



Third Quarter 2014 Results

Bergen – 13 November 2014



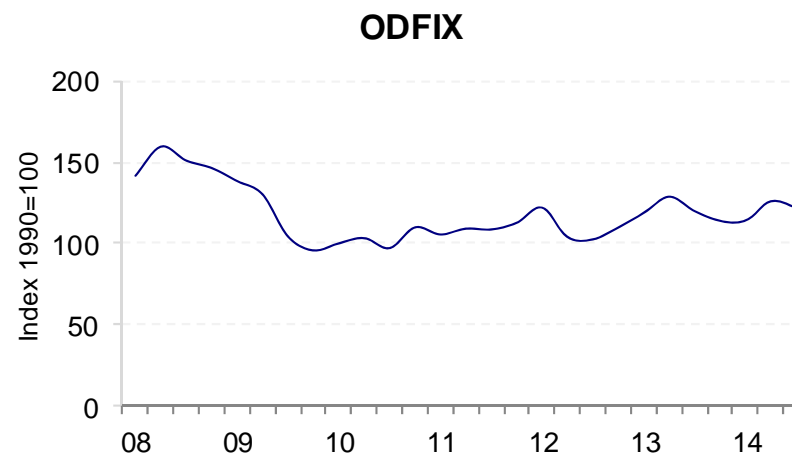
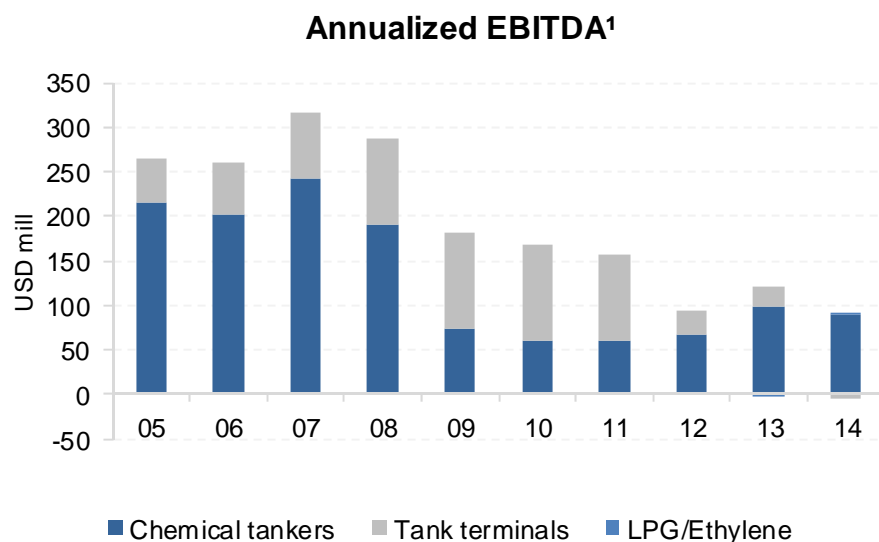
Agenda

- Highlights
- Financials
- Operational review
- Market update and prospects



Highlights

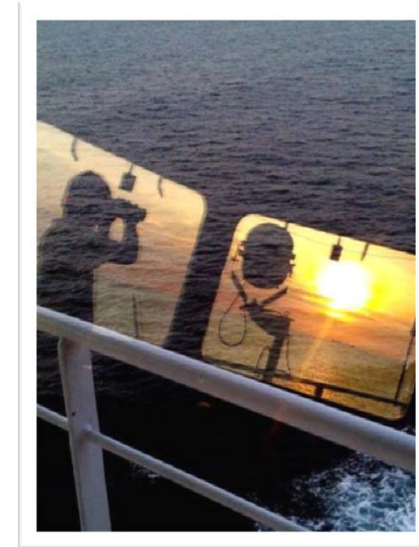
- Chemical Tankers EBITDA of USD 26 million, compared with USD 24 million in second quarter
- Time-charter results down by 3%
- Odfjell Terminals EBITDA of USD 4 million compared with negative USD 10 million in second quarter



¹ Proportional consolidation method according to actual historical ownership share

Highlights

- Closing of transaction of gas carrier joint venture, resulting in a capital gain in excess of USD 6 million
- Ongoing cost-cutting and efficiency review to significantly improve Odfjell results going forward



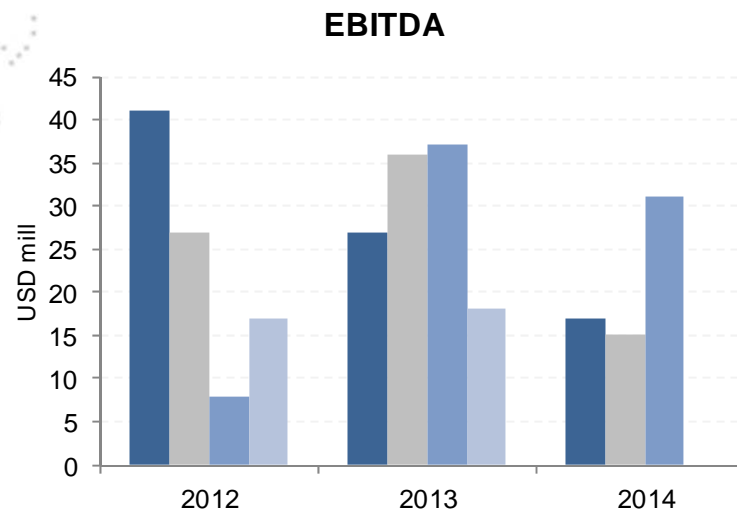
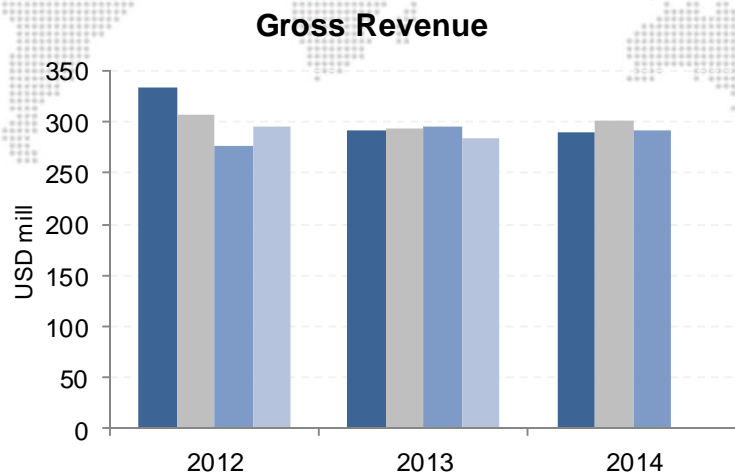
Income statement¹ - Third quarter 2014

| <i>USD mill</i> | 3Q14 | 2Q14 |
|--|-------|-------|
| Gross revenue | 267 | 275 |
| Voyage expenses | (123) | (127) |
| TC expenses | (47) | (50) |
| Operating expenses | (44) | (48) |
| Share of net result from associates and JV | (8) | (11) |
| General and administrative expenses | (24) | (26) |
| Operating result before depr. (EBITDA) | 19 | 13 |
| Depreciation | (24) | (23) |
| Capital gain/loss on fixed assets | 7 | 0 |
| Operating result (EBIT) | 1 | (9) |
| Net finance | (9) | (15) |
| Taxes | (1) | (1) |
| Net result | (9) | (26) |

¹ Equity method

Quarterly figures¹

USD mill

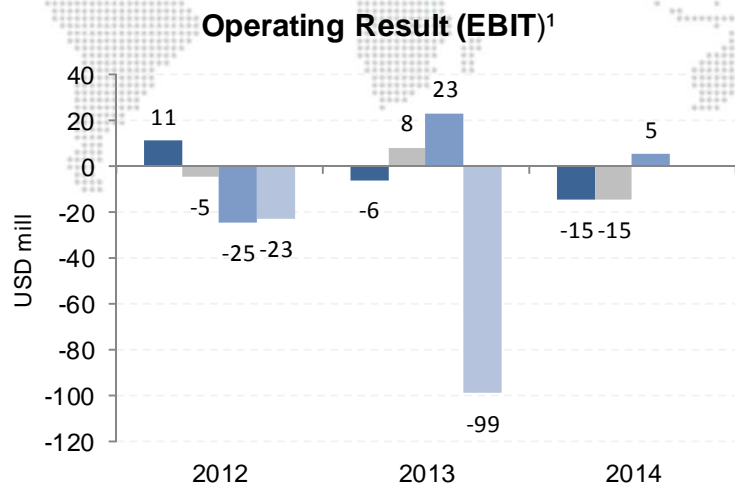


- *Stable gross revenue*
- *Improved EBITDA for all business segments*
- *EBITDA in 3Q USD 31 million compared to USD 29 million in 2Q, which was adjusted for one off charges of USD 14 million*

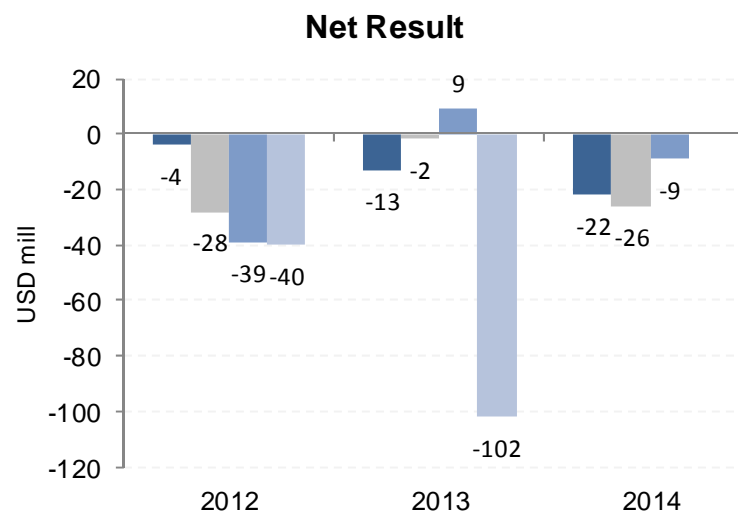
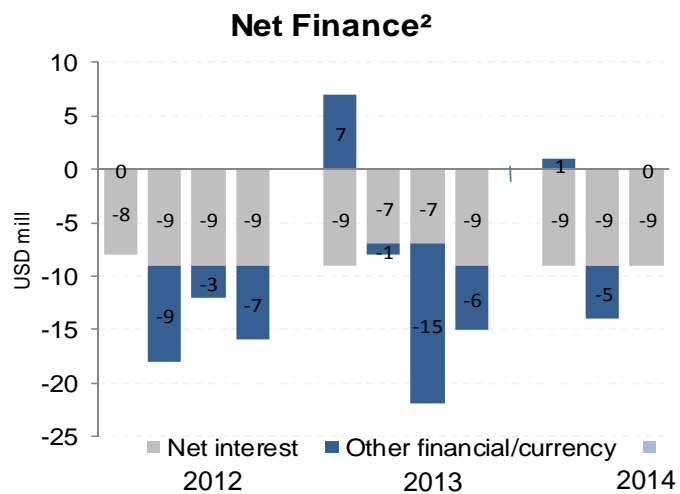
¹ Proportional consolidation method

Quarterly figures

USD mill



- EBIT improved compared to last quarter
- EBIT 2Q included one-off items of total USD 14 million
- Net interest remains stable



¹ Proportional consolidation method

² Equity method

Balance sheet¹ – 30.09.2014

| <i>USD mill - Assets</i> | |
|---|--------------|
| Ships and newbuilding contracts | 1 285 |
| Other non-current assets/receivables | 81 |
| Investment in associates and JV's | 397 |
| Total non-current assets | 1 762 |
| Available-for-sale investments and cash | 123 |
| Other current assets | 155 |
| Total current assets | 278 |
| Total assets | 2 040 |

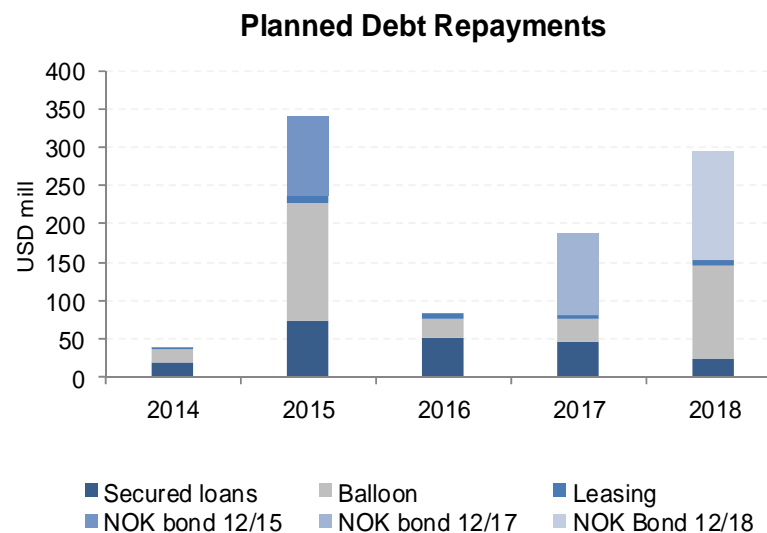
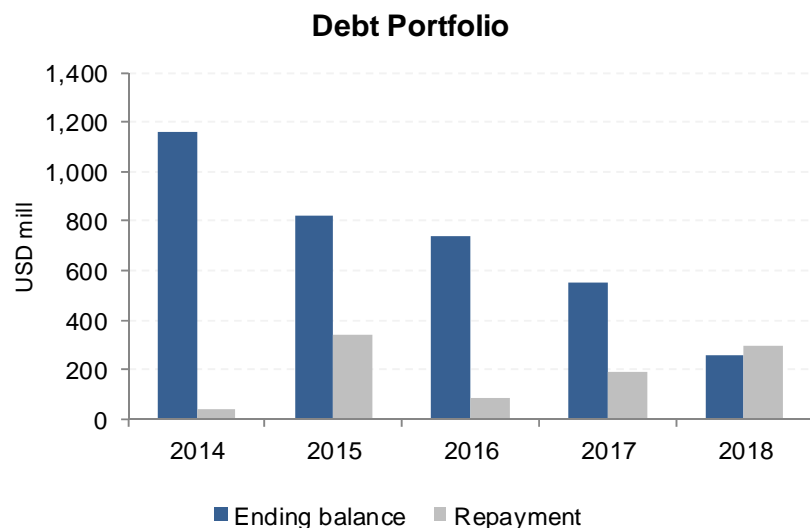
| <i>Equity and liabilities</i> | |
|---|--------------|
| Total equity | 681 |
| Non-current liabilities and derivatives | 38 |
| Non-current interest bearing debt | 1 064 |
| Total non-current liabilities | 1 102 |
| Current portion of interest bearing debt | 134 |
| Other current liabilities and derivatives | 122 |
| Total current liabilities | 256 |
| Total equity and liabilities | 2 040 |

- *Cash balance of USD 123 million - excluding JV's cash*
- *Net investment in tank terminals JV's USD 333 million*
- *9.8% of own shares held as treasury shares*
- *Equity ratio 33.4%*
- *Odfjell Gas included as joint venture as of 30.09.2014*

¹ Equity method

Debt development – 30.09.2014

- Two last Hyundai Mipo newbuildings fully financed
- Financing of gas newbuildings in process
- Exploring various financial arrangements for loans maturing towards the end of 2015



Balloon repayment in late 2015 relates primarily to loans on our sophisticated stainless steel vessels built in Poland

Capital expenditure programme

| <i>In USD mill – per 30.09.2014</i> | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|------|------|------|------|------|
| Chemical Tankers, Odfjell share | | | | | |
| Hyundai Mipo, 2 x 46,000 dwt ¹⁾ | 55 | | | | |
| Docking | 6 | 20 | 20 | 20 | 20 |
| Odfjell Gas, 100 % share²⁾ | | | | | |
| Sinopacific, 4 x 17,000 cbm | 14 | 81 | 63 | | |
| Sinopacific, 4 x 22,000 cbm | | 25 | 84 | 70 | |
| Tank Terminals, 100% share | | | | | |
| Planned (not committed) capex | 64 | 75 | 56 | 34 | 8 |

¹⁾Third vessel was delivered 2 October 2014, remaining capex USD 28 million

²⁾Odfjell is committed to inject up to USD 50 million in equity in 2015/2017

Income statement¹ – 3Q14 chemical tankers

| <i>USD mill</i> | 3Q14 | 2Q14 |
|--|-------|-------|
| Gross revenue | 263 | 270 |
| Voyage expenses | (122) | (125) |
| TC expenses | (45) | (48) |
| Operating expenses | (44) | (48) |
| General and administrative expenses ² | (25) | (25) |
| Operating result before depr. (EBITDA) | 26 | 24 |
| Depreciation | (24) | (23) |
| Capital gain/loss on fixed assets | 0 | 0 |
| Operating result (EBIT) | 3 | 1 |

¹ Proportional consolidation method

² Including corporate

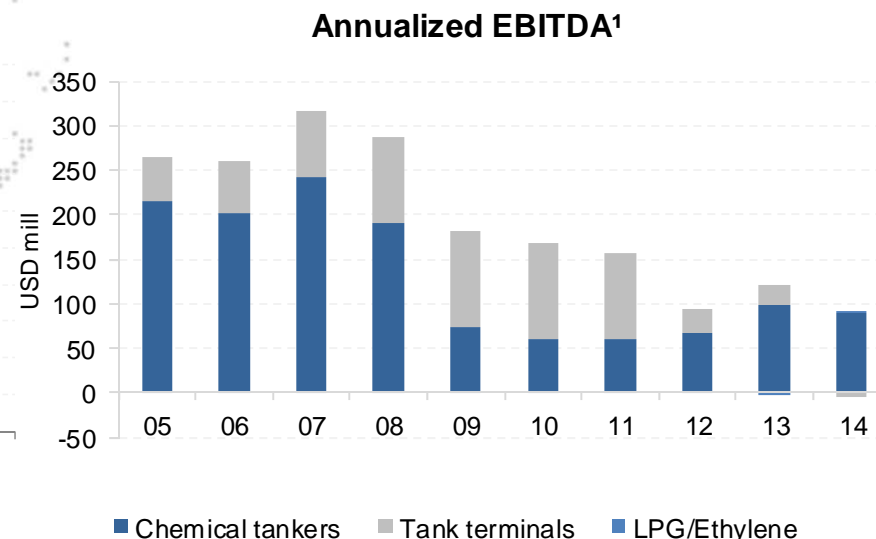
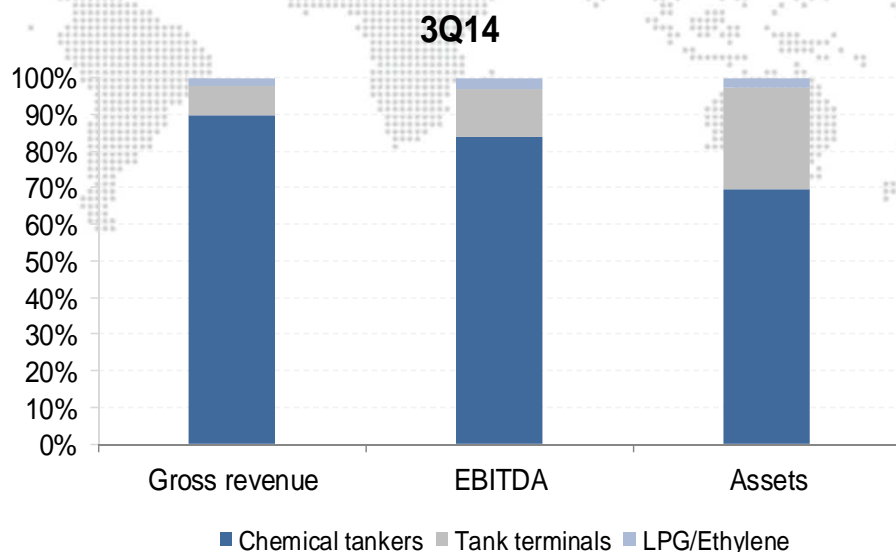
Income statement¹ – 3Q14 tank terminals

| <i>USD mill</i> | 3Q14 | 2Q14 |
|--|------|------|
| Gross revenue | 23 | 24 |
| Operating expenses | (14) | (26) |
| General and administrative expenses | (5) | (8) |
| Operating result before depr. (EBITDA) | 4 | (10) |
| Depreciation | (8) | (8) |
| Capital gain/(loss)* | (1) | 1 |
| Operating result (EBIT) | (5) | (17) |

**Write-off investment project in Le Havre of USD 1 million*

¹ Proportional consolidation method

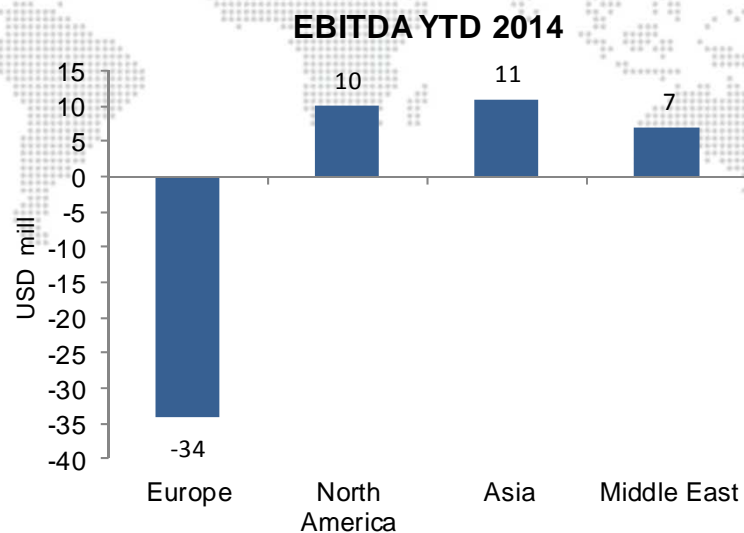
Results per segment¹



| <i>USD mill</i> | 3Q14 | | | 2Q14 | | |
|-----------------|------------------|----------------|--------------|------------------|----------------|--------------|
| | Chemical tankers | Tank terminals | LPG/Ethylene | Chemical tankers | Tank terminals | LPG/Ethylene |
| Gross revenue | 263 | 23 | 7 | 270 | 24 | 8 |
| EBITDA | 26 | 4 | 1 | 24 | (10) | 1 |
| EBIT | 3 | (5) | 7 | 1 | (17) | 1 |

¹ Proportional consolidation method

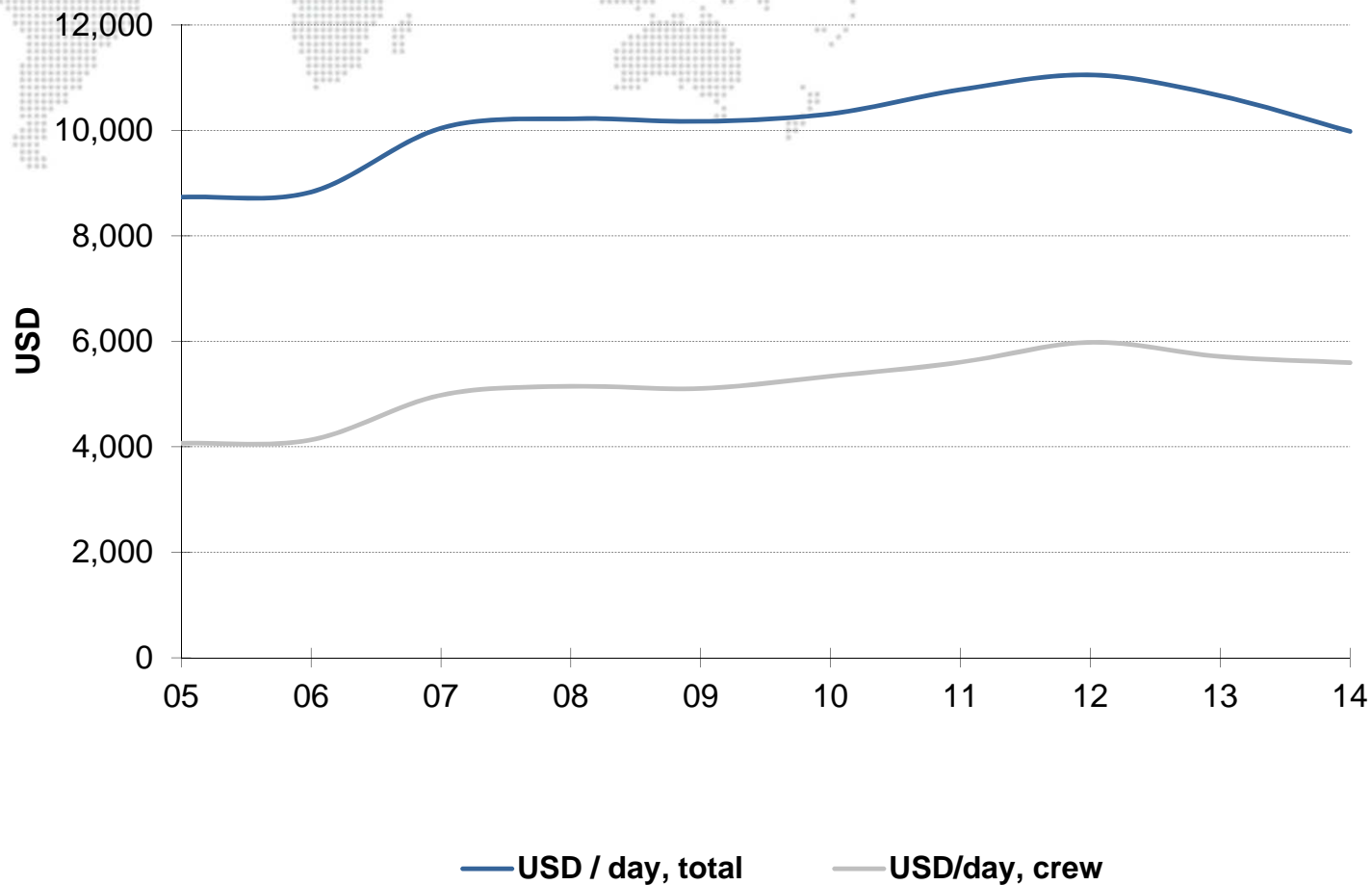
Tank terminals EBITDA – by geographical segment



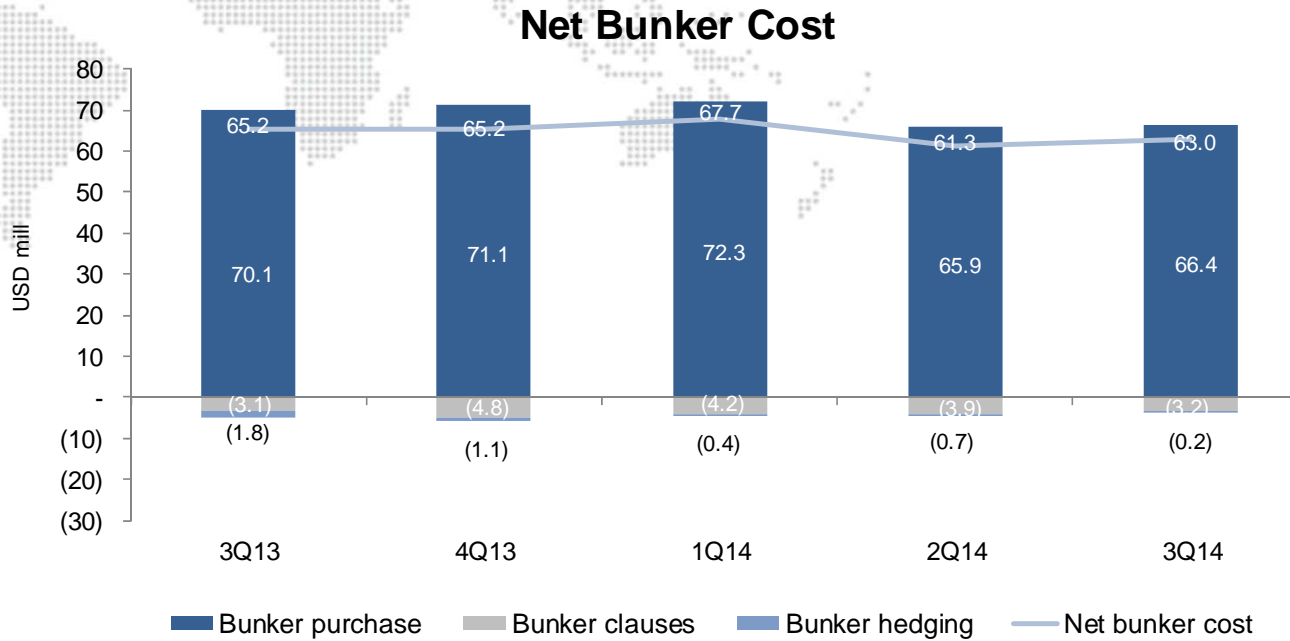
• One-off charges in 2Q14 of USD 11.8 million at OTR

| EBITDA Tank Terminals by geographical segment | 3Q14 | 2Q14 |
|---|----------|-------------|
| Europe | (6) | (20) |
| North America | 3 | 4 |
| Asia | 4 | 4 |
| Middle East | 2 | 3 |
| Total EBITDA | 4 | (10) |

Vessel operating expenses - *chemical tankers*



Bunker development



Platts 3.5% FOB Rotterdam



- Net bunker cost per tonne in 3Q was USD 565
- About 90% of the remaining 2014 exposure and 45% of the 2015 exposure is hedged at an average of USD 525 per tonne
- Bunker clauses in CoAs cover about 53% of the exposure

Fleet development - last 12 months

| Fleet additions | | DWT | Built | Tanks | Transaction |
|-----------------|-------------------|------------|-------|-----------|----------------|
| October 2014 | Bow Trident | 46 600 | 2014 | Coated | Owned |
| August 2014 | Kristin Knutsen | 19 152 | 1998 | Stainless | Short-term TC |
| June 2014 | Bow Tribute | 46 000 | 2014 | Coated | Bareboat |
| May 2014 | UACC Mansouria | 45 352 | 2013 | Coated | Short-term TC |
| April 2014 | Bow Trajectory | 46 000 | 2014 | Coated | Bareboat |
| April 2014 | Bow Harmony | 33 619 | 2008 | Stainless | Purchase |
| March 2014 | SG Friendship | 19 773 | 2003 | Stainless | Medium-term TC |
| February 2014 | Berlian Ekuator | 35 000 cbm | 2004 | LPG | Short-term TC |
| January 2014 | Celsius Mumbai | 19 993 | 2005 | Stainless | Medium-term TC |
| December 2013 | RT Star | 26 199 | 2011 | Stainless | Medium-term TC |
| December 2013 | Celsius Miami | 19 991 | 2005 | Stainless | Medium-term TC |
| November 2013 | Celsius Manhattan | 19 807 | 2006 | Stainless | Medium-term TC |
| November 2013 | Bow Condor | 16 121 | 2000 | Stainless | Purchase J/V |
| October 2013 | Bow Eagle | 24 700 | 1988 | Stainless | Short-term TC |

Short-term: Up to one year
 Medium-term: 1-3 years
 Long-term: More than three years

Fleet development – *last 12 months*

| Fleet disposals, owned | | DWT | Built | Tanks | Transaction |
|------------------------|-----------|--------|-------|-----------|-------------|
| December 2013 | Bow Mate | 6 001 | 1999 | Stainless | Sale |
| October 2013 | Bow Eagle | 24 700 | 1988 | Stainless | Sale |



Delivery of Bow Trident, the third of four coated chemical tankers from the Hyundai Mipo yard in South Korea

Odfjell Gas Carriers

- The announced joint venture became effective 29 September
- Entered into an agreement with affiliates of Breakwater Capital and Oak Hill Advisors to form a liquefied petroleum gas and ethylene shipping joint venture
- A capital gain in excess of USD 6 million was realised as a result of this transaction
- Existing two vessels entered into an pool agreement with Lauritzen Kosan AS
- Newbuildings expected to be delivered from 4Q 2015 and onwards

| <i>USD mill</i> | 3Q14 | 2Q14 |
|-----------------|------|------|
| Gross revenue | 7 | 8 |
| EBITDA | 1 | 1 |
| EBIT | 7 | 1 |

Terminal projects and expansions

- Odfjell Terminals (Charleston) has been operational since the start of 2014 and contracts for the full capacity are in final negotiations
- New stainless steel tank capacity of 30,800 cbm in Houston was completed in September
- Construction of another new tank pit in Houston is underway with expected completion in 4Q 2015, adding 17,170 cbm of tank capacity
- The construction of the new Tianjin Terminal in China is progressing with start of operations scheduled in 1Q 2015

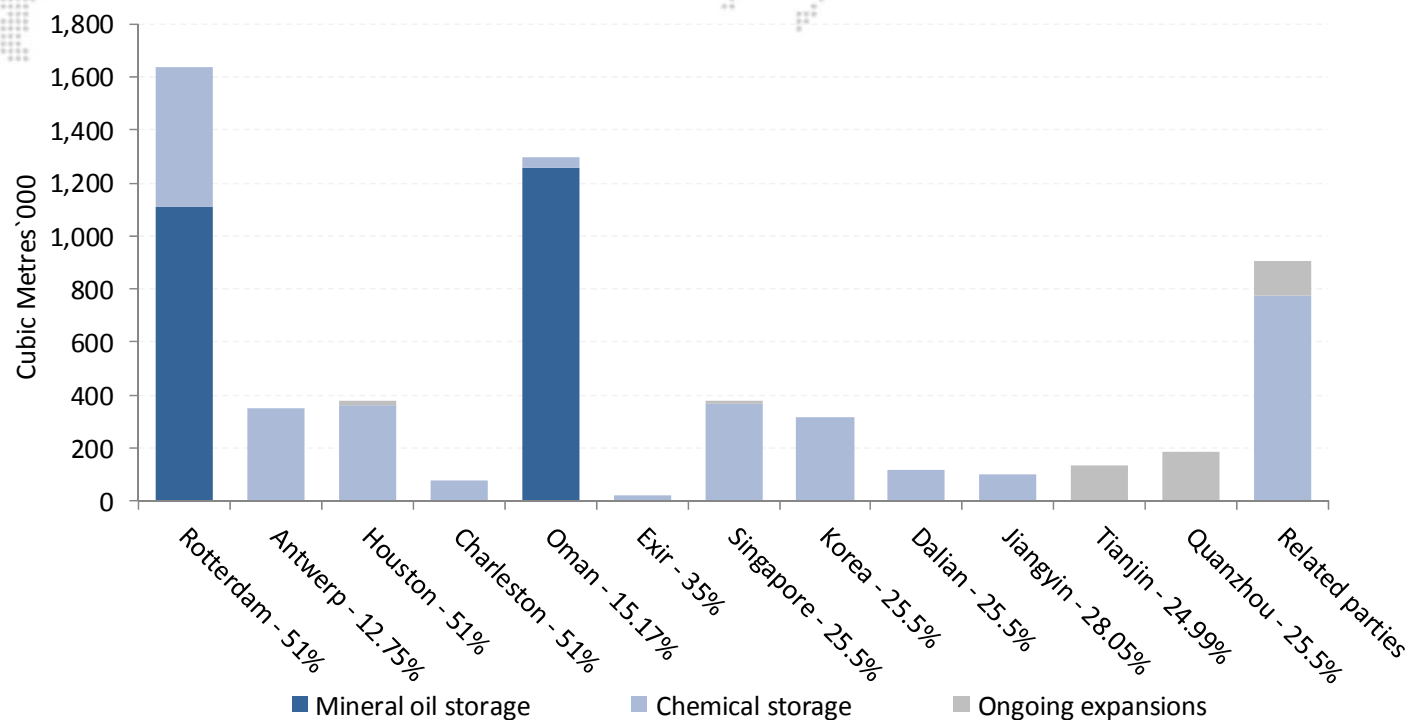


OTH bay 9 completed in September

Tank terminal capacity

Total capacity in CBM (incl. related parties):

| | |
|--------------------|-----------|
| Current capacity | 5,419,722 |
| Ongoing expansions | 479,570 |

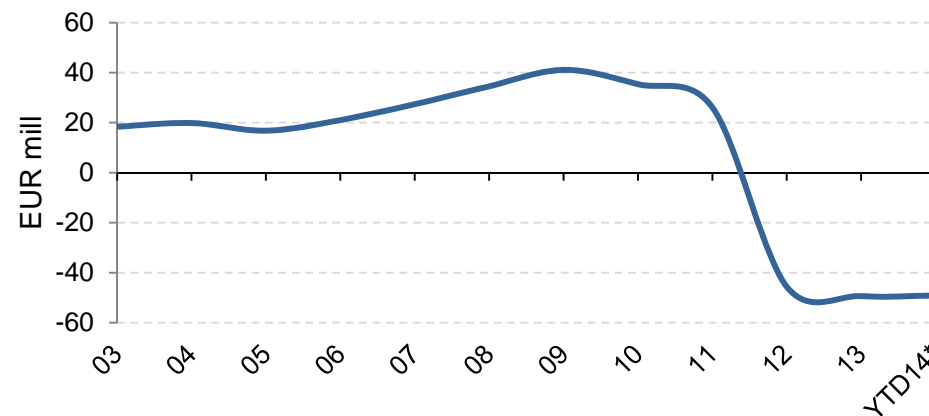


* Odfjell's ownership share in the respective tank terminals is shown in percentage

Odfjell Terminals (Rotterdam) – *current status*

- EBITDA negative USD 6 million in 3Q14, Odfjell share
- Re-organisation and subsequent reduction of staff completed 1 August 2014
- Cost base reduced and positioned for growth
- Storage tanks supporting the distillation units will be re-commissioned in fourth quarter of 2014

OTR Historical EBITDA (100%)



* YTD 2014 EBITDA includes one-off items of EUR 16.8 million

Reducing cost and improving efficiency

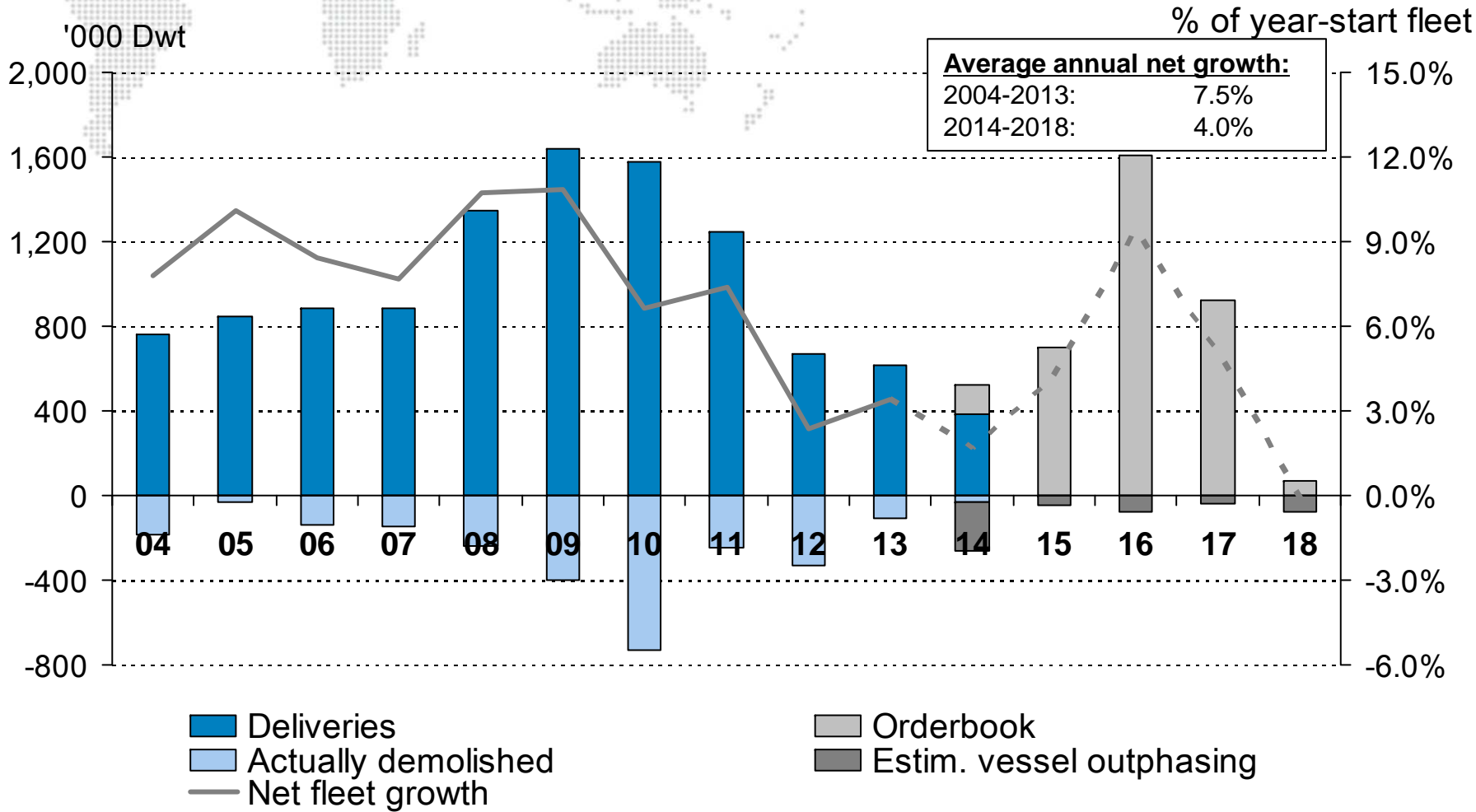
- The cost cutting and efficiency review was announced in May and fully mobilised as from July
- Organized through work streams focusing on operating expenses, G&A, bunkers and trade optimization
- Identification of all potential cost reductions has recently been finalized
- All identified cost reductions will be subject to risk assessment and detailed planning and implementation will take place from January 2015
- Immediate initiatives alone are expected to bring an annualised bottom line effect in excess of USD 50 million when fully implemented
- Any provisions related to fleet optimisation and implementation costs will be made in Q4/Q1 2015

Market update – *chemical tankers*

- The activity in the market in third quarter was quite similar to previous period
- Reduced spot trading caused downward pressure on freight rates
- Lower oil prices will reduce our bunker costs
- Lower price for oil products seems to hamper trade and the activity in general
- Delays in ports continue to rise and creates challenges

Core Chemical Deep-sea Fleet 2004-2018

Orderbook and estimated demolition per October 31st, 2014



Source: Odfjell FLEETBASE

* Outphasing 30 years (Europe built) and 25 years (Asian built)

Prospects

- US consumer confidence advanced in October to the highest in the past seven years
- Stronger expansion of the US economy
- European economies are still weakening
- Odfjell will benefit from lower bunker prices
- Fourth quarter expected to improve from the third quarter for the chemical tanker and LPG/Ethylene segments
- We expect improved results at Odfjell Terminals (Rotterdam) and slight increase in earnings for the remainder of the terminals due to increase in capacity



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Thank you



For more information please visit our webpage at www.odfjell.com

