Viking Supply Ships A/S
Financial Report
Q3 2013

Registration no. 33 36 97 94

Contents

Viking Supply Ships (VSS) conducts operations in the North Sea, Arctic and in the global offshore sector. The fleet comprises of 14 offshore vessels that are equipped for and have the capacity to operate in areas with harsh environment, further 7 of the AHTS vessels are equipped to operate in Arctic areas. The AHTS fleet, combined with crew and ice management competence, is tailor-made to operate in ice conditions. There has been an increased contract activity in this niche. VSS is committed to have a substantial part of the fleet on longer term contracts, and have a focus on increasing the contract backlog.

For further information, please contact CEO, Christian W. Berg, ph: +45 41 77 83 80.

The interim financial statements have not been subject to audit or review.

SUMMARY OF EVENTS

Total revenue for Q3 2013 was MNOK 301 (MNOK 279), with EBITDA of MNOK 133 (MNOK 109).

Total revenue year to date 2013 was MNOK 748 (MNOK 690), with EBITDA of MNOK 225 (MNOK 161).

The average fixture rate for the AHTS fleet year to date 2013 was NOK 322,000 (NOK 305,000) and GBP 11,500 (GBP 10,700) for the PSV fleet. The average utilization for the AHTS fleet year to date was 72 % (68 %) and 79 % (76 %) for the PSV fleet.

OPERATIONAL HIGHLIGHTS FOR Q3

Anchor Handling Tug Supply Vessels (AHTS)

Despite volatile market conditions in the third quarter, the fundamental market balance has improved during the last few months, leading to increased rates and utilization in the North Sea spot market.

During the third quarter four vessels were on term charters, while four were traded in the North Sea spot market. The vessels on term charters obtained an average fixture rate of NOK 406,000 (NOK 364,000). The vessels on the spot market obtained an average fixture rate of NOK 339,000 (NOK 291,000) and a utilization of 54 % (56 %). For the third quarter the entire AHTS fleet obtained an average fixture rate of NOK 378,000 (NOK 329,000) and a utilization of 74 % (72 %).

Balder Viking has for part of the third quarter been operating as ice-breaking support for a seismic campaign at North East Greenland. The vessel has returned back to the North Sea in the beginning of the fourth quarter. Magne Viking commenced its charter with Chevron Canada at the beginning of the third quarter and will remain in Canada throughout the fourth quarter.

Platform Supply Vessels (PSV)

During the third quarter several vessels exited the North Sea for contracts in other parts of the world, at the same time as a limited number of new-builds entered the market. Thus, the market balance has improved during the quarter, with a strengthened market as result.

Six vessels were on term contracts in the beginning of the third quarter, of which three vessels finished their contracts during the third quarter. The vessels on term contracts obtained an average fixture rate of GBP 11,400 (GBP 12,700). The vessels on the spot market obtained an average fixture rate of GBP 20,200 (GBP 9,600) and a utilization of 65 % (56 %). For the third quarter the entire PSV fleet obtained an average fixture rate of GBP 13,300 (GBP 11,600) and a utilization of 89 % (78 %).

FINANCIAL HIGHLIGHTS

Results for Q3 2013

Total revenue for Q3 2013 was MNOK 301 (MNOK 279). The total operating costs were MNOK 168 (MNOK 171) and EBITDA was MNOK 133 (MNOK 109). The operating result (EBIT) was MNOK 90 (MNOK 44).

Net financials were negative MNOK 11 (negative MNOK 63). Financial costs include unrealized currency gain of MNOK 21 (loss of MNOK 10), value adjustment on interest rate swaps of MNOK 5 (negative MNOK 4) and value adjustment on foreign exchange contracts of MNOK 0 (negative MNOK 8).

The result for the quarter was MNOK 80 (negative MNOK 19).

Results year to date 2013

Total revenue year to date 2013 was MNOK 748 (MNOK 690). The total operating costs were MNOK 523 (MNOK 529) and EBITDA was MNOK 225 (MNOK 161). The operating result (EBIT) was MNOK 98 (negative MNOK 17).

Net financials were negative MNOK 84 (negative MNOK 134). Financial costs include unrealized currency gain of MNOK 17 (gain of MNOK 10), value adjustment on interest rate swaps of negative MNOK 1 (negative MNOK 10) and value adjustment on foreign exchange contracts of MNOK 0 (negative MNOK 27).

The result for the period was MNOK 25 (negative MNOK 151).

FINANCING AND CAPITAL STRUCTURE

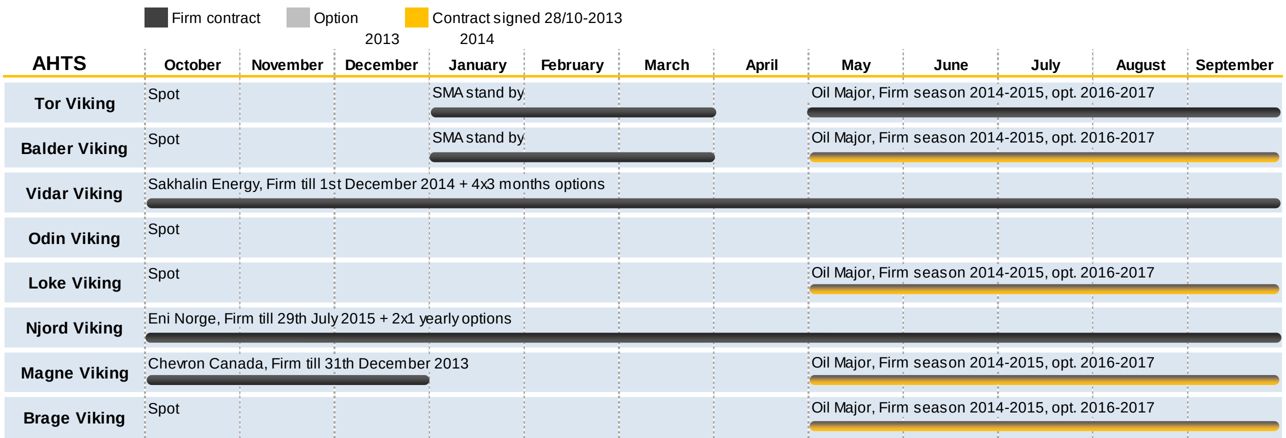
VSS is a 100 % owned subsidiary of Rederi AB Transatlantic (RABT). RABT is a limited liability company registered in Sweden, with its domicile in Gothenburg, and corporate registration number 556161-0113. RABT is listed on the Small Cap list of the NASDAQ OMX Nordic Exchange in Stockholm.

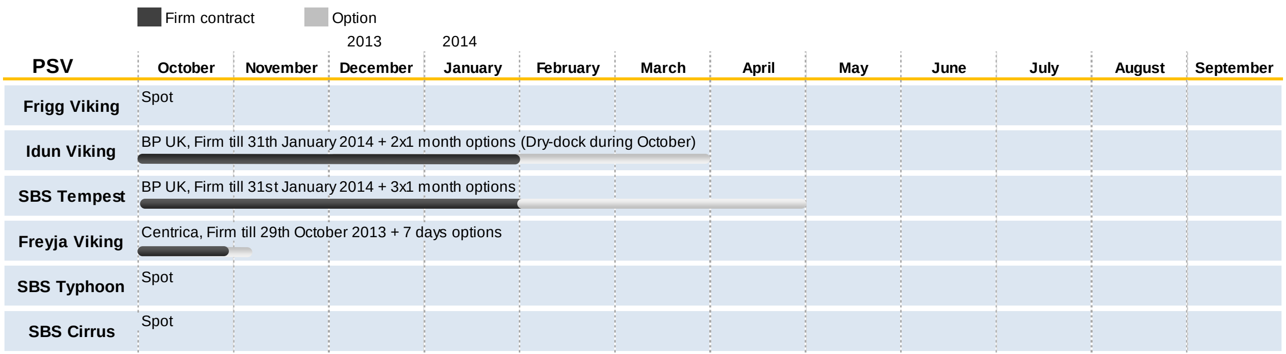
VSS book equity amounted to MNOK 1,784 (MNOK 1,764) as at 30 September, 2013 and was impacted by the result for the period of MNOK 25 (negative MNOK 151), currency translation effects of MNOK 36 (negative MNOK 24) and group contributions of MNOK 0 (MNOK 381). The value adjusted equity ratio was 45 % (44 %).

SUBSEQUENT EVENTS

After the quarter end VSS signed a contract with a major oil company for four of its AHTS vessels. The contract applies for the 2014 and 2015 drilling seasons, with options for 2016 and 2017. The drilling seasons are expected to commence around April / May each year. The total value of the contract's firm period is around MUSD 120.

EMPLOYMENT OVERVIEW





Tables are basis 29 October, 2013

CONTRACT BACKLOG

(MNOK)	2013	2014	2015	2016
Contract backlog	2,845.2	2,735.3	1,924.1	1,122.7
Contract coverage	39%	39%	33%	25%

Table is basis 29 October, 2013
Contracts include options.

OUTLOOK

Several AHTS vessels have left the region during the last part of the third quarter, which has led to improved market fundamentals. However, due to more rigs than normal undergoing yard-stays, the market softened towards the fourth quarter. As more rigs move to location we expect to see some tight periods during the next couple of months. Towards the end of the year, reduced activity and ample supply will most likely mean a softer spot market through the winter months.

For the PSV segment, the market balance will most likely continue its positive trend, but as seasonal lower activity is to be expected towards the winter, we expect the market to soften through the fourth quarter.

Copenhagen, 29 October, 2013

Board of Directors:

Christen Sveaas
Chairman

Anders Folke Patriksson
Vice chairman

Henning Eskild Jensen

Lars Håkan Larsson

Per Magnus Sonnorp

Managing Director:

Christian W. Berg

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

(MNOK)	Note	Q3 2013	YTD 2013	Q3 2012	YTD 2012	FY 2012
Total Revenue	2	**300.8**	**748.3**	**279.3**	**690.2**	**897.6**
Direct voyage costs		-7.7	-32.0	-10.2	-58.1	-69.9
Operating costs *		-159.9	-491.3	-160.4	-470.6	-631.4
Total operating costs		**-167.6**	**-523.3**	**-170.6**	**-528.7**	**-701.3**
Operating profit before depreciation (EBITDA)	2	**133.2**	**225.0**	**108.7**	**161.5**	**196.3**
Net gain on sale of fixed assets		-	-	-	-	-13.6
Depreciation	1	-43.0	-126.7	-64.5	-178.8	-177.2
Operating profit (EBIT)		**90.2**	**98.3**	**44.2**	**-17.3**	**5.5**
Financial income		0.7	1.4	-	0.2	0.9
Financial costs		-11.4	-85.0	-63.3	-133.8	-163.5
Net financials		**-10.6**	**-83.6**	**-63.3**	**-133.6**	**-162.7**
Pre-tax result		**79.6**	**14.7**	**-19.2**	**-150.9**	**-157.2**
Taxes **		-	10.0	-	-	-
Result for the period		**79.6**	**24.7**	**-19.2**	**-150.9**	**-157.2**

* Operating costs in 2013 include bareboat charter of Odin Viking.

** Tax of positive MNOK 10 due to reversal of accrual for Norwegian tax. The accrual was made prior to move to tonnage tax system and is now redundant.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(MNOK)	Q3 2013	YTD 2013	Q3 2012	YTD 2012	FY 2012
Result for the period	**79.6**	**24.7**	**-19.1**	**-150.9**	**-157.2**
Translation effect foreign operations	8.9	36.2	-18.9	-24.3	-58.6
Other comprehensive income net of tax	**8.9**	**36.2**	**-18.9**	**-24.3**	**-58.6**
Total comprehensive income for the period	**88.5**	**60.9**	**-38.0**	**-175.1**	**-215.8**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(MNOK)	Q3 2013	YTD 2013	Q3 2012	YTD 2012	FY 2012
Cash flow from operating activities	38.8	40.2	-38.2	-80.1	40.5
Cash flow from investing activities	-4.7	-39.1	-6.9	-20.0	277.3
Cash flow from financing activities	-30.6	16.4	-1.8	152.4	-231.6
Net changes in cash and cash equivalents	**3.5**	**17.5**	**-46.9**	**52.3**	**86.2**
Cash and cash equivalents at the start of the year	211.0	197.0	210.0	114.7	114.7
Exchange gains/loss on cash and cash equivalents	-	-	-	-3.9	-3.9
Cash and cash equivalents at the end of the period	**214.5**	**214.5**	**163.1**	**163.1**	**197.0**

CONDENSED CONSOLIDATED BALANCE SHEET

(MNOK)	Note	Q3 2013	Q3 2012	FY 2012
ASSETS				
Vessels and equipment		3,758.9	4,093.9	3,773.8
Tangible fixed assets	1.2	**3,758.9**	**4,093.9**	**3,773.8**
Financial fixed assets	4	**69.4**	**78.4**	**91.3**
Total fixed assets		**3,828.3**	**4,172.3**	**3,865.1**
Inventories		20.4	13.6	12.1
Accounts receivables		143.9	173.9	111.8
Other current receivables		98.0	60.9	51.2
Cash and cash equivalents	4	214.5	163.1	197.1
Total current assets		**476.8**	**411.5**	**372.2**
Total assets		**4,305.1**	**4,583.8**	**4,237.3**

(MNOK)	Note	Q3 2013	Q3 2012	FY 2012
EQUITY AND LIABILITIES				
Share capital		0.5	0.5	0.5
Retained earnings and reserves		1,783.3	1,763.0	1,722.3
Total equity		**1,783.8**	**1,763.5**	**1,722.9**
Deferred taxes		-	33.4	11.7
Long-term bond loan	3	359.1	295.3	295.6
Long-term debt to credit institutions	3	1,687.9	1,987.9	1,807.4
Other non-current liabilities		37.5	43.3	58.4
Non-current liabilities		**2,084.5**	**2,359.9**	**2,173.0**
Short-term bond loan	3	98.4	-	-
Short-term debt to credit institutions	3	189.0	199.9	187.1
Accounts payable		32.1	52.8	27.9
Other current liabilities		117.3	207.6	126.4
Current liabilities		**436.8**	**460.3**	**341.4**
Total liabilities		**2,521.3**	**2,820.3**	**2,514.4**
Total equity and liabilities		**4,305.1**	**4,583.8**	**4,237.3**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Depreciation

Tangible fixed assets are recognized at cost or after deductions for accumulated depreciation according to plan and possible impairment. Straight-line amortization according to plan is based on the following useful lives:

– Vessels: 25–30 years with residual value
– Docking and major overhaul measures: 2.5–5 years
– Other equipment: 5–10 years

Impairment test as at 30 September, 2013 shows no need for impairment.

2. Segment information

The segment information is presented in accordance with the internal reporting structure and includes two segments – AHTS and PSV.

(MNOK)	Q3 2013	YTD 2013	Q3 2012	YTD 2012	FY 2012
Revenue (external revenue)					
AHTS *	241.4	613.5	232.4	555.5	724.1
PSV	59.4	134.8	47.0	134.7	173.6
Total revenue	**300.8**	**748.3**	**279.3**	**690.2**	**897.6**
EBITDA					
AHTS	113.5	202.6	98.2	139.1	170.1
PSV	19.7	22.4	10.5	22.4	26.2
Total EBITDA	**133.2**	**225.0**	**108.7**	**161.5**	**196.3**
EBIT					
AHTS	77.4	95.6	42.4	-13.9	5.3
PSV	12.8	2.7	1.8	-3.4	0.2
Total EBIT	**90.2**	**98.3**	**44.2**	**-17.3**	**5.5**

* VSS performs external ship management assignments for 5 icebreakers owned by the Swedish Maritime Administration. External ship management is not considered a segment of its own. Revenues and costs for the AHTS include MNOK 33 (MNOK 29) for Q1, MNOK 29 (MNOK 24) for Q2 and MNOK 20 (MNOK 23) for Q3. The Ship management agreement with SMA is EBITDA and EBIT neutral.

Tangible fixed assets are distributed as follows:

(MNOK)	Q3 2013	Q3 2012	FY 2012
AHTS	3,136.4	3,504.5	3,209.7
PSV	622.5	589.4	564.2
Total tangible fixed assets	**3,758.9**	**4,093.9**	**3,773.8**

There are no significant revenue transactions between the segments.

3. Interest bearing liabilities

The vessels owned by VSS are primarily financed through bank loans with pledge in the vessels. Further securities have been given in the form of pledge in revenue and insurance policies. The interest bearing debt in VSS per Q3 2013 is MNOK 2,334 (MNOK 2,483).

Parts of the interest bearing liabilities are associated with loan covenants, according to which VSS must fulfill certain key data. VSS has secured waivers from the appropriate banks for the third quarter of 2013 in conjunction with VSS failing to fulfil one of its covenants in the loan agreements, hence at the balance date all covenants were in compliance.

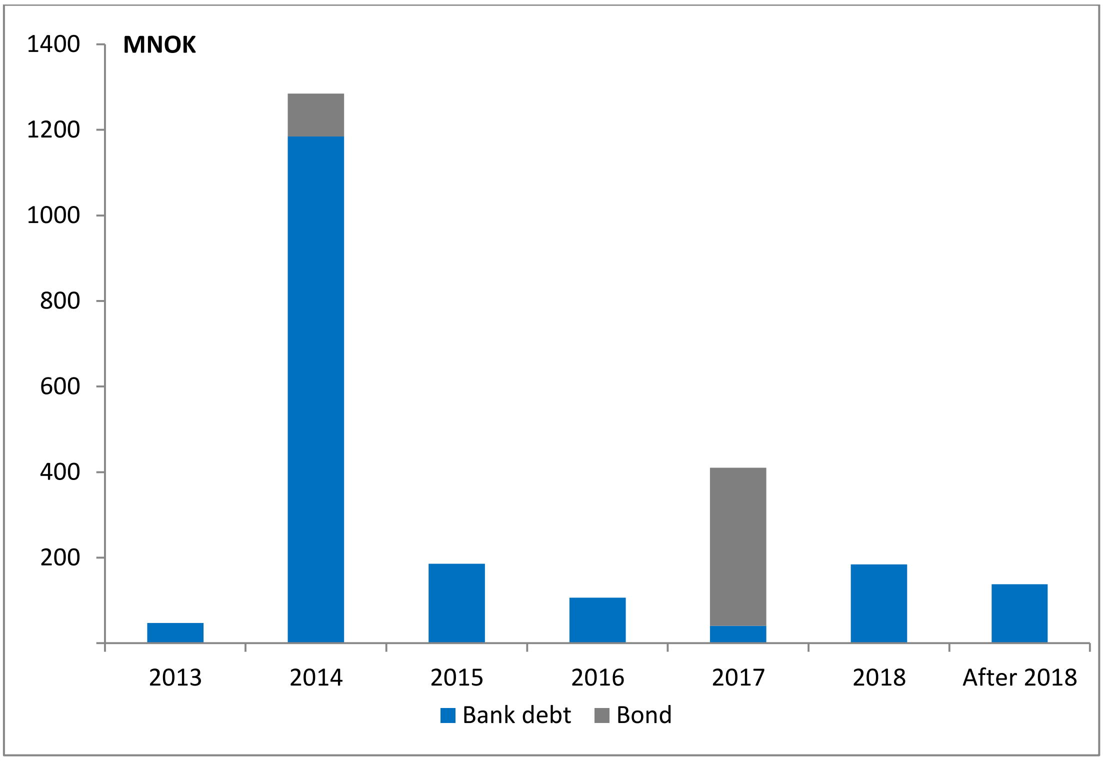
In March 2012 VSS issued a 5 year senior unsecured bond loan in the Norwegian capital market, with maturity in March 2017, totaling MNOK 300. The bond agreement has a limit of MNOK 750. The net proceeds from the bond shall be employed for investments, capital expenditures related to fleet expansion and general corporate purposes. The bond was listed on Nordic ABM in Oslo on 28 June, 2012. In March 2013 an additional MNOK 85 was drawn in a tap issue. In June 2013 VSS issued a 15 month senior unsecured bond loan in the Norwegian capital market, with maturity in September 2014, totaling MNOK 100. The bond was listed on Nordic ABM in Oslo on 25 June, 2013.

VSS has 10 % (11 %) of its interest bearing debt in USD. The remaining loans are denominated in NOK. VSS has swapped 38 % (37 %) of the total loan portfolio into fixed interest rate.

3.1. Classification by type of debt

(MNOK)	Q3 2013	Q3 2012	FY 2012
Long-term bond loan	359.1	295.6	295.6
Short-term bond loan	98.4	-	-
Long-term debt to credit institutions	1,687.9	1,987.9	1,807.4
Short-term debt to credit institutions	189.0	199.9	187.1
Total interest bearing liabilities	**2,334.4**	**2,483.3**	**2,290.0**

3.2. Debt maturity



4. Cash and cash equivalents

(MNOK)	Q3 2013	Q3 2012	FY 2012
Restricted cash *	37.1	73.0	61.1
Free cash and cash equivalents	214.5	163.1	197.1
Cash and cash equivalents	**251.6**	**236.2**	**258.2**

* The amount is included in the item "Financial fixed assets" in the balance-sheet

5. Operational and financial risk

VSS is characterized by a high degree of international operations and is thus exposed to a number of operational and financial risks. VSS works actively to identify, assess and manage these risks.

VSS is exposed to changes in the freight rates. To mitigate this operational risk, VSS has a clear focus on increasing the number of vessels on term contracts.

Long-term loans are the principal form of financing. Accordingly, interest rate fluctuations have an impact on VSS' earnings and cash flow. To reduce this risk VSS aims to actively manage the interest exposure through various types of hedging instruments.

Part of the VSS' cash flow is generated in currencies other than NOK which is VSS' functional currency. This means that currency fluctuations have an impact on VSS' earnings and cash flows. The foreign exchange risk is primarily reduced by matching the exposure to revenues in various currencies with costs in the corresponding currency. In the same manner, assets in a certain currency are matched with liabilities in the same currency.

6. Basis of preparation

These condensed interim financial statements for the nine months ended 30 September, 2013 have been prepared in accordance with the accounting principles as described in the VSS Annual report for 2012.