

First half year 2017

Bergen 18 August 2017



Agenda

- Highlights first half year 2017
- Operational review
- Financial review
- Summary and outlook



“Polar Onyx”



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Highlights first half year

- Continuous challenging market
- High fleet utilisation of 81 percent
- Impairment of fleet of NOK 25.3 million
- Continuous restructuring and cost reduction efforts

Subsequent event

- Christian W. Berg appointed as CEO from 18 August 2017



Restructuring efforts

- Long term goals
 - Continue to position GC Rieber Shipping as a competitive and notable player within the offshore segment
 - Put in place a robust strategic and financial platform
- Successful establishment of Shearwater GeoServices first milestone
- Restructuring process continues with focus on subsea fleet
 - Attractive fleet and currently high utilisation provides solid basis for process
 - Evaluating strategic and financial opportunities
- Restructuring process expected to continue through 2H 2017

Contract updates

- One-year extension of bareboat charter for the «RRS Ernest Shackleton» until August 2018

Subsequent event

- One-month extension of charter for the «Polar Onyx» until the end of August 2017



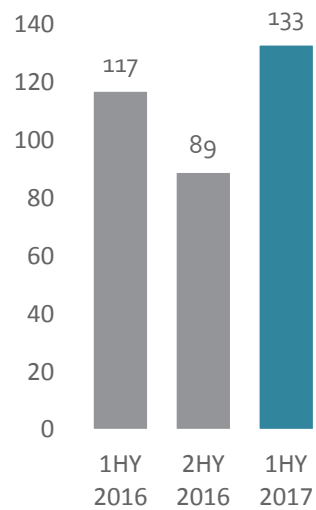
“Ernest Shackleton”

Impairment of vessels

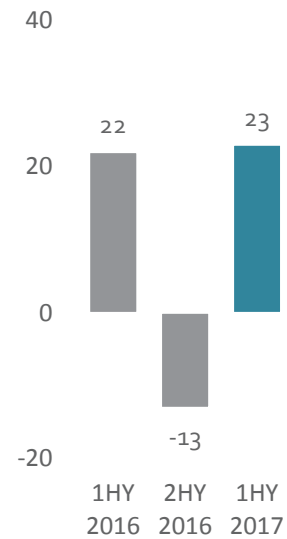
- Impairment of the fleet
 - Continuing very challenging offshore market
 - Market values reduced
 - Impairment charge of NOK 25.3 million

Key financial figures

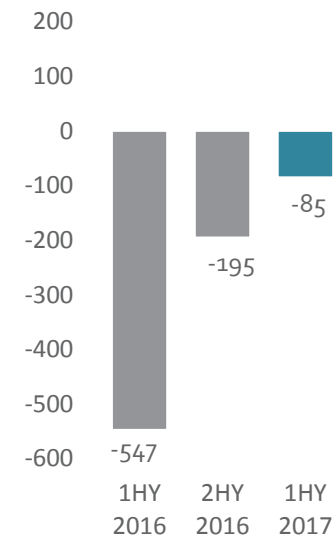
REVENUES
NOK million



EBITDA
NOK million



NET PROFIT
NOK million



Operational Review

First half year 2017

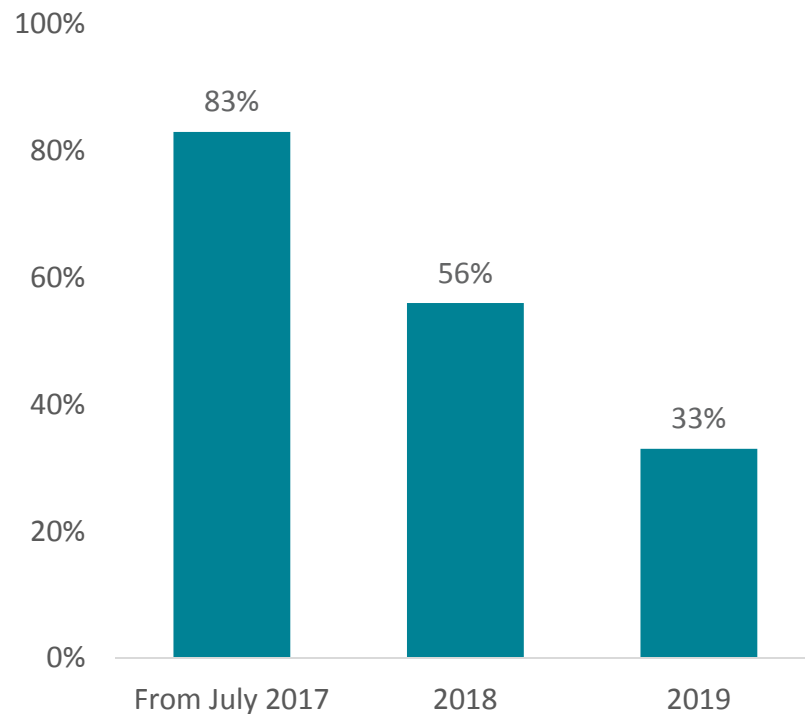


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Contract backlog of NOK 463 million* per 30 June 2017

CONTRACT COVERAGE*

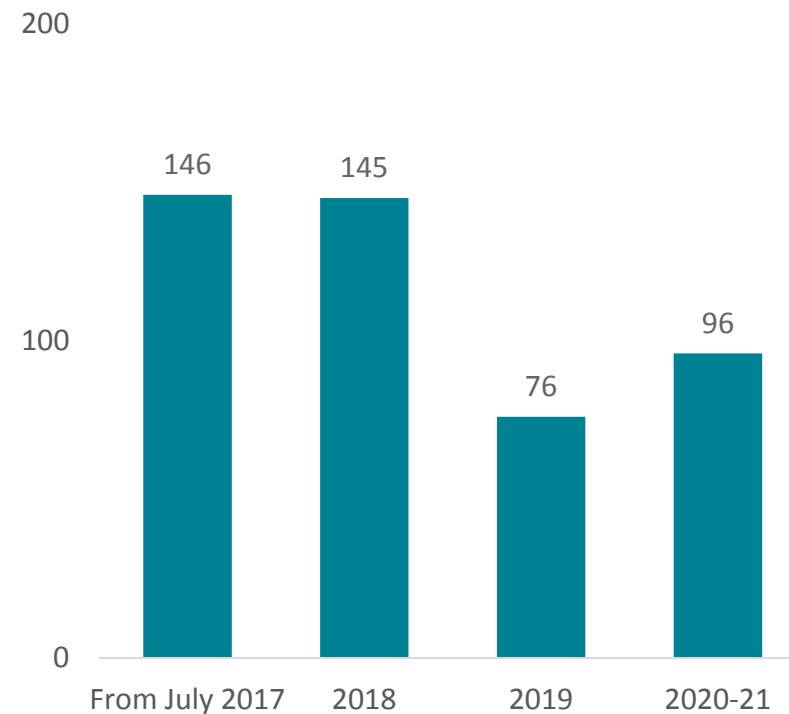
Utilisation rate



* Including ice/support segment
Excluding marine seismic segment
Excluding options

CONTRACT BACKLOG*

NOK million

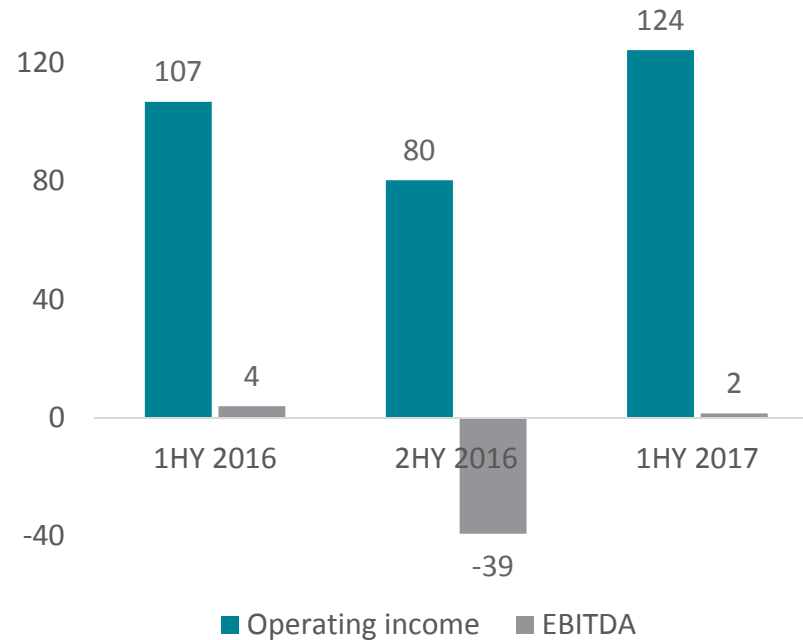


Subsea



- Fleet utilisation 69 percent
 - 46 percent in first half year of 2016
 - «Polar King» on charter with Nexans Skagerrak from January 2017
 - «Polar Onyx» and «Polar Queen» on charter since March 2017
- Market
 - Continued challenging market
 - “Polar King” on firm charter until September 2018
 - «Polar Onyx” and “Polar Queen” on firm charter until August and October respectively. Efforts ongoing to secure new charters

KEY FIGURES
NOK million



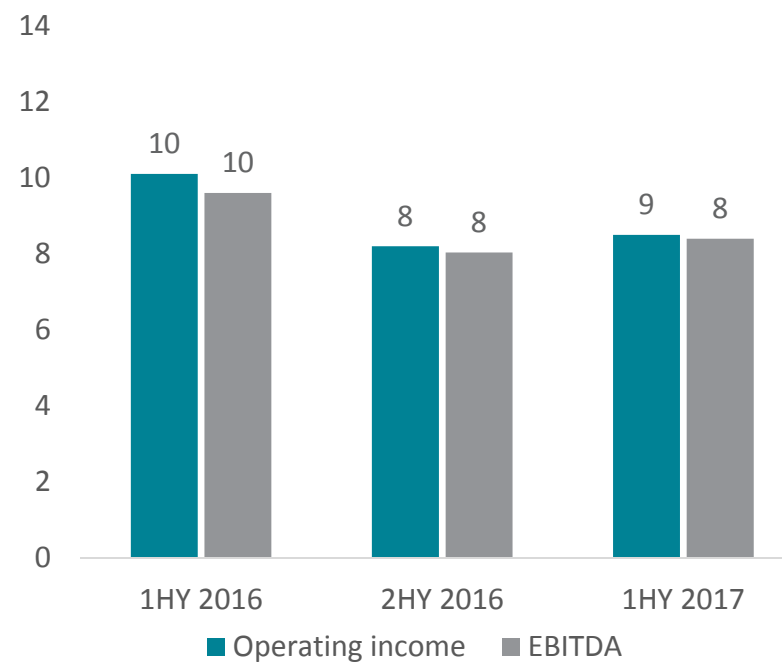
Ice/Support



- Fleet utilisation 100 percent
 - 100 percent in first half year of 2016
 - «Ernest Shackleton» on bareboat charter to British Antarctic Survey
 - EBITDA contribution of NOK 8.4 million
- Market
 - Generally stable development

KEY FIGURES

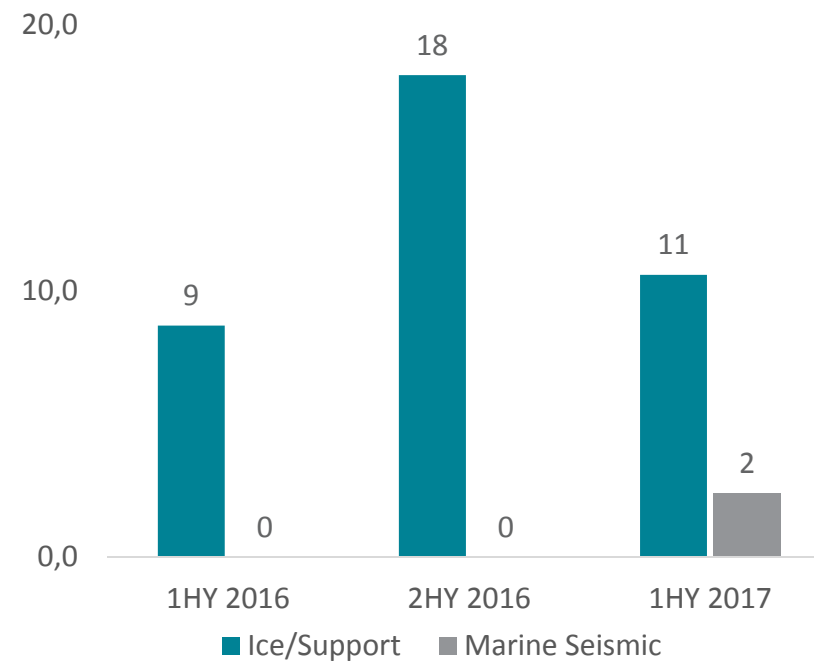
NOK million



Joint Ventures

- Ice Support
 - Fleet utilisation of 93 percent
 - «Polar Pevek» on charter to Exxon Neftegas until 2021
 - «Polar Baikal» and «Polar Piltun» on charter to Sakhalin Energy Investment Corporation until end of 2019
 - Share of profit of NOK 10.6 million
- Marine Seismic
 - Fleet utilisation of 83 percent
 - «Polar Duke» cold stacked
 - Share of profit of NOK 2.4 million

SHARE OF PROFIT
NOK million



Financial review

First half year 2017



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Income statement

NOK mill	1H 2017	1H 2016	2016
Operating income	132.8	117.0	205.5
EBITDA	23.0	22.2	9.7
EBIT	-60.1	-122.6	-303.9
Net financial income and expenses	-24.5	-35.1	-53.1
Profit before tax	-84.5	-157.7	-357.0
Net profit from continued operations	-84.6	-157.8	-360.6
Profit from discontinued operation	0.0	-389.7	-382.3
Profit for the period	-84.6	-547.5	-742.9
Normalized profit before tax (1)	-60.8	-89.3	-162.0
Earnings per share	-1.94	-12.54	-17.02

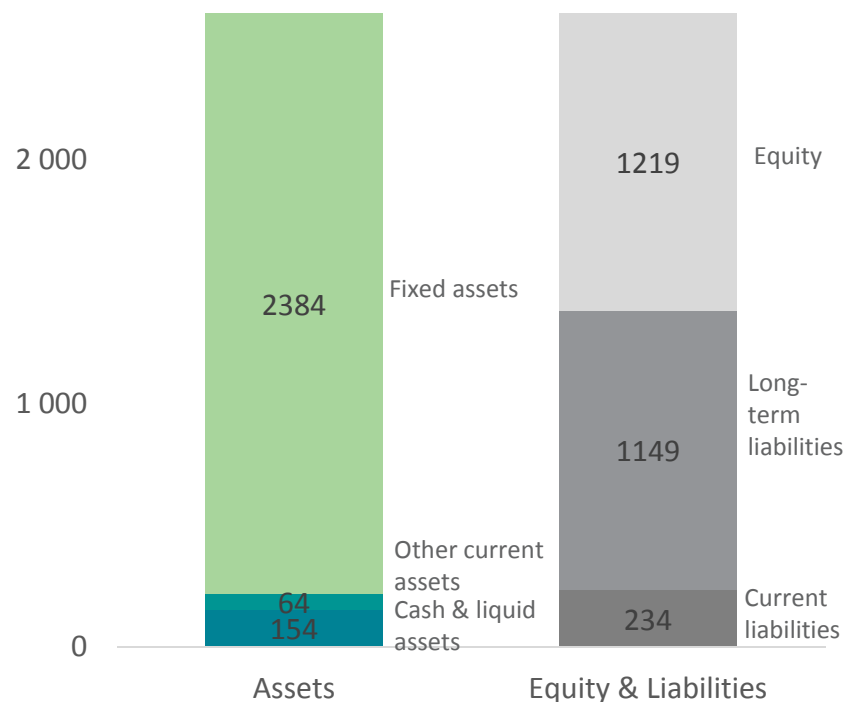
(1) Profit bef. tax adjusted for unrealised currency gains/losses, profit from disposals and write-downs.



Balance sheet per 30 June 2017

NOK million

3 000



- Total balance NOK 2 600 million
- Equity ratio 46.9 percent
- Cash position NOK 153.9 million, excluding restricted cash of NOK 62.9 million
- Net debt NOK 1 110.5 million
- Average duration of loan portfolio is 3.4 years

- Market view short term
 - Oil price has stabilised around the USD 50 per barrel-mark, but the recovery in US onshore shale constitute certain downward risk
 - Many oil companies again yielding positive cash flows – and certain investment appetite has returned
 - Overall fleet utilisation shows sign of increasing, but as of yet limited or no pick-up in rates
- Expected trends in segments
 - Subsea: Some uptick in activity, but continued rate pressure
 - Marine Seismic: Improvement in activities, but continued rate pressure
 - Ice/support: Stable and unchanged activities and rates

Summary

- Continuous challenging market
- High fleet utilisation of 81 percent
- Fleet impairment
- Continuous restructuring efforts and focus on cost reduction



“Polar King”

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