

# Oslo: A vibrant hub for shipping and offshore investments

*Athens, February 2012*

# The Platou Group - “one-stop shop” for shipping and offshore companies

## The Platou Group



### Shipping

- Key facts
  - World leading ship-broking business
  - Established 1936
- Key segments
  - Tankers
  - Dry cargo ships
  - Industrial shipping



### Offshore

- Key facts
  - Largest offshore broker in the world
  - Established 1973
- Key segments
  - Offshore support vessels
  - Drilling units
  - Field development



### Financial Services

- Key facts
  - Norwegian financing company
  - Established 2004
- Key segments
  - Shipping projects
  - Offshore projects
  - Real Estate



### Investment Banking

- Key facts
  - Norwegian based full service investment banking firm
- Key segments
  - Shipping
  - Offshore
  - E&P
  - Seafood

## The Platou Group

### Market Research

- Provides research of all major shipping markets and macro economic factors affecting the shipping, energy and offshore markets

### Equity and Credit Research

- Global coverage within our core industries
- Covering blue-chip stocks in other sectors
- Covering 90% of the OSE market capitalization

***The diversity of the Platou Group effectively makes it a “one-stop shop” for shipping and offshore companies***

# Oslo | Leading position in shipping & energy/offshore



## Shipping

**Number 1 in Europe**  
(number of companies)

**2nd largest worldwide**  
(number of companies)



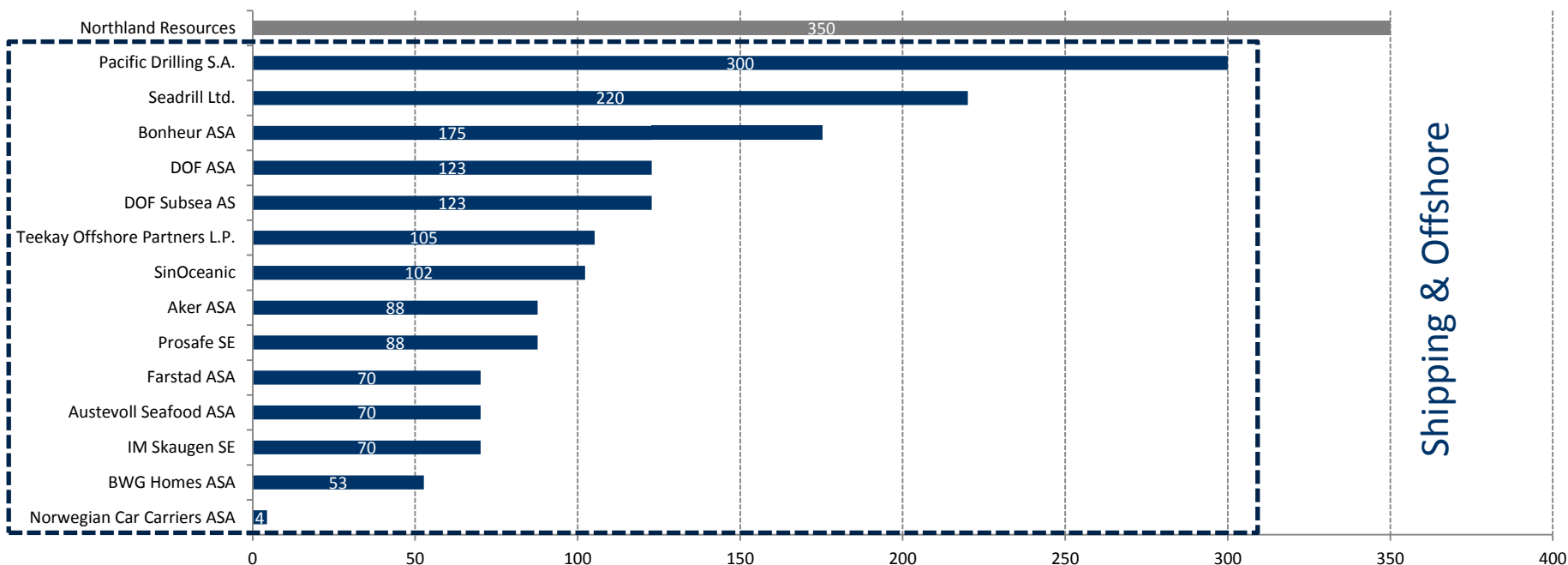
## Energy

**2nd largest in Europe**  
(number of companies)

**2nd largest  
worldwide in  
oil service**  
(number of companies and  
market cap)

# Let It Pour! – The Norwegian bond market window is open

## High Yield deals 2012 (USD million)



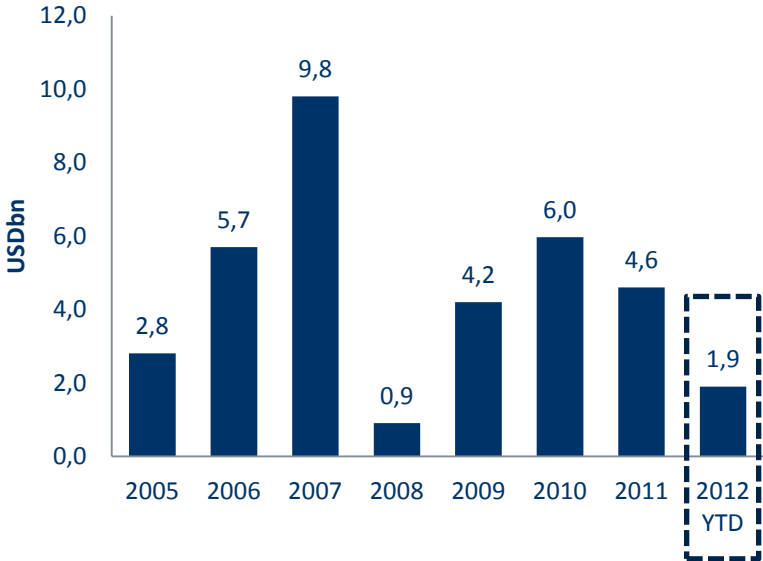
Shipping & Offshore

- 14 transactions within the shipping/offshore space year-to-date
- USD 1.600 million raised for shipping/offshore companies
- We see increasingly more shipping and offshore companies coming to the bond market going forward

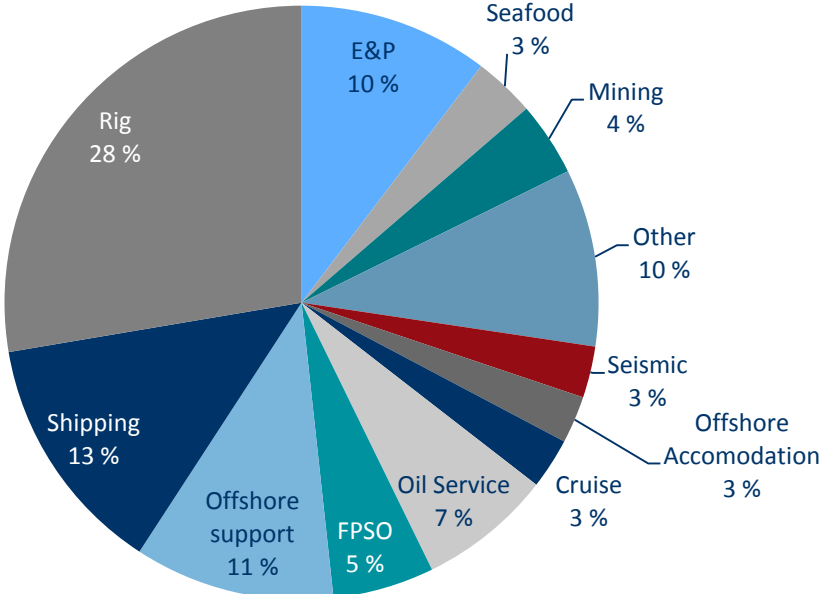
# Norwegian High Yield Bond Market

- 175 bonds and 33 convertible bonds outstanding
- Currently USD 18 billion outstanding
- Shipping accounts for 13% of total volume, and Shipping and Offshore accounts for 73%

High Yield deals 2005-2012

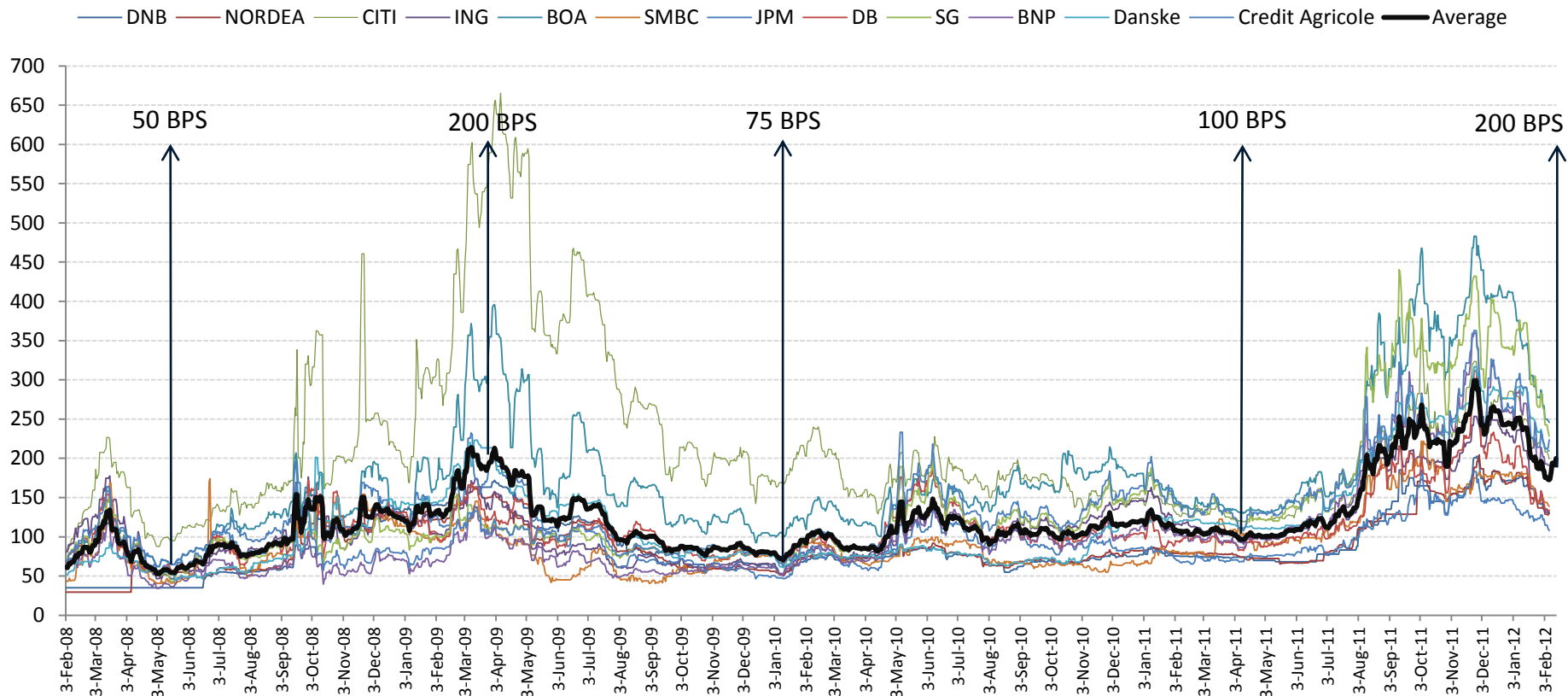


Sector breakdown all outstanding



# Banks seeing rising funding costs and new capital requirements

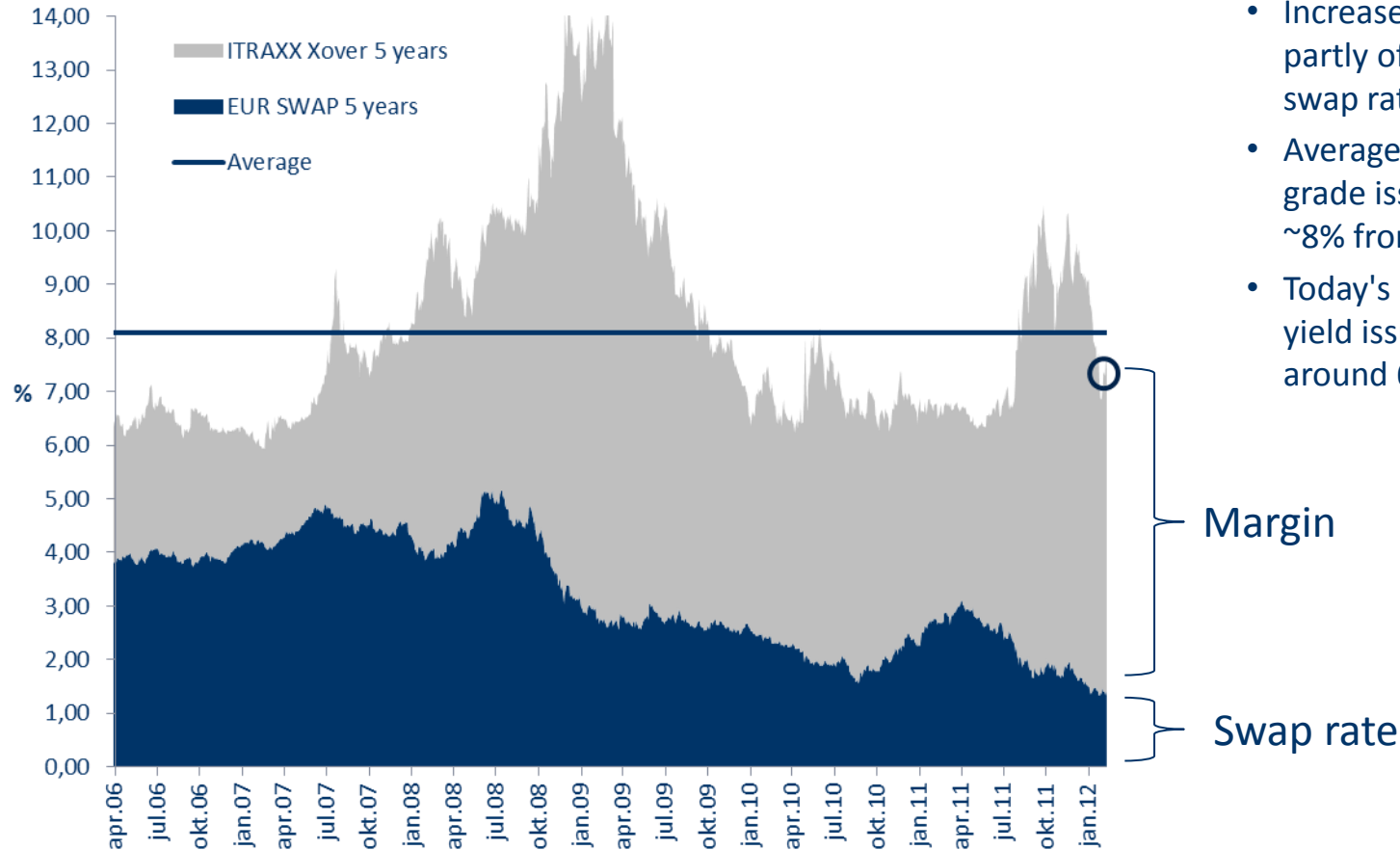
## CDS | 5 year Senior Secured on the twelve largest Shipping and Offshore Banks



Source: Bloomberg

# Average bond market yield is below last 6 years average

2006 – 2012 | iTraxx Xover 5 year + EUR Swap 5 year



- Increased bond spreads have been partly offset by declining long-term swap rates
- Average cost for non-investment grade issuing companies has been ~8% from 2006 to 2012
- Today's proxy cost for a new high yield issue is ~7.4%. Pre-crisis around 6.5% (2006 – May 2007)

Source: RS Platou Markets, Bloomberg

# Why issue «Norwegian» bonds?

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- **Access to a new funding source – «new muscles»**
- **«Fast-track» process**
  - Norwegian bond is a documentation «light» process
  - From start to money- in- hand: 4-6 weeks
  - No rating or full prospectus requirements

## **Shipping companies: who can issue bonds?**

Senior Unsecured: companies with assets on contract with solid counterparts

- 2-7 year bullet, non-amortizing
  - Covenant light versus bank
  - USD 50-300 million
- 
- Senior Secured: More flexible terms than for standard bank deals
    - Loan-to- value up to 80%
    - Non-amortizing
    - USD 50 - 300 million depending on assets
- 
- Equity listed on stock exchange is an advantage, but not a requirement (transparency)
  - Need to publish quarterly unaudited financials, and yearly audited financials



# Why the Norwegian equity markets?

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## Global arena for shipping and offshore companies

- Shipping, Offshore and Energy are dominant sectors on OSE
  - Secures high focus, strong liquidity, competitive pricing and thorough understanding
- Limited listing process and requirements have attracted 47 foreign companies to list on OSE

## Access to sophisticated domestic and international investor base

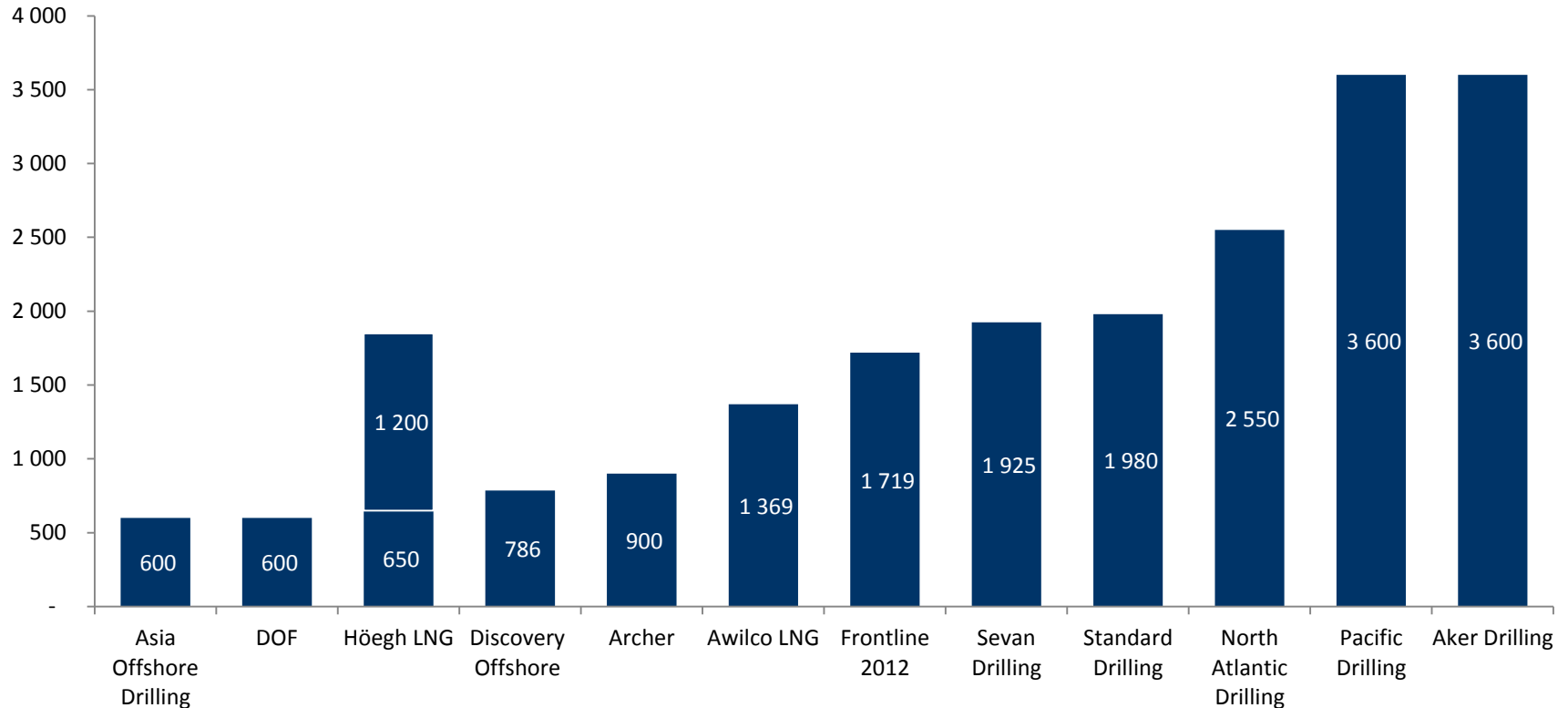
- Access to European and US institutional investors
  - International investors holds > 30% own combined market capitalization and 70-80% of trading volume
- Access to all large international investors that follow the shipping and offshore

## Time & cost efficient capital raising processes

- 58 companies listed in 2007, 15 in 2008, 3 in 2009, 20 in 2010, and 7 in 2011
- Efficient listing process with little bureaucracy, minimum paper work and low cost for both equity and bond issues
- Manageable reporting requirements (limited compared to the US)
  - Non-Norwegian companies may report in English and in local currency

# The perfect place to grow shipping & offshore companies

## Shipping & offshore equity issues LTM >USD 100 million (NOKm)



- Several companies taken from “idea level” to becoming serious contenders through capital raises in Oslo
- Possible due to Norwegian investor base appreciating “market timing” element

Note: Equity issues done on Oslo Stock Exchange, Oslo Axess and the N-OTC list.

# Leading role in the Norwegian capital markets

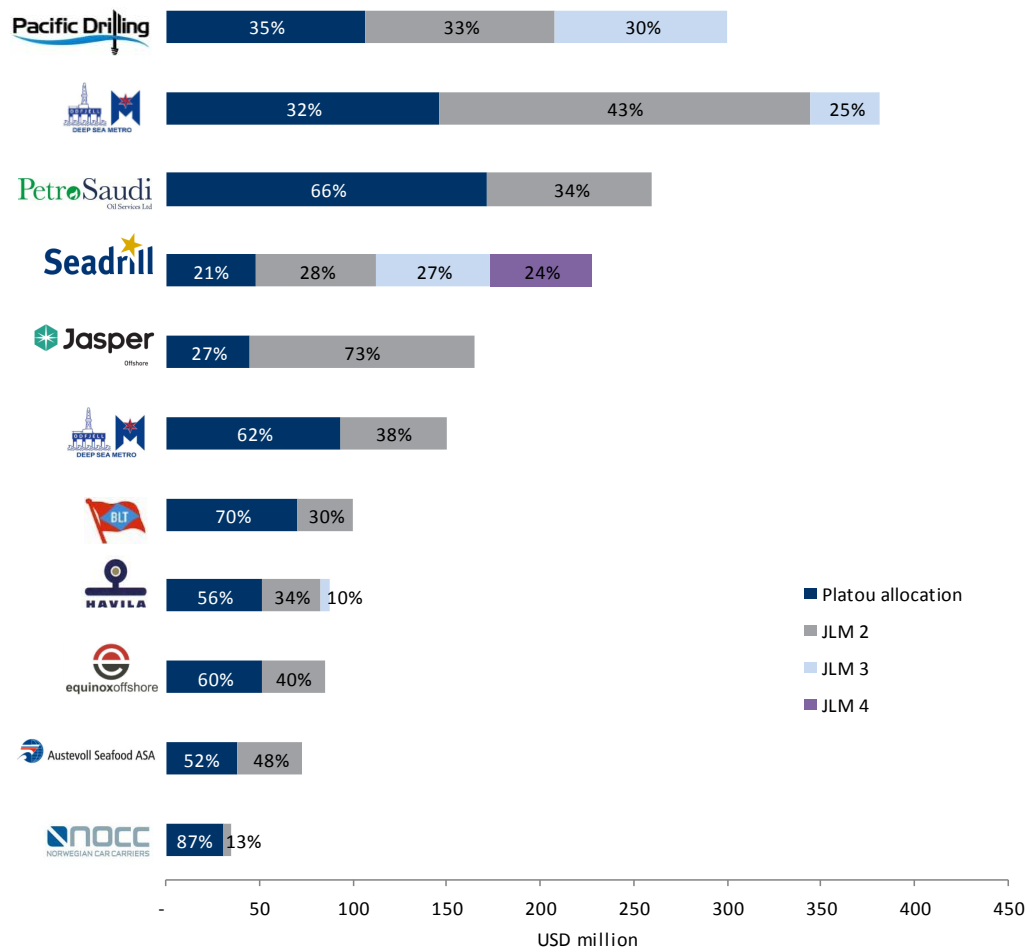
## Selected Platou Markets transactions

<p>February 2012</p>  <p>USD 300m Senior Unsecured Bond</p> <p>Joint Lead Manager</p>	<p>January 2012</p>  <p>NOK 1,250m Senior Unsecured Bond</p> <p>Joint Lead Manager</p>	<p>December 2011</p>  <p>USD 285m Private Placement</p> <p>Joint Lead Manager</p>	<p>December 2011</p>  <p>Advisor to the bondholders in the financial restructuring of Sevan Marine</p> <p>Joint Lead Advisor</p>
<p>November 2011</p>  <p>USD 150m 2<sup>nd</sup> Lien Bond in Chloe Marine Corporation</p> <p>Joint Lead Manager</p>	<p>September 2011</p>  <p>NOK 900m Private Placement</p> <p>Joint Lead Manager</p>	<p>April 2011</p>  <p>USD 330m Private Placement</p> <p>Joint Lead Manager</p>	<p>April 2011</p>  <p>Acquisition of Golar Energy LNG</p> <p>Joint Lead Advisor</p>
<p>March 2011</p>  <p>USD 600m Private Placement</p> <p>Joint Lead Manager</p>	<p>February 2011</p>  <p>USD 1,700m Private Placement</p> <p>Joint Lead Manager</p>	<p>July / August 2010</p>  <p>NOK 500m Senior Unsecured Bond Issue</p> <p>Joint Lead Manager</p>	<p>August 2010</p>  <p>USD 430m Private Placement</p> <p>Joint Lead Manager</p>

- Platou Markets has established a leading role since inception
  - Equity raised since 2010 of approximately NOK 17 billion
  - High yield bond issues since 2010 of approximately NOK 15 billion
  - Advisor in several M&A transactions and restructurings
- The Platou Group is a “one-stop shop” for shipping and offshore companies
  - The combined platform creates a unique Investment Bank with global reach
  - Strong relationships across the shipping value chain
  - Principals, asset owners, operators and customers
  - Financial and private investors
  - Key banks and financing providers
  - World recognized shipping research

# Strong placing power in the Norwegian HY market

## Selected Platou Markets' Bond transactions\* (USDm)
























\*: Blue bars represent Platou Markets' allocated demand in the bond offering.

- Platou Markets has a leading role in the Norwegian High Yield market
- Primarily focus on Offshore and Shipping companies and assets; first lien, second lien and unsecured transactions
- Platou Markets' key investors in the Nordic region, Asia, UK and the US are experts on Offshore and Shipping; hence primary transaction can be executed and placed rapidly
- Platou Markets High Yield secondary trading activity gives unparalleled insight into current secondary pricing and hence target levels for primary transactions

# Platou Markets has consistent transaction flow

## Representative ECM, DCM and M&A transactions (1)

<p>February 2012</p>  <p>NOK 120m Private Placement</p> <p>Joint Lead Manager</p>	<p>February 2012</p>  <p>USD 300m Senior Unsecured Bond</p> <p>Joint Lead Manager</p>	<p>February 2012</p>  <p>NOK 25m Senior Unsecured Bond Tap Issue</p> <p>Sole Manager</p>	<p>January 2012</p>  <p>NOK 1,250m Senior Unsecured Bond</p> <p>Joint Lead Manager</p>	<p>January 2012</p>  <p>NOK 400m Senior Unsecured Bond</p> <p>Joint Lead Manager</p>	<p>December 2011</p>  <p>Conversion of NOK 102m Convertible Bonds and NOK 27m Private Placement</p> <p>Sole Manager</p>	<p>December 2011</p>  <p>JV with financial partner</p> <p>Sole Financial Advisor</p>
<p>December 2011</p>  <p>USD 285m Private Placement</p> <p>Joint Lead Manager</p>	<p>December 2011</p>  <p>Advisor to the bondholders in the financial restructuring of Sevan Marine</p> <p>Joint Lead Advisor</p>	<p>December 2011</p>  <p>Advisor to the sellers on the sale of 28.5% of the shares to Seadrill</p> <p>Joint Lead Manager</p>	<p>November 2011</p>  <p>USD 150m 2<sup>nd</sup> Lien Bond in Chloe Marine Corporation</p> <p>Joint Lead Manager</p>	<p>November 2011</p>  <p>Refinancing of EUR 78m bond and EUR 15m bank debt</p> <p>Sole Advisor</p>	<p>November 2011</p>  <p>USD 38m Private Placement</p> <p>Sole Manager</p>	<p>September 2011</p>  <p>NOK 900m Private Placement</p> <p>Joint Lead Manager</p>
<p>July 2011</p>  <p>USD 36m Senior Secured Bond</p> <p>Sole Manager</p>	<p>July 2011</p>  <p>USD 85m Senior Secured 1<sup>st</sup> Lien Bond in EOAL Cyprus Holdings Limited</p> <p>Joint Lead Manager</p>	<p>June 2011</p>  <p>USD 80m Private Placement</p> <p>Joint Lead Manager</p>	<p>June 2011</p>  <p>USD 127m Public Equity Offering</p> <p>Co-Manager</p>	<p>May 2011</p>  <p>USD 165m 1<sup>st</sup> Lien Bond in Jasper Explorer</p> <p>Joint Lead Manager</p>	<p>May 2011</p>  <p>IPO PT Buana Listya Tama</p> <p>Co-Lead Manager</p>	<p>April 2011</p>  <p>Acquisition of Golar Energy LNG</p> <p>Joint Lead Advisor</p>

# Platou Markets has consistent transaction flow

## Representative ECM, DCM and M&A transactions (2)

<p>April 2011</p>  <p>USD 330m Private Placement</p> <p>Joint Lead Manager</p>	<p>April 2011</p>  <p>NOK 87m Convertible bond</p> <p>Sole Manager</p>	<p>March 2011</p>  <p>USD 600m Private Placement</p> <p>Joint Lead Manager</p>	<p>March 2011</p>  <p>USD 30m Private Placement</p> <p>Co-Lead Manager</p>	<p>February 2011</p>  <p>USD 1,700m Private Placement</p> <p>Global Coordinator</p>	<p>February 2011</p>  <p>NOK 125m Private Placement</p> <p>Joint Lead Manager</p>	<p>December 2010</p>  <p>Global Private Placement of Convertible bond USD 50m</p> <p>Joint lead manager</p>
<p>November 2010</p>  <p>Listing on Oslo Børs</p> <p>Sole Manager</p>	<p>November 2010</p>  <p>USD 30m Private Placement</p> <p>Joint Lead Manager</p>	<p>November 2010</p>  <p>USD 460m 1<sup>st</sup> Lien Bond in Golden Close Maritime</p> <p>Joint Lead Manager</p>	<p>November 2010</p>  <p>USD 100m Private Placement</p> <p>Sole Manager</p>	<p>September 2010</p>  <p>USD 260m Secured Guaranteed Amortising Bonds</p> <p>Joint Lead Manager</p>	<p>September 2010</p>  <p>NOK 200m Senior Unsecured Bond Issue</p> <p>Joint Lead Manager</p>	<p>August 2010</p>  <p>NOK 125m Senior Unsecured Bond Tap Issue</p> <p>Joint Lead Manager</p>
<p>August 2010</p>  <p>USD 430m Private Placement</p> <p>Joint Lead Manager</p>	<p>July 2010</p>  <p>NOK 375m Senior Unsecured Bond Issue</p> <p>Joint Lead Manager</p>	<p>July 2010 / Ongoing</p>  <p>NOK ~1,000m Established high-end PSV company Clean design</p> <p>Sole Advisor</p>	<p>July 2010</p>  <p>USD 1,000m Senior Secured First Lien Notes due 2015</p> <p>Co-Manager</p>	<p>July 2010</p>  <p>10% share issue in TTS Group directed at Scana Industriier ASA</p> <p>Sole Advisor</p>	<p>June 2010</p>  <p>Business combination Eidsiva / Dyvi and NOK 192m Private Placement Exclusive Advisor to Dyvi and in the Equity Issue</p> <p>Joint Lead Manager</p>	<p>June 2010</p>  <p>USD 200m Global Offering</p> <p>Co-Manager</p>

# Platou Group's extensive research coverage

## Platou Markets

- Platou Markets' equity research department has international coverage on companies within our core sectors. We cover 90% of the OSE market cap
  - Company research reports, updates, quarterly previews and reviews
  - Weekly, monthly and quarterly sector reports
  - Shipping daily
- Platou Markets' credit research publishes frequent reports on all the high yield bond issuers within our core sectors
  - Daily Credit Report – flagship publication
  - Quarterly sector reports within Rig, Shipping, Supply, Seafood and E&P

## RS Platou

- RS Platou offers a wide range of in-depth daily, weekly, monthly and quarterly sector reports within:
  - Rig
  - Offshore Support Vessels
  - Shipping
  - Tanker
  - LNG
  - Dry Bulk
  - Container

**Platou offers in depth company, sector, and macro reports together with regular company reports and daily updates**

## RS Platou Markets

### Oil Services Quarterly

September 2011

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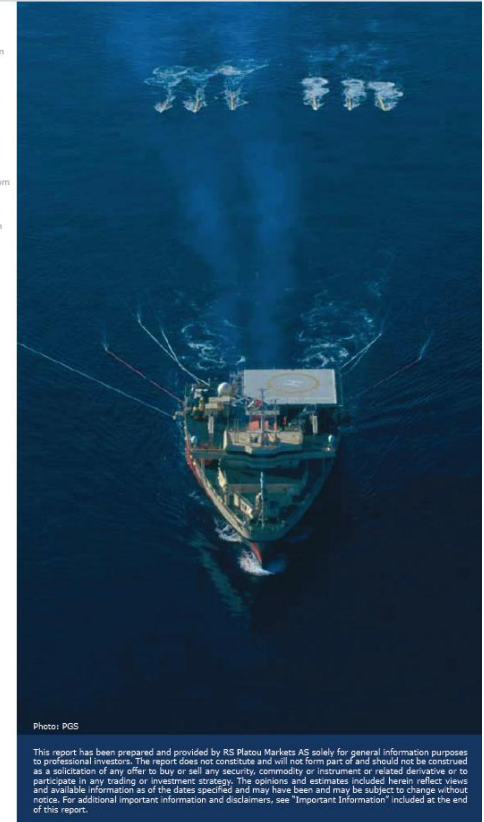


Photo: PGS

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