

A decorative graphic consisting of approximately 15 thin, teal-colored lines that originate from the left side of the slide and extend towards the right, with varying lengths and slight curves, creating a sense of movement and depth.

# Dolphin Group ASA

Pareto Securities Oil & Offshore conference

Oslo, 3 September 2015

Atle Jacobsen , CEO

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# Business lines

## Marine Contract

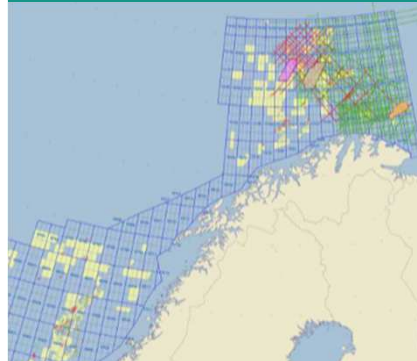


### High-end modern fleet

#### Operating fleet

- 6x High-End 3D vessels
- 1x 2D vessel

## Multi-Client



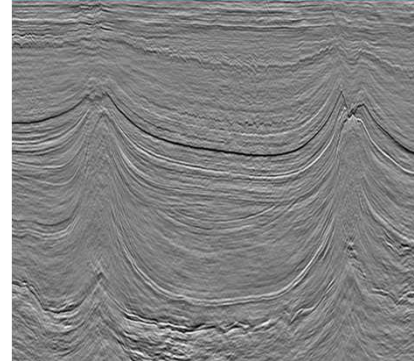
### Growing Multi-Client data library

#### Library of modern 2D & 3D data

- North Sea UK and Norway
- Norwegian Barents Sea
- West Africa
- Brazil
- Australia
- Mexico

34,500 km<sup>2</sup> of 3D and 48,300 km<sup>2</sup> of 2D successfully acquired

## Processing & Imaging



### Full onshore & offshore processing & imaging

#### In-house Processing and R&D

- Processing centres in UK, Houston and Singapore
- On-board Processing on all vessels
- Fast track data delivery
- AVO Friendly Broadband solution (SHarp)

## Processing Software



### Land & marine seismic processing software

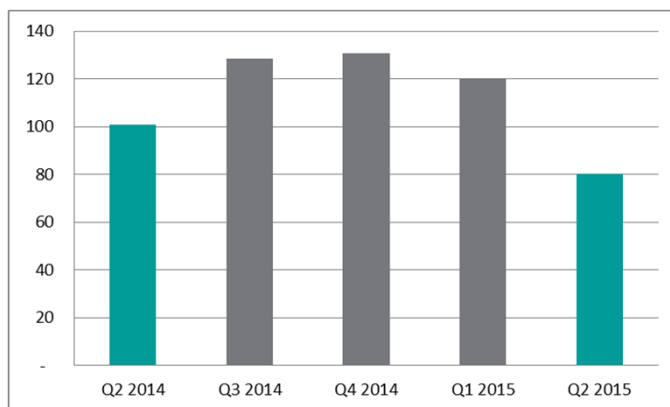
#### Software for the 21<sup>st</sup> Century

- QC, Time & Depth Processing
- Interactive user interface
- Advanced 2D and 3D visualisation
- Parallel processing and job management

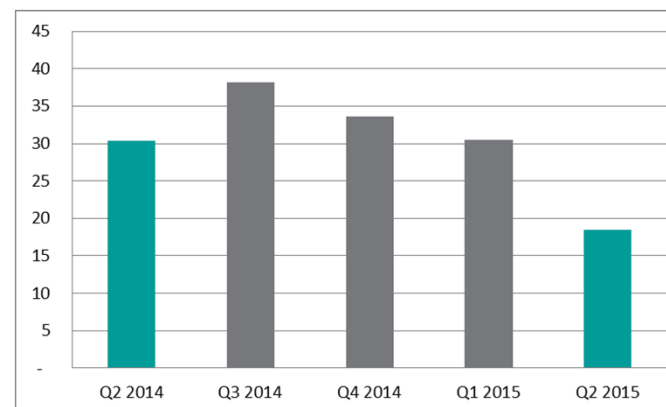
# Key financials - quarterly developments (USD Million)

“DOLPHIN TREND REFLECTING WEAK MARKET FUNDAMENTALS”

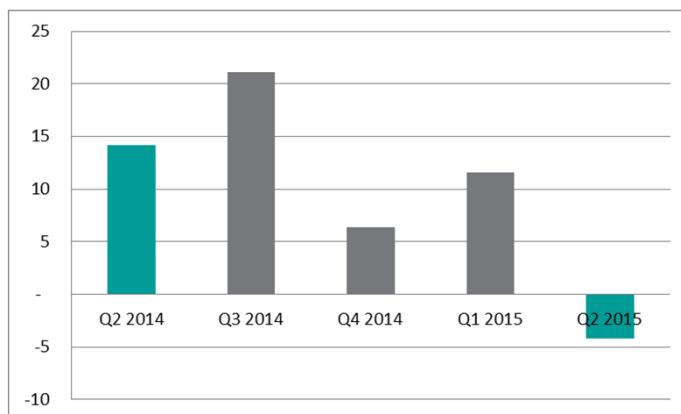
Net operating revenues



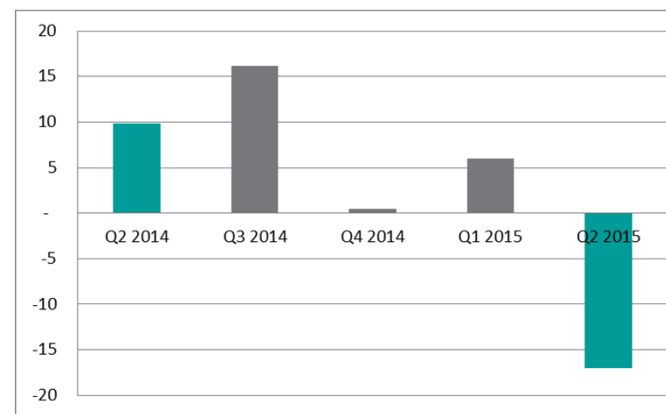
EBITDA\*



EBIT\*\*



Profit Before Tax



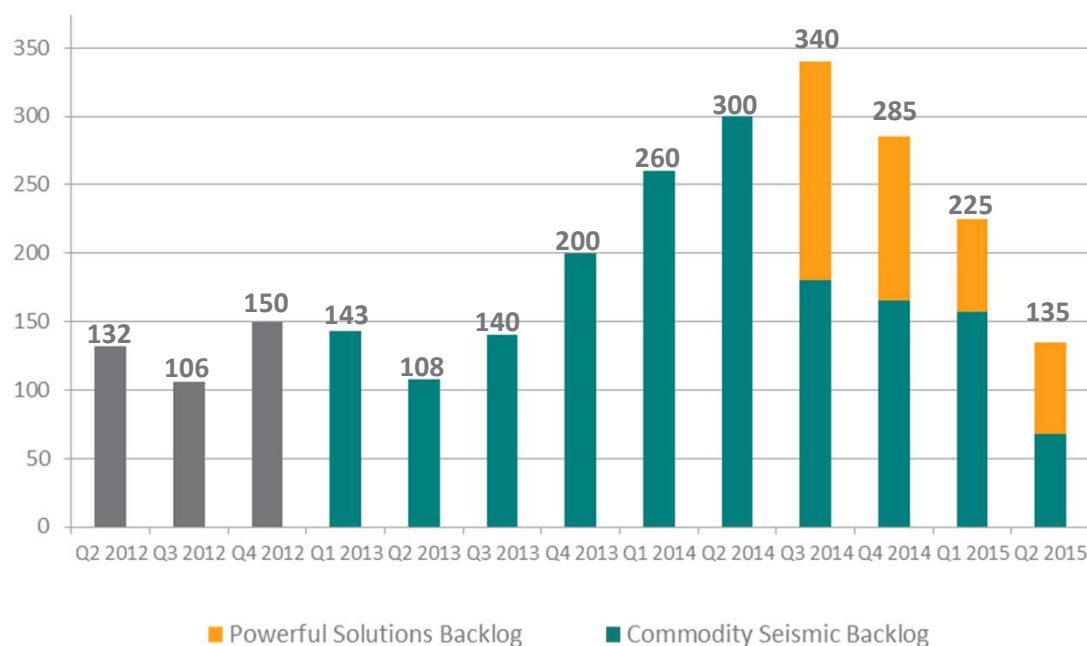
\* EBITDA, when used by the Company, means EBIT excluding other charges, depreciation, amortisation and write-down

\*\* EBIT; excluding other charges (restructuring) of USD 6.2 million in Q2 2015

# Backlog

(USD Million)

## Quarterly development



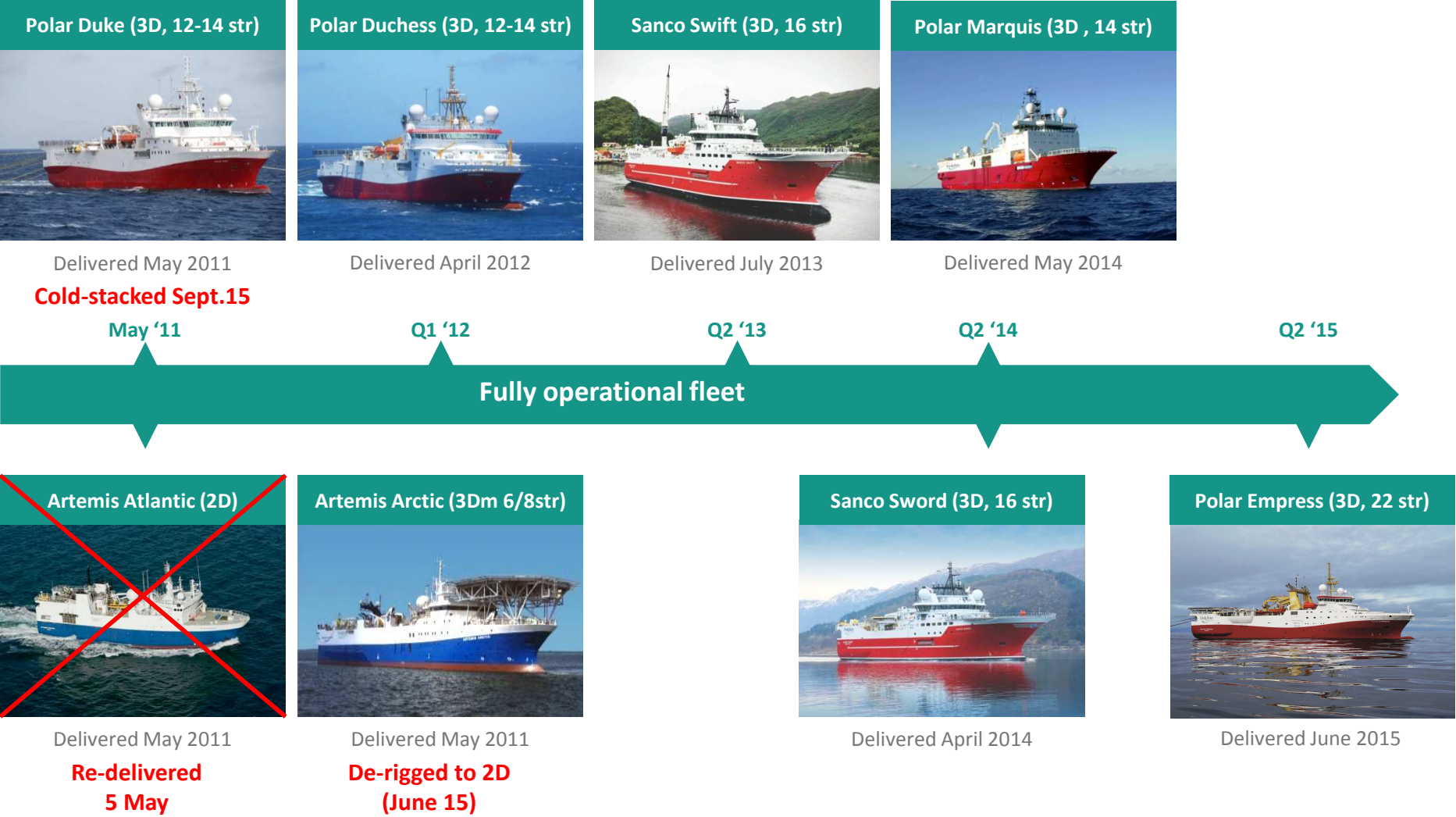
- USD 135 million as of Q2 2015\*
- Vessel coverage improved post Q2.15
  - ~ 90% covered for Q3 15
  - ~ 55% covered for Q4 15
- ~ 50% of backlog relates to Powerful Solutions (+12 streamers)
- High expectations related to seasonal awards in APAC and West Africa

Industry vessel coverage is higher Year-on-Year



\* ONGC contract value reduced by USD 15 million due to shallow water / obstructions

# Fleet expansion completed and fully financed



# Dolphin is asset-light with flexible Time-Charter commitments

Vessel	Firm initial period/Options	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
<del>Artemis Atlantic</del>	<del>TC firm 4 years from May '11</del> Option of 2+2 years					May											
							Redelivery										
Polar Duke	TC firm 5 years from May '11 Option of 6 years					May											
Artemis Arctic	TC firm 5 years from May '11 Option of 2+2 years					May											
Polar Duchess	TC firm 5 years from March '12 Option of 4+2 years						March										
Polar Marquis	TC firm 3.5 years from May '14 Option of 2+2 years							Nov									
Sanco Swift	TC firm 5 years from June '13 Option of 2+2+2 years								June								
Sanco Sword	TC firm 5 years from March '14 Option of 2+2+2 years								March								
Polar Empress	TC firm 5 years from April '15 Option of 3+3 years									April							

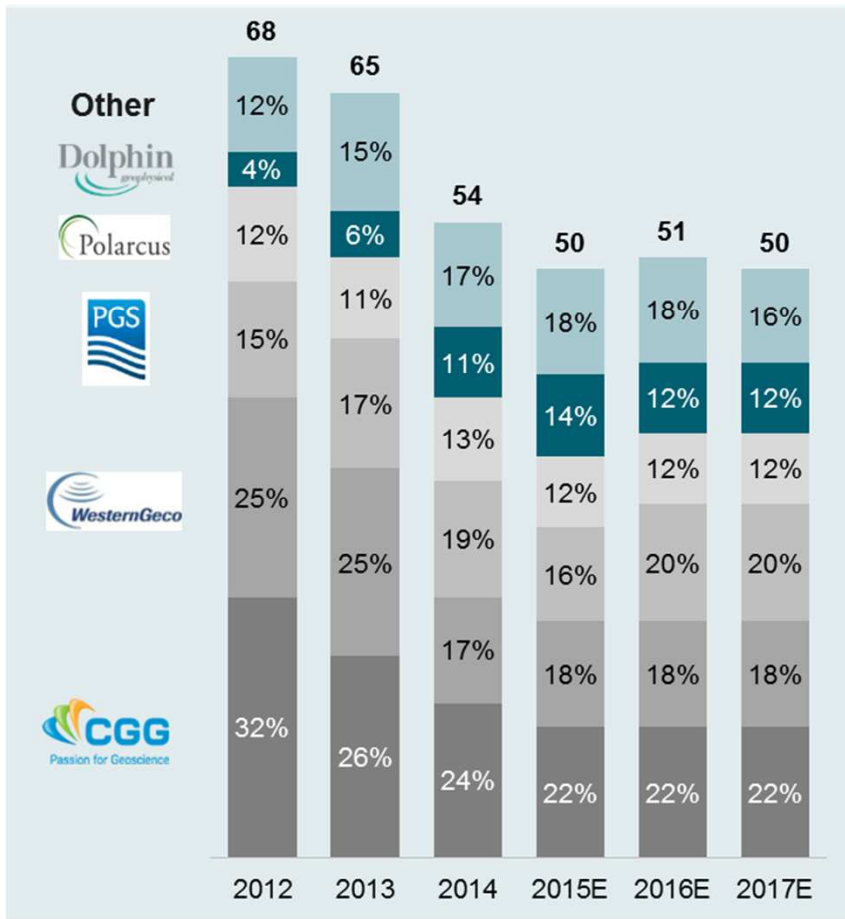
## Comments:

- Artemis Atlantic redelivered 5 May 2015
- Artemis Arctic planned redelivered early 2016
- Polar Duke, to be cold stacked in September 15, before re-delivery in May 2016
- Variable options to extend at a pre-agreed rates
- Dolphin business model is flexible and highly favourable compared to “steel on balance sheet”

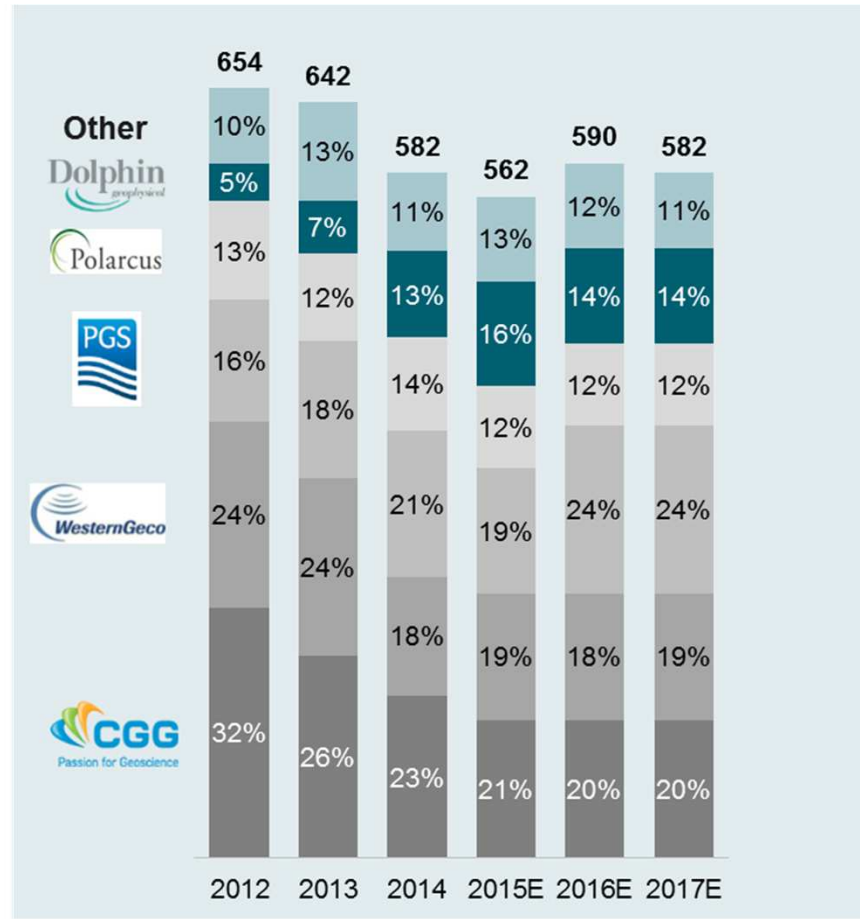
# Strong supply response to lower demand

(not updated with cold stacking of Ramform Viking & Polar Duke)

Market shares (# of vessels – 3D fleet)



Market shares (# of practical streamers – 3D fleet)



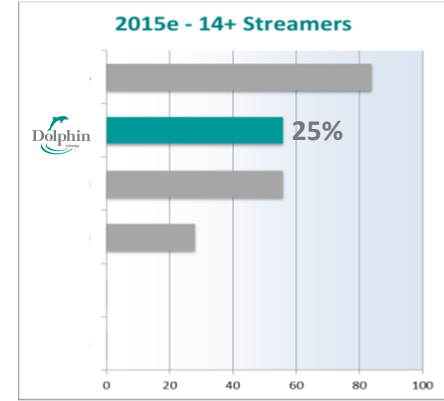
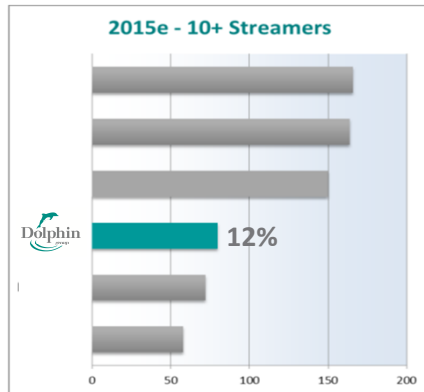
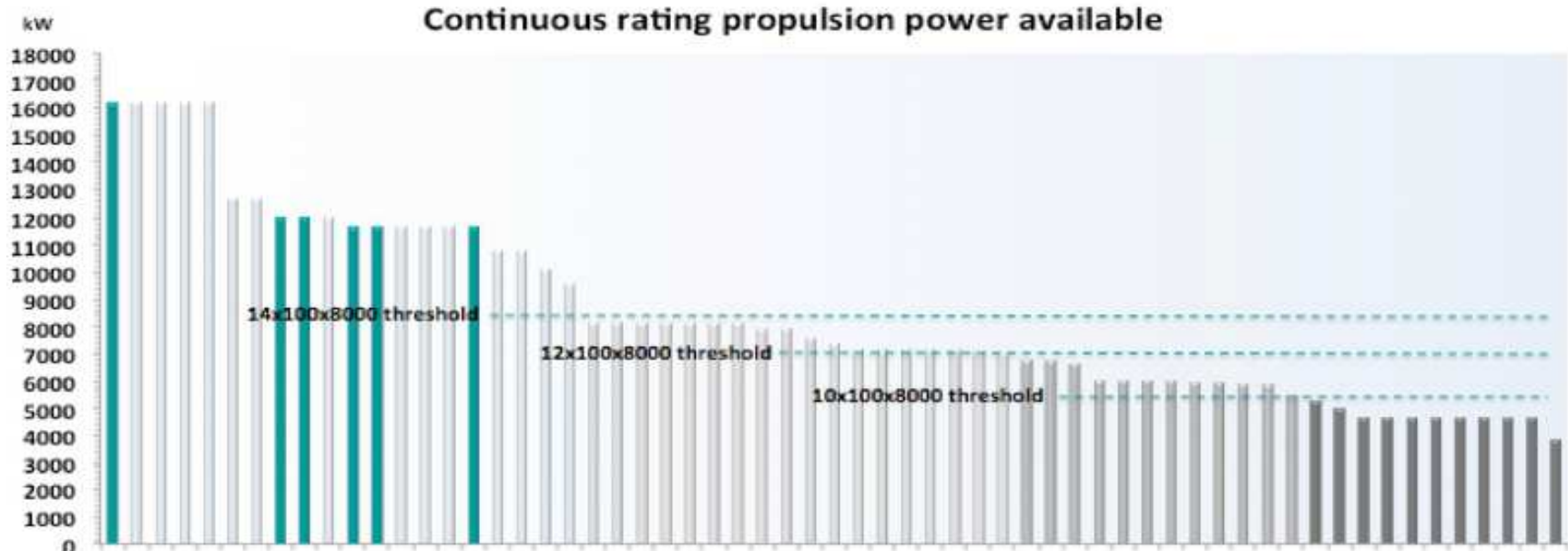
Source: SEB Equity Research, SEB CF



- Includes SCF vessel currently on bareboat
- Cold stacked vessels assumed taken out

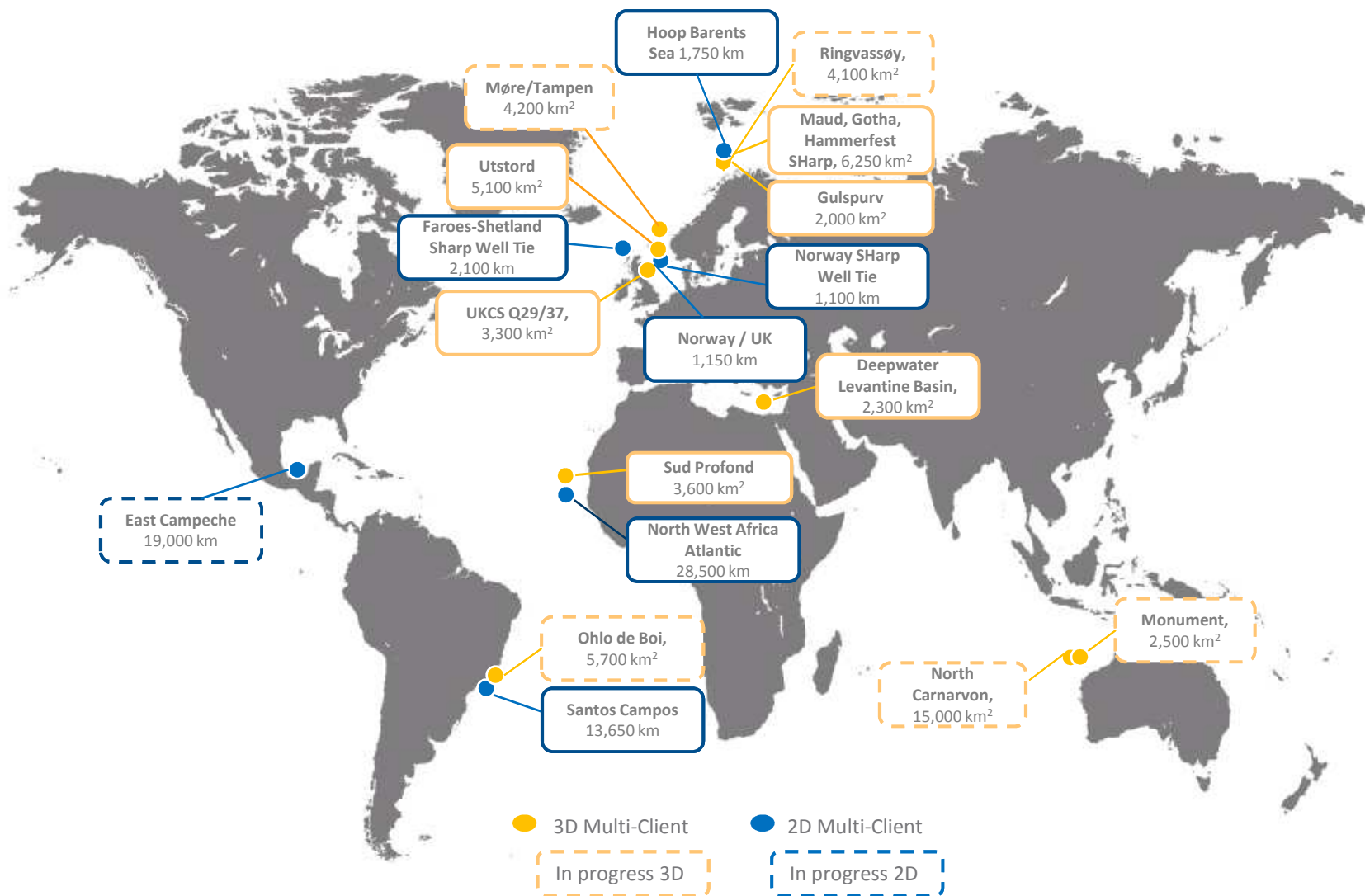


# Dolphin fleet - among the most powerful vessels in the industry



**Market moving towards larger surveys and higher streamer capacity**

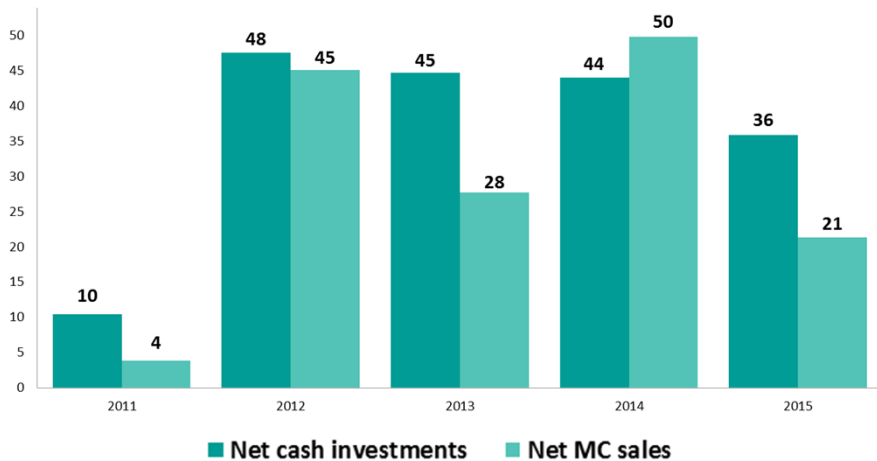
# Multi-Client surveys world wide 2011-2015



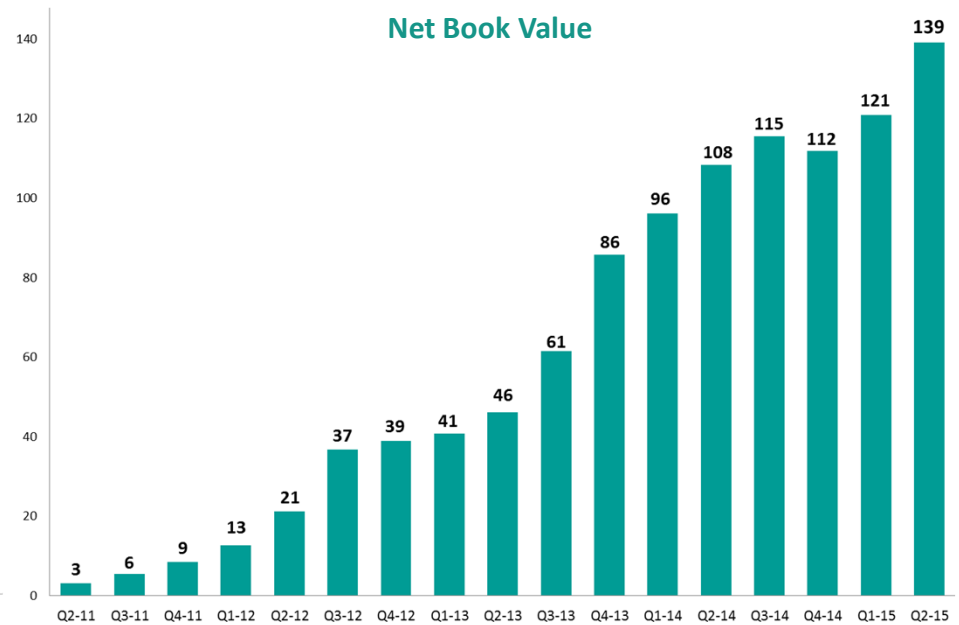
# Dolphin takes a prudent approach to Multi-Client

(USD Million)

Net cash investment vs. Multi-Client net sales



Net Book Value



**Comments:**

- Target Multi-Client net sales > net cash investment
- Historical acc. Net Cash Investment of USD 183 million vs. Net Sales of USD 148 million = net Invested USD -35 million
- Work in Progress USD 65 million (46% of NBV)

**Comments:**

- Net Book Value at USD 139 million
- Adjusted Multi-Client investment guidance of USD 80 million for 2015, primarily due to converted contract surveys
- MCS amortization rate 2013 = 64%, 2014 = 46 %, 2015 H1 = 67%



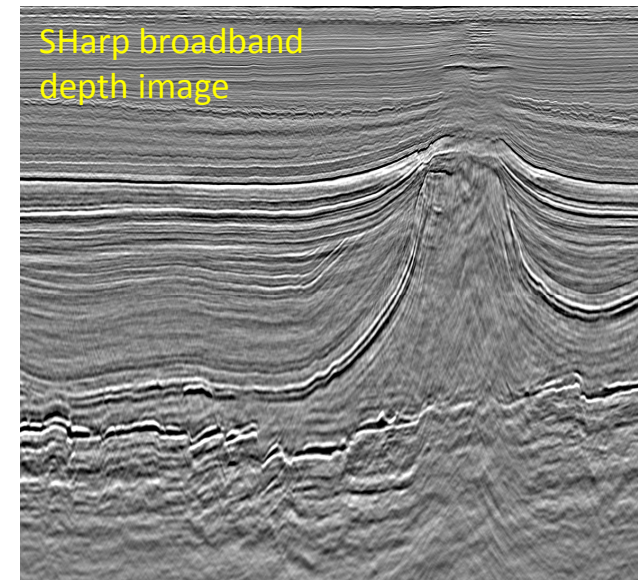
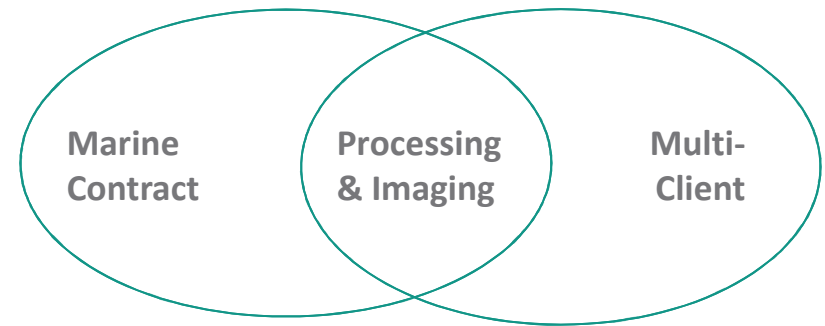
# Processing & Imaging – a critical success factor

## Makes Dolphin a fully integrated marine geophysical contractor

- Our people, our software, our hardware
- Worldwide software sales
- Processing centres in Houston, London and Singapore
- Brings us closer to our clients
- It's all about imaging and reduced exploration and production risk

## A continuing successful growth story

- Continued strong external revenue growth
- Growing within re-processing and depth imaging



# Initiatives already executed to improve liquidity and reduce cost

Aspects	Initiatives
Pro-active strengthening balance sheet	<ul style="list-style-type: none"><li>• Finalised extension of bond maturities</li><li>• Revised amortisation profile of main bank facility</li><li>• Increased share capital by 20% at market price</li></ul>
Already executed	<ul style="list-style-type: none"><li>• Redelivered Artemis Atlantic</li><li>• Artemis Arctic de-rigged for 2D</li><li>• Re-negotiated improved terms for support vessels</li><li>• Headcount reductions aligned with fleet adjustments</li><li>• No bonus cash payments for 2014</li><li>• Salary freeze for 2015</li><li>• Salary cuts for executive management (-10%)</li></ul>

Cost savings target of USD 20-25 million for 2015



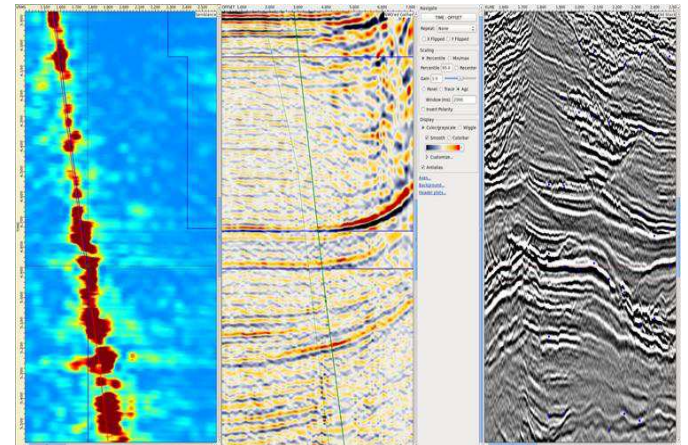
## Further “drastic” initiatives to prepare for extended low oil price scenario

- Cold-stack of Polar Duke until redelivery in May 2016
- Vessel Time-Charter reductions for a 9-12 months period, starting Sept. 15, compensated by similar extension of original firm period. Targeting 25-35% T/C cost reduction
- Multi-Client drawing facility of USD 50 million, alternatively divest part of MCS library (DD initiated with investors)
- Further Improved loan amortization profile for all Term Loans
- Further headcount reductions
- Continued cost and CAPEX reductions

Potential further cost savings of USD 65 million and financing of USD 50 million for the coming 12 months period

# Market outlook

- Continued weak market fundamentals
- Difficult to predict longer term trends
- Fierce competition on contracts for winter season
- Accelerated cold stacking of vessels in an industry effort to improve the market balance
- Myanmar, Mexico and Pacific region represent bright spots
- Starting to see tenders for 2016 North Europe summer season



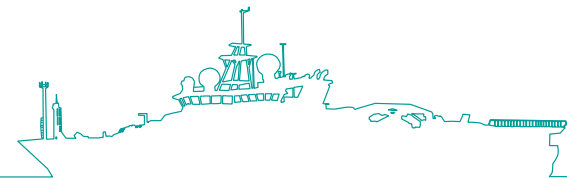
“It’s all about utilisation”





## Question & Answer Session

Delivering Powerful Solutions





## 2015 Guidance – update (as per Q2 presentation)

- In the current market environment it's difficult to provide a longer term guiding for our future financial performance.
- Third quarter expected total revenues in the range of USD 90-100 million based on operational projections and backlog
- Guidance for full year Multi-Client cash investments is increased to USD 80 million
- Polar Duke will have renewal main class in September (2-3 weeks owner's cost)
- Dolphin will continue the cost and capex reductions, as well as improving our financial position to meet the challenging market conditions

## IBD with earliest major maturity in February 2018

Debt	Security	Amount	Balance 30/06/15	Quarterly instalments	Tenure	Maturity	Interest
Bond Dolp01	Unsecured	NOK 400,000,000	USD 69,076,194	-	5.25 years	Feb-2018	3M Nibor + 775
Bond Dolp02	Unsecured	NOK 500,000,000	USD 86,836,255	-	5.25 years	Mar-2018	3M Nibor + 750
Term Loan	Secured	USD 93,000,000	USD 45,386,397	USD 3,000,000	Tranches	Q115 - Q2 2018	Libor + 400
Term Loan	Secured	USD 25,000,000	USD 17,478,250	USD 2,500,000	2.5 years	Q115 - Q4 2016	Libor + 400
Fin. lease various	Secured	USD 19,000,000	USD 9,541,727	USD 1,400,000	Various	Q115 - Q2 2019	Various, less than 5%
Fin. lease WG	Secured	USD 38,000,000	USD 35,200,000	USD 3,000,000	3 years	Sep-2018	Financial lease
<b>Grand total</b>			<b>USD 263,518,824</b>	<b>USD 9,900,000</b>			

### Comments:

- DOLP01 and DOLP02 have USD swaps
- Term loans primarily to finance seismic equipment
- Financial leasing primarily for processing and business IT equipment

See Note 7, NIBD, with short-term debt USD 39.1 million and long-term debt USD 224.4 million, totalling USD 263.5 million

# Financial Covenants\* / fully compliant as per 30/06/2015

	Definitions**	Loan Facility	Bonds
<b>Liquidity</b>	<ul style="list-style-type: none"> <li>Unrestricted cash and equivalents</li> </ul>	<ul style="list-style-type: none"> <li>USD &gt; 15m</li> </ul>	<ul style="list-style-type: none"> <li>USD &gt; 10m</li> </ul>
<b>Equity ratio</b>	<ul style="list-style-type: none"> <li>Total Equity/Total Assets</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 35%</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 35%</li> </ul>
<b>Gearing ratio</b>	<ul style="list-style-type: none"> <li>NIBD' / EBITDA</li> <li>- Rolling 12 months</li> </ul>	<ul style="list-style-type: none"> <li>&lt; 2.0</li> </ul>	<ul style="list-style-type: none"> <li>NA</li> </ul>
<b>Interest cover</b>	<ul style="list-style-type: none"> <li>EBITDA/Net Interest Cost</li> <li>- Rolling 12 months</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 3.25</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 2.5</li> </ul>
<b>Working Capital</b>	<ul style="list-style-type: none"> <li>Positive Working Capital</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 0</li> </ul>	<ul style="list-style-type: none"> <li>NA</li> </ul>

' NIBD = total interest bearing debt (including financial leasing) less free and available cash .  
Any new debt outside of the Loan Facility is included in NIBD by adding ¼ in each of the 4 subsequent quarters.

\* Adjusted and valid from 31.12.14 as per amended Term Loan Facility

\*\*All covenants measured quarterly on a consolidated basis

