Welcome to Bergen and the Odfjell Capital Markets Day 2017
SAFETY ALWAYS FIRST

• No alarms are due for test – if alarm goes off you should assume it is real

• Identify muster point. Follow your host and adhere to instructions

• Do not use lifts
SAFETY ALWAYS FIRST

RØMMNINGSPLAN/ EVACUATION PLAN
## Today’s agenda

<table>
<thead>
<tr>
<th>Time</th>
<th>Topic</th>
<th>Representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>12:00 - 13:30</td>
<td>Our story and our markets</td>
<td>Kristian Mørch</td>
</tr>
<tr>
<td></td>
<td>The Odfjell Compass</td>
<td>Kristian Mørch</td>
</tr>
<tr>
<td></td>
<td>1Q 2017 results</td>
<td>Kristian Mørch / Terje Iversen</td>
</tr>
<tr>
<td>13:30 - 14:30</td>
<td>Chemical Tankers</td>
<td>Harald Fotland</td>
</tr>
<tr>
<td></td>
<td>Odfjell Terminals</td>
<td>Frank Erkelens / Koert Schoeten</td>
</tr>
<tr>
<td>14:30 - 15:30</td>
<td></td>
<td>CEO / CFO Odfjell Terminals</td>
</tr>
<tr>
<td>15:30 - 16:00</td>
<td>Finance strategy</td>
<td>Terje Iversen</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CFO Odfjell SE</td>
</tr>
</tbody>
</table>
Agenda

- Welcome
- Our story
- Our markets
- The Odfjell Compass
- 1Q 2017 results
## The core of our story

| Our heritage | • We have more than 100 years of experience in our field of business, and we have a proud tradition for being one of the leading companies in the industry |
| What we do | • We transport and store some of the world’s most hazardous liquids, in some of the world’s most sensitive environments |
| Why we do it | • We act at the logistics chain for the world’s chemical industry, allowing for the global industry to function  
• Most humans on the planet are in contact with products that were once transported on our vessels |
| How we do it | • We do not compromise on safety and we care about the environments around us  
• We work hard to do it more efficiently than anyone else in the industry |
| What we deliver to our customers | • Safe, reliable and on-time delivery of our customers products at a competitive cost |
| What we aim to deliver to our shareholders | • Attractive returns across cycles |
We are ultimately serving a vast number of industries...

- Energy & Biofuel
- Pharmaceutical
- Agriculture
- Electronic
- Automotive
- Textiles
- Home & Health care
- Construction
...as the key link in the infrastructure of the industries
Most humans on the planet are in contact with products that were once transported on our vessels.
The shipping and storage markets mainly serve the same industry, but have different characteristics

**Industry specific**

**Chemical tankers**
- Global market dynamics
- 1-2 years contracts + spot market
- Cyclical industry
- Income based on loaded volume
- Correlated to other shipping segments
- EBITDA margin ~ 25%

**Terminals**
- Mainly regional market dynamics
- 1-15 years contracts
- Fixed part of supply chain
- Income largely based on rented capacity
- EBITDA margin ~ 50%

**Common**

- Capital intensive
- Operationally complicated. High safety focus
- Overlapping customers and key market drivers
  - GDP growth, world trade
  - Imbalances between demand and supply
- Unit cost pressure, scale advantage
Agenda

• Welcome
• Our story
• Our markets
  – Supply
  – Demand
• The Odfjell Compass
• 1Q 2017 results
Our definition of the chemical tanker fleet

Total fleet: 4,315 vessels 103.9m dwt

Regional (<18k dwt): 2,202 vessels 18.6m dwt

Deep-Sea (>18k DWT): 2,113 vessels 85.4m dwt

Stainless steel: 461 vessels 12.0m dwt

Coated: 1,652 vessels 73.4m dwt

 IMO 3 683 vessels 31.4m dwt

 IMO 2 969 vessels 42.0m dwt

 IMO 1 312 vessels 2.7m dwt

 IMO 3 82 vessels 2.7m dwt

 IMO 3 67 vessels 6.6m dwt

1. Vessels with full or partial stainless steel capacity
2. Vessels with no stainless steel capacity
We are currently at a low point in the cycle in terms of earnings...

1-year TC rates, USD per day

Source: Maersk Brokers
...and the asset prices are also significantly down

Newbuild prices, USD million

Source: Maersk Brokers
The main reason is that the market has been through a period with high supply growth

Fleet development, million dwt

Source: Odfjell

<table>
<thead>
<tr>
<th>Year</th>
<th>Core Chemical</th>
<th>Swing</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007A</td>
<td>8.5</td>
<td>37.0</td>
</tr>
<tr>
<td>2008A</td>
<td>9.4</td>
<td>44.1</td>
</tr>
<tr>
<td>2009A</td>
<td>10.4</td>
<td>48.9</td>
</tr>
<tr>
<td>2010A</td>
<td>11.1</td>
<td>51.7</td>
</tr>
<tr>
<td>2011A</td>
<td>11.7</td>
<td>53.2</td>
</tr>
<tr>
<td>2012A</td>
<td>12.0</td>
<td>54.2</td>
</tr>
<tr>
<td>2013A</td>
<td>12.6</td>
<td>57.2</td>
</tr>
<tr>
<td>2014A</td>
<td>13.0</td>
<td>60.7</td>
</tr>
<tr>
<td>2015A</td>
<td>14.5</td>
<td>64.2</td>
</tr>
<tr>
<td>2016A</td>
<td>16.1</td>
<td>67.9</td>
</tr>
</tbody>
</table>

Source: Odfjell
At the same time the market has been de-consolidated over the last 10 years – a trend which we think will reverse

Chemical operators HHI index$^1$ development

- Private equity entered the market. Many look for an exit or for M&A
- Trend to reverse driven by:
  - Scale advantages
  - Customer demands
- Stolt-Nielsen’s acquisition of JO Tankers has kick-started many industry discussions

Source: Odfjell
1. The HHI-index is a common measure of market concentration. It is calculated by squaring each operators’ market share (measured by DWT), and then summing up all the individual squared market shares
The competitive landscape has therefore changed – but only few players offer true deep-sea parcelling.

Market share measured in dwt as of March 2017¹, % of total

Examples
• Bahri
• Chembulk
• Ultratank
• Allied CC
• NCC

1. Includes core owners and operators
We expect supply growth to trail off with only 2.9% CAGR in the period 2016 – 2019…

Fleet development¹, million dwt

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¹ Assumed 30 year lifetime for European built tonnage and 25 year lifetime for remaining vessels

Source: Odfjell
...which is in line with consensus

Odfjell and other data providers supply growth 2016A – 2019E, compound annual growth rate

<table>
<thead>
<tr>
<th>Source</th>
<th>Supply Growth 2016A–2019E, CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clarksons</td>
<td>2.1%</td>
</tr>
<tr>
<td>Maersk Broker</td>
<td>2.9%</td>
</tr>
<tr>
<td>Steensland</td>
<td>3.1%</td>
</tr>
<tr>
<td>Consensus</td>
<td>2.7%</td>
</tr>
<tr>
<td>Odfjell</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

Source: Odfjell, various brokers

Note there are different definitions of core fleet between sources.
Agenda

• Welcome
• Our story
• Our markets
  – Supply
  – Demand
• The Odfjell Compass
• 1Q 2017 results
We ship more than 600 different kinds of liquids, so the demand picture is complex

<table>
<thead>
<tr>
<th>Raw material</th>
<th>Organic chemicals</th>
<th>Inorganic chemicals</th>
<th>Veg oils</th>
<th>Other¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil and natural gas</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acetic acid, styrene, Benzene, Xylene, Methanol, Ethanol</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phosphoric acid, Urea / Ammonium, Caustic soda</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Palm oil, soybean oil, animal fats</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specialty chemicals Examples</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Propylene Oxide, Hexene,Isocyanates, HexaMethylDiamine</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lubricants Molasses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

We ship: Textiles, paper, packaging, electrical, automotive and building materials

Personal & home care, green energy

Personal & home care, green energy

Source: Odfjell, Clarksons
1. Includes lubricants

% Share of 2016 total market
Fundamental demand for seaborne chemical trade has historically tracked GDP growth and industrial production.

World GDP and seaborne chemical trade, unit specified below

- Growth in seaborne chemical trade and GDP growth closely related
- Historical trade multiplier between 1.0x - 1.5x

Source: Clarksons, Thomsons Datastream
World GDP estimated to grow around 3.5% per year in the coming years, but carries some uncertainty

World GDP constant USD, year on year % change

Source: Oxford Economics/Thomsons Datastream,
A significant number of chemical projects are being constructed, especially in USA and Middle East…

Estimated timing of new chemical projects, million tonnes

2017:
- Reliance Industries
- Sadara Chemical
- Kaveh Methanol
- Petro Rabigh (phase II)
- Natgasoline
- OCI

2018:
- Castleton Commodities
- Zhejiang Rongsheng Petrochemical
- Saudi Aramco

2019:
- MEGlobal
- South Louisiana Methanol
- G2X Energy

2020-2021:
- Shandong Yuhang Chemical
- Celanese
- Connell group/Sino Life
- NWIWx2

Geographic location of new chemical projects, million tonnes

- US: 30
- China: 5
- Iran: 4
- Saudi Arabia: 4
- India: 4
- Vietnam: 1
- Korea: 0

Source: Clarksons and Drewry
…which will boost exports from these areas…

Chemical Exports, million tonnes

US chemical exports, million tonnes

Middle East Chemical exports, million tonnes

Source: Clarksons, US assumption: 50% of capacity from new projects being exported
This is driving dislocation of supply and demand – and increasing average haul for the chemical fleet

Overview of high and low cost petrochemical production

USG – Far East
10,000 N. Miles
34 days

ME – Far East
6,000 N. Miles
19 days

Global fleet average haul = 3,497 N. Miles
We hence forecast around 4% growth in demand, driven by GDP and ton-mile growth...

Demand seaborne chemical trade, ton-mile

Source: Odfjell
...which is also in line with consensus

Odfjell and other data providers demand growth 2016A – 2019E, compound annual growth rate

<table>
<thead>
<tr>
<th>Source</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clarksons</td>
<td>4.3%</td>
</tr>
<tr>
<td>Maersk Broker</td>
<td>3.4%</td>
</tr>
<tr>
<td>Steensland</td>
<td>5.0%</td>
</tr>
<tr>
<td>World GDP</td>
<td>3.5%</td>
</tr>
<tr>
<td>Consensus</td>
<td>4.1%</td>
</tr>
<tr>
<td>Odfjell</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

Source: Various brokers
2017 will continue to be difficult, but we expect the market to be fairly balanced from 2018 onwards

2017 - 2018

- Market still absorbing several years of supply growth
- The de-consolidation has created added competition and pressure
- The low CPP market impacts the chemical tanker markets
- Volumes continue to be good

We expect 2017 to be difficult

- Supply of vessels is trailing off
- De-consolidation trend will reverse leading to greater concentration of tonnage
- Demand will outgrow supply
- Longer hauls especially from USA will drive demand growth
- CPP markets (and swing tonnage) continues to be a “joker”

2018 and beyond

We expect the market to be fairly balanced from 2018 onwards
Agenda

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Our values fundamentally define Odfjell

**Professional**
- Skilled, dedicated and compliant
- Show the right behaviour and attitude

**Pro-Active**
- Assess risk and give highest priority to safety
- Take proper precautions and share knowledge

**Sustainable**
- Aim for long-term success
- Provide safe and enduring solutions

**Innovative**
- Embrace change
- Look for new and improved solutions
Our Mission and Vision drive the strategy

Our Mission

Our core business is handling hazardous liquids – safely and more efficiently than anyone else in the industry.

Our Vision

We shall be a leading, preferred, environmental friendly and profitable global provider of transportation and storage of bulk liquid chemicals, acids, edible oils and other special products.
Our key guiding principles

1. We do not compromise on safety
2. Chemical Tankers and Terminals are our core business
3. In order to be world-class, we need to have world-class ambitions in everything we do. Every day!
Our long-term ambition level and targets

<table>
<thead>
<tr>
<th>Category</th>
<th>Target/Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety performance</td>
<td>Zero incidents</td>
</tr>
<tr>
<td>Size</td>
<td>Target an operated fleet of 100 vessels</td>
</tr>
<tr>
<td>Revenue / Top-line</td>
<td>Average revenue growth of 10% per year</td>
</tr>
<tr>
<td>Profitability</td>
<td>Industry leading EBITDA margin</td>
</tr>
</tbody>
</table>
The key components of the Odfjell compass

Growth
• Tonnage renewal / fleet growth
• Ideally take part in consolidation

High quality service
• Safety, predictability and reliability

Operational excellence
• Tankers: Project “Moneyball” and strong focus on utilization
• Terminals: Implementation of the «value creation program»

Financial strength
• Solid balance sheet
• Competitive cost of capital

Terminals – back to meaningful profitability levels
• Focus on improving and growing our core terminals
• Fund growth via portfolio optimisation (capex to be self funded)
A key challenge for Odfjell is growth - we have to reverse the trend of a declining fleet and revenue.

Odfjell chemical tankers gross revenue, USD million

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of vessels</th>
<th>Gross Revenue (USD million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>93</td>
<td>1,247</td>
</tr>
<tr>
<td>2009</td>
<td>95</td>
<td>1,021</td>
</tr>
<tr>
<td>2010</td>
<td>86</td>
<td>999</td>
</tr>
<tr>
<td>2011</td>
<td>98</td>
<td>1,056</td>
</tr>
<tr>
<td>2012</td>
<td>96</td>
<td>1,066</td>
</tr>
<tr>
<td>2013</td>
<td>81</td>
<td>1,028</td>
</tr>
<tr>
<td>2014</td>
<td>77</td>
<td>1,042</td>
</tr>
<tr>
<td>2015</td>
<td>74</td>
<td>940</td>
</tr>
<tr>
<td>2016</td>
<td>73</td>
<td>832</td>
</tr>
</tbody>
</table>
We can handle 100 vessels without adding significant G&A - 30 % decrease in G&A per operated ship day

From current to target G&A per operated ship day, USD per day
Agenda

• Welcome
• Our story
• Our markets
• The Odfjell Compass

• 1Q 2017 results
Highlights

• Stable underlying operational performance in first quarter, despite a challenging and depressed market

• EBITDA of USD 46 mill, compared with USD 48 mill in fourth quarter last year

• Odfjell chemical freight index (ODFIX) up 1.3% compared with previous quarter. Clarkson Platou Spot market index was up 1.9%

• Chemical Tankers EBITDA in first quarter was USD 36 mill which is identical to fourth quarter 2016

• Stable results from Odfjell Terminals

• Fleet renewal programme for large stainless steel chemical tankers nearly completed

«We expect 2017 to remain challenging, but our underlying operational performance is stable. Over the past two quarters we have taken crucial steps in renewing our core fleet at a very low point in the price cycle»

Kristian Mørch, CEO Odfjell SE

1. Proportional consolidation method according to actual historical ownership share
Highlights

- Odfjell Terminals continues the development of the first dedicated ethylene export terminal in the US at our Houston facility in Texas. Final investment decision is not taken.

- Odfjell Terminals has initiated a process to explore the potential sale of our share of Odfjell Terminals Singapore.

- A dividend of NOK 1.50 per share was approved at the Company’s Annual General Meeting 11 May.

Odfix quarterly average Index, 1990=100

Chemical tanker spot earnings index (midcycle = 100)
Source: Clarkson Platou
**Income statement¹ - Odfjell Group**

<table>
<thead>
<tr>
<th>USD millions</th>
<th>1Q 2017</th>
<th>4Q 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross revenue</td>
<td>243</td>
<td>238</td>
</tr>
<tr>
<td>Voyage expenses</td>
<td>(82)</td>
<td>(76)</td>
</tr>
<tr>
<td>TC expenses</td>
<td>(48)</td>
<td>(42)</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(45)</td>
<td>(48)</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>(22)</td>
<td>(24)</td>
</tr>
<tr>
<td>Operating result before depr. (EBITDA)</td>
<td>46</td>
<td>48</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(29)</td>
<td>(32)</td>
</tr>
<tr>
<td>Impairment</td>
<td>-</td>
<td>(16)</td>
</tr>
<tr>
<td>Capital gain (loss) on non-current assets</td>
<td>0</td>
<td>45</td>
</tr>
<tr>
<td>Operating result (EBIT)</td>
<td>18</td>
<td>45</td>
</tr>
<tr>
<td>Net finance</td>
<td>(15)</td>
<td>(1)</td>
</tr>
<tr>
<td>Taxes</td>
<td>(1)</td>
<td>(1)</td>
</tr>
<tr>
<td>Net result</td>
<td>2</td>
<td>43</td>
</tr>
</tbody>
</table>

¹. Proportional consolidation method
Quarterly figures¹ – Odfjell Group

Quarterly Gross Revenue and EBITDA, USD millions

Slightly increased revenue but reduced EBITDA due to increased voyage expenses and divestment of the Oman terminal in December 2016

¹ Proportional consolidation method
## Income statement¹ – Chemical tankers

<table>
<thead>
<tr>
<th>USD millions</th>
<th>1Q 2017</th>
<th>4Q 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross revenue</td>
<td>213</td>
<td>204</td>
</tr>
<tr>
<td>Voyage expenses</td>
<td>(81)</td>
<td>(74)</td>
</tr>
<tr>
<td>TC expenses</td>
<td>(48)</td>
<td>(42)</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(31)</td>
<td>(33)</td>
</tr>
<tr>
<td>General and administrative expenses ²</td>
<td>(17)</td>
<td>(19)</td>
</tr>
<tr>
<td>Operating result before depr. (EBITDA)</td>
<td>36</td>
<td>36</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(20)</td>
<td>(23)</td>
</tr>
<tr>
<td>Impairment</td>
<td>-</td>
<td>(7)</td>
</tr>
<tr>
<td>Capital gain/loss on fixed assets</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Operating result (EBIT)</td>
<td>16</td>
<td>8</td>
</tr>
</tbody>
</table>

- Increase in gross revenue
- Increase in voyage expenses primarily due to higher bunker prices

1. Proportional consolidation method
2. Including corporate functions
EBITDA variance – Chemical tankers

Quarterly EBITDA, USD millions

1Q 2017 versus 4Q 2016

- Net gross revenue up 4%
- Net voyage expenses increased 8%
- TC expenses increased 14%

1Q 2017 versus 1Q 2016

- Net gross revenue down 1%
- Net voyage expenses increased 20%
- TC expenses increased 18%
Vessel operating expenses – Chemical tankers

Vessel operating expenses (OPEX), USD/day

- OPEX remains stable at a competitive level
- 25% drop in opex compared to 2008-2014 average
Bunker development

- Net bunker cost in 1Q USD 391 per tonne before hedging vs. USD 342 in 4Q
- Bunker clauses in CoAs cover about 60% of the exposure
- 6% of 2017 exposure is hedged at USD 224 per tonne
## Income statement¹ – Tank terminals

<table>
<thead>
<tr>
<th>USD millions</th>
<th>1Q 2017</th>
<th>4Q 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross revenue</td>
<td>28</td>
<td>31</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(13)</td>
<td>(14)</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>(5)</td>
<td>(6)</td>
</tr>
<tr>
<td>Operating result before depr. (EBITDA)</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(8)</td>
<td>(10)</td>
</tr>
<tr>
<td>Impairment</td>
<td>-</td>
<td>(4)</td>
</tr>
<tr>
<td>Capital gain/loss on fixed assets</td>
<td>-</td>
<td>44</td>
</tr>
<tr>
<td>Operating result (EBIT)</td>
<td>1</td>
<td>42</td>
</tr>
</tbody>
</table>

- Stable results but reduced EBITDA due to divestment of Oman terminal in December 2016
- The occupancy rate at 93% in 1Q based on available commercial capacity

1. Proportional consolidation method
EBITDA Tank terminals

EBITDA, USD millions YTD

<table>
<thead>
<tr>
<th>Region</th>
<th>1Q 2017</th>
<th>4Q 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>North America</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Asia</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Middle East</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total EBITDA</strong></td>
<td><strong>9</strong></td>
<td><strong>11</strong></td>
</tr>
</tbody>
</table>

- Stable results in all areas
- Odfjell Terminals Singapore EBITDA USD 2 million in 1Q17
**Balance sheet** 31.03.2017 – Odfjell Group

<table>
<thead>
<tr>
<th>Assets, USD millions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ships and newbuilding contracts</td>
<td>1 212</td>
</tr>
<tr>
<td>Other non-current assets/receivables</td>
<td>23</td>
</tr>
<tr>
<td>Investment in associates and JV’s</td>
<td>341</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>1 576</td>
</tr>
<tr>
<td>Cash and cash equivalent</td>
<td>212</td>
</tr>
<tr>
<td>Other current assets</td>
<td>116</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>328</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>1 909</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Equity and liabilities, USD millions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total equity</td>
<td>723</td>
</tr>
<tr>
<td>Non-current liabilities and derivatives</td>
<td>44</td>
</tr>
<tr>
<td>Non-current interest bearing debt</td>
<td>883</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>927</td>
</tr>
<tr>
<td>Current portion of interest bearing debt</td>
<td>192</td>
</tr>
<tr>
<td>Other current liabilities and derivatives</td>
<td>67</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>259</td>
</tr>
<tr>
<td>Liabilities held for sale</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>1 909</td>
</tr>
</tbody>
</table>

- Cash balance of USD 212 mill - excluding JV’s cash, but before USD 60 mill bond repayment in April 2017
- Net investment in tank terminals JV’s USD 312 mill
- Equity ratio 37.9%, compared with 34.0% in 1Q16
Chemical Tankers

Harald Fotland
Bergen, May 22nd 2017
Odfjell is a fully integrated shipping company

Integrated processes promote safe, reliable and efficient operations

Being a fully integrated shipping company...

...enables control across all aspects of our operations

1. Safety
2. Reliability and predictability
3. Operational excellence
4. Sustainable cost
5. Growth
Agenda

- Ship Management
- Odfjell Tankers
- The Odfjell Compass
• Odfjell’s Ship Management division operates a fleet of 40+ vessels

• We perform complex operations on sophisticated vessels and have in-house Ship Management to secure:
  – Safe and efficient operations
  – World-class quality of our service
  – Maximise lifetime of our vessels
  – High performing vessels throughout lifespan
  – Synergies with Odfjell Tankers and Odfjell Terminals

• Few, if any, external ship managers have the required competence to manage our super-segregators
Ship Management geographic presence

Bergen (HQ)
- Crewing
- Deep-sea fleet management
- Newbuild projects
- Technology/Innovation

Sao Paulo
- Regional South America fleet

Singapore
- Regional-Asia fleet
- Deep-sea vessels with FE operation pattern

Manila
- Crewing
- Training
- Shared service centre
We deliver a complete range of ship management services to the Odfjell Tankers fleet

- Crewing
- Superintendency and purchasing
- Project management
- Ship inspection and vetting
- Insurance claims handling
- New building feasibility studies, specifications and supervision

Fully integrated services and a ship-owners’ perspective on all aspects of the operation
We do not comprise on safety!

Odfjell vs. market average in safety KPIs, units defined below

<table>
<thead>
<tr>
<th>LTIs(^1) per million exposure hours</th>
<th>TRC(^2) per million exposure hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample of 1,038 tankers</td>
<td>Sample of 1,038 tankers</td>
</tr>
<tr>
<td>Market average</td>
<td>Odfjell</td>
</tr>
<tr>
<td>-20%</td>
<td>-30%</td>
</tr>
<tr>
<td>Odfjell</td>
<td>Market average</td>
</tr>
<tr>
<td></td>
<td>Odfjell</td>
</tr>
</tbody>
</table>

1. Lost time injury (graph is showing Lost time injury frequency)
2. Total recordable cases

Source: Shipping Benchmarking Initiative 2016
Education and training remains at the forefront of Ship Management

• Ship Management is pro-actively involved in training seafarers
• Core competence training is provided in-house by experienced staff
• We operate training centres in the Philippines specially designed to professionalize chemical tankers competence
• Training program include world-class safety culture program recognized as best practice by many oil majors
We have a unique competence base

<table>
<thead>
<tr>
<th>21 years</th>
<th>...average time with Odfjell for our captains</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 years</td>
<td>...average time with Odfjell for our chief officers</td>
</tr>
<tr>
<td>96%</td>
<td>...retention rate for our crew</td>
</tr>
<tr>
<td>~10,000 days</td>
<td>...of onshore training performed every year by our crew</td>
</tr>
<tr>
<td>Weekly</td>
<td>... training sessions for crew on-board our vessels</td>
</tr>
</tbody>
</table>
We have high quality standards and maintain our vessels for a long working life with efficient and safe operations

**Our goals**
- Safe and efficient operations
- Maximise working life for assets
- Full customer acceptance

**Integrated systems and procedures**
- Between SM offices
- Between business units
- Developed over 100+ years

**Performance monitoring**
- Safety performance
- Vessel performance
- Root cause monitoring
Unique customer acceptance level provides full flexibility for Odfjell Tankers

The figures represent the number of observations after an on-board inspection either by an oil major (Sire), the Chemical Distribution Institute (CDI) or by a Port State Control (PSC)
Our technology department is continuously improving vessel performance

Ship management initiatives...

- **Retrofitting program for our super-segregators**
  - New propeller blades
  - New rudder bulb and fairing cone
  - Gear optimisation

- **Mewis duct**
  - 8 – 10% reduction in bunker consumption

- **State of the art anti-fouling**
  - Up to 5% reduction in bunker consumption

- **Unlimited fresh water production**
  - Reversed osmosis plants on all vessels

...with environmental and economic benefits

<table>
<thead>
<tr>
<th>Year</th>
<th>Propeller upgrade</th>
<th>Annual bunker consumption(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>100</td>
<td>2014</td>
</tr>
<tr>
<td>2015</td>
<td>92</td>
<td>2015</td>
</tr>
<tr>
<td>2016</td>
<td>86</td>
<td>2016</td>
</tr>
</tbody>
</table>

1. Indexed to 100
What makes our Ship Management unique?

1. We do not comprise on safety!
2. We have a lifetime perspective on our asset management
3. We have a unique competence base
4. We leverage on the integration with Odfjell Tankers and Odfjell Terminals
Agenda

- Ship Management
- Odfjell Tankers
- The Odfjell Compass
Introduction to Odfjell Tankers

• Odfjell Tankers operates a fleet of 76 vessels and is a global service provider with offices at strategic important locations

• We provide our service through a combination of contract of affreightments (CoAs) and spot cargos

• Our ambition is to be the preferred provider of chemical tanker services and we aim to differentiate ourselves from competition by having:
  – Long-term relationships with all stakeholders
  – Operational excellence
  – Strong cooperation and synergies with Ship Management and Odfjell Terminals
We are a global provider of safe logistic solutions.
Our vessels are sophisticated and built for serving any customer requirement.

- **Basic chemical tanker**

- **Sophisticated super-segregator**

**Standardized and cost efficient**

- Scale effect on basic equipment across similar ships

- Experienced crew with cost focus

**Tailor-made and responsive**

- Complex and flexible equipment

- Experienced crew with cost focus, comprehensive technical competencies and training

**Pool and cargo optimization**

**Continuous monitoring of performance**
We are operating in a truly global system…
…with frequent sailings to all major ports…

<table>
<thead>
<tr>
<th>Example trade areas</th>
<th>Example frequencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia Pacific</td>
<td>• Monthly voyages round-the-world</td>
</tr>
<tr>
<td></td>
<td>• All ships are super-segregators</td>
</tr>
<tr>
<td>USG-SAM</td>
<td>• Bimonthly voyages</td>
</tr>
<tr>
<td></td>
<td>• Serving trades with mix of super-segregators and smaller tonnage</td>
</tr>
<tr>
<td>NWE-SAM</td>
<td>• Bimonthly voyages</td>
</tr>
<tr>
<td></td>
<td>• Serving trade with mix of super-segregators and smaller tonnage</td>
</tr>
<tr>
<td>Middle East Export/Import</td>
<td>• Every 10th day voyages to several destinations with products out of Middle East</td>
</tr>
<tr>
<td>Regional Asia</td>
<td>• Weekly voyages from and to destinations in Asia</td>
</tr>
</tbody>
</table>
...enabling us to serve up to 600 customers every year

Selected customers

Our stage
Our contract portfolio is the key to how we trade, and provides good coverage in calmer markets.

Monthly volumes loaded, thousand metric tonnes
Our system enables us to outperform the market across cycles

Odfjell 20k dwt stainless steel TCE vs. Clarksons 1-year TC benchmark, USD per day

Source: Clarksons
Agenda

- Ship Management
- Odfjell Tankers
- The Odfjell Compass
The Odfjell compass: Leading us into the future

- **Safety**
  - World-class: Training, Procedures, Systems, Maintenance

- **Growth**
  - Increase fleet to around 100 vessels

- **Operational excellence**
  - Project Moneyball
  - Project Clockwork
  - State of the art performance monitoring

- **Sustainable costs**
  - Leverage on integration
  - Optimizing procurement processes
We have a zero incident ambition

| Training          | • Safety through every aspect of our operations  
|                   | • Strengthen focus on core competence          |
| Culture/routines  | • Implement Best Practices                    
|                   | • Competence/crew matrix                      
|                   | • Leadership development                      |
| Data/systems      | • Automation/digitalisation                   
|                   | • Enhanced communication throughout our value chain 
|                   | • Establish tier-1 performance monitoring and reporting |

Safety
Our current fleet is a balanced mix of owned and chartered in vessels

<table>
<thead>
<tr>
<th>Tonnage category</th>
<th>Control type</th>
<th>Vessel details</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average size</td>
<td>Average tanks</td>
</tr>
<tr>
<td>Super-segregators (Kvaerner &amp; Poland)</td>
<td>40</td>
<td>47</td>
</tr>
<tr>
<td>Large stainless steel (27 - 36k dwt)</td>
<td>33</td>
<td>18</td>
</tr>
<tr>
<td>Medium stainless steel (19 - 26k dwt)</td>
<td>21</td>
<td>22</td>
</tr>
<tr>
<td>Coated (MIPO &amp; SLS)</td>
<td>48</td>
<td>24</td>
</tr>
<tr>
<td>South America and other¹</td>
<td>27</td>
<td>24</td>
</tr>
<tr>
<td>Regional-Asia</td>
<td>11</td>
<td>17</td>
</tr>
</tbody>
</table>

Fleet overview as of March 2017
1. Includes Bow Atlantic and Bow Pioneer
We have growth ambitions...

Illustration of Odfjell Target fleet

<table>
<thead>
<tr>
<th>Current fleet</th>
<th>Newbuild orders</th>
<th>BB charters</th>
<th>Time-charters</th>
<th>Fleet including concluded orders</th>
<th>Target fleet</th>
</tr>
</thead>
<tbody>
<tr>
<td>76</td>
<td>6</td>
<td>2</td>
<td>2</td>
<td>86</td>
<td>100</td>
</tr>
</tbody>
</table>

Comments

- 4 x 49k dwt
- 2 x 36k dwt
- 2 x 38k dwt
- 2 x 35.5k dwt

∑ = 10 vessels

+14
...and are close to completing the renewal of our super-segregator fleet...

<table>
<thead>
<tr>
<th></th>
<th>4 x Hudong</th>
<th>2 x Hudong</th>
<th>2 x BB</th>
<th>2 x TC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Delivery</strong></td>
<td>Q2 19, Q3 19, Q4 19 and Q1 20</td>
<td>Q2 and Q3 2020</td>
<td>Q4 19 and Q2 20</td>
<td>Q4 18 and Q1 19</td>
</tr>
<tr>
<td><strong>Charter period</strong></td>
<td>Owned</td>
<td>Owned</td>
<td>10 years</td>
<td>8 years</td>
</tr>
<tr>
<td><strong>Dwt</strong></td>
<td>49,000</td>
<td>38,000</td>
<td>36,000</td>
<td>35,500</td>
</tr>
<tr>
<td><strong>Cbm</strong></td>
<td>54,600</td>
<td>45,000</td>
<td>40,000</td>
<td>37,300</td>
</tr>
<tr>
<td><strong>Cargo tanks</strong></td>
<td>33</td>
<td>40</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td><strong>Yard</strong></td>
<td>Hudong-Zhonghua Shipbuilding</td>
<td>Hudong-Zhonghua Shipbuilding</td>
<td>Undisclosed</td>
<td>Shin-Kurushima</td>
</tr>
</tbody>
</table>
...at an attractive point in the cycle

38k 30 tanks newbuild price, USD million

Source: Maersk Brokers
### Tonnage market characteristics

<table>
<thead>
<tr>
<th>Tonnage category</th>
<th>Current fleet</th>
<th>Description</th>
</tr>
</thead>
</table>
| Super-segregators (Kvaerner & Poland)                 | 22            | • Specialised market  
• Illiquid TC/BB market                                                                                                                   |
| Large stainless steel (27 - 36k dwt)                  | 10            | • Specialised market  
• BB/TC mostly available for purpose built long-term contracts                                                                                  |
| Medium stainless steel (19 - 26k dwt)                | 20            | • Very liquid BB/TC for standard J19s, but less liquid for 25k’s and vessels with higher sophistication                                     |
| Coated (MIPO & SLS)                                   | 6             | • Liquid TC market for conventional MRs, but limited access to MRs with higher sophistication                                               |
| South America and other¹                              | 9             | • Local requirements dictate specialised tonnage to succeed                                                                                |
| Regional-Asia                                         | 9             | • Local requirements dictate specialised tonnage to succeed                                                                                |

---

1. Includes Bow Atlantic and Bow Pioneer

---

Fleet overview as of March 2017
Port rotations in large ports can involve a large number of berth calls – Houston example

Example voyage: Bow Mekka, 201504, USG

- Multiple berths
- Barging operations
- Complex cargo programs
- Cleaning and purging
- Crew changes
- Service and repairs
- Supplies
- Bunkering
- Vetting
- Inspections
- Surveyors
- Training
- Coordination with land organization
- Continuously changing plans and assumptions
Project Moneyball: Working with several initiatives to improve port efficiency

- Overall ambition: improve port efficiency to increase Odfjell’s fleet utilization
- Main areas of improvement:
  - Commercial and cargo program
  - Operational efficiency
  - Leverage possibilities from increased data availability
- Involving several external stakeholders such as customers, terminals, port authorities and brokers

<table>
<thead>
<tr>
<th>Project Moneyball</th>
<th>Type of initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use KPIs and statistics as a means to improve vessels operational performance</td>
<td></td>
</tr>
<tr>
<td>Consolidate cargo programs</td>
<td></td>
</tr>
<tr>
<td>Improved execution through better planning processes and new tools</td>
<td></td>
</tr>
<tr>
<td>Strategic partnerships</td>
<td></td>
</tr>
<tr>
<td>Automate certain administrative tasks to free up capacity</td>
<td></td>
</tr>
</tbody>
</table>
Successful project implementation and significant port efficiency improvement per Q1 2017

Project Moneyball status, End of first quarter 2017

Implementation of Project Moneyball is 83% completed

Port efficiency is 7% better than historic benchmark and 3% better than target

Project implementation progress

- Full implementation: 100%
- 2017YTD status: 83%

Odfjell port efficiency index

- Historic benchmark (Baseline): 100%
- Target 2016-2017YTD: 96%
- Actual 2016-2017YTD: 93%

-7%
Port time performance has been better than target in 12 of 15 months in the Moneyball period.
We have initiated Project Clockwork to become the preferred provider

Key focus areas for our customers:

- Safety
- Price / cost of services
- Reliability
- Predictability

Example customer benefits:
- Logistic / planning optimisation
- Working capital optimisation
- Reduction of demurrage exposure
- Customer creditability towards end-users
We are investing in real time monitoring of our fleet

- Raw data capture
- Real time data transmission

Connection / real time data

Vessel

- Real time data transfer
- State of the art data processing
- Data analysis and usage

Onshore

Expected benefits

- Customer service
- Energy efficiency
- Improved planning
- Reduced maintenance
- Improved control
Demonstration of business intelligence system
Significant efforts already implemented to bring costs down to a sustainable level

Historic OPEX performance and 2017 budget, USD per day

Pre-Felix  Post-Felix
Example cost initiatives: Weather routing

628 nautical miles longer distance BUT: 106.3 hours and USD 125k saved

Weather routing effects 2016:
- 750 voyages
- 53 days saved
- 1,600 tonnes fuel
- 4,800 tonnes CO₂ saved
Example cost initiatives: Propeller cleaning
Optimizing procurement processes – integrated operations high on the agenda

Both organizations

- Odfjell Tankers
- Odfjell Ship Management

Complete cost base

- Voyage Expenses
- Operating Expenses

Example levers we are working with

1. Consolidating suppliers
2. Improving planning and logistics planning
3. Bundling of purchases across business units
4. Continuously developing procurement process
Our way forward

1. We are in a challenger position
2. We are developing a unique commercial and technical platform
3. Our team is dynamic and agile
4. The new organisation embrace change and high ambitions
Odfjell Terminals

Frank Erkelens/Koert Schouten
Bergen, May 22nd 2017
Agenda

- Company profile
- Market update
- Strategy
A global tank storage service provider

- Owned by Odfjell SE (51%) and Lindsay Goldberg LLC (49%), a US based private equity fund
- Odfjell Terminals operates 9 tank terminals, located in key ports around the world
- Odfjell Terminals offers in Rotterdam a toll distillation service for the petrochemical and petroleum industry (PID)
- Odfjell Terminals aims to become the best in class provider of tank storage and associated services for liquid chemicals, oil, biofuels, edible oils and gases, adding value to all relevant stakeholders
- The company’s strategy is to grow within its current footprint of terminals, especially in Rotterdam and Houston. A key objective is to harvest synergies with Odfjell Tankers
- The terminal network also includes a cooperation agreement with a group of tank terminals in South America, partly owned by related parties

**Key figures**

<table>
<thead>
<tr>
<th>Terminals</th>
<th>Tanks</th>
<th>Million CBM</th>
<th>Million Turnover</th>
<th>Million EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>~950</td>
<td>3.5</td>
<td>$237</td>
<td>$91</td>
</tr>
</tbody>
</table>

1. 100% basis 2. 2016 propionate consolidated figures, including Oman
It is our mission to provide safe, clean, efficient and reliable storage and handling services for liquid chemicals, oil, biofuels, edible oils and gases. We realize we have a serious responsibility to store and handle products that can endanger people’s health and the environment if not taken care of appropriately.

We want to be respected by all stakeholders, from customers, partners, authorities, local communities to our shareholders and employees.

Our long term sustainability depends on our ability to respond to changing demands from our environment, as well as our ability to be flawless in the execution of our mission.
# Worldwide footprint – terminals located in key ports

**Storage capacity, CBM thousand**

<table>
<thead>
<tr>
<th>Terminal</th>
<th>Share</th>
<th>JV partner(s)</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rotterdam</td>
<td>100%</td>
<td>Oiltanking</td>
<td>1,100</td>
</tr>
<tr>
<td>Antwerp</td>
<td>25%</td>
<td>Noord Natie Holding</td>
<td>348</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Terminal</th>
<th>Share</th>
<th>JV partner(s)</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>50%</td>
<td>Oiltanking</td>
<td>402</td>
</tr>
<tr>
<td>Ulsan</td>
<td>50%</td>
<td>KPIC</td>
<td>314</td>
</tr>
<tr>
<td>Dalian</td>
<td>50%</td>
<td>Dalian Port Authority</td>
<td>120</td>
</tr>
<tr>
<td>Jiangyin</td>
<td>55%</td>
<td>Garson Investment</td>
<td>100</td>
</tr>
<tr>
<td>Tianjin</td>
<td>49%</td>
<td>Tianjin NIZ Ports</td>
<td>138</td>
</tr>
<tr>
<td>Quanzhou¹</td>
<td>50%</td>
<td>Founder Commodities</td>
<td></td>
</tr>
<tr>
<td>Changxing¹</td>
<td>40%</td>
<td>Dalian Port Authority, CXI Committee</td>
<td></td>
</tr>
</tbody>
</table>

1. Under development
Positive development last year, delivering on important milestones in terminal strategy

<table>
<thead>
<tr>
<th>Developments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business improved significantly in 2016:</td>
</tr>
<tr>
<td>- <strong>All terminals</strong> delivered stable earnings</td>
</tr>
<tr>
<td>- <strong>Distillation</strong> business has seen a <strong>gradual ramp up of utilization</strong> of the new expanded capacity in 2016</td>
</tr>
<tr>
<td>- Rotterdam showed significant improved <strong>full year positive operating result</strong></td>
</tr>
<tr>
<td>- <strong>Increased occupancy rates</strong> in Houston</td>
</tr>
<tr>
<td>- <strong>Opening of new terminal</strong> in Tianjin, November 2016</td>
</tr>
<tr>
<td>- <strong>Divestment of share in Oman terminal</strong> in December 2016. Proceeds ~$130m, resulting in a net gain of ~$86m</td>
</tr>
</tbody>
</table>

**Highlights 2017:**
- **Q1 2017 EBITDA of $18.4m** vs. $17.4m\(^1\) in the previous quarter
- **Average occupancy rate Q1 2017 was 93%**, compared to 94% last quarter
- Basic engineering phase (FELIII) initiated in February 2017 for **Ethylene export facility** in the US
- **Without LTI’s for 14 consecutive months**

<table>
<thead>
<tr>
<th>Focus going forward</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic focus</strong> on terminals where we have <strong>managerial control</strong> of the assets, and <strong>growth opportunities</strong> in core markets</td>
</tr>
<tr>
<td><strong>Continue focus on utilization</strong> of the assets:</td>
</tr>
<tr>
<td>- Contango in the petroleum market until mid 2017</td>
</tr>
<tr>
<td>Implementation of <strong>new strategy for Rotterdam</strong>, including gradual introduction of new tank capacity</td>
</tr>
<tr>
<td><strong>Divestment of non-operated terminals evaluated</strong> to finance major investment projects</td>
</tr>
<tr>
<td>- Process to explore a possible sale of our shares in the Singapore terminal initiated(^2)</td>
</tr>
</tbody>
</table>

---

1. $3.6 mill adjustment for the effect of the Oman terminal that was sold as per 29 December 2016. 2. 2016 EBITDA of $20.9m and had a net debt of $35.0m end of last year
QHSSE – We do not compromise on safety

QHSSE KPIs 2016

Safety is a value and impact everything we do...

- Odfjell Terminals strives to be a **global leader** in terms of quality, health, safety, environment, and sustainability
- We aim to **achieve operational excellence through operational discipline and standardization** including:
  - Minimizing our environmental footprint,
  - Being a responsible member of the communities we operate in and
  - By doing the right things, the right way, every time
- Safety is a value and everything we do is based on a zero incident philosophy

...our performance shows that we truly mean it

<table>
<thead>
<tr>
<th></th>
<th>Result</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lagging KPI’S</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lost time injury frequency (LTIF)</td>
<td>0.26</td>
<td>0.30</td>
</tr>
<tr>
<td>Total recordable injury frequency (TRIF)</td>
<td>1.18</td>
<td>1.20</td>
</tr>
<tr>
<td>Process safety event rate (PSER)</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td><strong>Leading KPI’S</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Safety observation rounds(SOR)</td>
<td>2 597</td>
<td></td>
</tr>
<tr>
<td>SOR corrective action closed (%)</td>
<td>81%</td>
<td>&gt;80%</td>
</tr>
<tr>
<td>Completion rate inspection Safety Critical Equipment</td>
<td>98.6%</td>
<td>&gt;99%</td>
</tr>
<tr>
<td>Management walk throughs</td>
<td>1 266</td>
<td></td>
</tr>
<tr>
<td>Near miss reports</td>
<td>467</td>
<td></td>
</tr>
</tbody>
</table>

Odfjell Terminals currently operates its terminals without LTI’s for 14 consecutive months
### Quarterly financial developments

Gross revenue, EBITDA and CAPEX on proportional basis, USD millions

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross revenue</strong>(^1)</td>
<td>17.2</td>
<td>17.4</td>
<td>13.9</td>
<td>26.0</td>
<td>7.2</td>
<td>11.2</td>
<td>11.5</td>
<td>15.0</td>
<td>7.1</td>
</tr>
<tr>
<td></td>
<td>17.0</td>
<td>17.2</td>
<td>13.7</td>
<td>25.7</td>
<td>5.0</td>
<td>9.4</td>
<td>11.3</td>
<td>14.9</td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA</strong>(^1)</td>
<td>16.9</td>
<td>18.3</td>
<td>19.3</td>
<td>22.3</td>
<td>23.3</td>
<td>23.8</td>
<td>22.7</td>
<td>21.0</td>
<td>18.4</td>
</tr>
<tr>
<td></td>
<td>13.3</td>
<td>14.8</td>
<td>15.8</td>
<td>18.8</td>
<td>19.6</td>
<td>20.0</td>
<td>19.0</td>
<td>17.4</td>
<td></td>
</tr>
<tr>
<td><strong>CAPEX</strong>(^1)</td>
<td>17.2</td>
<td>17.4</td>
<td>13.9</td>
<td>26.0</td>
<td>7.2</td>
<td>11.2</td>
<td>11.5</td>
<td>15.0</td>
<td>7.1</td>
</tr>
<tr>
<td></td>
<td>17.0</td>
<td>17.2</td>
<td>13.7</td>
<td>25.7</td>
<td>5.0</td>
<td>9.4</td>
<td>11.3</td>
<td>14.9</td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) Gross revenue, EBITDA and CAPEX on proportional basis.
Quarterly operational developments

Storage capacity, throughput and distillation 100% basis

1. Including divested Oman activity in 2015 and 2016
2. Permit unavailable
3. Rotterdam (OTR)

1. Capacity (tcbm)

<table>
<thead>
<tr>
<th>Q1 2015</th>
<th>Q2 2015</th>
<th>Q3 2015</th>
<th>Q4 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>780</td>
<td>1283</td>
<td>1263</td>
<td>1263</td>
</tr>
<tr>
<td>2396</td>
<td>2566</td>
<td>2656</td>
<td>2692</td>
</tr>
</tbody>
</table>

2. Throughput (tMT)

<table>
<thead>
<tr>
<th>Q1 2015</th>
<th>Q2 2015</th>
<th>Q3 2015</th>
<th>Q4 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>3346</td>
<td>4490</td>
<td>4893</td>
<td>4601</td>
</tr>
<tr>
<td>2225</td>
<td>2689</td>
<td>2732</td>
<td>2891</td>
</tr>
</tbody>
</table>

3. Distillation Volumes (tMT)

<table>
<thead>
<tr>
<th>Q1 2015</th>
<th>Q2 2015</th>
<th>Q3 2015</th>
<th>Q4 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>165</td>
<td>168</td>
<td>214</td>
<td>296</td>
</tr>
<tr>
<td>190</td>
<td>190</td>
<td>190</td>
<td>190</td>
</tr>
</tbody>
</table>

4. Other developments

- Oman
- Available
- Unemployed
- Expansion
- Occupancy Rate

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Agenda

- Company profile
- Market update
- Strategy
Favourable market outlook on macro level

- Global demand for energy and chemicals is rising on the back of global population and GDP growth
- Geographical product imbalances are increasing
- Markets and product flows change continuously
- Storage not considered core business for oil producers and chemical manufacturers
- New entrants into the bulk liquid storage space on the back of cheap capital
- Strategic storage companies benefit from scale and network
Oil products – Main storage drivers

- Globalization drives demand for storage, specially in Hub locations
- Oil producers from Middle East need geographical attractive import hubs in NWE
- Environmental legislation might impact future demand in regions, but will also create demand through increase in product specifications
- Storage demand for oil products heavily dependents on supply and demand balances
- Physical and paper trade drives demand for storage in major hubs
- Contango/backwardation impact trading and storage demand
- Cheap capital creates risk of future overcapacity
Chemicals – Main storage drivers

- Production moving towards cheap feedstock areas and is increasing in scale, creating imbalances between regions
- Producers in the Middle East integrating down the value chain
- US will be long in many products driving exports
- Strong focus on reducing cost of ownership along the value chain
- High complexity in storage of specialized chemicals
### Outlook next 3-5 years

**Outlook** for the storage industry **considered very positive**, especially Gulf Coast area

Significant amount of **planned production expansions coming on stream** until 2025

**Short in storage capacity** expected in Houston, with export surge expected from 2017 to 2025

**Key success criteria’s** to benefit from market growth:
- **Terminal close to production**, with sufficient jetty capacity
- **Available land** for new developments. Houston running short.

**Increased competition** with capacity still being added, especially for oil storage

**Shift of chemical production** to US and Middle East, **drives demand** for storage capacity

Still available land for development of new storage capacity

**Rotterdam** best positioned for commodities and **Antwerp** for intermediates and specialties

**European export expected to fall, but balance** for chemical storage remains positive
Regional outlook – East

**China**

Currently **oversupply of storage capacity** with an industry average occupancy of 70% will be absorbed by 6% demand growth p.a.

Storage demand to be driven by **centralizing production to 7 petrochemical zones** in next 5-10 years, slower than anticipated.

Effect of **new cheap production in US and ME** expected to drive imports.

**S Korea**

Some overcapacity resulting in **rate pressure**

Korean chemical industry investing in **additional production capacity** leading to higher exports.

China becoming more self-sufficient, **Korean transit hub will remain**

**Singapore**

**Effected by the 'slowdown' of the Chinese economy which is settling in** their new growth rate

Singapore will **remain the most important regional hub**, on the back of globalization, supported by a major production base, despite China becoming self-supporting.

**Limited availability of land** for new developments.

Outlook next 3-5 years
Agenda

- Company profile
- Market update
- Strategy
We aim to become the **best in class provider of tank storage and associated services** for liquid chemicals, oil, biofuels, edible oils and gases, adding value to all relevant stakeholders.

We differentiate ourselves from competition by:

- **Operational excellence** proven by **efficient operations** and **top tier safety performance**
- **Highest service levels** recognized by **satisfied customers**
- **Long term relationships** with all stakeholders
- The ability to offer **distillation services**
- Strong **cooperation and synergies with Odfjell Tankers**, ensuring efficient supply chains
## Vision Realization: Prioritization and Execution

<table>
<thead>
<tr>
<th>Prioritizing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
</tbody>
</table>

### Executing Value Creation Program

1. **Organization with the right competences to deliver upon the vision and appropriate management tools and systems to manage and measure performance**
2. **Well defined and executable OTR masterplan**
3. **Utilize the full potential of our current footprint and land banks by developing long-term sustainable business opportunities**
4. **Develop and implement a strategy for new business outside our current footprint**
Safety, service, efficiency are fundaments of our sustainable future
Implementing new strategy for OTR to strengthen service level, become more efficient and drive future growth

Three main pillars in OTR’s 5-year strategic plan

1. Safe operations
2. Product-specific commercial strategy and associated investments
3. Operational performance improvements
Becoming a product specialist terminal, OTR can focus commercial efforts around target products

**Current market approach**
Opportunistic Terminal

- Broad range of products, across markets
- Limited prioritization and high switching costs
- Compete against 90% of local ARA market
- Must deliver on a range of service level indicators
- Unclear market and sales approach

**Future market approach**
Product Specialist Terminal

- Limited product range based on prioritization of market attractiveness and terminal capabilities
- Deliver *right* service level for chosen products
- Ensure critical mass of products, preferably with some “home-terminal” customers
The OTR Masterplan is a cornerstone for future success

### Commercial strategy
Targeted market approach to become a **product specialist** terminal

### Improved service level
1. Reduce product transfer cycle time (barges, vessels, trucks)
2. Improve response time to customer requests
3. Reduce service-related downtime on terminal assets

### Cost improvements
1. Reduce waste-water handling costs
2. Reduce plant maintenance-related costs
3. Improve work permit process

### Integrated planning
Facilitating improved operations through limiting noise

### Organization
Strengthening organization, especially within operations
We continue the development of the first dedicated ethylene export terminal in the United States

Ethylene is the world’s most widely used petrochemical feedstock
Centrally located at the entrance of the Houston Ship Channel, adjacent to existing Odfjell facility
Positioned to capitalize on existing ethylene pipeline infrastructure
Required permits secured
Dedicated infrastructure with capacity to export 750,000 MT of ethylene per year
State-of-the-art design enabling efficient ship turnaround
Project currently in basic engineering phase, and final investment decision expected Q2-Q3 2017
Favorable market conditions for ethylene export terminal

Global demand for ethylene is increasing

Global ethylene consumption
MT thousands

- 2017: 175,000
- 2027E: 250,000

+43%

US production of ethylene is increasing, driven by US shale boom

US production
MT thousands

- 2017: 33,800
- 2027E: 45,000

Pricing of US ethylene favorable compared to other regions

Regional ethylene prices, 2017 USD per MT

- US: 763
- South Korea: 900
- Japan: 979
- Southeast Asia: 1,060
- W. Europe: 1,061

Source: Odfjell Research
The finance strategy
– in order to be leading and preferred we want to:

| Secure an efficient capital structure | • A capital structure that provides operational and financial flexibility at attractive cost of capital - but at the same time is efficient provides attractive shareholder returns |
| Have access to attractive capital sources | • A diversified portfolio of capital sources (and lending banks) to secure financial flexibility and a competitive cost of capital |
| Manage risk | • The financial strategy needs to manage the impact of operational and financial risks related to our business • We want to always be able to withstand [24] months with historic low market |
| Accommodate our operational strategy | • We will provide the required financial capabilities to accommodate our operational strategy |
| Secure growth and flexibility | • We need to have the financial capability to grow and be able to act quickly as opportunities arise |
| Deliver attractive returns for our shareholders | • We need to increase our marketing efforts of our share • Surplus liquidity will be distributed to our shareholders |
The key elements of our Finance strategy

- Secure an efficient capital structure
- Have access to attractive capital sources
- Manage risk
- Accommodate our operational strategy
- Secure growth and flexibility
- Deliver attractive returns for our shareholders

Elements to achieve our objectives:

- **a** Growth capital
- **b** Financial leverage
- **c** Access to capital markets
- **d** Duration
- **e** Financing
- **f** Operational flexibility
- **g** Dividends / re-pricing of share
- **+** Tank Terminal JV
### Capital expenditure programme as per 31.03.2017

<table>
<thead>
<tr>
<th>USD millions</th>
<th>Remaining 2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemical Tankers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Newbuildings 4 x 49,000 dwt¹</td>
<td>6</td>
<td>24</td>
<td>144</td>
<td>42</td>
<td>-</td>
</tr>
<tr>
<td>Newbuildings 2 x 38,000 dwt¹</td>
<td>12</td>
<td>6</td>
<td>12</td>
<td>87</td>
<td>-</td>
</tr>
<tr>
<td>Docking</td>
<td>9</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Other investments *</td>
<td>6</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>33</strong></td>
<td><strong>49</strong></td>
<td><strong>175</strong></td>
<td><strong>148</strong></td>
<td><strong>19</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Odfjell Gas, 100%²</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sinopacific, 2 x 22,000 cbm</td>
<td>TBD</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tank Terminals, 100%</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Planned capex</td>
<td>53</td>
<td>57</td>
<td>39</td>
<td>29</td>
<td>-</td>
</tr>
</tbody>
</table>

¹ Construction cost USD 60/58 mill per vessel, payment terms 3 x 10 +70, delivery June 2019 - 2020

² The construction of gas newbuildings is substantially delayed and we expect to cancel the two remaining vessel

* Includes propeller upgrade and ballast water treatment systems
We have secured financing of the first four vessels ordered at the Hudong Yard in China
NOK bond maturing in December 2018 of USD 142 million
## Interest Bearing Debt as per 31.03.2017

<table>
<thead>
<tr>
<th>Interest bearing debt</th>
<th>Currency</th>
<th>31.03.2017</th>
<th>Per cent</th>
<th>31.03.2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secured, vessels</td>
<td>USD</td>
<td>617 million</td>
<td>48%</td>
<td>623 million</td>
</tr>
<tr>
<td>Leasing, vessels</td>
<td>USD</td>
<td>151 million</td>
<td>12%</td>
<td>296 million</td>
</tr>
<tr>
<td>Tank terminals</td>
<td>USD</td>
<td>210 million</td>
<td>16%</td>
<td>253 million</td>
</tr>
<tr>
<td>Bond, unsecured</td>
<td>USD</td>
<td>318 million</td>
<td>24%</td>
<td>224 million</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>USD</strong></td>
<td><strong>1 296 million</strong></td>
<td><strong>24%</strong></td>
<td><strong>1 396 million</strong></td>
</tr>
</tbody>
</table>
2016 DEAL OF THE YEAR
NORWEGIAN BOND

The Editorial Staff of
Marine Money Congratulates:

ODFJELL

NOK 500 Million Senior Unsecured Bond

June 2017
Norwegian bond deal of the year – Odfjell 2016/2019
Awarded by Marine Money 2017

Jury

• Odfjell concluded an operational turnaround and put in place a successful cost-cutting program, and succeeded in communicating these improvements to the market
• They took advantage of a strong market sentiment in September 2016 to early refinance bond maturing in April 2017
• The orderbook was substantially oversubscribed, however the company decided not to print more than NOK 500 million. By limiting supply, demand for Odfjell bonds in the secondary market increased driving spreads down even further
• All in all it was a very successful deal for Odfjell both in terms of pricing and available volume
• The benefits continued into the New Year, with Odfjell doing a new four-year deal at even tighter spread level

Guts of the deal

• Issuer: Odfjell SE
• First tranche: NOK 500 million
• Borrowing limit: NOK 1,000 million
• Coupon: 3-month LIBOR + 6.00%
• Maturity: 20.09.2019
• Security: Unsecured
• Financial covenants: Free liquid assets min. $50 mill or 6% of total interest bearing debt. Leverage less than 75%

Way forward

• We will closely monitor the bond market and initiate a potential sales process when we believe this is beneficial for Odfjell
• A new bond issue will likely be linked with an offer to repurchase bond maturing December 2018
Bond comparison – Odfjell and Peers (Stolt)

Source: Danske Bank
Several financing alternatives available – continues evaluation to ensure right financing and correct timing

### Debt raising
- Bonds
- Bank loans
- Project financing

### Sale and leaseback alternatives
- Financial leases
  - Long-term sale leaseback
- Operational lease
  - Medium-term sale leaseback

### Capital raise alternatives
- Equity partner to order new buildings
- Sell down to equity partner
- Preferred equity partner

Alternative capital sources should be evaluated regularly with respect to
- Actual availability
- Maturity profile
- Prices and structures
Where are we today?

**Smarter**
- In-house competencies and systems representing 100+ years of experience
- We have implemented new data driven and analytical decision tools

**Leaner**
- A leaner and more fit organisation
- ~USD 110m in Felix effect is realized

**Stronger**
- Stronger balance sheet
- Have the financial capability to act quickly as opportunities may arise

**More focused**
- On-going exit from Odfjell Gas
- Focusing investment and growth around our core fleet

**Clear Strategy**
- The Odfjell Compass sets a clear strategy for the future