

Investor Presentation

September 2018

Forward Looking Statements

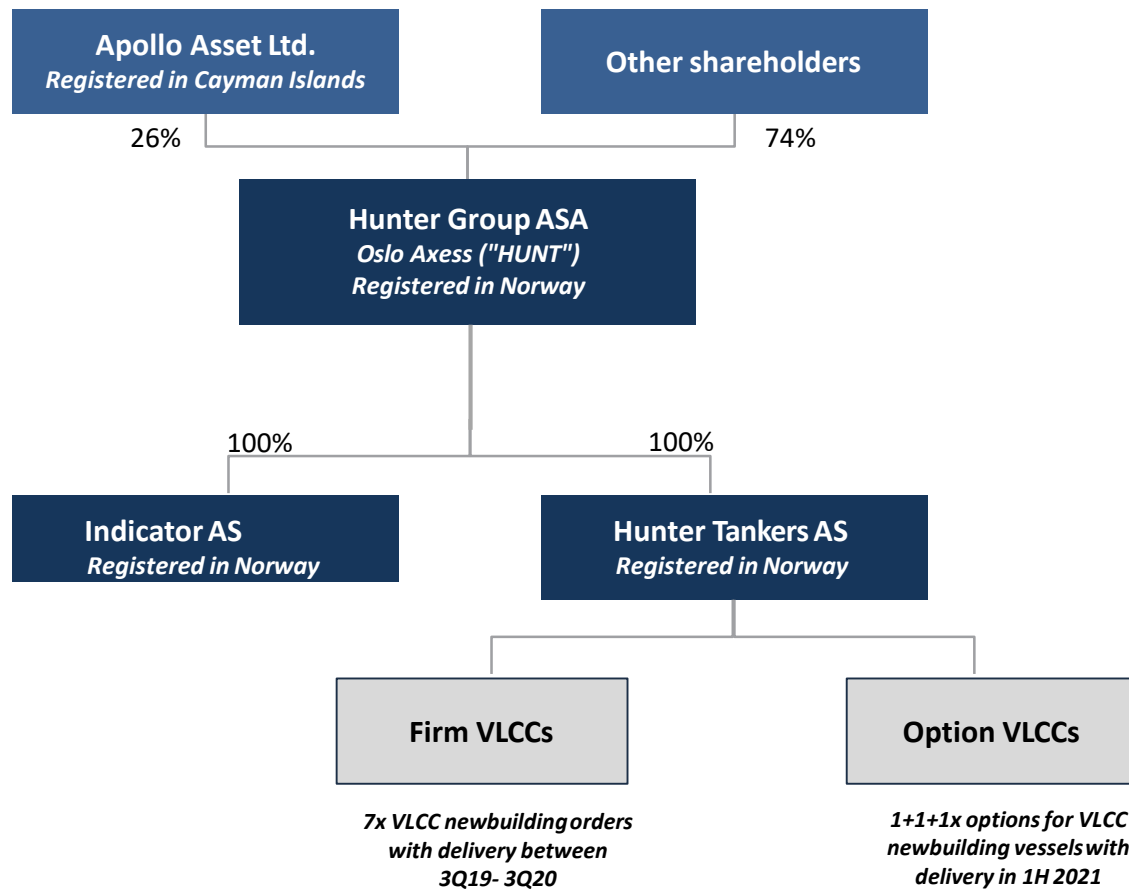
CERTAIN STATEMENTS INCLUDED IN THIS DOCUMENT CONTAIN FORWARD-LOOKING STATEMENTS. FORWARD-LOOKING STATEMENTS INCLUDE STATEMENTS CONCERNING PLANS, OBJECTIVES, GOALS, STRATEGIES, FUTURE EVENTS OR PERFORMANCE, AND UNDERLYING ASSUMPTIONS AND OTHER STATEMENTS, WHICH ARE OTHER THAN STATEMENTS OF HISTORICAL FACTS. THE WORDS “BELIEVE,” “ANTICIPATE,” “INTENDS,” “ESTIMATE,” “FORECAST,” “PROJECT,” “PLAN,” “POTENTIAL,” “MAY,” “SHOULD,” “EXPECT” “PENDING” AND SIMILAR EXPRESSIONS IDENTIFY FORWARD-LOOKING STATEMENTS. THE FORWARD-LOOKING STATEMENTS IN THIS DOCUMENT ARE BASED UPON VARIOUS ASSUMPTIONS, MANY OF WHICH ARE BASED, IN TURN, UPON FURTHER ASSUMPTIONS, INCLUDING WITHOUT LIMITATION, MANAGEMENT’S EXAMINATION OF HISTORICAL OPERATING TRENDS, DATA CONTAINED IN HUNTER GROUP’S RECORDS AND OTHER DATA AVAILABLE FROM THIRD PARTIES. ALTHOUGH HUNTER GROUP BELIEVES THAT THESE ASSUMPTIONS WERE REASONABLE WHEN MADE, BECAUSE THESE ASSUMPTIONS ARE INHERENTLY SUBJECT TO SIGNIFICANT UNCERTAINTIES AND CONTINGENCIES WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT AND ARE BEYOND HUNTER GROUP’S CONTROL, YOU CANNOT BE ASSURED THAT HUNTER GROUP WILL ACHIEVE OR ACCOMPLISH THESE EXPECTATIONS, BELIEFS OR PROJECTIONS. THE INFORMATION SET FORTH HEREIN SPEAKS ONLY AS OF THE DATES SPECIFIED AND HUNTER GROUP UNDERTAKES NO DUTY TO UPDATE ANY FORWARD-LOOKING STATEMENT TO CONFORM THE STATEMENT TO ACTUAL RESULTS OR CHANGES IN EXPECTATIONS OR CIRCUMSTANCES. IMPORTANT FACTORS THAT, IN HUNTER GROUP’S VIEW, COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE DISCUSSED IN THE FORWARD-LOOKING STATEMENTS INCLUDE, WITHOUT LIMITATION: THE STRENGTH OF WORLD ECONOMIES AND CURRENCIES, GENERAL MARKET CONDITIONS, INCLUDING FLUCTUATIONS IN CHARTERHIRE RATES AND VESSEL VALUES, CHANGES IN DEMAND IN THE TANKER MARKET, INCLUDING BUT NOT LIMITED TO CHANGES IN OPEC’S PETROLEUM PRODUCTION LEVELS AND WORLD WIDE OIL CONSUMPTION AND STORAGE, CHANGES IN HUNTER GROUP’S OPERATING EXPENSES, INCLUDING BUNKER PRICES, DRYDOCKING AND INSURANCE COSTS, THE MARKET FOR HUNTER GROUP’S VESSELS, AVAILABILITY OF FINANCING AND REFINANCING, ABILITY TO COMPLY WITH COVENANTS IN SUCH FINANCING ARRANGEMENTS, FAILURE OF COUNTERPARTIES TO FULLY PERFORM THEIR CONTRACTS WITH US, CHANGES IN GOVERNMENTAL RULES AND REGULATIONS OR ACTIONS TAKEN BY REGULATORY AUTHORITIES, POTENTIAL LIABILITY FROM PENDING OR FUTURE LITIGATION, GENERAL DOMESTIC AND INTERNATIONAL POLITICAL CONDITIONS, POTENTIAL DISRUPTION OF SHIPPING ROUTES DUE TO ACCIDENTS OR POLITICAL EVENTS, VESSEL BREAKDOWNS, INSTANCES OF OFF-HIRE AND OTHER IMPORTANT FACTORS.

THIS PRESENTATION IS NOT AN OFFER TO PURCHASE OR SELL, OR A SOLICITATION OF AN OFFER TO PURCHASE OR SELL, ANY SECURITIES OR A SOLICITATION OF ANY VOTE OR APPROVAL.

Agenda

- 1. Hunter Group ASA**
2. Investment Case
3. IMO 2020
4. Financials
5. Q&A

Hunter Group ASA – A publicly traded investment company



Comments

Hunter Group ASA has two business segments:

- Indicator AS (Badger Explorer) – has no employees and there has been no activity in the company H1 2018. Cash burn is down to a bare minimum and is close to zero.
- Hunter Tankers AS – has signed contracts for seven 300K DWT ECO design VLCCs to be constructed at Daewoo Shipbuilding Marine Engineering Co., Ltd (DSME) in Korea. All seven vessels will be outfitted with scrubbers from Wärtsilä.
- In addition Hunter Tankers has the option to order three more vessels from DSME at a price of USD 92m/vessel including scrubbers - all to be delivered in H1 2021.

Top 10 Investors per 27/8-2018

	Investor	Shares	Shares %
1	Apollo Asset Limited	99,925,607	25.96%
2	Songa Trading Inc.	30,230,501	7.85%
3	Sundt AS	24,593,000	6.39%
4	Swap Invest AS	9,647,000	2.51%
5	BNP Paribas	9,231,600	2.40%
6	Fondsfinans Norge	9,000,000	2.34%
7	Deutsche Bank	8,279,780	2.15%
8	Titan Opportunities Fund	7,260,112	1.89%
9	Halvorsens Fabrikk AS	7,082,169	1.84%
10	Norron SICAV - Target	7,081,520	1.84%

Hunter Group ASA – Delivery schedule and installments

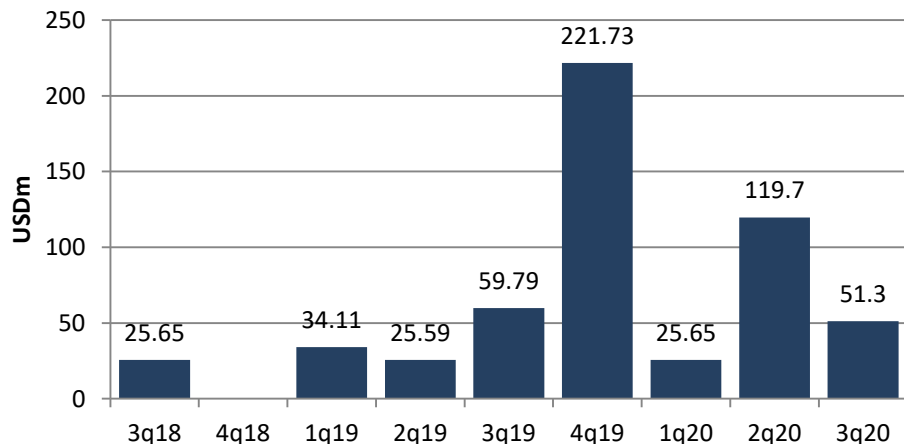
Delivery schedule

Ship	Yard Price (USDm)	Delivery	Status	2018			2019				2020				2021	
				Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
No. 1	82.5	Oct/Nov'19	On order													
No. 2	82.5	Oct/Nov'19	On order													
No. 3	82.5	Dec'19	On order													
No. 4	82.8	Dec'19	On order													
No. 5	82.8	Q2'20	On order													
No. 6	82.8	Q2'20	On order													
No. 7	82.8	Q3'20	On order													
No. 8	89.3	H1'21	Option													
No. 9	89.3	H1'21	Option													
No. 10	89.3	H1'21	Option													

Comments

- Vessels on firm order are expected to be delivered between Q4 2019 and Q3 2020, in time for the new IMO II regime where ship-owners either must equip vessels with scrubbers or use marine gas oil (MGO)
- All option vessels to be delivered in H1 2021
- Cash position as of 30.6.2018 was NOK 666.6m, consisting of NOK 420m and USD 30m.
- As of 30.6.2018 Hunter Tankers has paid USD 34.11m in installments. Next installment of USD 25,65m is expected to be paid mid-September.

Capex program



Hunter Group ASA - Details on Newbuilding specifications

Main particulars

Builder	DSME
LOA	336.0m
LBP	330.0m
Builder	60.0m
D	29.5m
Td	20.5m
Ts	21.6m
DWT at Td	279,850
DWT at TS	299,550
Service speed	14.8knots
Cruising range	~31,700Nmiles
Energy saving device	DSMEduct
Class	LR, +100A1, Double Hull Oil Tanker, CSR, ESP, ShipRight (ACS(B, C), CM), *IWS, LI, DSPM4, +LMC, IGS, UMS, NAV1, with the descriptive notes COW(LR), ShipRight (BWMP(T), VECS, SCM, IHM)
Flag	Marshall Islands
Crew	30 persons + 6 Suezcrew

Tank capacity

Cargo tanks incl. slop tanks	~340,000m3
Water ballast tanks	~92,000m3
Heavy fuel oil tanks	~6,500m3
Diesel oil tanks	~700m3
Fresh water tanks	~600m3

Main engine

Type	B&W 7G80ME-C9.5 x1 set (Derated)
MCR	24,510kW x 66.4 rpm
NCR	17,160kW x 59.0 rpm
DFOC	~62.9MT/day

IMO Nox tier III application

Main engine	LPSCR
Diesel G.E	SCR

Hull structure

Steel material	Normal strength steel and higher strength steel portion of ~62%
Design fatigue life	25 years for longitudinal stiffener's connections to transverse webs/bulkheads in cargo area

Painting

W.B. tanks	2 x Epoxy anti corrosive, 320 mic. (IMO PSPC-WBT)
Cargo Tanks	2x Epoxy anti corrosive, 320 mic. (deckhead & tank bottom as per IMO PSPC-COT)
Underwater	Tin free self-polishing anti-fouling paint (Lifetime 60 months)

Cargo and ballast system

Cargo pump	3 x 5,500 m3/h x 150 mTH
Cargo stripping pump	1 x 400 m3/h x 150 mTH
Cargo stripping eductor	2 x 750m3/h
Inert gas system	1 x Flue gassystem
Tank cleaning heater	None
Water ballast pump	2 x 3,000 m3/h x 40 mTH (1 x Elec. Motor driven, 1 x Steam turbine driven)
Tank cleaning heater	2 x 3,000 m3/h, Electrolysis

Deck machinery

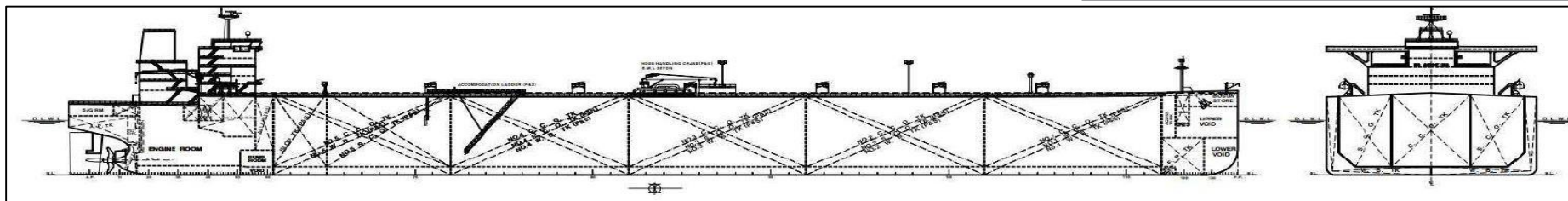
Steering	1 x El.-hyd., 2 ram-4 cyl. type
Deck machinery	El.-hyd. high pressure type
Provision crane	2 x El.-hyd., luffing jib type, 10.0 tons(SWL) for port side 3.0 tons (SWL) for stbd. side

Steam generation

Aux. boiler	2 x 45,000 kg/h x 20 bar g.
Donkey boiler	1 x 3,000 kg/h x 6bar g.
Exh. gas economizer	1 x 1,400 kg/h x 6bar g.

Electric power generation

Diesel generator	3 x 1,460 kW, AC 450 V, 60 Hz
Em'cy generator	1 x 350 kW, AC 450 V, 60 Hz

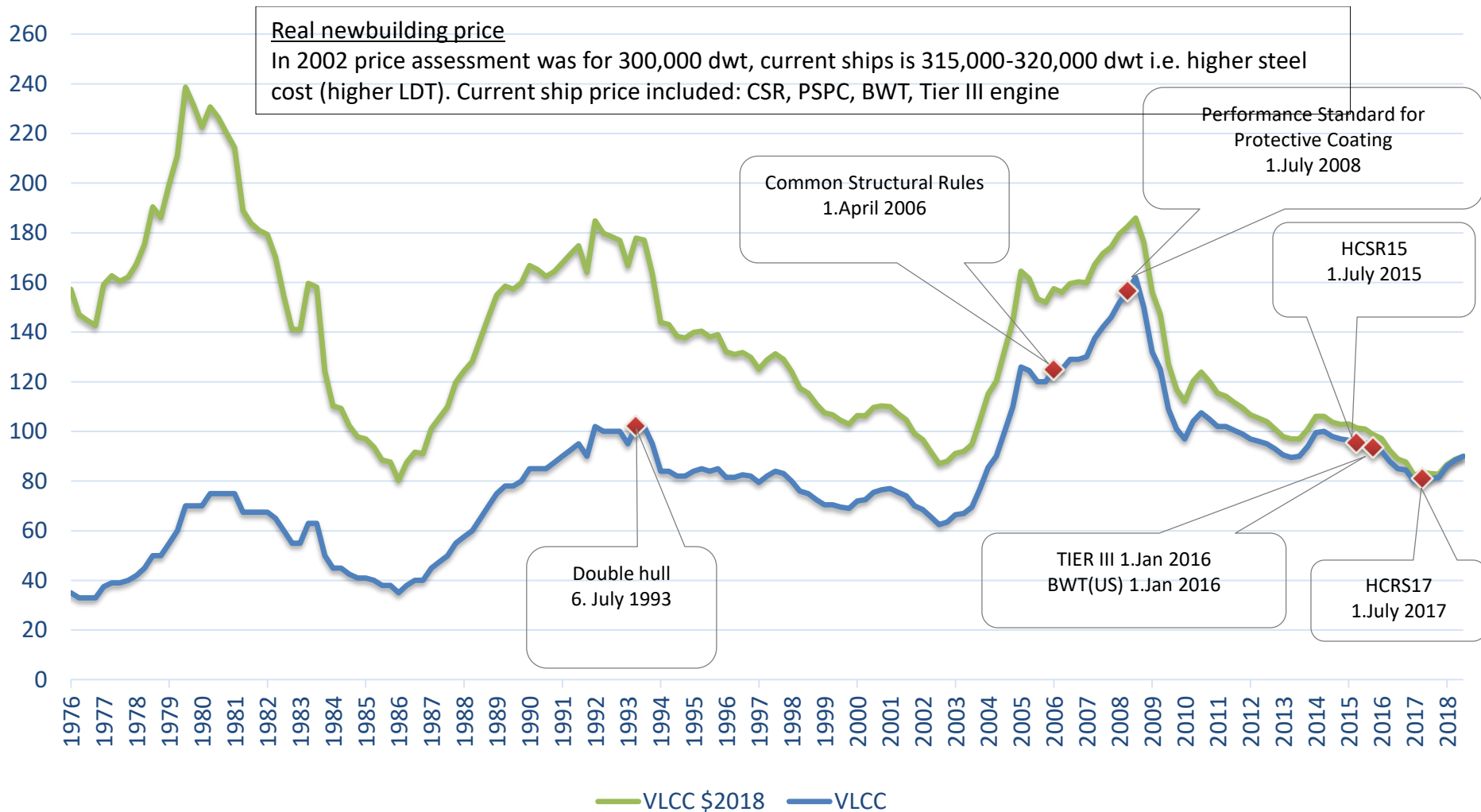


Source: DSME

Agenda

1. Hunter Group ASA
- 2. Investment Case**
3. IMO 2020
4. Financials
5. Q&A

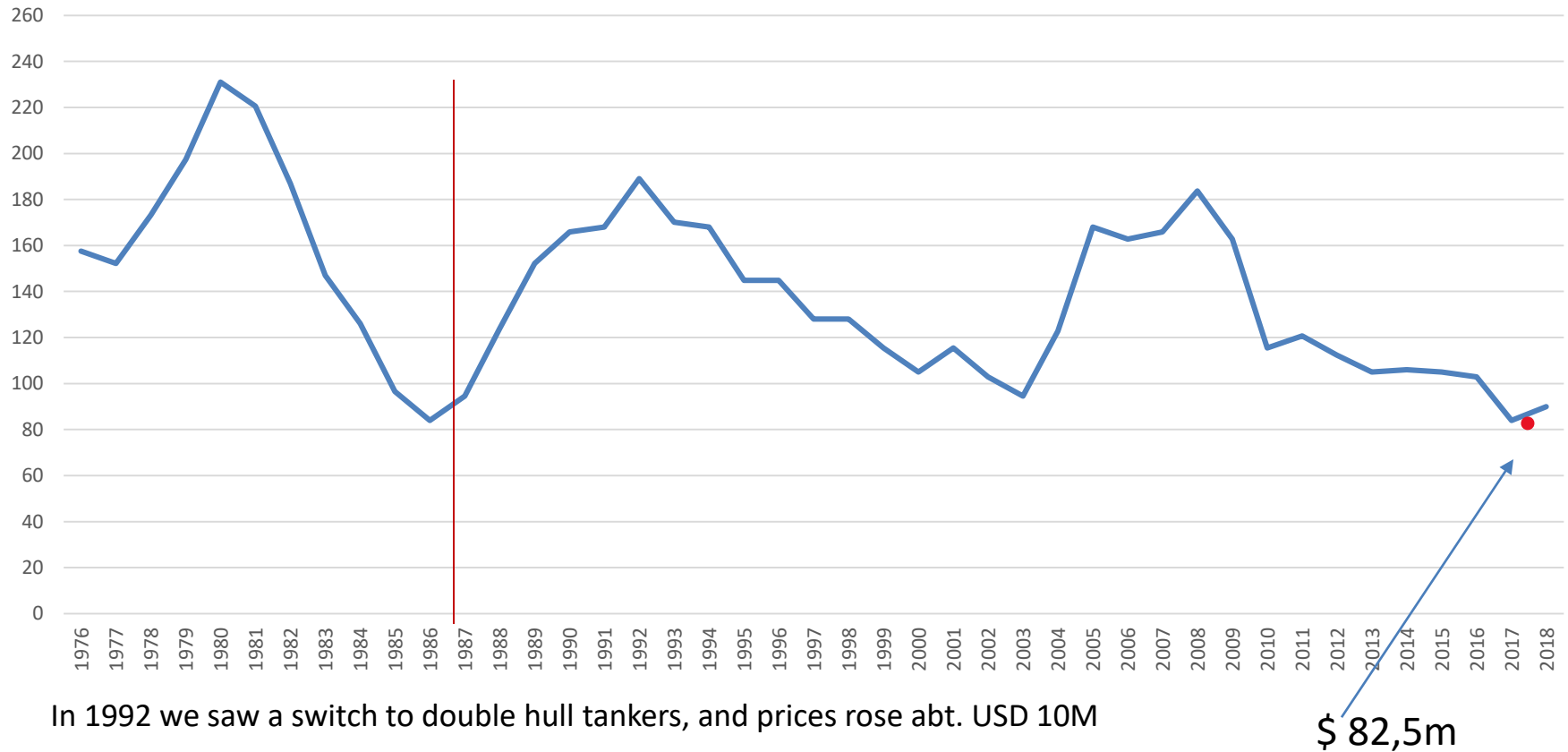
Investment case – VLCC’s attractively priced historically...



Source: Clarksons Platou

Investment Case – Close to “all time low”

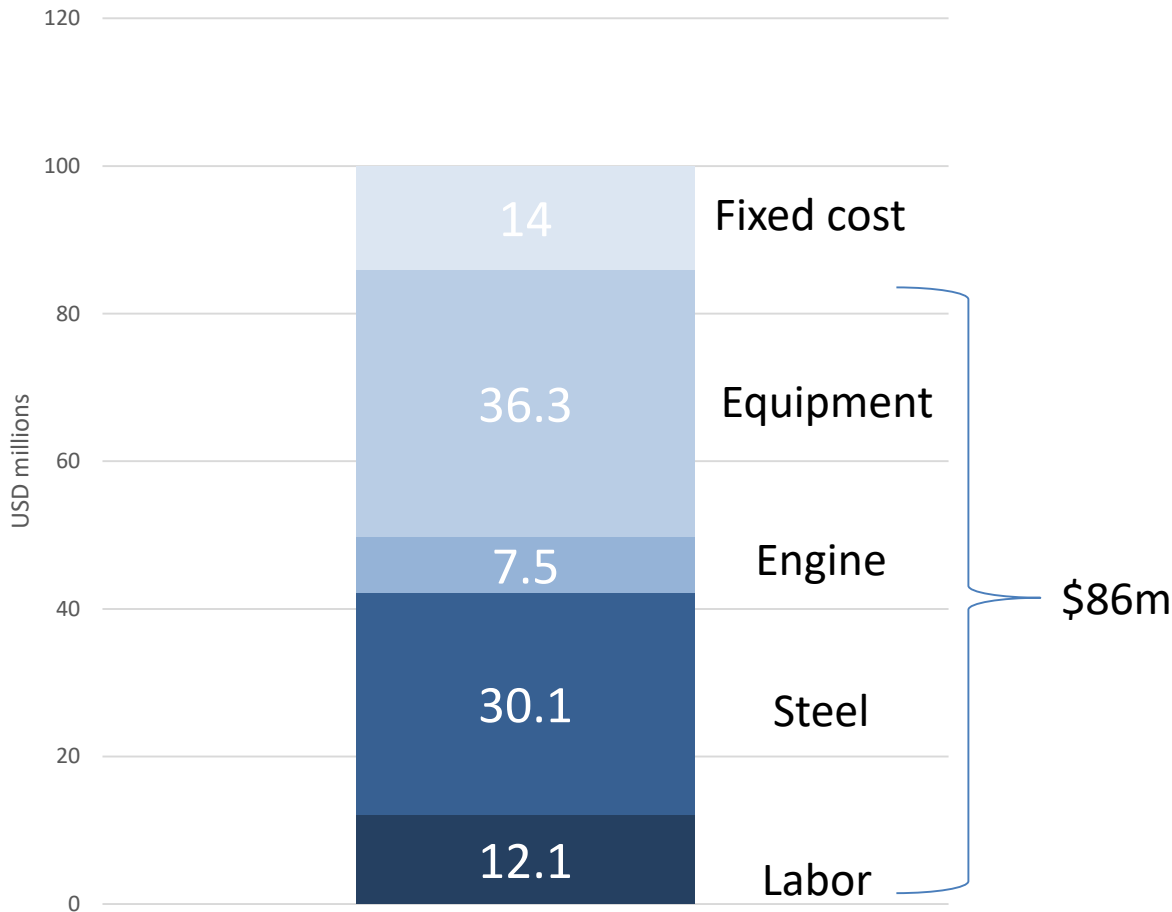
Historical newbuilding prices adjusted for US CPI



Source: Clarkson, Company

Investment Case – VLCC building cost is currently not covering fixed cost

Estimated building cost for 2018 Eco VLCC at Korean yard



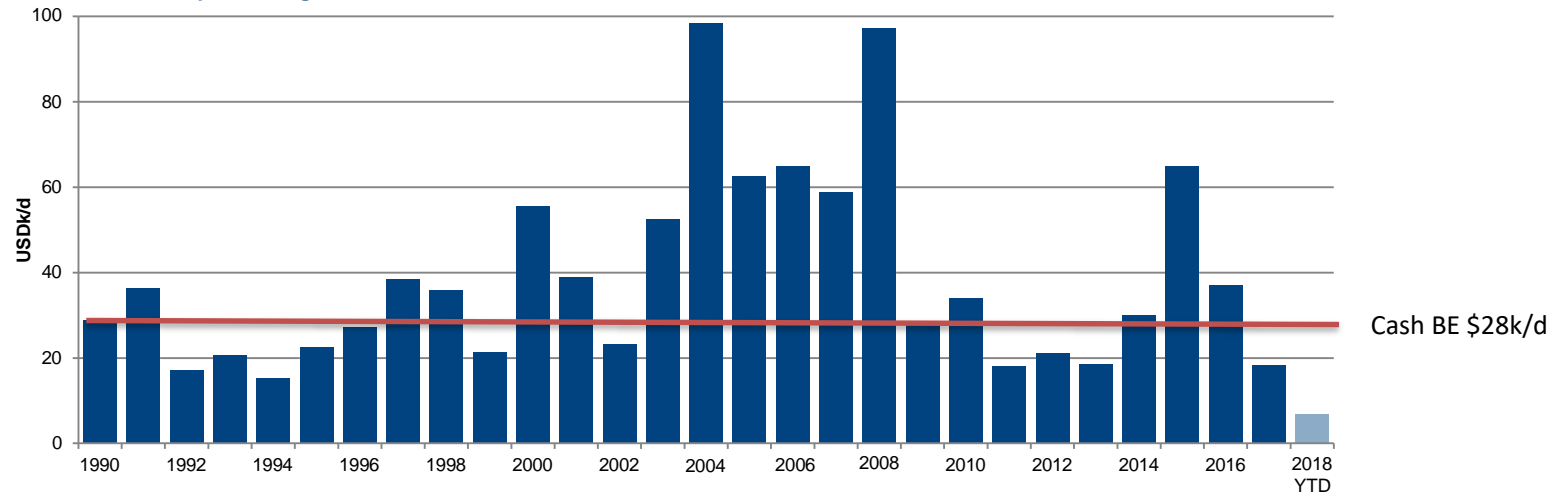
Assumptions	
Steel weight (tons)	44,440
Steel price (USD/ton)	640
Engine size (bhp)	43,000
Engine price (Tier III, USD/bhp)	173
Manhours	394,800
Hourly wage USD	30.80

Japan	107,0
China	93,1

Source: Clarksons Platou, Company

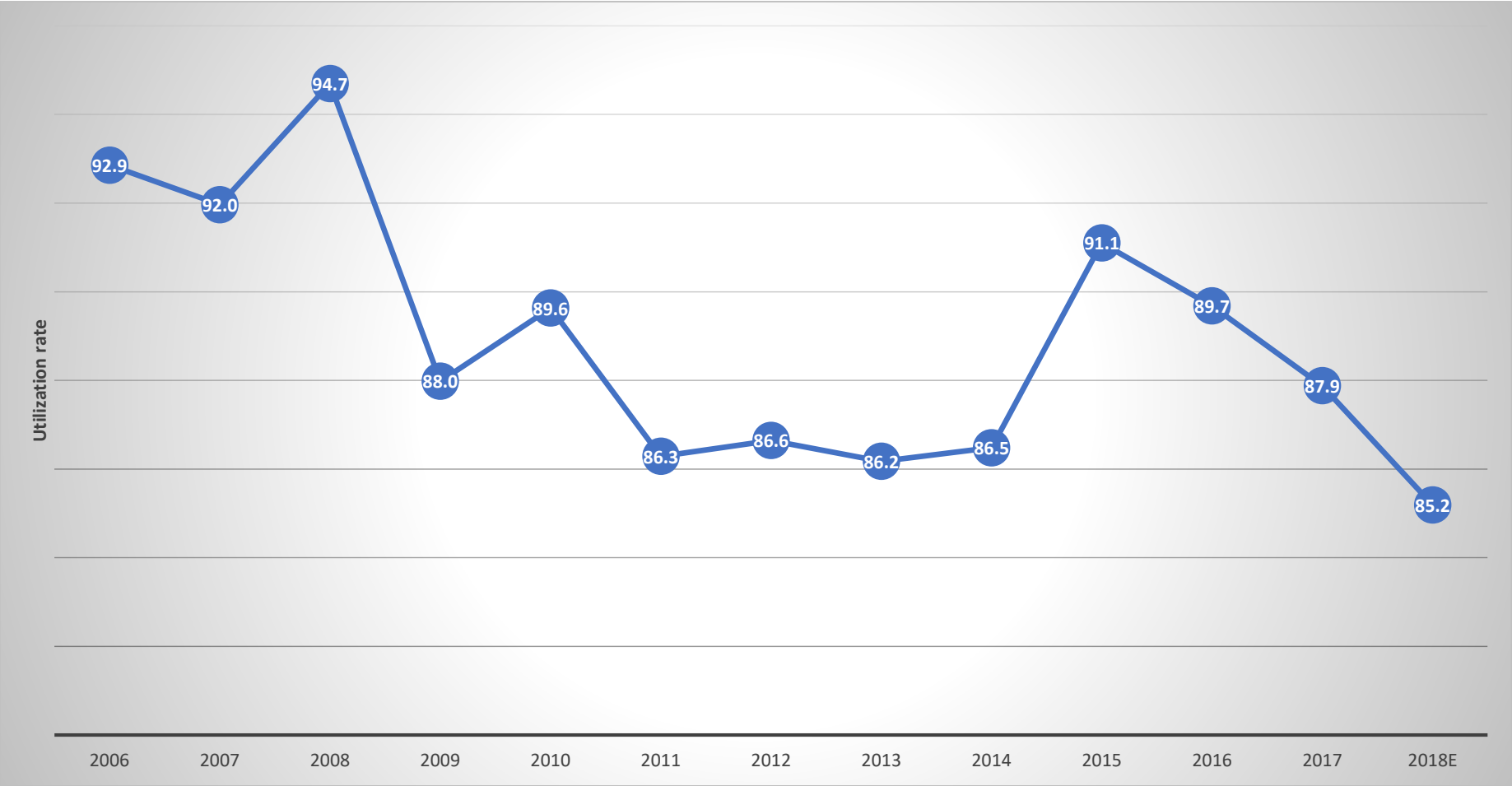
Investment case – should not come as a surprise that rates are low too

Historical VLCC spot earnings



Source: Fearnley Securities

Investment Case – ...and so is the VLCC Fleet Utilization

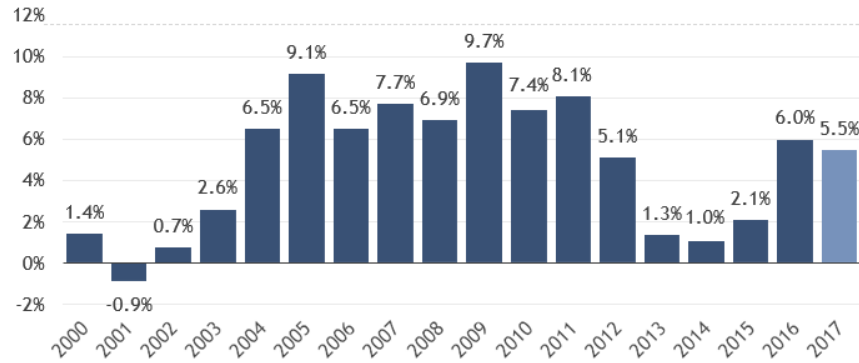


Source: Clarksons Platou

Investment case: But why have rates been so low? 4 main reasons...

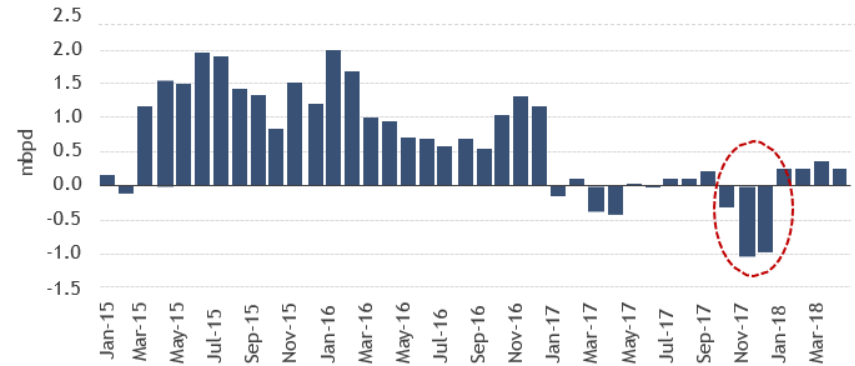
High net fleet growth

1



Low Opec production (Y-o-Y growth)

2



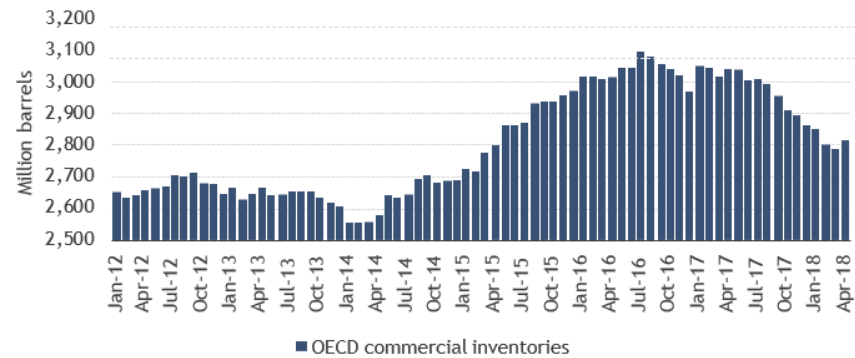
Shift from contango to backwardation

3



OECD inventory drawdown

4

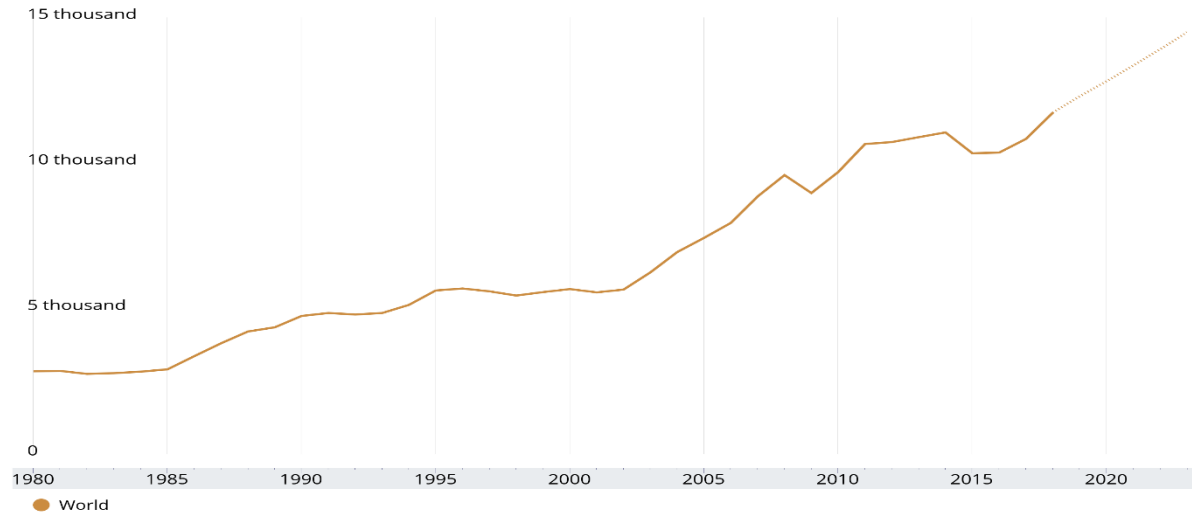


Source: Arctic Securities

Investment case: But, Global GDP Growth remains strong

IMF DataMapper

GDP per capita, current prices (U.S. dollars per capita)



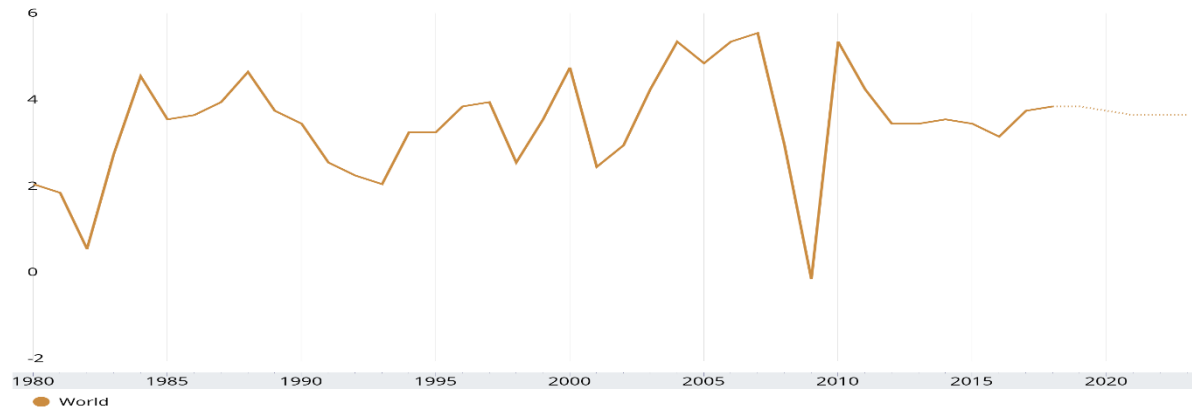
©IMF, 2018, Source: World Economic Outlook (April 2018)

World GDP Growth %

2017	3.8
2018E	3.9
2019E	3.9
2020E	3.8
2021E	3.7
2022E	3.7
2023E	3.7

IMF DataMapper

Real GDP growth (Annual percent change)

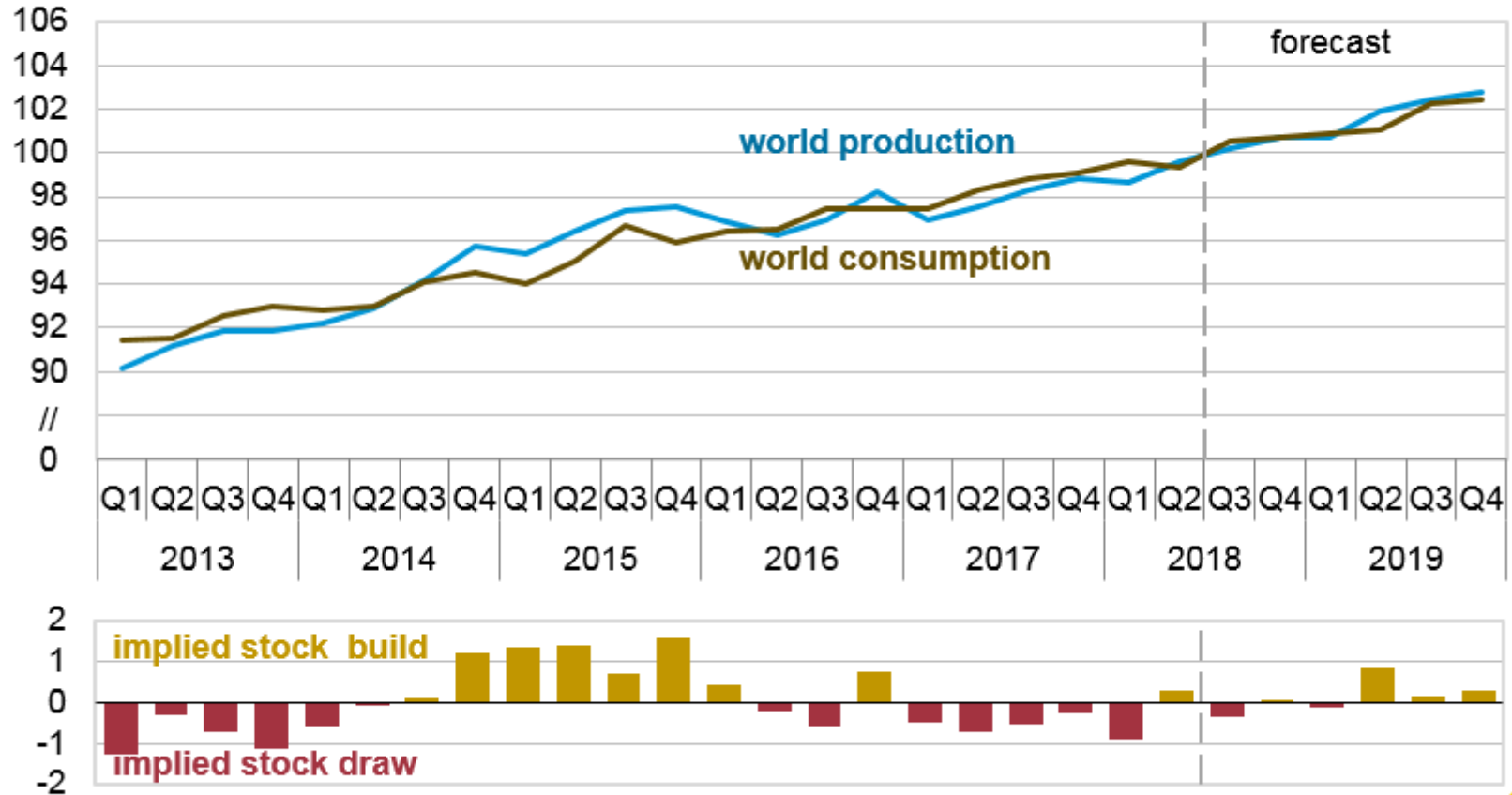


©IMF, 2018, Source: World Economic Outlook (April 2018)

Investment case: ...and consequently the demand for oil...

World liquid fuels production and consumption balance

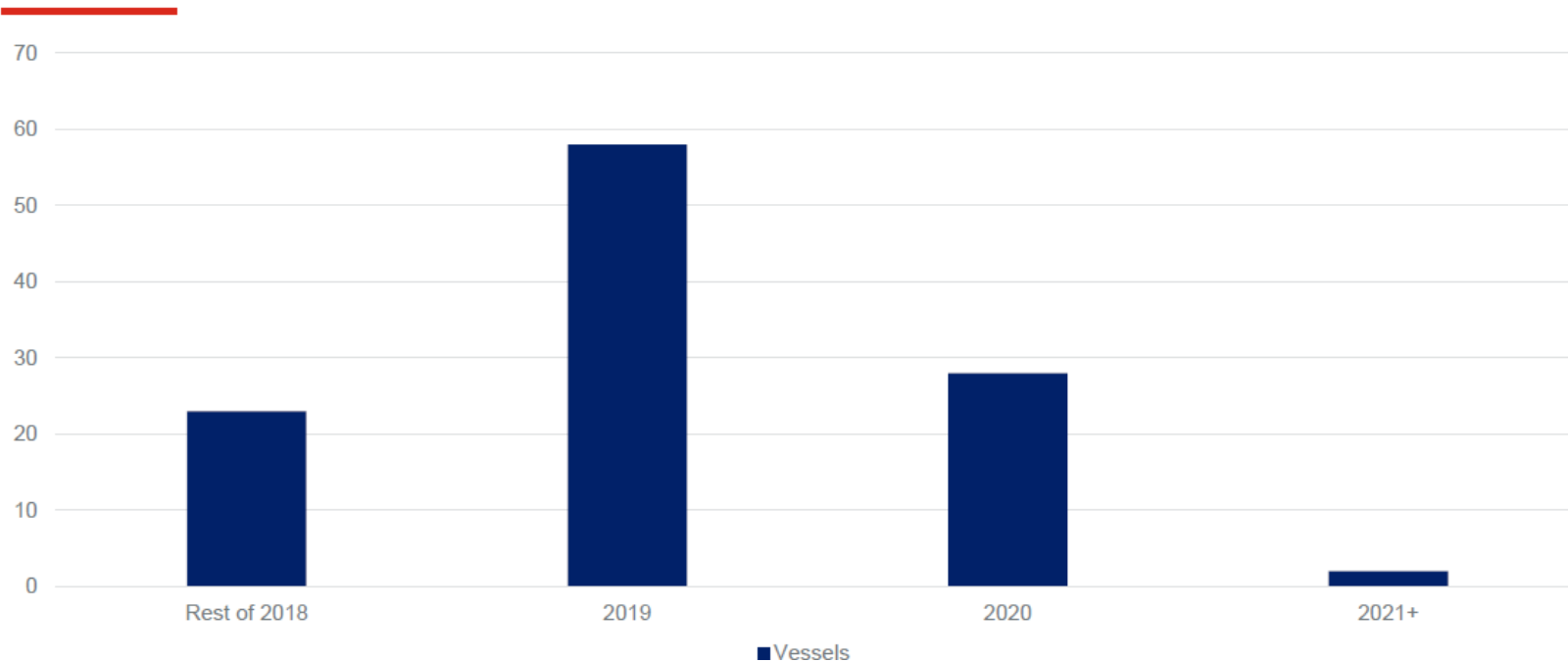
million barrels per day



Source: Short-Term Energy Outlook, August 2018



Investment Case – UL/VLCC orderbook



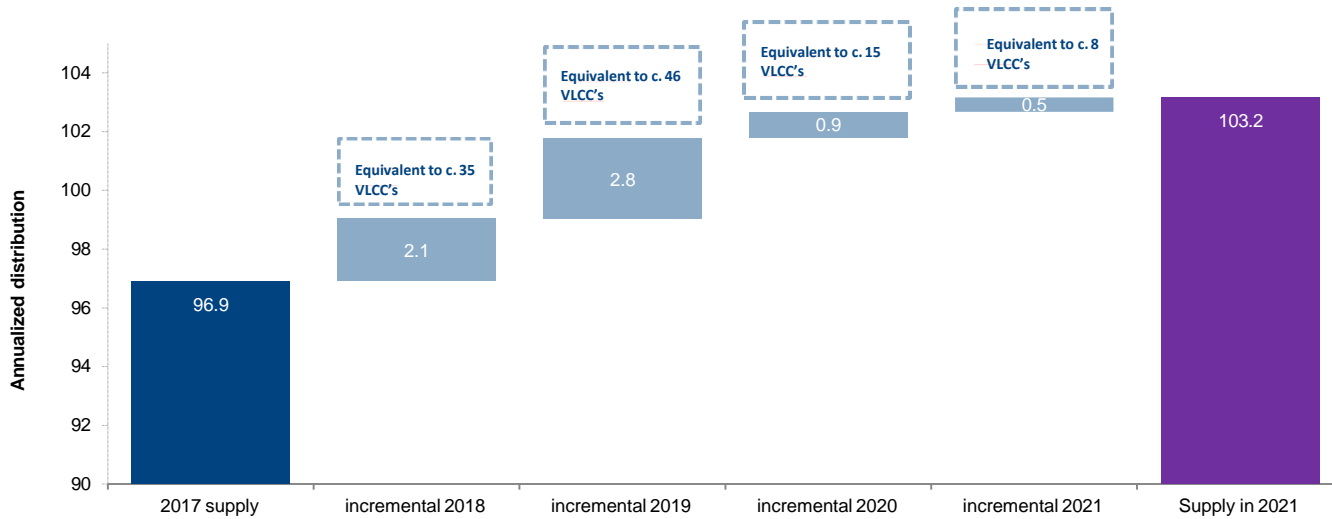
Existing UL/VLCC fleet and orderbook

	Existing fleet	On order	Del. 2018	Rest 2018	2019	2020	2021	Share of fleet
Vessels	728	111	24	23	58	28	2	15.2%
Dwt (millions)	224.2	34.4	7.4	7.2	18.0	8.6	0.6	15.3%

Source: Clarksons Platou

Investment Case – Increased demand for oil = increased demand for tankers

58



By 2021 we need 100+ VLCC equivalents to handle excess demand due to Oil production growth (assuming reversal of 1mb/d from OPEC/Russia in 2019)

By 2023 IEA expects oil demand to reach 104.7mbd

China and India account for 50% of the global oil demand

Source: Fearnleys, IEA

Fleet Development VLCC



In Jan. 2020 abt. 162 VLCC’s will be 15 years or older, or abt. 22% of the fleet
 Charterers are more and more hesitant to use older vessels, and SPS’s will be
 more costly due to poor maintenance, liquidity, installation of BWTS, IMO 2020,
 high scrap values (\$17m) etc.

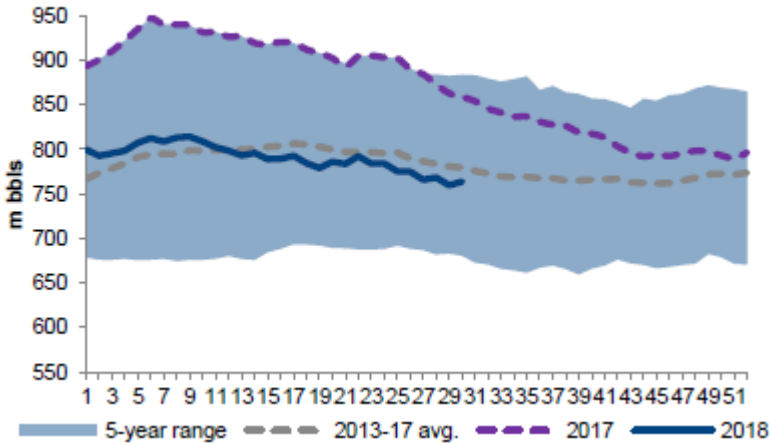
Source: Fearnresearch, IEA

728

Investment Case – Inventory draw down...

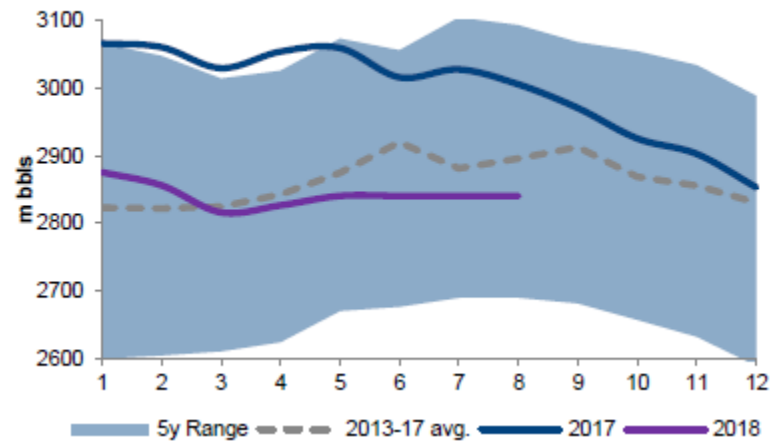
US Inventory

US Commercial crude, gasoline & distilate stocks



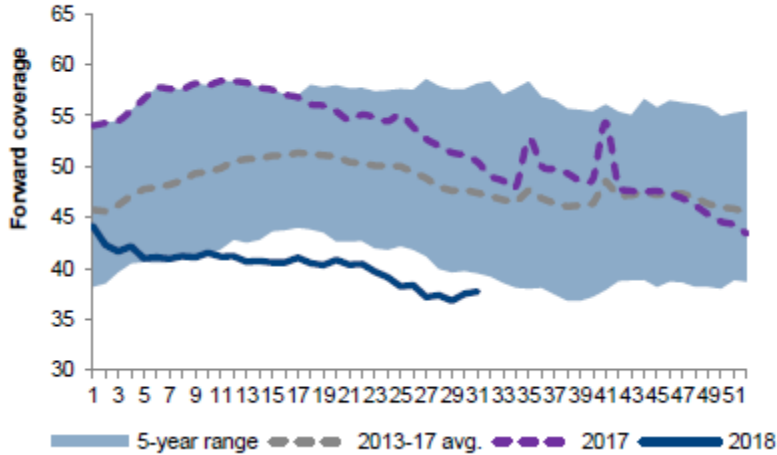
Inventory

OECD - Commercial stocks



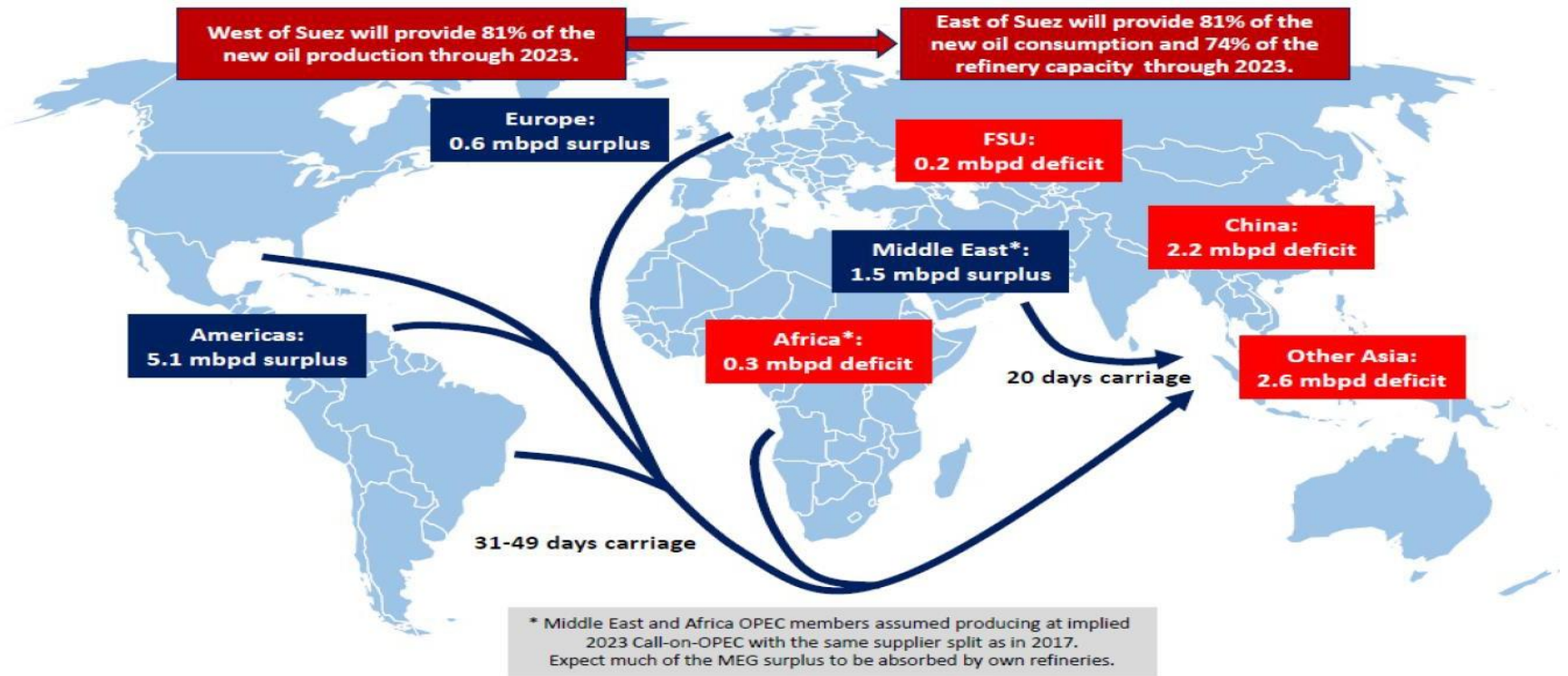
US Crude oil forward coverage

US inventory vs. crude production + imports



Source: Fearnleys

New oil production vs. New Oil Consumption 2023 vs. 2017

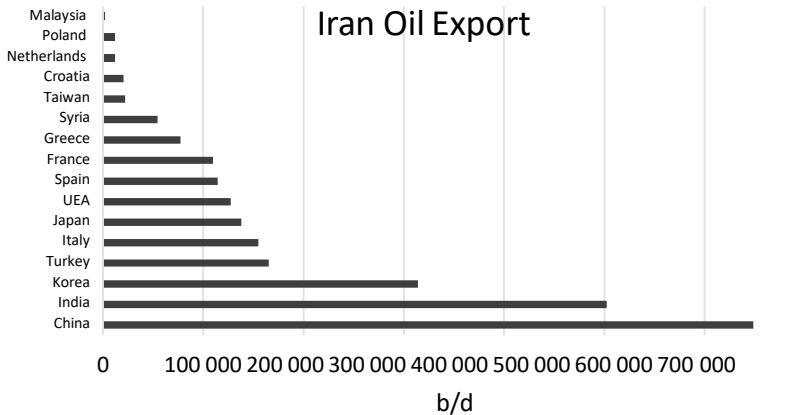
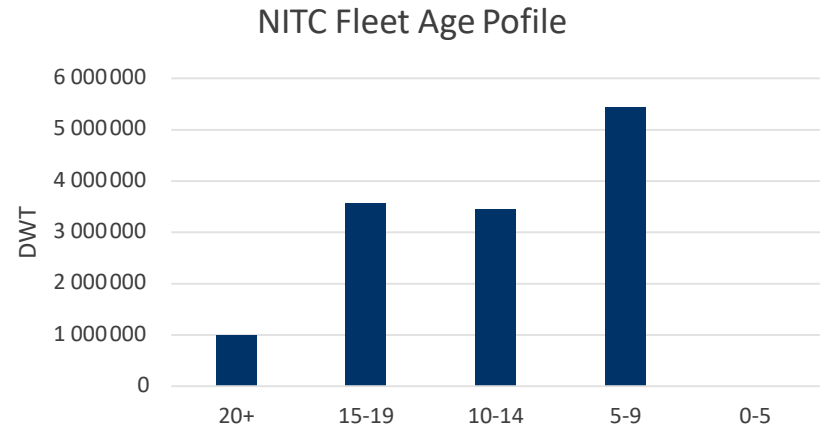


Ton mile estimates	
2019	4%
2020	5%

Source: Fearnresearch,, Clarksons Platous

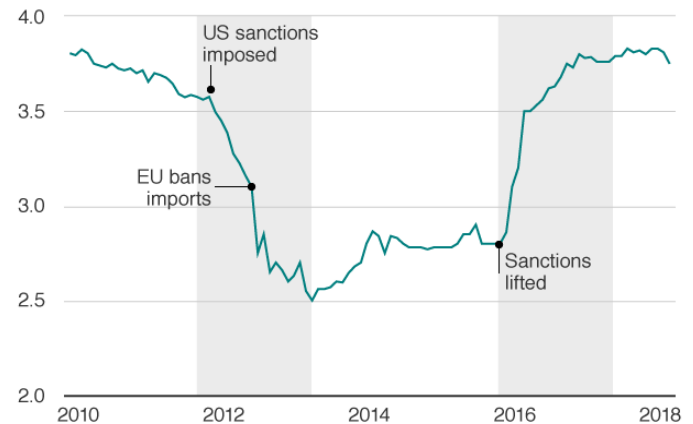
Investment Case – So what about Iran sanctions and NITC...

- NITC has a fleet of 38 VLCC's or 5% of the total VLCC fleet.
- Iran exports about 2.2 mbd of crude oil.
- President Donald Trump demands all countries to stop trading oil with Iran by 4th of November.
- Last time Iran was sanctioned against, NITC put 25 VLCC's in "layup", today only 1 NITC ship is in layup.
- It is not unlikely that NITC will scrap 4-5 VLCC's and layup as many as 34 ships.



Iran's oil output

Production in millions of barrels per day



Source: L&S Research/ Central Bank of the Islamic Republic of Iran

Source: Central Bank of the Islamic Republic of Iran, IATBXOIL index

BBC

Investment Case – Back of the envelope Jan. 2020...playing with numbers

VLCC fleet today	728
Utilization of 85%	618
Overcapacity	110
Newbuildings	81
Scrapping (50% of 15+ yrs)	81
Iran vessels	38
VLCC Fleet Jan. 2020	690
Increased oil production	58
4% Increase in ton miles	25
Additional demand	83
VLCC demand Jan. 2020	701
Vessel shortage	11
Utilization	102%

Slow steaming

Floating storage

Agenda

1. Hunter Group ASA
2. Investment Case
- 3. IMO 2020**
4. Financials
5. Q&A

IMO 2020– MARPOL

MARPOL includes regulations aimed at preventing and minimizing, both accidental and operational, pollution from ships and currently includes six technical Annexes:

Annex I – Regulations for the Prevention of Pollution by Oil

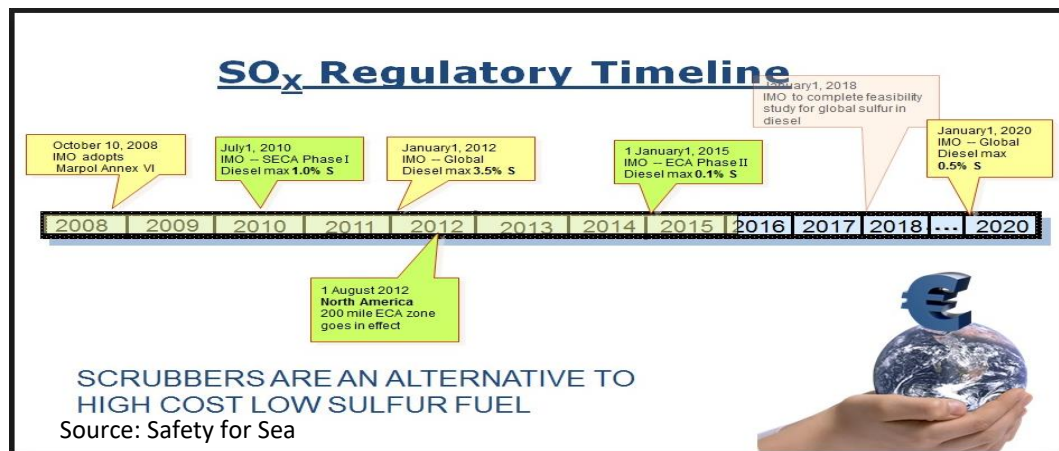
Annex II – Regulations for the Control of Pollution by Noxious Liquid Substances in Bulk

Annex III – Prevention of Pollution by Harmful Substances Carried by Sea in Packaged Form

Annex IV – Prevention of Pollution by Sewage from Ships

Annex V – Prevention of Pollution by Garbage from Ships

Annex VI – Prevention of Air Pollution from Ships



Comments

- On October 27, 2016, IMO decided to move forward with the implementation of IMO 2020 (MARPOL Annex VI) from January 2020 as scheduled.
- **Basically IMO 2020 has set a global limit for Sulphur in fuel oil used on board ships of 0,5% mm (mass by mass) from 1 January 2020.**
- Average fuel used today has 2.45% sulfur (2015)
- Shipping is responsible for 4-9% of sulfur emissions, which can be linked to pulmonary diseases.
- Worldwide mortality cases attributable to ship pollution is estimated to 60,000/yr (Corbett et al. 2007)

IMO 2020 - MARPOL Annex VI – How to Comply...

Install a scrubber

- Can continue to run on 3,5%S HFO bunker fuel
 - Possible to retrofit
 - Price/Availability (lead time for delivery)
 - Uncertainty about quality

Run on compliant fuels (MGO or LSFO)

- 0,5% sulfur fuels on open seas and 0,1% in Emission Control Areas (ECA)
- Uncertainty of availability and quality

Invest in Dual Fuel Engines (LNG or liquid fuels)

- Expensive and LNG bunker is not commonly available
 - LNG makes up around 2.5% of marine fuel consumption, and is not meaningful in a 2020 perspective.

Scrap the “thirsty old ladies”/ find alternative use

Comments

3 (4) types of Scrubber solutions

- Open Loop – in the ocean
- Closed Loop – stored on board
- Hybrid – Can do both
- “Scrubber ready”

Sulphate is a naturally occurring constituent of seawater. The large amount of sulphate in seawater is derived from volcanic activities and degassing at the seafloor. Further, sulphates reach the oceans via river flows, but the concentration in open seawater remains constant at around 2.65 g/l [8] or about 20kg of Sulphur per ton of seawater. Studies [1] and in field testing [4] confirm that the sulphate increase from exhaust gas scrubbing will be insignificant when compared with the quantity already in the oceans.

*An analogy that has been used is **if all the Sulphur in the world's oceans were to be removed, it would form a layer around the earth about 1.7M thick. All the Sulphur in all the known oil reserves would add only another 10 micron to this layer. (10 microns = 0,01 millimeters)** – EGCSA*

IMO 2020 – Where are we?

Shipowners

- Still some resistance, but gathering momentum behind the view that IMO's sulphur cap also presents an opportunity
- Some still seem to be in "denial"
- Do not see it as their responsibility
- Believe they can pass the cost on to the end users

Refineries

- Unprepared, but trying to come up with solutions
- Long lead time (3-5 yrs.)
- Huge investments \$B- not supported by fwd. curve
- Uncertainty regarding available crude qualities
 - Houston Marine Fuel Contamination (Fuel pump seizures and failures)

Scrubbers

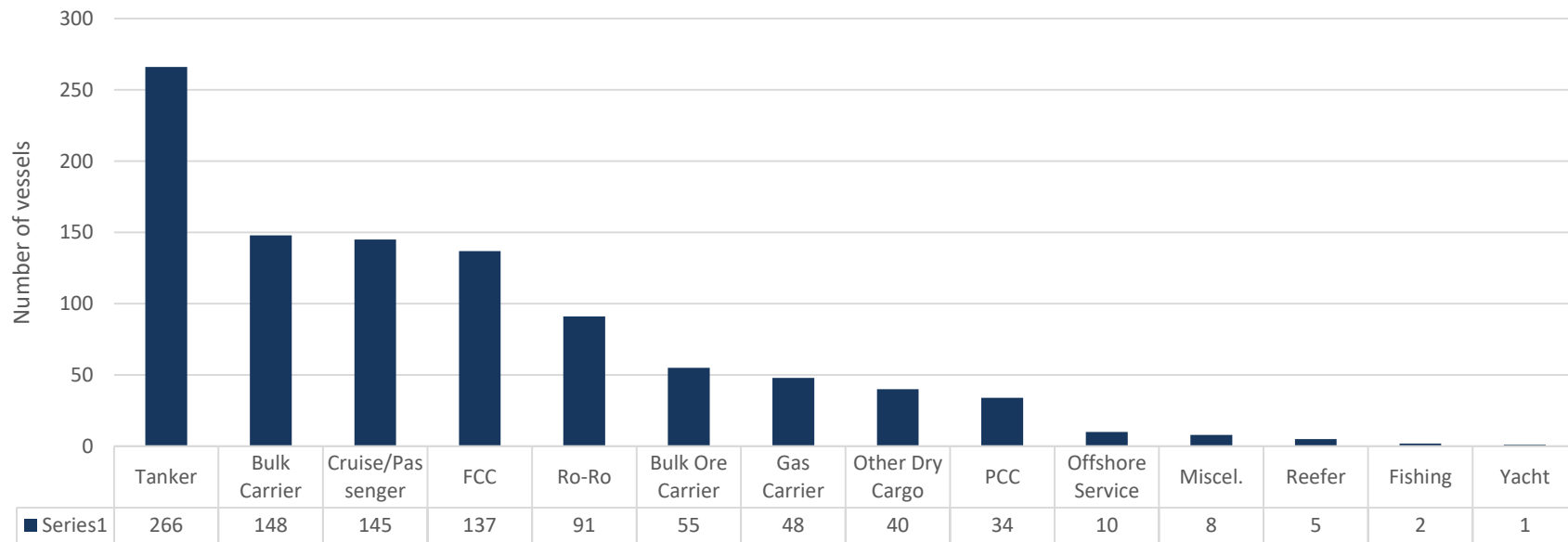
- Short payback for the larger vessels (0,6 yrs. for a VLCC)
- Positive reputational effect (green)
 - Charterers increasingly interested in securing scrubber fitted vessels on long TC's

Comments

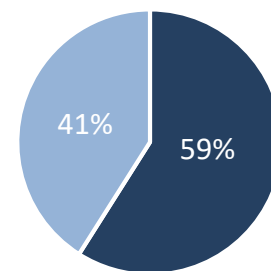
Oil companies and Traders have recently been in the market to secure long term TC's or ordered newbuildings with Scrubbers

- BP
- Exxon
- Koch
- Total
- Shell
- Vitol
- Trafigura
- S-oil

IMO 2020 – Scrubber orders



- Out of a total fleet of more than 70,000 ships only 1-2% will have scrubbers in 2020
- Estimates indicate 1,000 – 2,000 vessels will be fitted with scrubbers globally in 2020 (990 existing/on order)
- 97%+ will be forced to run on compliant fuels (220 VLCC's or 30%?)



Source: Clarksons Platou

■ Newbuild ■ Retrofit

IMO 2020 – What about the fuel spread?

Bunkers vs gas oil in Singapore



MGO spot:	\$703,7	HFO spot:	\$442	Spread spot:	\$261
MGO 20 fut.:	\$665	HFO 20 fut.:	\$332	Spread 20 fwd:	\$333

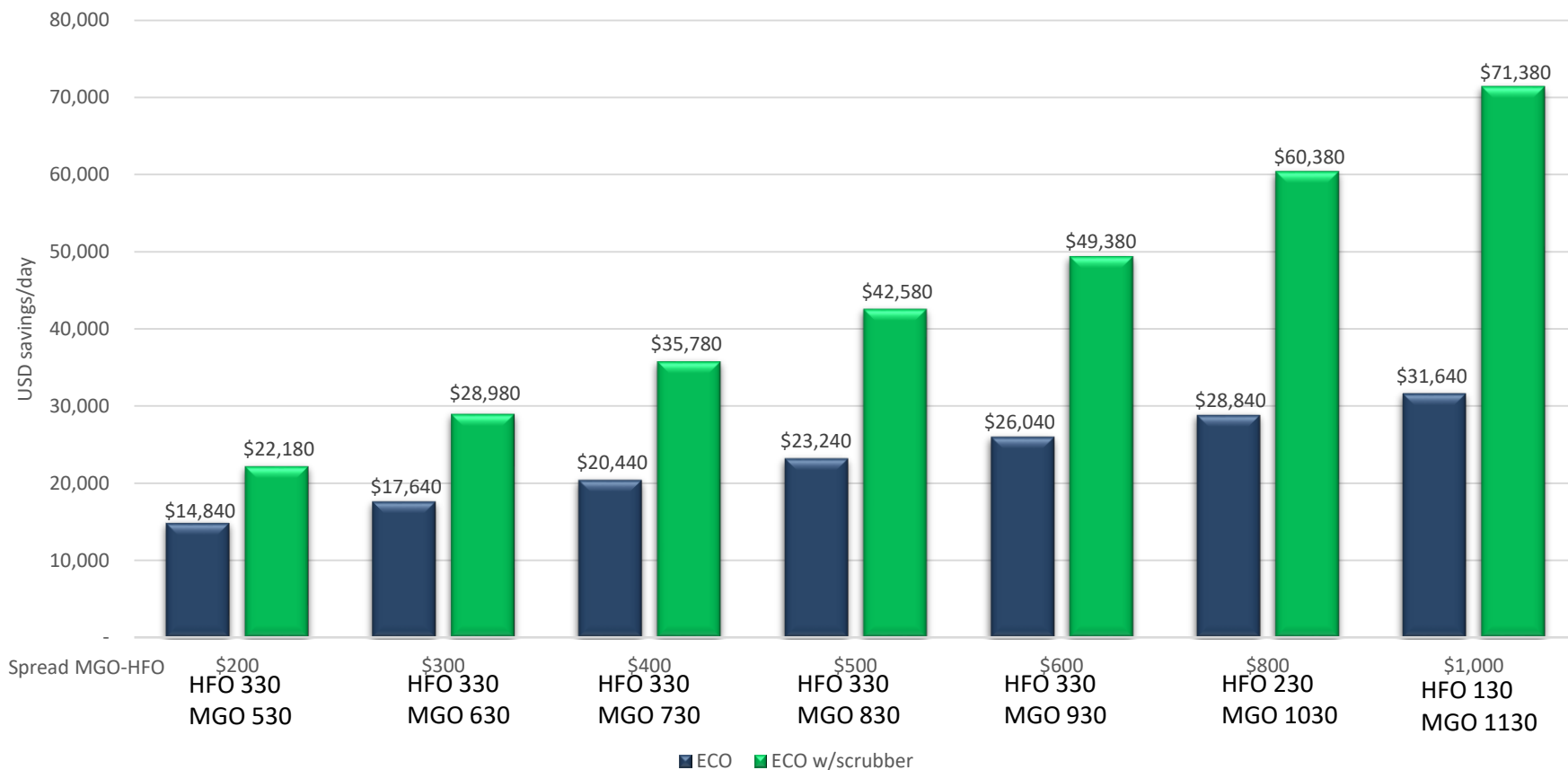
Source: Clarksons Platou

A three (four) tier market?

- Non Eco vessels – High fuel consumption and forced to run on MGO/LSFO
- Non Eco vessels with scrubbers – High fuel consumption, but able to run on HFO.
- Eco Vessels – Lower fuel consumption than Non Eco vessels, but still forced to run on MGO/LSFO
- Eco with scrubbers – Lower fuel consumption than Non Eco vessels, and able to run on HFO.

IMO 2020 – Potential Fuel Savings/ship/day vs. Non-Eco

Fuel savings Eco w/scrubber vs. Eco vs. Non-Eco

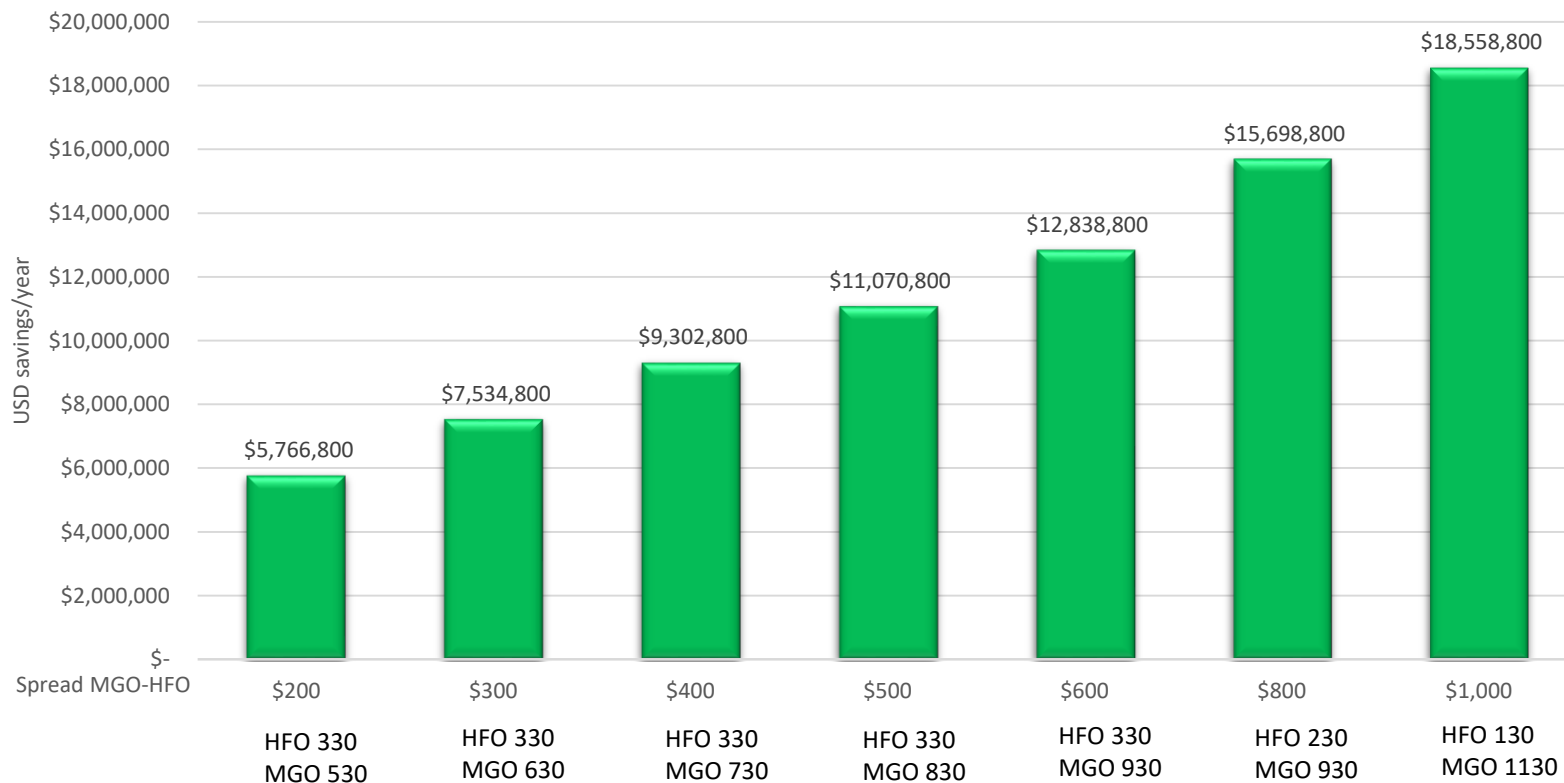


Assumptions:

	Laden	Ballast	50/50
260 Trading Days 13 knots			
ECO	48	32	40
ECO w/scrubber	50	35	42
2010 Korean VLCC Non Eco	77	59	68

IMO 2020 – Potential Fuel savings ship/yr. vs. Non-Eco

Annual Fuel Savings Eco w/scrubber vs. Non Eco



Assumptions:

260 Trading days 13 kts.	Laden	Ballast	50/50
ECO w/scrubber (HFO)	50	34	42
2010 Korean VLCC Non Eco	77	59	68

Agenda

1. Hunter Group ASA
2. Investment Case
3. IMO 2020
- 4. Financials**
5. Q&A

Financials – Financial highlights Q2

- Profit before taxes from continuing operations came in at NOK 78k in Q2 2018
- Cash position as of 30.6.2018 was NOK 666.6m, up from NOK 267.3m last quarter, consisting of NOK 420m and USD 30m.
- First installment for vessel 5455/5456/5457/5460 of USD 34.11m was made at an exchange rate of USDNOK of 8.0.

Financials – Income Statement Q2, ex Dwellop

Consolidated income statement

	Quarters			Year to date		
	Q2 2018	Q2 2017	Note	30.06.2018	30.06.2017	31.12.2017
<i>(Unaudited figures in NOK 1 000)</i>						
<i>Continuing operations</i>						
Revenues						
Revenues	0	0		0	0	91
Total Revenues	0	0		0	0	91
Operating expenses						
Raw materials and consumables	0	-246		0	-743	-744
Payroll expenses	1 350	2 592		1 930	5 821	8 871
Depreciation and amortisation expense	0	3		0	7	22
Net write-down intangible assets and capitalized grants	0	69 374	3	0	69 374	69 374
Other operating expenses	4 333	7 256	4, 9	13 801	9 624	17 660
Capitalised development cost	0	-1 058		0	-1 915	-1 915
Total operating expenses	5 683	77 921		15 731	82 168	93 268
Operating profit (loss) continuing operations	-5 683	-77 921		-15 731	-82 168	-93 177
Interest income	1 400	908		1 400	1 332	2 622
Finance income	4 360	0		4 360	0	0
Interest expenses	0	-3		-1	-54	-54
Other financial expenses	0	-2		-201	-32	-71
Net financial income (loss)	5 760	903		5 558	1 246	2 497
Profit (loss) before taxes from continuing operations	78	-77 018		-10 172	-80 922	-90 680
Tax on ordinary result	-3 603	-4 337		-3 603	-4 337	-4 337
Net profit (loss) from continuing operations	-3 526	-81 355		-13 776	-85 259	-95 017
<i>Discontinued operations</i>						
Net profit (loss) from discontinued operations	-22	15 245		-34 557	15 245	-1 311
Net profit (loss)	-3 548	-66 110		-48 333	-70 014	-96 328
Earning per share	-0,01	-0,07		-0,25	-0,08	-0,09
Earnings per share diluted	-0,01	-0,08		-0,07	-0,10	-0,09
Earnings per share continuing operations	-0,01	-0,08		-0,07	-0,10	-0,09
Earnings per share diluted continuing operations	-0,01	-0,08		-0,07	-0,10	-0,09

Financials – Balance Sheet end Q2, ex Dwellop

Consolidated balance sheet

Assets

<i>(Unaudited figures in NOK 1 000)</i>	Note	30.06.2018	31.03.2018	30.06.2017	31.12.2017
NON-CURRENT ASSETS					
Research and development		0	16 402	20 688	17 830
Patents and customer relationships		0	17 542	21 648	18 911
VLCC shipbuilding contracts	6	10 000	0	0	0
Goodwill		0	33 185	58 655	58 655
Total intangible assets		10 000	67 129	100 991	95 396
Property, plant, equipment & machineries		38	26 696	27 206	27 884
VLCC under construction	6	272 878	0	0	0
Total tangible assets		272 916	26 696	27 206	27 884
TOTAL NON-CURRENT ASSETS		282 916	93 825	128 197	123 280
CURRENT ASSETS					
Inventories		0	29 204	1 188	20 368
Total inventories		0	29 204	1 188	20 368
Accounts receivables		0	15 004	48 314	21 073
Other short-term receivables	64	5 892	6 816	6 816	4 873
Total current receivables		64	20 896	55 130	25 946
Cash and cash equivalents	2, 8	666 623	267 333	286 815	279 456
TOTAL CURRENT ASSETS		666 686	317 433	343 133	325 770
TOTAL ASSETS		949 603	411 258	471 330	449 050

Equity and Liabilities

<i>(Unaudited figures in NOK 1 000)</i>	Note	30.06.2018	31.03.2018	30.06.2017	31.12.2017
EQUITY					
Share capital	2	460 823	163 948	163 948	163 948
Share premium	2, 7	481 420	508 844	508 844	508 844
Other equity	2	0	-302 439	-231 419	-257 654
TOTAL EQUITY		942 242	370 353	441 373	415 138
LIABILITIES					
Other interest-bearing debt		0	0	13 500	11 700
Total non-current liabilities		0	0	13 500	11 700
Trade creditors		1 372	7 570	7 483	8 587
Accrued public charges and indirect taxes		551	2 153	563	3 161
Taxes payable		0	0	0	0
Short-term derivatives		0	-16	0	24
Debt financial institutions		0	25 073	3 600	3 600
Other current liabilities		5 437	6 125	4 811	6 840
Total current liabilities		7 360	40 905	16 457	22 212
TOTAL LIABILITIES		7 360	40 905	29 957	33 912
TOTAL EQUITY AND LIABILITIES		949 603	411 258	471 330	449 050

Financials – Cash flow statement, incl. Dwellop

Consolidated cash flow statement

Note: Changes in various cash flow items is reflecting the change in Dwellop's items up until the exit 9 May 2018.

	Quarters			Year to date		
	Q2 2018	Q2 2017	Note	30.06.2018	30.06.2017	31.12.2017
<i>(Unaudited figures in NOK 1 000)</i>						
Contribution from operations before tax	-4 559	-8 423		-19 666	-12 633	-31 263
Change in accounts receivables and accounts payables	-4 205	-12 170		847	-11 306	17 101
Change in inventory	4 461	7 716		-4 375	7 716	-11 464
Change in other receivables and payables and other	8 980	-5 043		6 198	-6 513	80
Net cash flow from operating activities	4 677	-17 920		-16 996	-22 736	-25 546
Capitalization of development cost	0	-1 058		0	-1 915	-1 915
Investments in PPE & intangible assets	-272 916	386	6	-272 916	0	-3 647
Acquisition of a subsidiary, net of cash acquired	0	-50 522		0	-50 522	-50 522
Net cash flow from investment activities	-272 916	-51 194		-272 916	-52 437	-56 084
Public grants	0	1 061		0	1 061	1 061
Interest received	1 400	926		1 401	1 350	2 661
Interest paid	-32	-251		-256	-302	-715
Proceeds from borrowings financial institution	-10 673	-865		-900	-7 754	-9 554
Capital contribution	692 500	0	2	692 500	385 368	385 368
Transaction cost capital contribution	-15 667	0	2	-15 667	-18 069	-18 069
Net cash flow from financing activities	667 529	871		677 079	361 653	360 751
Total net changes in cash flow	399 290	-68 243		387 167	286 479	279 121
Cash and cash equivalents beginning of period	267 333	355 058		279 456	335	335
Cash and cash equivalents end of period	666 623	286 815		666 623	286 814	279 456
Profit (loss) before tax from continuing operations	78	-77 016		-10 172	-80 920	-90 680
Profit (loss) before tax discontinued operations	-22	15 245	7	-34 557	-2 555	-19 167
Profit (loss) before tax	56	-61 771		-44 729	-83 475	-109 847
Employee options	0	0		0	64	142
Depreciation	4 950	2 447		8 935	2 451	11 013
Net write-down intangible assets and capitalized grants	-8 197	69 374		17 273	69 374	69 374
Financial income	-1 400	-926		-1 401	-1 350	-2 661
Financial expenses	32	251		256	302	715
* Contribution from operations before tax	-4 559	9 375		-19 666	-12 633	-31 263

Conclusion

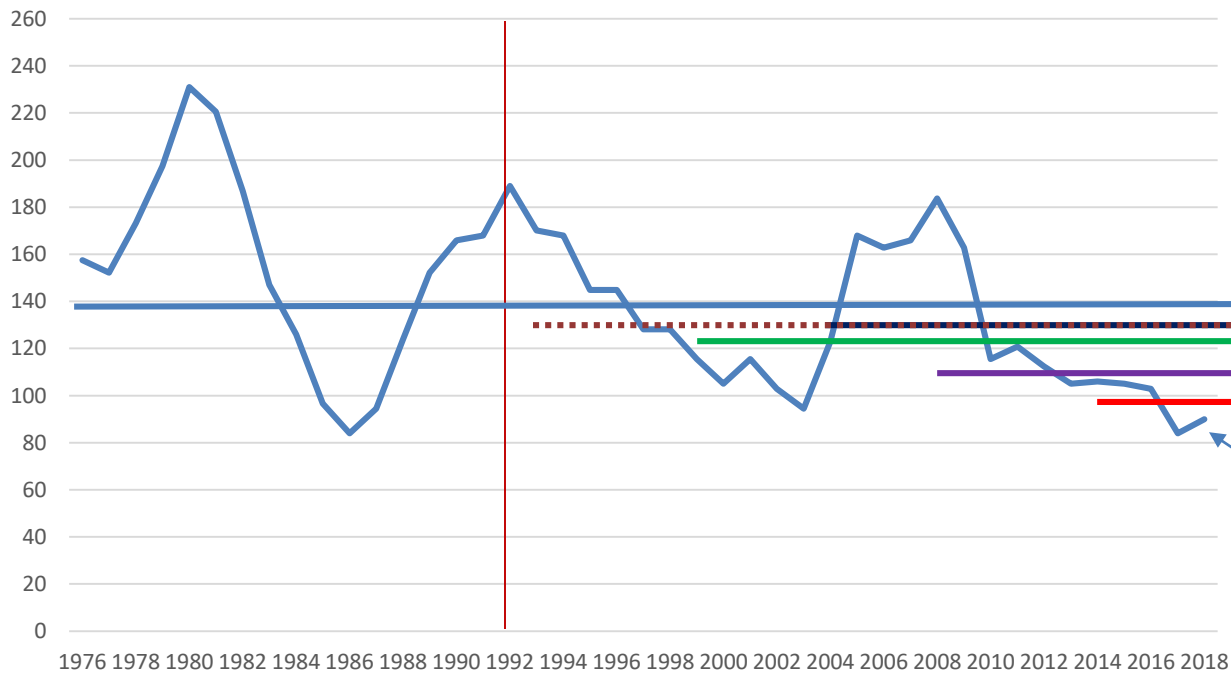
- Fleet is old (75 vessels turn 20 years in 2019 and 2020)
- Orderbook is thin
- NB prices are on the rise – yards are filling up
- Steel prices at around USD 440/t, i.e. scrap value is abt. USD 17 million
- Rates are still below CBE
- Costs of installing scrubbers are going up and makers are “sold out”
- Owners have not made money for quite some time:
 - Maintenance?
 - Financing?
 - BWTS, Scrubbers?
- Oil stock piles are below average
- Oil prices are going up, which should lead to increased US production
- OPEC may be opening up production again

Source: Company Filings

Conclusion – So what should happen to vessel prices?

“This time it is different...”

Real Newbuilding Price for VLCC's in 2018 USD



Average since 1976: USD 139M

Avg. last 5 years: USD 98M

Avg. last 10 years: USD 110M

Avg. last 15 years: USD 127M

Avg. last 20 years: USD 122M

Avg. last 25 years: USD 126M

\$ 82,8m

In 1992 we saw a switch to double hull tankers, and prices rose abt. USD 10M

Source: Clarkson, Company

Q&A



Source: Company Filings

Hunter Group ASA
Org. nr. 985 955 107

Munkedamsveien 45, 5th floor
0250 Oslo, Norway
+47 975 31 227
info@huntergroup.no