

Sevan Marine ASA

Second quarter and
first half 2018

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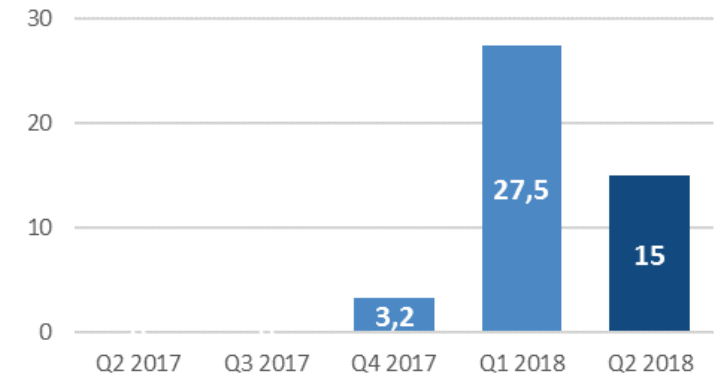
SembCorp and Teekay transactions

- Agreement to sell intellectual property, shares in HiLoad LNG AS and to transfer certain other assets and obligations, including employees, to SembCorp Marine Integrated Yard Pte Ltd (“SCM”) for USD 39 million
- Sevan Marine will retain its net cash position, the Dana Western Isles license agreement and the financial benefit of the Shell Penguins license agreement
- Teekay agrees to offer its 43.5 percent shareholding in Sevan Marine to all other shareholders in Sevan Marine on a pro rata basis for a price of NOK 10 per share, subject to adjustment for any distributions from Sevan Marine until completion of the offer (the “Teekay Offer”)
- Upon completion of the Teekay Offer, Sevan Marine has agreed to withdraw the lawsuit against Logitel Offshore Pte Ltd. The completion of the Teekay Offer is subject to the following key conditions: (i) required corporate approvals; (ii) closing of the SCM transaction; (iii) the subscription of all Teekay's shares in Sevan Marine; and (iv) regulatory approvals
- Until the earlier of (i) December 1, 2018 and (ii) close of the offer period for Teekay's shares, Sevan Marine has agreed defer all distributions to its shareholders including agreed share capital reductions of NOK 2.5 per share and any interim dividends to be agreed
- Please refer to press releases from June 08, 2018, June 12, 2018 and July 06, 2018 for further details
- It is expected that the SCM transaction will complete in Q3 2018 and the Teekay Offer in Q4 2018

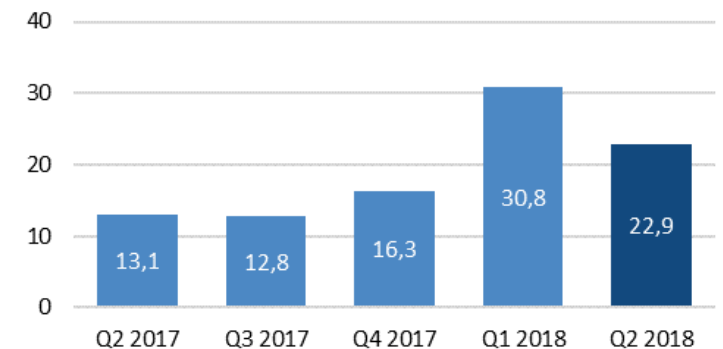
Financial reporting and revenue

- In accordance with IFRS, the remaining Sevan Marine business is reported as continued operations while the disposed business is reported as discontinued operations from Q2 2018
- Revenue in continued operations:
 - Overall decrease due to Shell Penguins license income of NOK 20.7 million in Q1 2018
 - Increase in Dana Western Isles income to NOK 15.0 million in Q2 2018 versus NOK 6.8 million in Q1
- Increased engineering service revenue, discontinued operations, in Q2 2018 of NOK 7.9 million versus NOK 3.4 million in Q1 2018 due to increased activity for Shell Penguins, Dana and Teekay

Revenue continued operations, NOK million

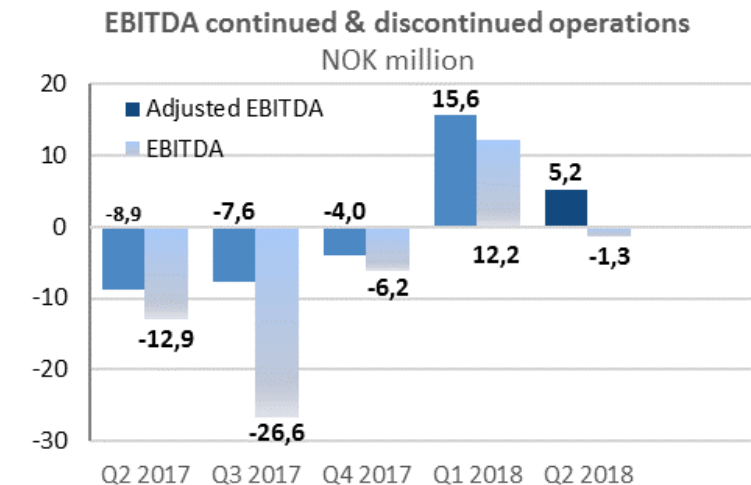
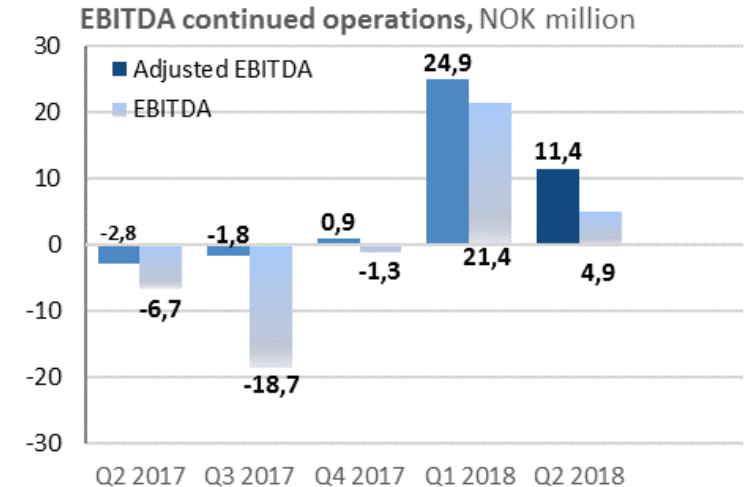


Revenue continued & discontinued operations
NOK million



EBITDA

- Continued operations reported EBITDA of NOK 4.9 million impacted by one-off items including:
 - Legal fees of NOK 0.6 million related to dismissed Brazil matter and patent infringement case which will be terminated with SembCorp transaction
 - SembCorp related transaction costs of NOK 5.8 million which includes legal and advisor fees as well as transaction bonuses
- EBITDA for discontinued operations improved to negative NOK 6.3 million in Q2 2018 versus negative NOK 9.2 million in Q1 2018 due to increased engineering activity in the quarter
- Continued operations EBITDA going forward driven by:
 - License income from Dana Western Isles
 - Costs to complete transactions and remaining operating costs



Western Isles field



- Start-up of production in Q4 2017
- Sevan Marine receiving USD 0.5 per produced barrel offloaded
- Income in Q2 2018 of NOK 15.0 million versus NOK 6.8 million in Q1 2018
- Capacity production of some 40,000 barrels per day reached in April 2018
- Sevan Marine has hedged USD 2.75 million at an average FX rate of NOK/USD 7.85 through December 2018. A further USD 1.4 million is hedged at an average FX rate of NOK/USD 7.90 from January 2019 to April 2019

Shell Penguins redevelopment



- Final investment decision taken in January 2018
- Sevan Marine has invoiced and received the first milestone payment of USD 2.625 million under the license agreement in Q1 2018
- Further payment milestones are (i) completion of the unit, (ii) start-up and (iii) successful production
- Outstanding milestones are expected over coming 3 to 5 years with total nominal value of USD 16 million

Outlook

- The SembCorp transaction gives the Sevan Marine cylindrical design a strong industrial partner to further develop and commercialize the concept while realizing value for shareholders today
- Combined with the Teekay transaction, Sevan Marine will resolve all material legacy issues while providing shareholders with a cash generating, stock exchange listed platform for future growth
- Operating costs for continued operations will decline with the resolution of all material one-off issues, the completion of the transactions and the transfer of employees and operational costs to SembCorp
- Western Isles is expected to remain near peak production for the coming months
- The SembCorp transaction is expected to be completed in Q3 2018 and the Teekay transaction in Q4

Appendix

Profit & loss statement (as reported)

<i>NOK million</i>	Note	Q2 18	Q1 18	30.06.2018	Q2 17	30.06.2017	2017
Continued operations							
Operating revenue	4	15.0	27.5	42.4	0.0	0.0	3.2
Operating expense		-10.1	-6.0	-16.1	-6.7	-15.0	-38.3
EBITDA		4.9	21.4	26.3	-6.7	-15.0	-35.1
Depreciation, amortization and impairment		0.0	0.0	0.0	0.0	0.0	0.0
Operating profit/(loss)		4.9	21.4	26.3	-6.7	-15.0	-35.1
Financial income/(expense)		0.9	0.8	1.7	2.8	10.1	11.6
FX gain/(loss)	7	-0.5	0.4	-0.1	-1.8	-3.8	-3.5
Net financial items		0.4	1.2	1.6	1.0	6.3	8.1
Profit/(loss) before tax		5.4	22.6	27.9	-5.7	-8.7	-27.0
Tax income/(expense)		0.0	0.0	0.0	39.3	39.3	32.8
Net profit/(loss) continued operations		5.4	22.6	27.9	33.5	30.5	5.7
Discontinued operations							
Disposed group classified as held for sale	5	-6.7	-9.8	-16.4	-14.3	-25.8	-39.6
Net profit/(loss) discontinued operations		-6.7	-9.8	-16.4	-14.3	-25.8	-39.6
Net profit/(loss)		-1.3	12.8	11.5	19.2	4.7	-33.8

Balance sheet (as reported)

<i>NOK million</i>	Note	30.06.18	31.03.18	30.06.17	31.12.17
Fixed assets		0.0	0.1	0.3	0.1
Intangible assets		0.0	3.9	5.1	4.3
Other non-current assets	3	0.0	3.2	45.5	3.2
Total non-current assets		0.0	7.2	50.9	7.6
Trade and other receivables	3	16.1	11.8	19.6	16.1
Cash and cash equivalents		205.7	208.7	179.1	197.5
Total current assets		221.8	220.5	198.7	213.6
Assets held for sale	5	7.6			
Total assets		229.4	227.7	249.6	221.2
Share capital	2	210.4	210.4	210.4	210.4
Other equity		-14.6	-14.5	13.0	-26.7
Total shareholders' equity		195.9	196.0	223.4	183.7
Non-controlling interest		0.2	0.2	0.3	0.3
Total equity		196.0	196.2	223.7	184.0
Retirement benefit obligations		0.0	0.0	4.2	0.0
Other non-current liabilities		0.0	2.2	0.0	2.3
Total non current liabilities		0.0	2.2	4.2	2.3
Current liabilities	7	26.1	29.4	21.7	34.9
Total current liabilities		26.1	29.4	21.7	34.9
Total liabilities		26.1	31.5	25.9	37.1
Liabilities held for sale	5	7.3			
Total equity and liabilities		229.4	227.7	249.6	221.2

Cash flow statement (as reported)

<i>NOK million</i>	Q2 18	Q1 18	30.06.2018	30.06.2017	2017
Cash flows from operating activities					
Cash from operations	8.2	17.9	26.1	-52.2	-27.2
Taxes paid/repaid	0.0	0.0	0.0	31.7	31.7
Net cash generated from continued operating activities	8.2	17.9	26.1	-20.5	4.5
Net cash generated from discontinued operating activities	-11.1	-6.6	-17.7	9.4	2.6
Net cash generated from operating activities	-2.9	11.2	8.4	-11.1	7.1
Cash flows from investment activities					
Sale of shares KANFA AS	0.0	0.0	0.0	0.9	0.9
Sale of fixed assets	0.0	0.0	0.0	0.0	0.0
Net cash from continued investment activities	0.0	0.0	0.0	0.9	0.9
Net cash from discontinued investment activities *	0.0	0.0	0.0	-36.5	-36.4
Net cash from investment activities	0.0	0.0	0.0	-35.6	-35.5
Cash flows from financing activities					
Dividends paid	0.0	0.0	0.0	0.0	0.0
Net cash from continued financing activities	0.0	0.0	0.0	0.0	0.0
Net cash from discontinued financing activities	0.0	0.0	0.0	0.0	0.0
Net cash from financing activities	0.0	0.0	0.0	0.0	0.0
Net cash flow for the period - continued activities	8.2	17.9	26.1	-19.7	5.4
Net cash flow for the period - discontinued activities	-11.1	-6.6	-17.7	-27.1	-33.8
Cash balance at beginning of period	208.7	197.5	197.5	225.9	225.9
Cash balance at end of period	205.9	208.7	205.9	179.1	197.5