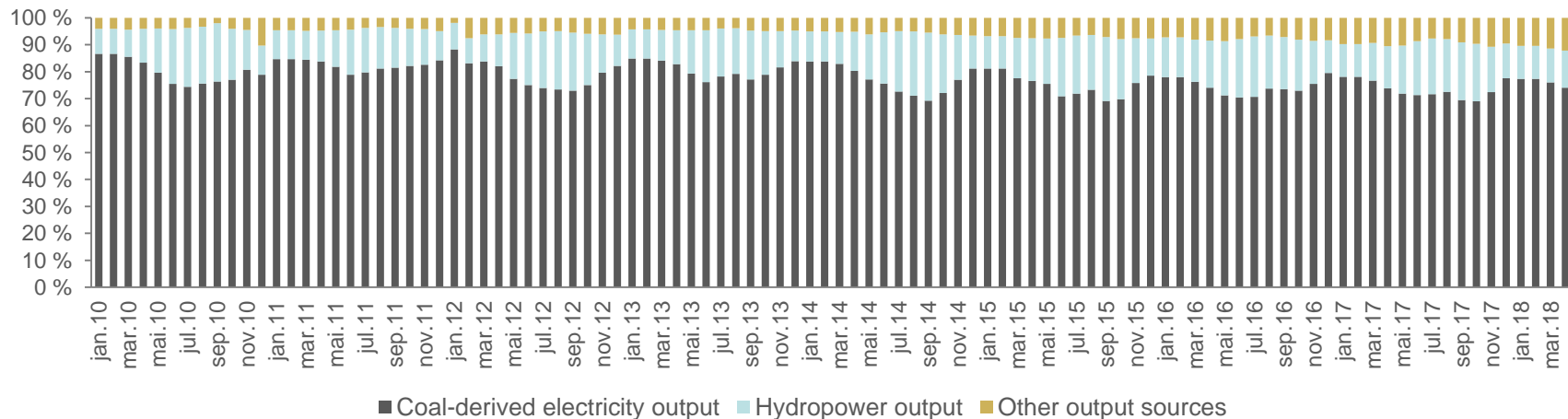


SEASONALLY STRONG ELECTRICITY CONSUMPTION SUPPORTS COAL DEMAND

CHINESE ELECTRICITY OUTPUT



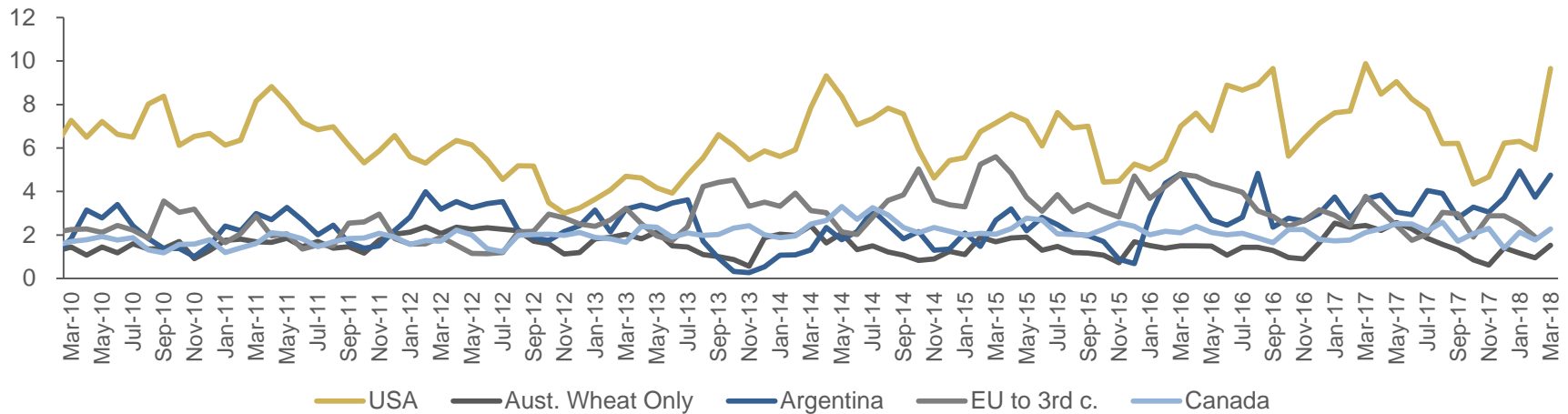
CHINESE ELECTRICITY OUTPUT BY SOURCE



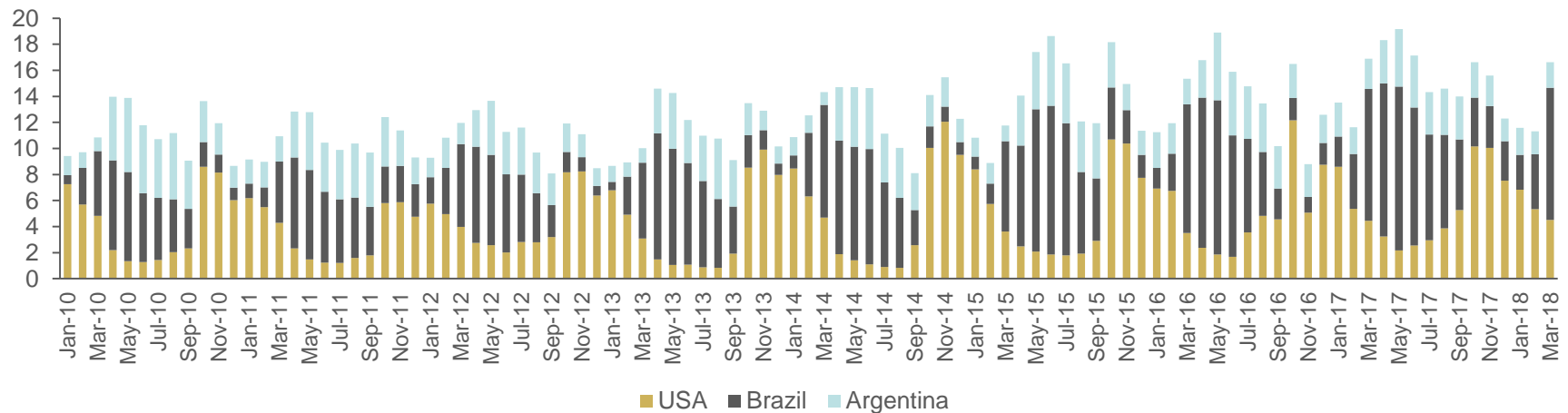
U.S. GRAIN EXPORTS SURGED AHEAD OF THREATENED TARIFFS



GRAIN EXPORTS BY SOURCE

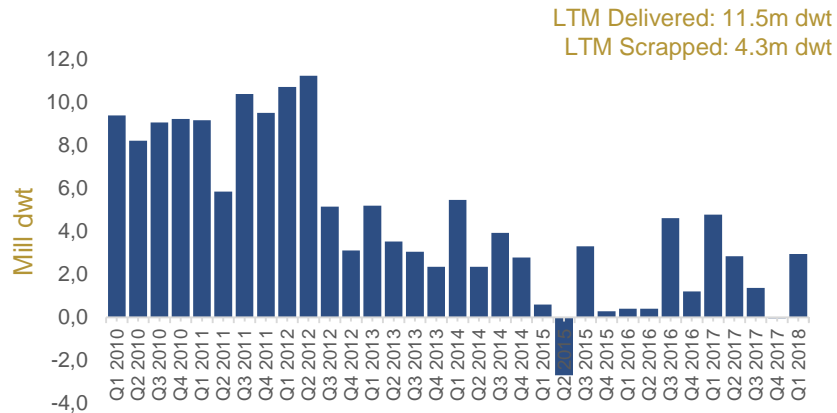


SOYBEAN AND SOYBEAN MEAL EXPORTS BY SOURCE

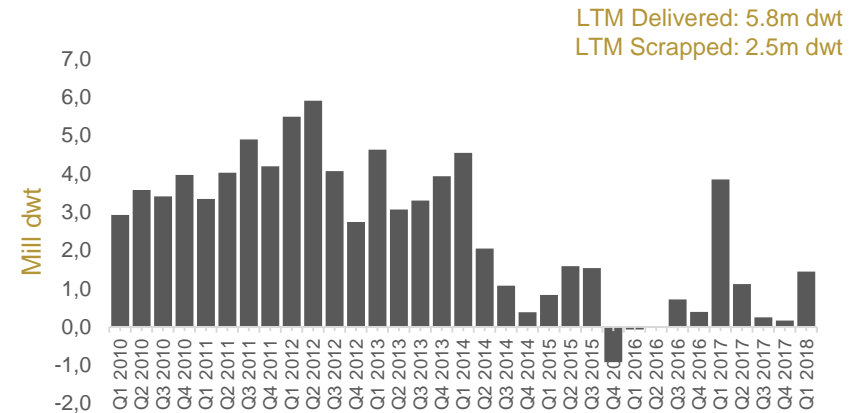


DELIVERIES WERE DOWN COMPARED TO THE FIRST QUARTER OF 2017 DESPITE LOW SCRAPPING YTD

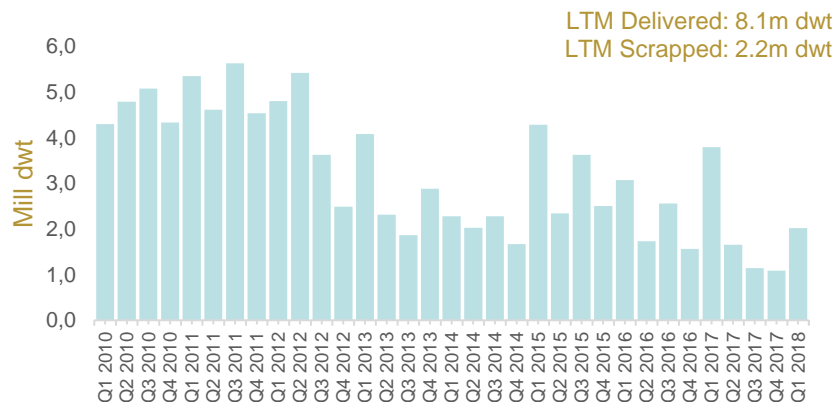
CAPE SIZE



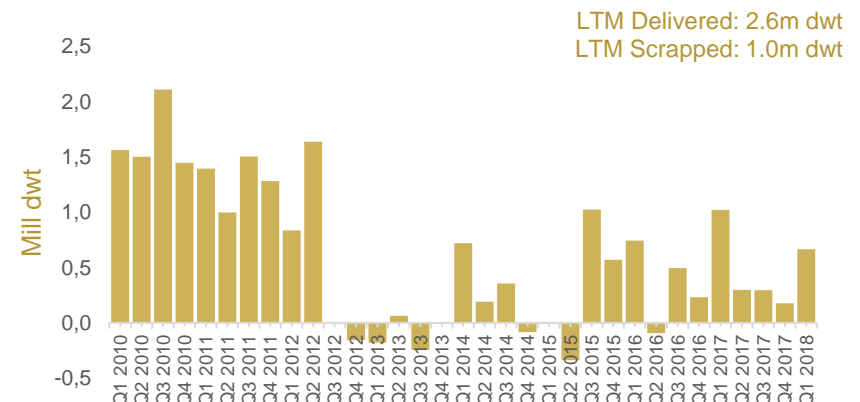
PANAMAX / POST-PANAMAX



HANDYMAX / SUPRAMAX



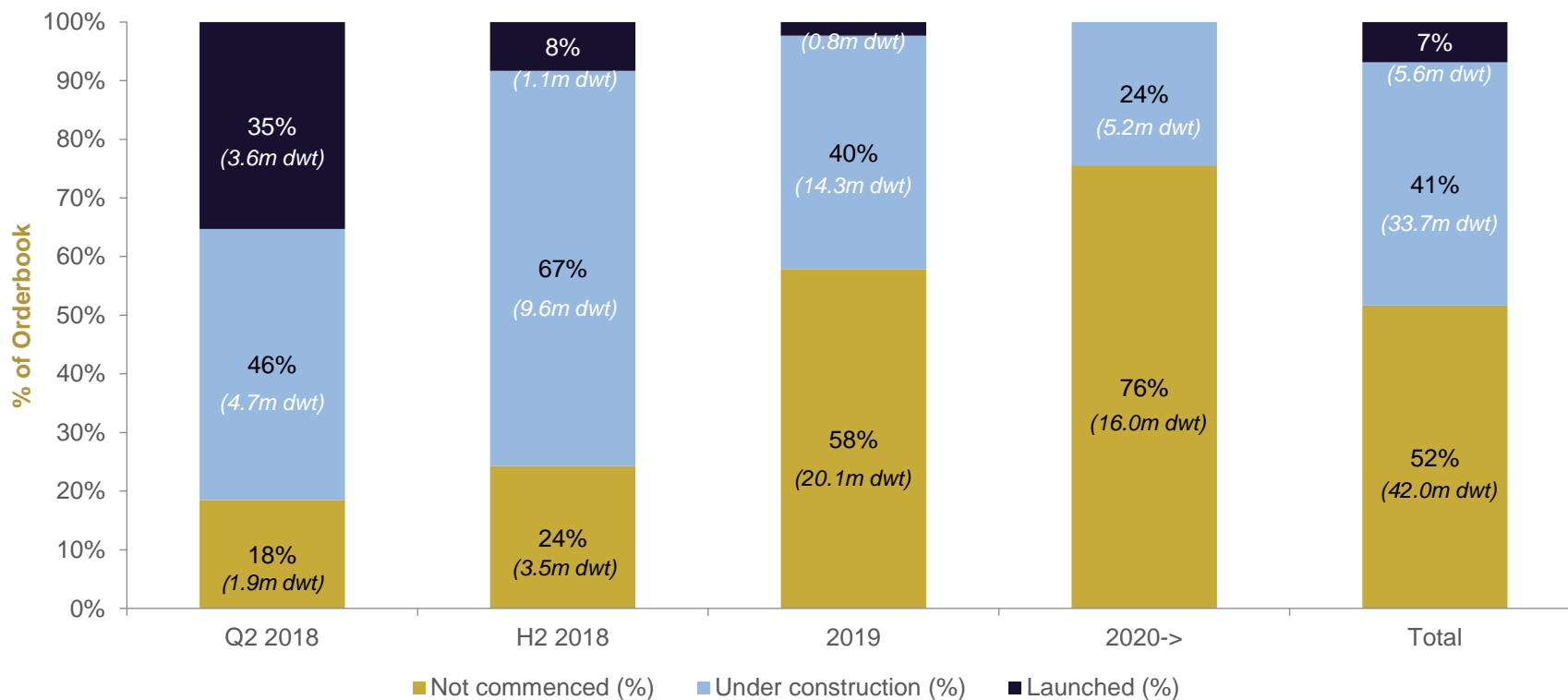
HANDYSIZE



DOWNSIDE CASE FOR SUPPLY GROWTH

Continued slippage is expected as ~22% of vessels scheduled for delivery in 2018 have not even commenced construction

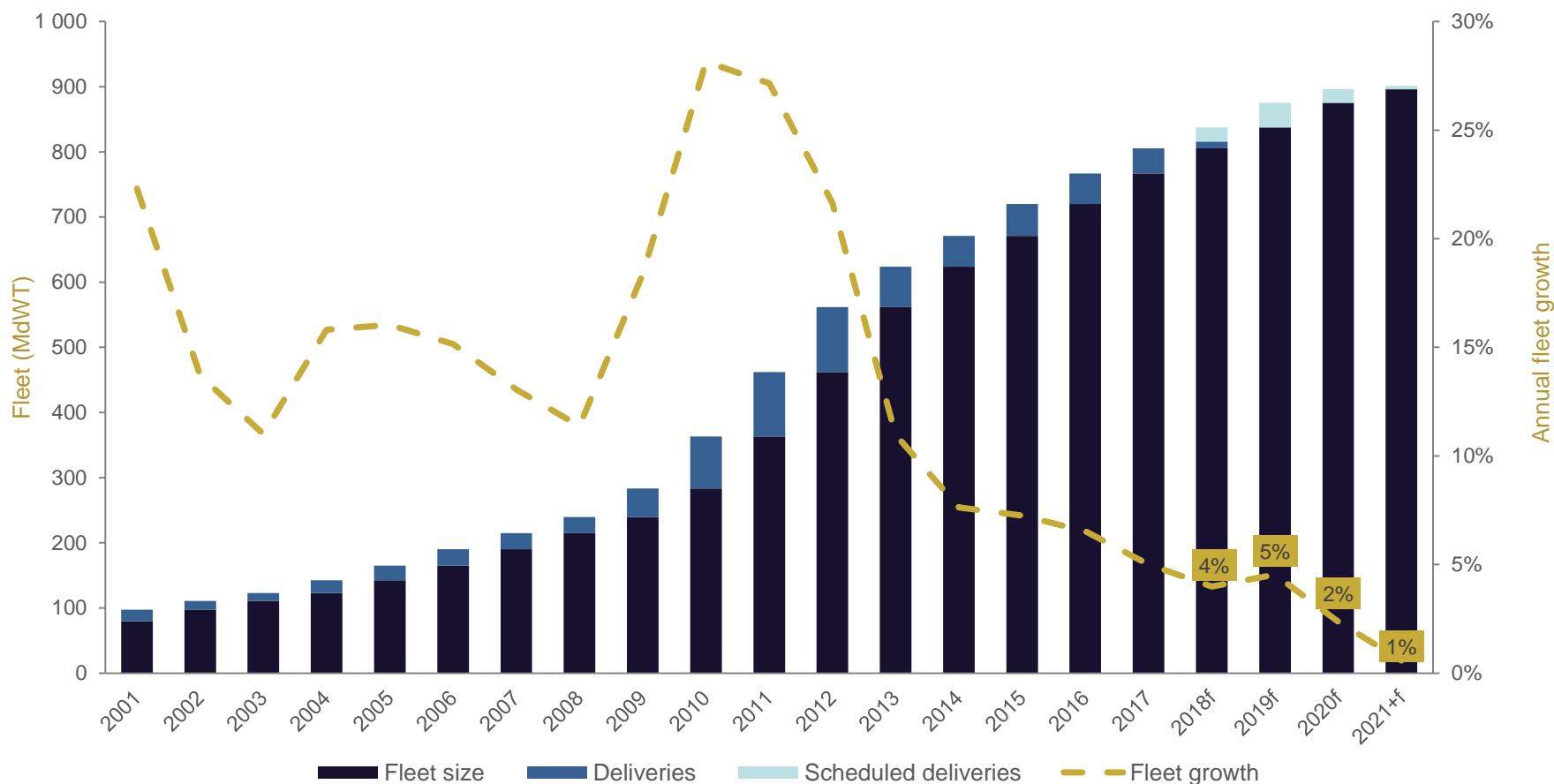
STATUS OF ORDERBOOK



PROJECTED FLEET GROWTH STILL MODERATE

Forecasted fleet growth is still moderate, despite new ordering observed; any additional capacity from now expected to be placed in 2020 or later

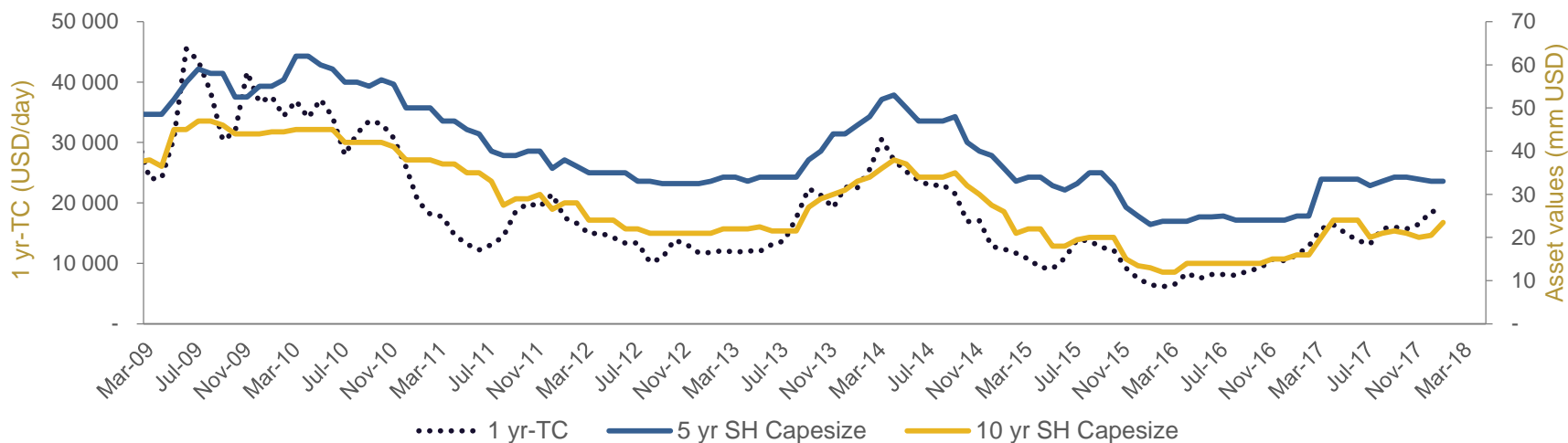
FLEET GROWTH (ASSUMES NO SCRAPPING OR NEW ORDERING)



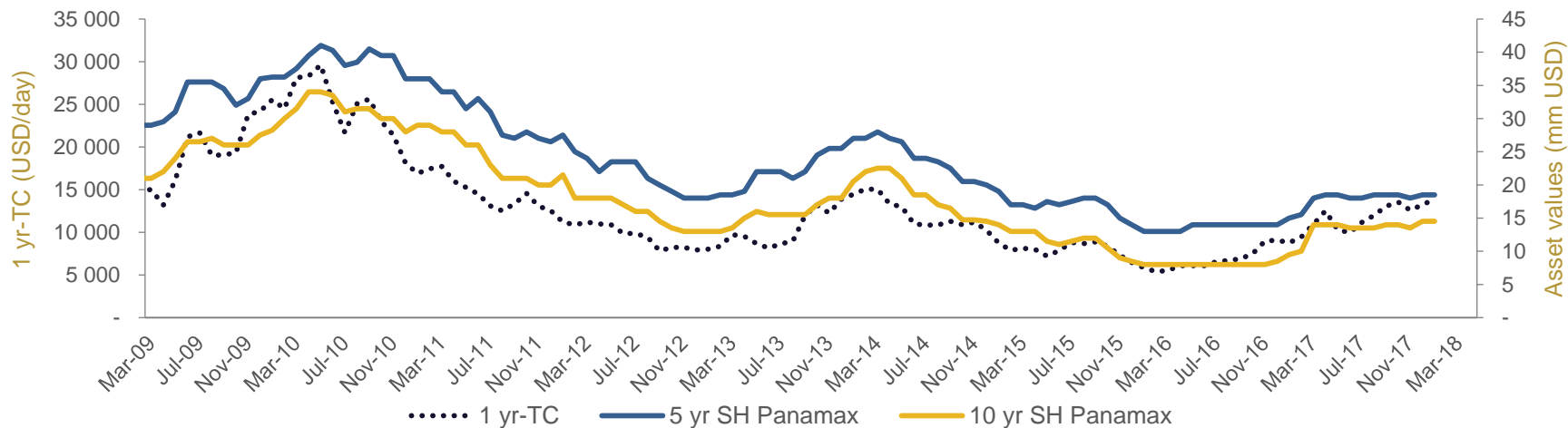
S&P PRICES STABLE, YET STILL LOW



CAPE SIZE VALUES AND EARNINGS



PANAMAX VALUES AND EARNINGS





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OUTLOOK AND STRATEGY

EXPECTATION FOR CONTINUED IMPROVEMENT WITH INHERENT SEASONALITY AND VOLATILITY



UPSIDE POTENTIAL

- Increased tonne-miles if additional iron ore capacity comes from Brazil
- Coal demand grows due to increased consumption, restocking and arbitrage opportunities
- More tonne-miles due to longer sailing distances on continued demand increase in Asia replacing European demand
- Supply constraints, including port congestion and slow steaming on higher bunker prices
- Removal of older vessels ahead of BWTS and sulphur emissions regulations

DOWNSIDE RISKS

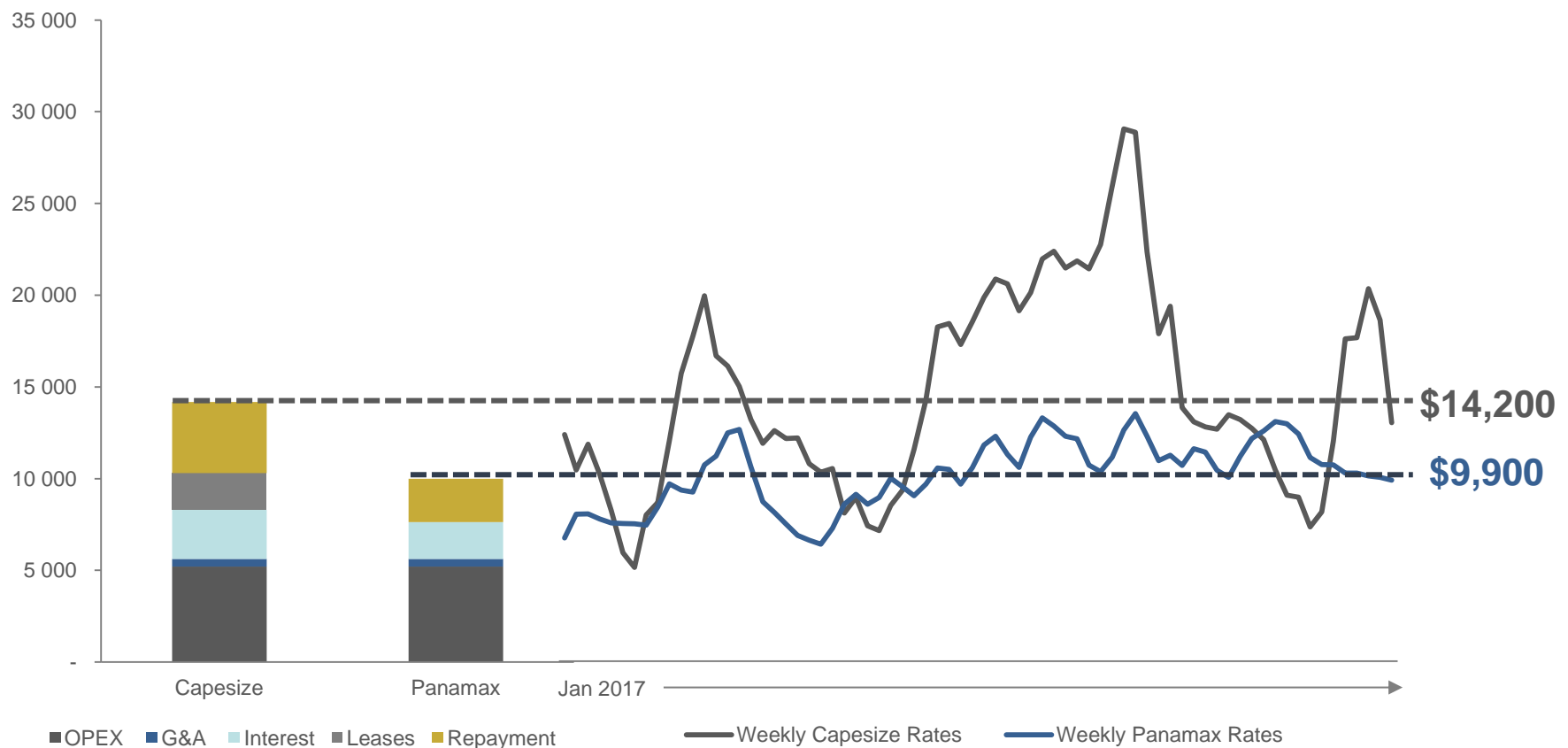
- Lower steel margins impact import / export volumes
- Draw down of iron ore inventories in China
- Economic activity decreases in China, leading to lower consumption of steel and energy
- Trade tensions reduce global trade
- New ordering increases fleet growth expectations for 2020+

COMPETITIVE CASH COSTS DRIVE EARNINGS



- Fully-burdened Opex includes dry docking and management fees
- G&A net of management fees are estimated to be approximately \$400 per day in 2018 on a fully delivered fleet
- Average margin above LIBOR on bank financing is competitive at ~2.3%
- Majority of bank debt has 20 year profile (adjusted for year of age)

CASH BREAK-EVEN LEVELS VS. INDEXES⁽¹⁾



(1) ESTIMATED CASH BREAK-EVEN LEVELS AT TODAY'S INTEREST LEVEL, INCLUDING FULL CASH-SWEEP FOR NON-RECOURSE DEBT AND EXCLUDING PROFITABLE CHARTERS WHICH WILL REDUCE THE CASH BREAK-EVEN FROM THESE LEVELS

SOURCE: CLARKSON'S



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QUESTIONS & ANSWERS

THANK YOU FOR YOUR ATTENTION!



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