



Second Quarter 2014 Results

Oslo – 25 August 2014



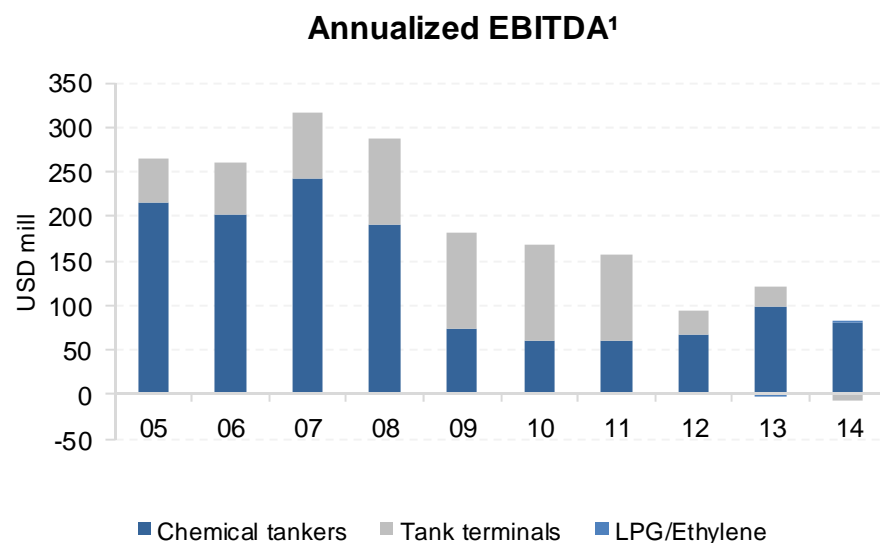
Agenda

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

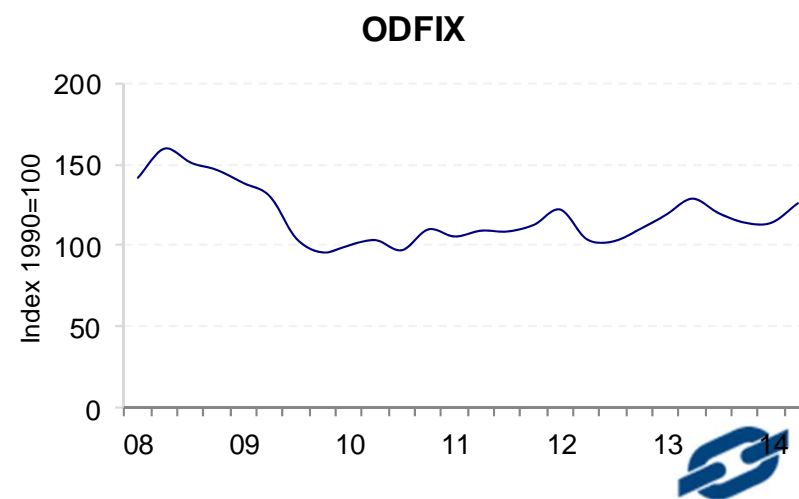


Highlights

- Second quarter results in line with expectations. Underlying operations slightly better than in first quarter
- Chemical Tankers EBITDA of USD 24 million, compared with USD 17 million in first quarter
- Time-charter results up by 10%
- Adjusted for one-off charges at Odfjell Terminals (Rotterdam), Odfjell Terminals EBITDA of USD 1.8 million compared to USD 0 million in first quarter

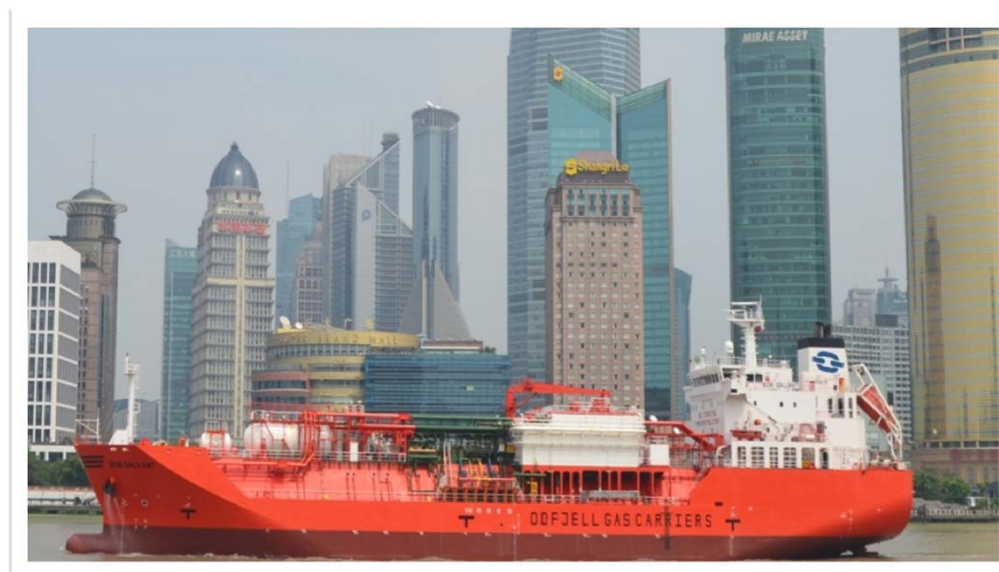


¹ Proportional consolidation method according to actual historical ownership share



Highlights

- Re-organisation charge at Odfjell Terminals (Rotterdam) in May of USD 11.8 million (our share)
- Announcement of new LPG/Ethylene joint venture, and exercising options for four 22,000 cbm LPG/Ethylene gas carriers at Nantong Sinopacific in China
- Ongoing cost-cutting and efficiency review to provide for a more competitive cost structure indicates potential for significant improvements



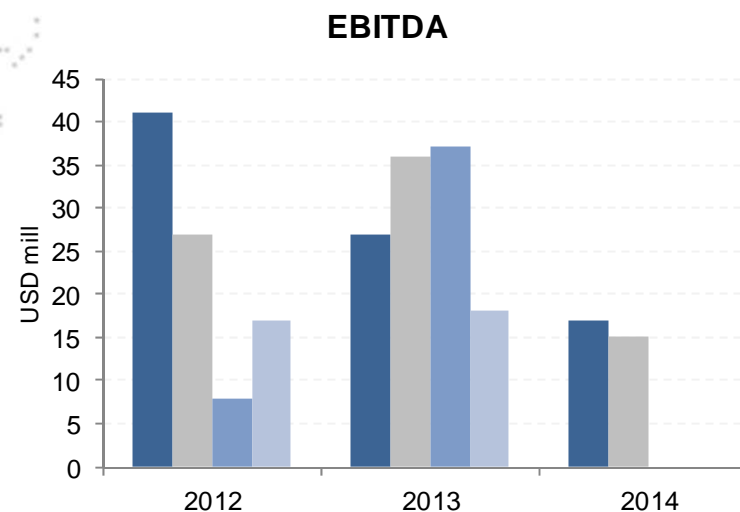
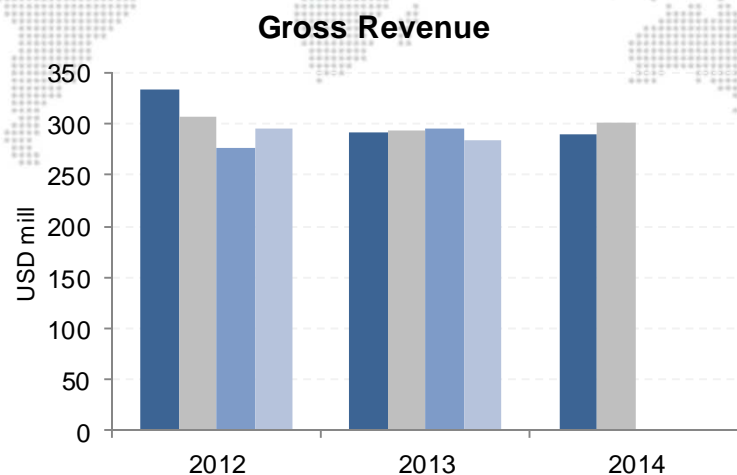
Income statement¹ - Second quarter 2014

<i>USD mill</i>	2Q14	1Q14
Gross revenue	275	266
Voyage expenses	(127)	(130)
TC expenses	(50)	(52)
Operating expenses	(48)	(43)
Share of net result from associates and JV	(11)	(7)
General and administrative expenses	(26)	(25)
Operating result before depr. (EBITDA)	13	9
Depreciation	(23)	(23)
Capital gain/loss on fixed assets	0	(0)
Operating result (EBIT)	(9)	(14)
Net finance	(15)	(8)
Taxes	(1)	(1)
Net result	(26)	(23)

¹ Equity method

Quarterly figures¹

USD mill

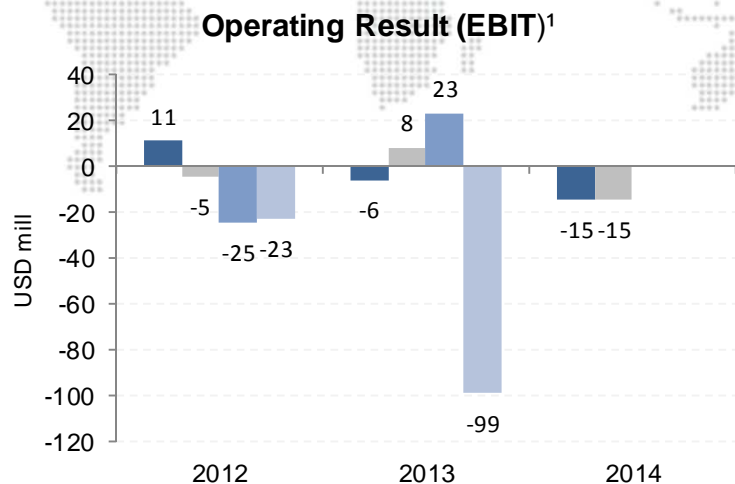


- Increase in gross revenue of USD 12 million compared with last quarter due to improved time-charter results
- EBITDA heavily impacted by one-off re-organisation charges of USD 11.8 million at OTR
- Adjusted for one-off charges, EBITDA 2Q14 USD 29 million compared to USD 17 million 1Q14

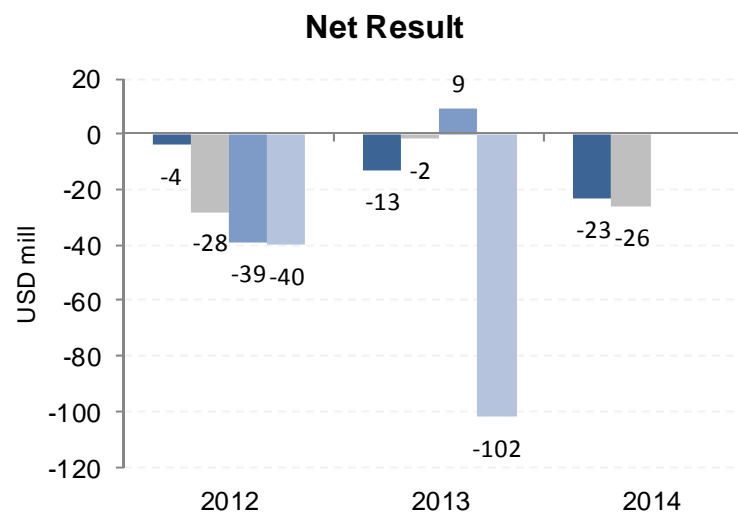
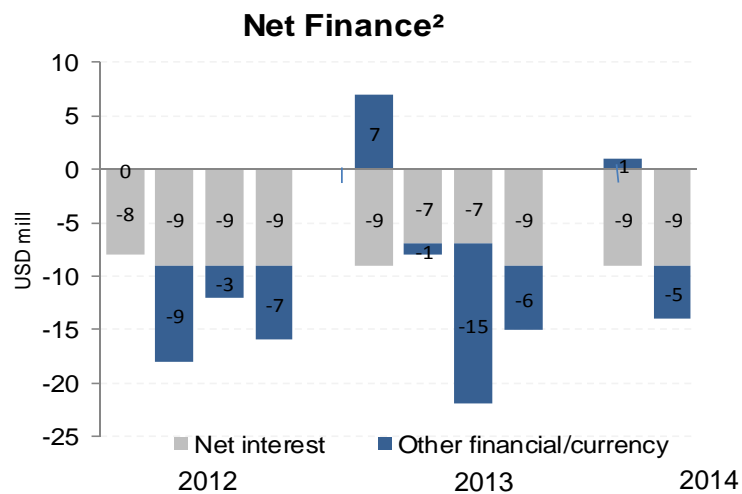
¹ Proportional consolidation method

Quarterly figures

USD mill



- EBIT in line with previous quarter
- EBIT includes one-off items of total USD 14 million
- Net interest remain stable



¹ Proportional consolidation method

² Equity method

Balance sheet¹ – 30.06.2014

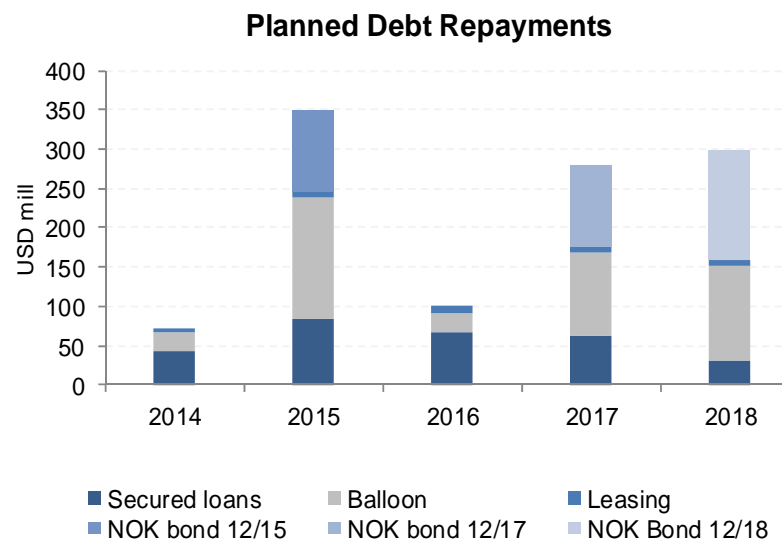
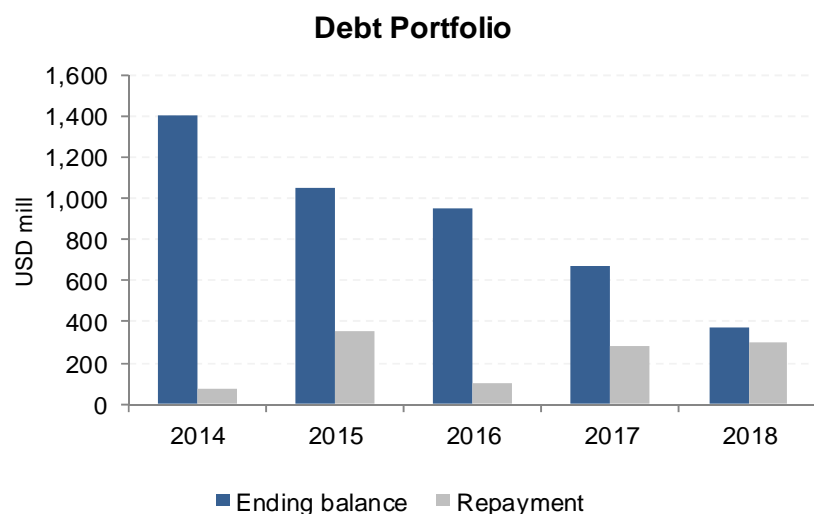
<i>USD mill - Assets</i>		<i>Equity and liabilities</i>	
Ships and newbuilding contracts	1 299	Total equity	705
Other non-current assets/receivables	77	Non-current liabilities and derivatives	42
Investment in associates and JV's	361	Non-current interest bearing debt	1 073
Total non-current assets	1 738	Total non-current liabilities	1 115
Available-for-sale investments and cash	130	Current portion of interest bearing debt	142
Other current assets	150	Other current liabilities and derivatives	101
Total current assets	280	Total current liabilities	243
Assets held for sale	82	Liabilities held for sale	36
Total assets	2 100	Total equity and liabilities	2 100

- *Cash balance of USD 130 million - excluding JV's cash*
- *Net investment in tank terminals JV's USD 351 million*
- *9.8% of own shares held as treasury shares*
- *Equity ratio 33.6%*

¹ Equity method

Debt development¹ – 30.06.2014

- Tap issue of NOK 300 million in the existing NOK 500 million bond maturing December 2018
- New financial leases on Bow Tribute and Bow Trajectory increased debt by 82 million
- Renegotiation of the North-American tank terminal funding will release USD 50 million of dividends, that will be used for our tank terminal projects
- Exploring various financial arrangements for our gas newbuildings



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

¹ Proportional consolidation method

Capital expenditure programme

<i>In USD mill – per 30.06.2014</i>	2014	2015	2016	2017	2018
<i>Chemical Tankers, Odfjell share</i>					
Hyundai Mipo, 2 x 46,000 dwt	55				
Docking	12	21	21	21	21
<i>Odfjell Gas, 100 % share</i>					
Sinopacific, 4 x 17,000 cbm	18	81	63		
Sinopacific, 4 x 22,000 cbm	10	25	84	70	
<i>Tank Terminals, 100% share</i>					
Planned (not committed) capex	127	88	50	41	13

Income statement¹ – 2Q14 chemical tankers

<i>USD mill</i>	2Q14	1Q14
Gross revenue	270	263
Voyage expenses	(125)	(128)
TC expenses	(48)	(51)
Operating expenses	(48)	(42)
General and administrative expenses ²	(25)	(24)
Operating result before depr. (EBITDA)	24	17
Depreciation	(23)	(23)
Capital gain/loss on fixed assets	0	0
Operating result (EBIT)	1	(6)

Including a one-off item of USD 2.2 million related our South American operations

¹ Proportional consolidation method

² Including corporate

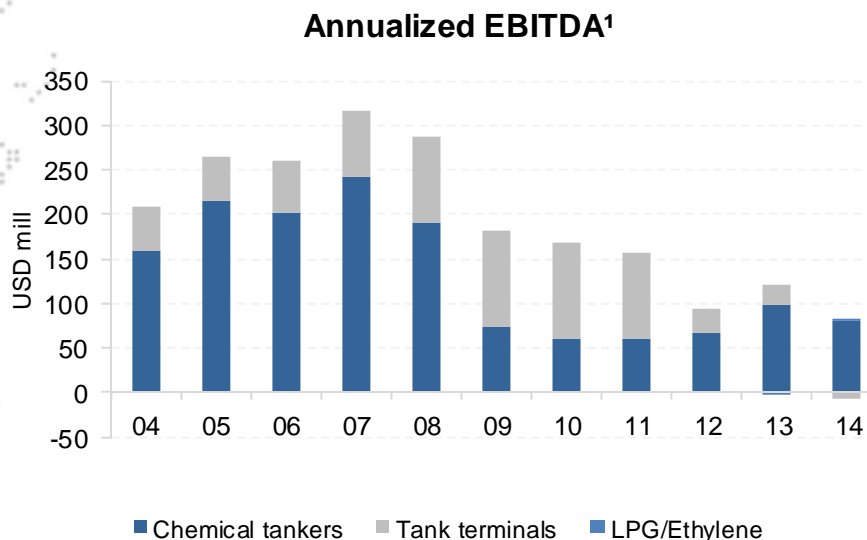
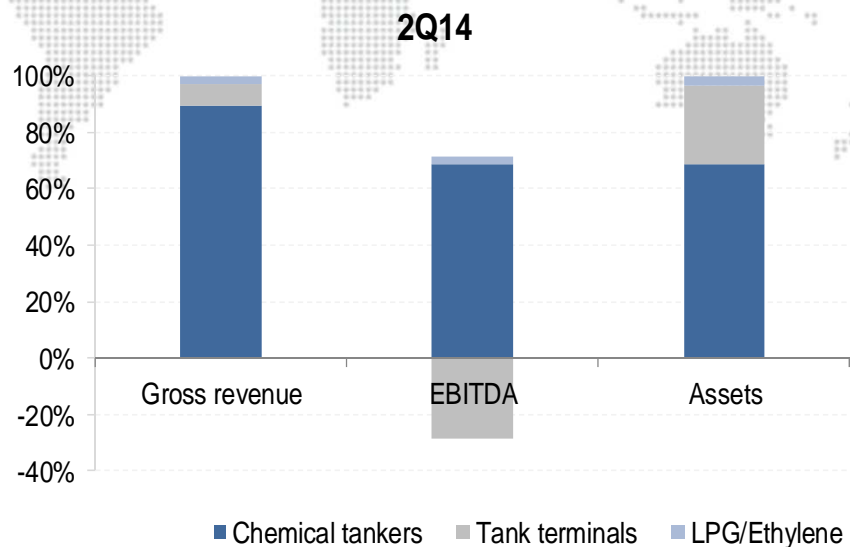
Income statement¹ – 2Q14 tank terminals

<i>USD mill</i>	2Q14	1Q14
Gross revenue	24	23
Operating expenses	(26)	(17)
General and administrative expenses	(8)	(6)
Operating result before depr. (EBITDA)	(10)	(0)
Depreciation	(8)	(8)
Capital gain/(loss)	1	-
Operating result (EBIT)	(17)	(8)

Including one-off items of USD 11.8 million related re-organisation at OTR

¹ Proportional consolidation method

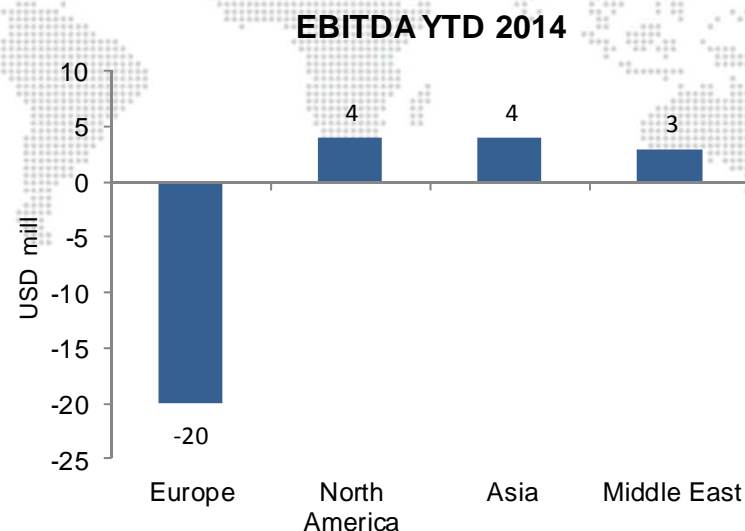
Results per segment¹



USD mill	2Q14			1Q14		
	Chemical tankers	Tank terminals	LPG/E	Chemical tankers	Tank terminals	LPG/E
Gross revenue	270	24	8	263	23	5
EBITDA	24	(10)	1	17	(0)	0
EBIT	1	(17)	1	(6)	(8)	(1)

¹ Proportional consolidation method

Tank terminals EBITDA – by geographical segment

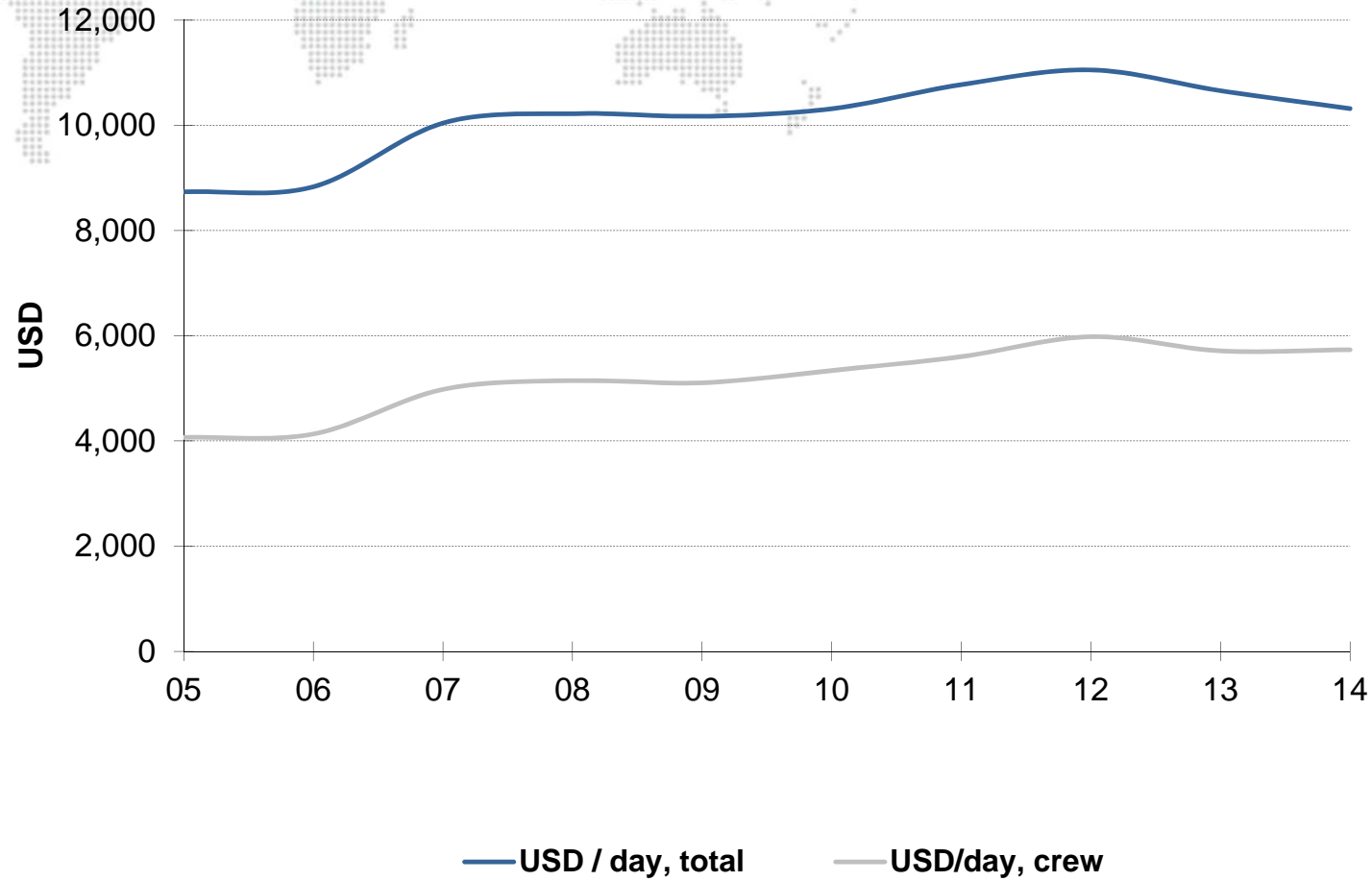


- One-off charges of USD 11.8 million at OTR
- Divestment of Vopak Terminal Ningbo Ltd resulted in a profit of USD 1.3 million

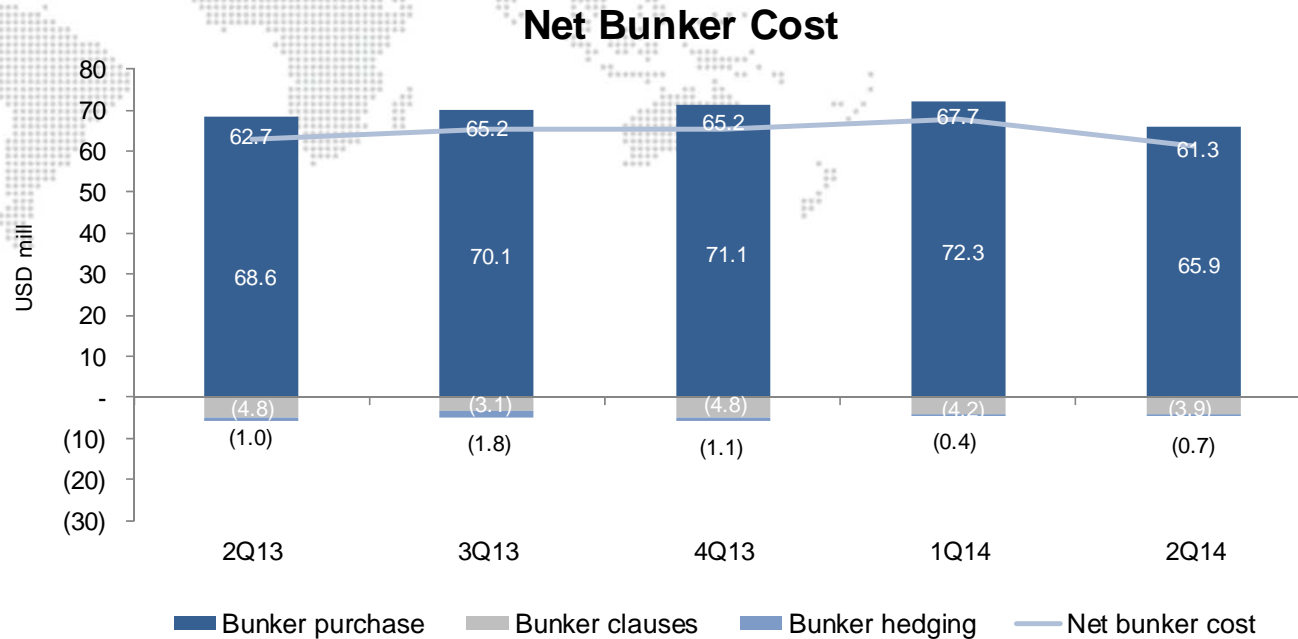
EBITDA Tank Terminals by geographical segment	2Q14	1Q14
Europe	(20)	(9)
North America	4	3
Asia	4	3
Middle East	3	2
Total EBITDA	(10)	(0)

* Revenue and profit from the terminals included in the Lindsay Goldberg transaction in 2013 are recognized according to the new ownership percentages from 1 September 2013.

Vessel operating expenses - *chemical tankers*



Bunker development



Platts 3.5% FOB Rotterdam



- Net bunker cost per tonne in 2Q was USD 559
- About 30% of the remaining 2014 exposure and 10% of the 2015 exposure is hedged
- Bunker clauses in CoAs cover about 53% of the exposure

Fleet development - last 12 months

Fleet additions		DWT	Built	Tanks	Transaction
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
August 2013	Southern Koala	21 290	2010	Stainless	Medium-term TC
August 2013	Golden Top	12 705	2004	Stainless	Medium-term TC
July 2013	Celsius Mayfair	20 000	2007	Stainless	Medium-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

Odfjell Gas Carriers – *current status*

- Entered into an agreement with affiliates of Breakwater Capital and Oak Hill Advisors to form a liquefied petroleum gas and ethylene shipping joint venture
- Breakwater and Oak Hill Advisors have jointly agreed to invest about USD 50 million as consideration for a 50% equity interest in Odfjell's LPG/E business
- Odfjell and our new partners have each agreed to commit about USD 50 million to finance the growth of the joint venture
- Options exercised for four additional gas carriers of 22,000 cbm for delivery in 2016-2017
- Our new joint venture expected to be effective in September
- Revenues and gross result improved in the second quarter, next quarter expect to be in line with this quarter

<i>USD mill</i>	2Q14	1Q14
Gross revenue	8	5
EBITDA	1	0
EBIT	1	(1)

Terminal projects and expansions

- Expansion project adding 30,000 cbm at the terminal in Houston is estimated to be completed by 3Q 2014
- The new terminal project in Tianjin is in good progress and planned completed around year end 2014

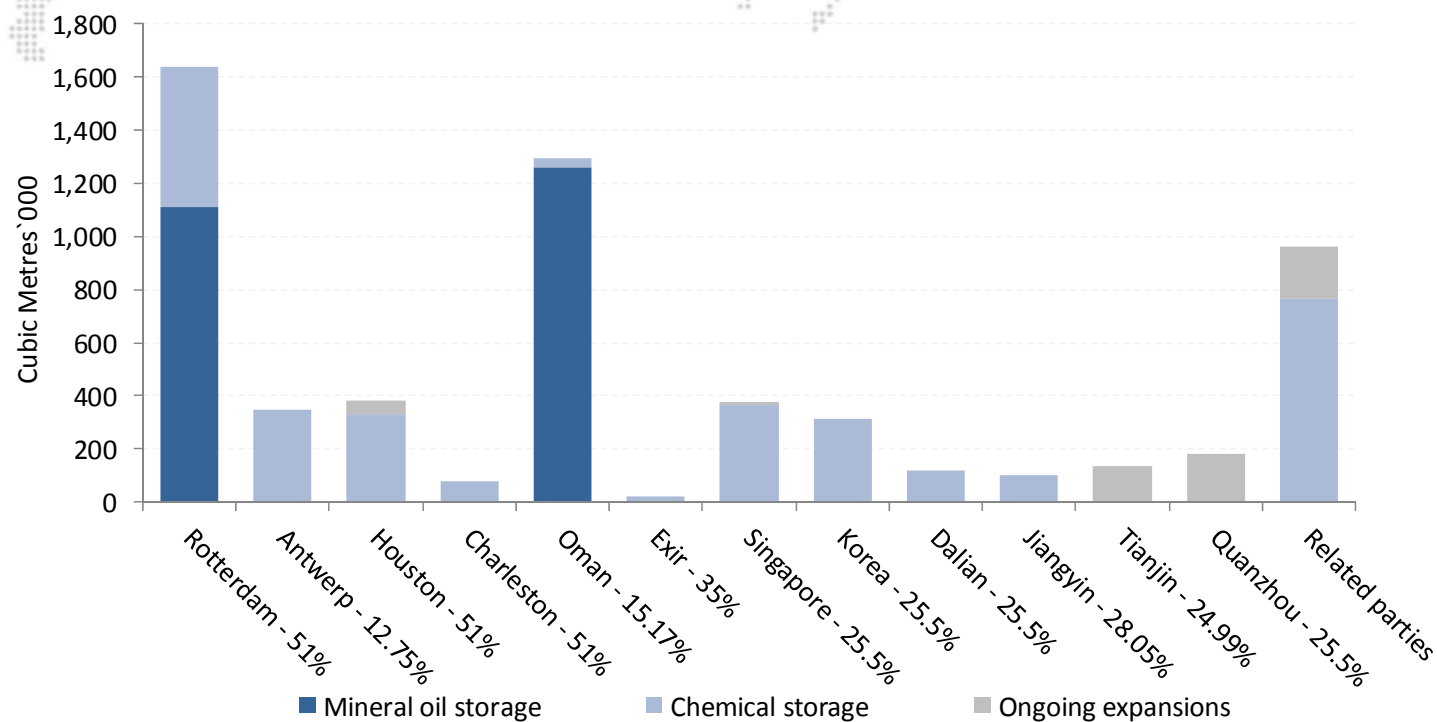


OTH bay 9 near completion

Tank terminal capacity

Total capacity in CBM (incl. related parties):

Current capacity	5,377,750
Ongoing expansions	576,520

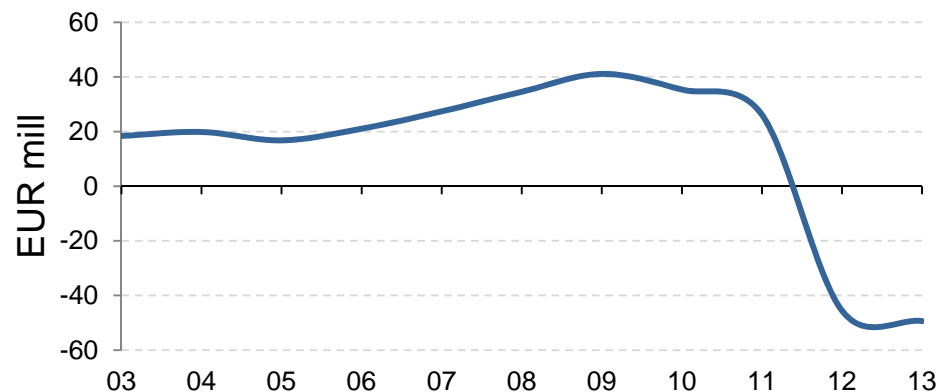


* Odfjell's ownership share in the respective tank terminals is shown in percentage

Odfjell Terminals (Rotterdam) – *current status*

- One-off charges of USD 11.8 million related re-organisation
- Improved cost base for the terminal going forward
- Reached final agreement with the Unions
- Commercial focus is on improving utilisation and seeking customers for the available tank capacity
- We expect increased occupancy in the third quarter for the terminal group (including Rotterdam) as a result of a large new contract being concluded

OTR Historical EBITDA (100%)



Reducing cost and improving efficiency

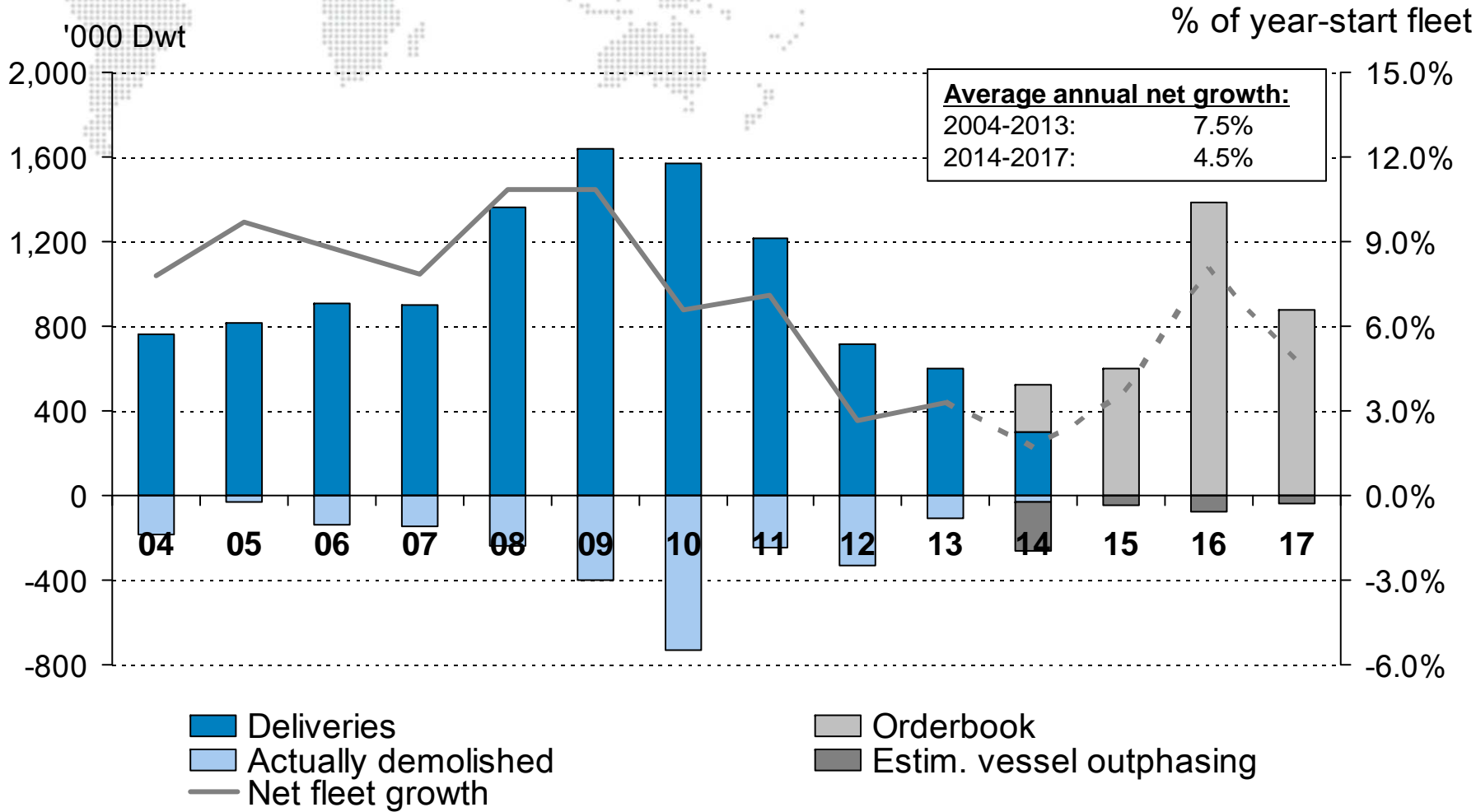
- Initiated a review of all aspects of our business model, including reorganisation and organisational structures
- Identify areas of improvements
- Ongoing review shows that significant cost and operational profitability are feasible
- Key decisions will be made in fourth quarter

Market update – *chemical tankers*

- Time charter result increased by more than 10% in second quarter compared to first quarter
- Contract and spot volumes increased in the second quarter
- Activity started fairly well this quarter but slowed down from mid-May
- Nominations under contracts are healthy and we are starting to see somewhat softer bunker prices

Core Chemical Deep-sea Fleet 2003-2017

Orderbook and estimated demolition per August 14th, 2014



Source: Odfjell FLEETBASE

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

Prospects

- The US trade picture looks better
- European economies are weakening
- Third quarter expected to be in line with second quarter for the chemical tanker and LPG/Ethylene segments
- The tank terminal segment expects continued stable results and gradually improving results at OTR



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Thank you



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