

## / FIRST QUARTER 2011 PRESENTATION



## / GC RIEBER SHIPPING'S BUSINESS IDEA

- Industrial company with business within offshore/shipping
- Owns and operates multi-purpose built vessels
- Focus on project development and portfolio management
- Unique competence on offshore operations in harsh environment



## / FIRST QUARTER 2011

1. Highlights in the first quarter
2. Financial & Operational review
3. Summary & Outlook / Strategy

## / HIGHLIGHTS IN THE FIRST QUARTER 2011

### Financials

- **EBITDA** of NOK 26.8 million
- **Share of loss from associated companies** of NOK 25.4 million
- **Net loss** of NOK 22.3 million
- **Normalized loss before taxes** of NOK 5.1 million
- **Liquid assets** of NOK 614 million; net interest bearing debt of NOK 708 million
- **Equity ratio** of 53%; **Solid cash position and low gearing**
- **Contract backlog** of NOK 1.9 billion

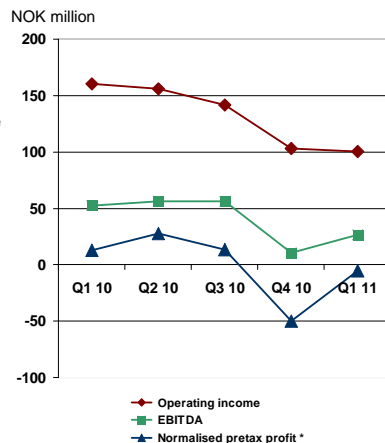
### Events in the quarter / post-quarter

- **Charter contract entered into with MoD / Royal Navy**
  - 3-year agreement for "Polarbjørn", commencing April 2011
- **Took delivery of one newbuilding and one upgrade**
  - CSV "Polar King" delivered mid-March, commencing on 3-year charter with Technocean in May 2011
  - High capacity seismic vessel "Polar Duke" - upgrade completed, commenced on 5-year charter with Dolphin Geophysical in May 2011
- **IMR newbuilding "H7040" sold to third party in March 2011**
  - Net positive cash effect of NOK 80 million
- **Subsidiary Reef Subsea: Divestment of Bluestone Offshore in April 2011**

## FINANCIAL & OPERATIONAL REVIEW

### / HIGHLIGHTS FROM THE INCOME STATEMENT

- Operating income in Q1 2011 declined 37% compared with Q1 2010
  - Loss of revenue as Technocean and Scan Mudring are reported as associated companies from February 2010
  - Loss of revenue following sale of "Polar Queen" in June 2010
  - Low utilisation on "Polarbjørn"
  - + Charter income from "Greatship Maya" operational from February 2010
- EBITDA declined to NOK 26.8 mill. in Q1 2011 vs. NOK 52.3 mill. in Q1 2010
  - Loss of earnings from "Polar Queen"
  - Low utilisation on "Polarbjørn"
- Reduction in operating income and EBITDA primarily from structural changes

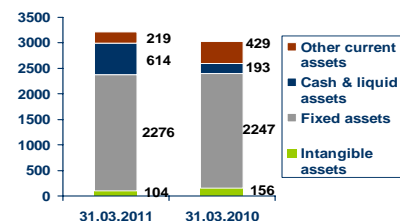


\* Pretax profit adjusted for unrealized currency gain (loss), sales gains/losses and write-downs

## / BALANCE SHEET (UNAUDITED)

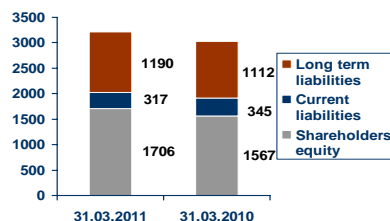
### Assets

NOK million



### Equity & Liabilities

NOK million



- As at 31.03.2011:
  - Net debt position of NOK 708 million
  - Equity ratio 53%

## / SUBSEA

• Operating income in Q1 2011 below Q1 2010, mainly attributable to loss of revenues from

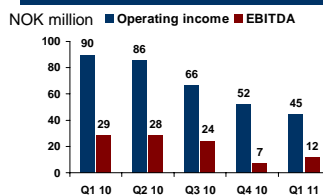
- Technocean and Scan Mudring, which were reported as associated companies from Feb. 2010
- "Polar Queen" - sold to Acergy in June 2010
- Low employment rate (27%) on "Polarbjørn"

• EBITDA margin lower than Q1 2010, primarily due to low employment rate on "Polarbjørn" and loss of earnings from "Polar Queen"

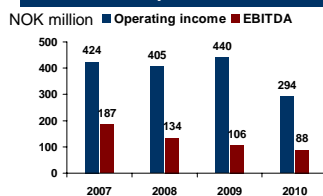
• "Polar King" commences on a contract with Reef Subsea's subsidiary Technocean in May 2011

• "yn 703" expected to be delivered from yard in autumn 2011

### Quarterly development



### Annual development



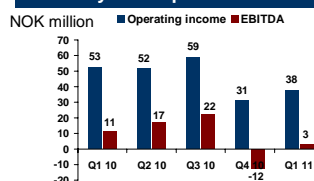
*Note that Q4 and Q1 are seasonally weaker than Q2 and Q3, as Ernest Shackleton operate as an offshore support vessel 120 days during Q2/Q3*



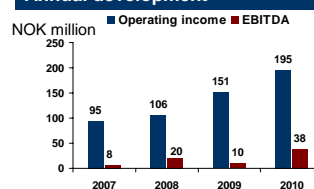
## / MARINE SEISMIC

- Operating income and EBITDA in Q1 2011 lower than Q1 2010 due to sale of multiclient data in Q1 2010
- Employment rate of 100% for the "Geo Atlantic" and 72% for the "Polar Explorer" in Q1 2011
- Seismic rigging complete for the high capacity seismic newbuilding "Polar Duke"; commenced operations in May 2011
- The high capacity seismic newbuilding 533 expected operational from Q1 2012
- Octio Group is still in an early commercialisation phase, and does not generate revenues of significance

### Quarterly development



### Annual development



/ 13 May 2011

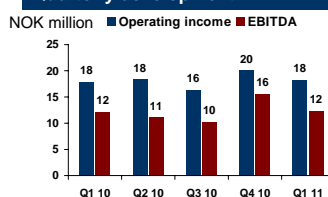
/ 9



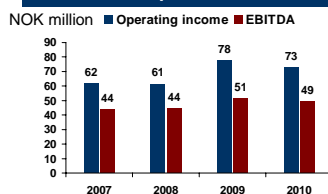
## / ICE & SUPPORT

- Operating income and EBITDA in Q1 2011 on par with Q1 2010
- "Ernest Shackleton" on bare boat charter to British Antarctic Survey until 2014; operate in Antarctica
- "Polar Pevek" on time charter to Exxon until 2021. Operates as an icebreaker/support vessel on Sakhalin I/Russia
- "Polar Piitun" and "Polar Baikal" on time charter to SEIC until 2013. Operates 200 days per year as crew boats on the Sakhalin II/Russia.
- Oil support in polar areas – significant potential in Russia (Sakhalin) and possibly in Alaska in the future, but requires "local content"

### Quarterly development



### Annual development



Note that Q4 and Q1 are seasonally stronger than Q2 and Q3, as Ernest Shackleton operate as an offshore support vessel 120 days during Q2/Q3

/ 13 May 2011

/ 10

/ SHIPOWNING - GOOD BALANCE SHORT VS. LONG TERM CONTRACTS

Vessel	Built (year)	Type	Charterer	Contract end
Polar Explorer	1988/2004	2D/source	Dolphin Geophysical	2012
Ernest Shackleton	1995	Ice/subsea IMR	British Antarctic Survey	2014
Polar Prince	1999	Subsea IMR & light CSV	Technocean	2011
Geo Atlantic	2000/2006	3D/4D, 10 streamers	Fugro	2013
Polarbjørn	2001	Ice/offshore	UK Ministry of Defence	2014
Polar Pevek	2006	Ice/tug	Exxon Neftegas	2021
Greatship Maya *	2009	MPSV / Geotechnical	Bluestone Offshore	2012
Polar King	2011	Subsea IMR & CSV	Technocean	2014
Polar Duke	2011	3D/4D, 14 streamers	Dolphin Geophysical	2016
yn 703	2011	Subsea IMR & CSV		
yn 533	2012	3D/4D, 14 streamers	Dolphin Geoph. (option)	2015 (option)



Polar King



Geo Atlantic



Polarbjørn



Ernest Shackleton



Polar Prince



Polar Pevek



Polar Explorer

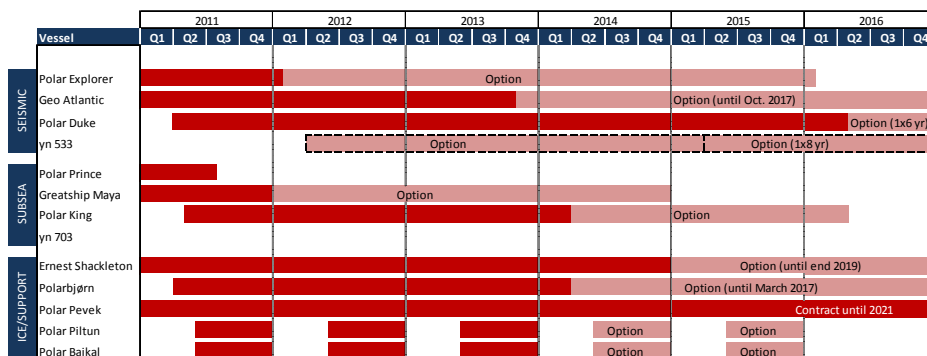


Polar Duke

Polar Piltun	1998/2009	Crew boat	Sakhalin Energy Inv. Comp.	2013
Polar Baikal	2000/2009	Crew boat	Sakhalin Energy Inv. Comp.	2013

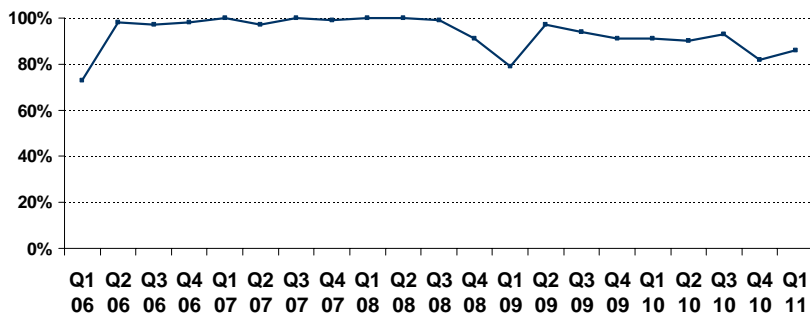
\* On bare boat charter to GC Rieber Shipping

/ CONTRACT BACKLOG



• Total contract backlog of NOK 1.9 billion

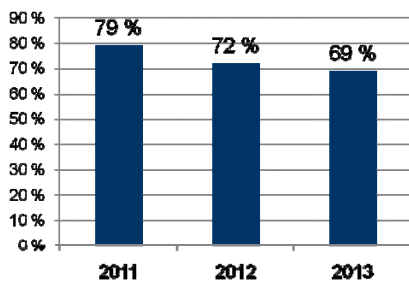
## / FLEET UTILISATION



- High quality fleet and operations:
  - Historical technical downtime = 0.6%

## / CONTRACT COVERAGE





### Contract coverage



- Solid contract coverage for the current and coming years
- Long term outlook remains positive
- Low exposure to the weak market short to medium term as all GC Rieber Shipping's vessels are on contract

## SUMMARY & OUTLOOK / STRATEGY

## / GC RIEBER SHIPPING – BUSINESS AREA OVERVIEW – MAY 2011

BUSINESS AREAS	ACTIVITIES / ASSETS	CATEGORY	STAKE	
SUBSEA	<b>SUBSEA VESSELS</b> / Owns three and operates four vessels within subsea support / One IMR/CSV newbuilding with delivery 2011	CORE	100%	
	<b>SUBSEA SUPPORT &amp; GEOTECHNICAL SERVICES REEF SUBSEA</b> / Technocean(76%): ROV, /ROT, Trenching operations. / Scan Mudring (76%): Subsea inspection, Seabed soil movement / S <sup>3</sup> (80%): ROV survey operations	VALUE CHAIN	50%	
ICE / SUPPORT	<b>ICE / SUPPORT</b> / Owns and operates two vessels within ice/research. Oil support – Sakhalin; Research – Antarctica. / Two crew boats operating in the Sakhalin II field	CORE	50-100%	
MARINE SEISMIC	<b>SEISMIC VESSELS</b> / Owns and operates two seismic vessels (3D/4D and 2D/ice)	CORE	100%	
	<b>ARMADA SEISMIC</b> / One high capacity seismic vessel / One high capacity seismic newbuilding with delivery Q1 2012	CORE	65%	
	<b>PERMANENT RESERVOIR MONITORING (IOR)</b> OCTIO GROUP / Permanent reservoir monitoring	VALUE CHAIN	73%	
	<b>SHIP MANAGEMENT</b> / Operates offshore vessels for other owners	CORE	100%	



## / FLEET RENEWAL – STATUS NEWBUILDINGS

Building no.	Vessel type	Estimated delivery
"Polar King"	IMR/CSV	IN OPERATION
"Polar Duke"	High capacity, 14 streamers	IN OPERATION
yn 703	IMR/CSV	2H 2011
yn 533	High capacity, 14 streamers	1Q 2012

- Average age of fleet after completion of newbuilding programme in 2012 is 8 years



Polar King



Polar Duke



"yn 703"



"yn 533"

## / MARKET OUTLOOK - SUBSEA

BUSINESS AREAS	ACTIVITIES / ASSETS	SHORT TERM OUTLOOK	LONG TERM OUTLOOK
SUBSEA	SUBSEA VESSELS/ SUPPORT	Weak, but increase in tenders	Strong

- Three vessels on medium to long term contract and thus not exposed to current weak market
- Newbuilding "yn 703" currently available
- Subsea market remains weak, despite demand growth
  - Overcapacity remains an issue for low-end tonnage in 2011 – 20% fleet growth expected in 2011
  - Market balance expected to improve in 2012-2013



## / MARKET OUTLOOK – ICE/SUPPORT

BUSINESS AREAS	ACTIVITIES / ASSETS	SHORT TERM OUTLOOK	LONG TERM OUTLOOK
ICE / SUPPORT	ICE / SUPPORT	Stable (long term contracts)	Strong (niche market but political risk)

- All three vessels in this market (including "Polarbjørn") operate on long term contracts:
- Ice/Support market promising in the longer term:
  - Increasing activity within oil-related operations in icy waters, but still in early-phase
  - Increasing attention to the potential in the Arctic
    - Assumed to hold approx. 20% of the worlds undiscovered oil resources
    - Great potential offshore Alaska and Greenland



## / MARKET OUTLOOK – MARINE SEISMIC

BUSINESS AREAS	ACTIVITIES / ASSETS	SHORT TERM OUTLOOK	LONG TERM OUTLOOK
MARINE SEISMIC	SEISMIC VESSELS	Currently weak market	Strong
	PERMANENT RESERVOIR MONITORING (IOR)	Demand related to environmental monitoring	Strong (increased focus on increased production from existing fields)
	SHIP MANAGEMENT	Stable	Stable

- All four seismic vessels on contract and thus not exposed to current weak market
- High activity in the marine seismic market, but rate development hampered by overcapacity
  - Significant increase in demand balanced out by 2010/11 fleet growth and "Macondo" accident in US Gulf
  - Market balance expected from 2012
- Octio Group – Environmental monitoring on governmental agendas after Macondo incident

## / OUTLOOK

- All segments expected to benefit from increase in E&P spending
- Earnings to increase during 2011, as newbuildings commences on time charters
- Strong contract backlog
- Strategic value chain investments still in a build-up phase
- Solid cash position and low gearing

## / DISCLAIMER

- This quarter Presentation includes and is based, inter alia, on forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. Such forward-looking information and statements are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for GC Rieber Shipping ASA and its subsidiaries. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates" or similar expressions. Important factors that could cause actual results to differ materially from those expectations include, among others, economic and market conditions in the geographic areas and industries that are or will be major markets for GC Rieber Shipping's businesses, oil prices, market acceptance of new products and services, changes in governmental regulations, interest rates, fluctuations in currency exchange rates and such other factors as may be discussed from time to time. Although GC Rieber Shipping ASA believes that its expectations and the information in this Presentation were based upon reasonable assumptions at the time when they were made, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in this Presentation. GC Rieber Shipping ASA nor any other company within the GC Rieber Shipping Group is making any representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the information in the Presentation, and neither GC Rieber Shipping ASA, any other company within the GC Rieber Shipping Group nor any of their directors, officers or employees will have any liability to you or any other persons resulting from your use of the information in the Presentation. GC Rieber Shipping ASA undertakes no obligation to publicly update or revise any forward-looking information or statements in the Presentation.