

# Havila Shipping ASA

## Pareto oil and offshore conference 2006



# QUALITY

## - Health, Safety, Environment



Havila Shipping ASA has a clear goal of improving its performance with regards to health, safety and environment both at sea and onshore. The company's goal is for its ships to fulfill or exceed our customer's expectations as to standards within health, safety and environment.



# Havila Shipping ASA



- 420 seamen on 17 vessels.
- New -building program of 9 vessels:
  - 1 SubSea Construction
  - 4 AHTS vessels
  - 1 PSV vessel
  - 6 AHTS vessels in China (JV Singapore)
- Significant operator of Rescue and PSV vessels in the North Sea
- 22 employees at the offices in Fosnavåg and Aberdeen.
- Building a organisation which put focus on human resources and solid seamanship



## COMPANY STRATEGY

- To be a preferred partner within offshore services duties
- Put focus on safe operations, and be a supplier of safety services
- Focus on human resources as well as modern vessels
- Consolidate our position in the North Sea, and aim for positions in other markets
- To maintain a balanced mix between long contracts and spot marked



## Main customers



- Norsk Hydro
- Shell UK
- Chevron Texaco
- Statoil
- Mærsk olje og gass
- Marathon
- Saipem
- TS Marine
- Other operators in the North Sea



## Latest News

- **JUNE** Havila Shipping ASA and PACC Offshore Pte. Ltd decided to join forces in the Far East offshore support vessel market. A jointly owned company under the working name of PACC Havila Pte. Ltd. will be established, and this company will be owned 50/50 by the parties.
- **JUNE** New- building contract with Havyard Leirvik AS for 1 Sub-Sea Construction vessel. The company has a further option for 1 equivalent vessel. The vessels are new-developed with Havyard design, and are called Havyard 858. The delivery of the vessel will take place in May 2008, and delivery for the option vessel in Mars 2009.



## Latest News

- **3/7** Entered into a charter- agreement with TS Marine (Contracting) Ltd in UK regarding the vessel Havila Harmony. The PSV- built vessel will be converted and upgraded for Sub Sea operations. The contract has a duration of 3 years firm with 1+1 yearly options, and has a total value including options of approximately USD 73 mill.
- **5/7** Entered into a charter agreement with Hydro for the Multi- Field Standby vessel Havila Runde. The contract has an duration of five years firm, with 2x1 yearly options, and has a total value of approximately NOK 260 mill included options.
- **14/7** KS Havila Fortune, a 30 % owned company of Havila Shipping ASA sold the vessel Havila Fortune to BOA Offshore AS for NOK 120 mill. The 1992 built PSV vessel of UT 706 design was in the period from February 2005 to September 2005 owned 100 % by Havila Shipping ASA.





## KEY FIGURES – Q2 2006 (Q2 2005)

• Total income	165,5 mill	(126)
• EBITDA	60%	(51%)
• EBIT	45%	(37%)
• Profit before tax	68,9 mill	(40,9)
• Vessels book value	1 732 mill	(1 500)
• Brokers vessels value	2 149 mill	(1 750)



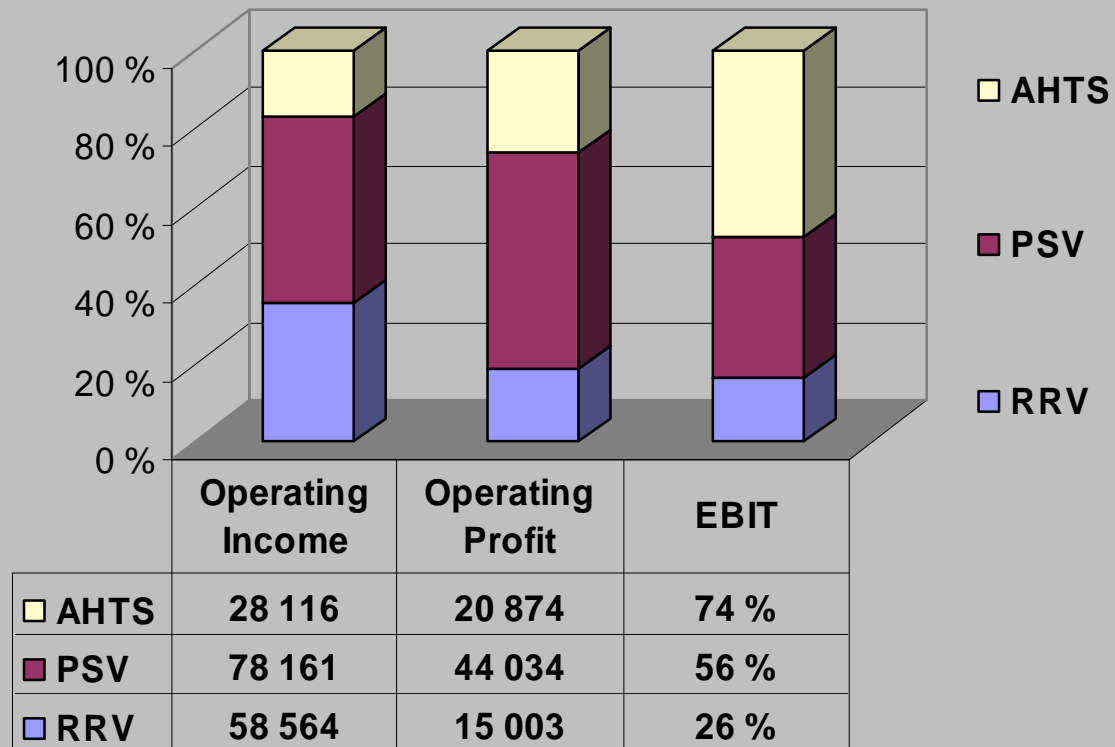


## PROFIT AND LOSS – Q2/YTD 2006

NOK 1000	Q2 2006	Q2 2005	Changes		YTD 2006	YTD 2005	Changes
Operating income	165 518	126 088	+31 %		296 010	198 118	+ 49%
Total operating expenses	65 826	62 164			131 278	106 326	
Operating profit before depr.	99 692	63 924	+ 56 %		164 732	91 792	+79 %
Depreciation	24 962	17 019			48 560	26 477	
Operating profit	74 730	46 905			116 172	65 315	
Net financial items	- 5 809	- 5 982			- 10 239	- 16 604	
Profit before tax	68 921	40 923	+ 68%		105 933	48 711	+ 117%
Taxes	6 023	11 458			12 881	13 639	
Profit / loss for the period	62 898	29 465	+113%		93 052	32 072	+ 190%



## SEGMENT REPORTING – Q2 2006

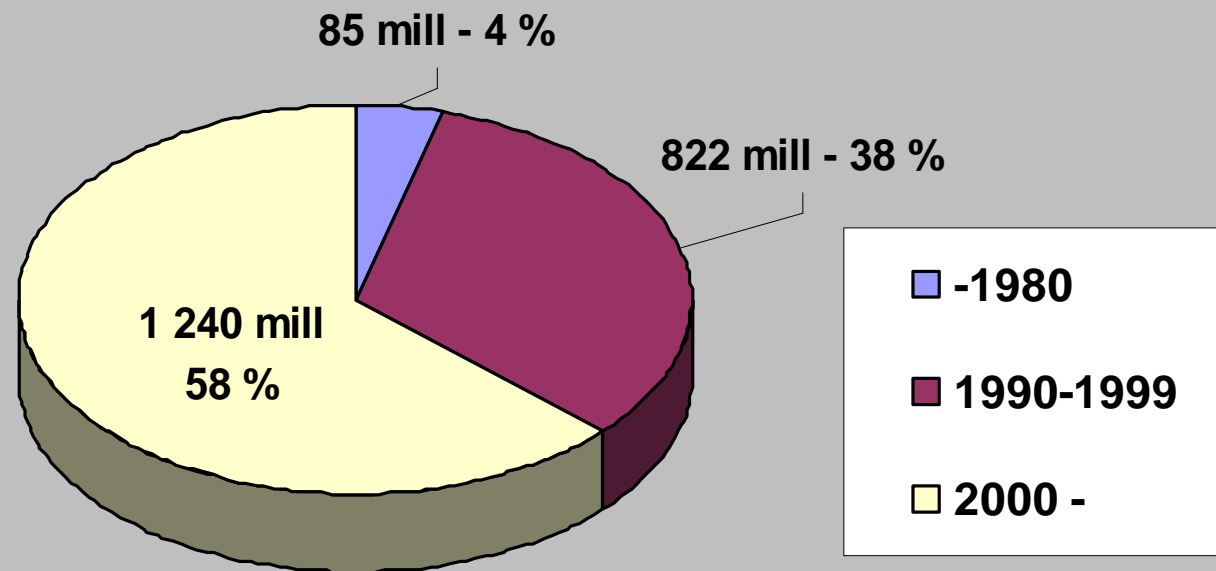


## BALANCE SHEET - assets

NOK 1000	30.06.2006	30.06.2005
<b>ASSETS</b>		
<b>FIXED ASSETS:</b>		
Total tangible fixed assets	1 877 359	1 502 607
Total financial fixed assets	15 969	17 820
<b>Total fixed assets</b>	<b>1 893 328</b>	<b>1 520 427</b>
<b>CURRENT ASSETS:</b>		
Total current assets	644 510	204 054
<b>TOTAL ASSETS</b>	<b>2 453 715</b>	<b>1 724 481</b>



# FLEET VALUATION – sorted by building year



## BALANCE SHEET – equity and liabilities

<b>EQUITY AND LIABILITIES</b>	<b>30.06.2006</b>	<b>30.06.2005</b>
<b>Total equity</b>	<b>787 133</b>	<b>532 355</b>
<b>Deferred tax</b>	<b>35 404</b>	<b>32 410</b>
<b>Total long term debt</b>	<b>1 556 212</b>	<b>1 033 234</b>
<b>Total current liabilities</b>	<b>159 089</b>	<b>126 482</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 537 838</b>	<b>1 724 481</b>



## CASH FLOW

NOK 1000	IFRS		
	Jan - Jun 2006	Jan - Jun 2006	2005
Cash from operating activity	108 408	25 088	175 266
Cash flow from investing activity	-274 387	-191 147	-996 154
Cash flow from financing activity	133 674	152 836	1 292 455
Net change in cash	- 32 305	-13 223	471 567
Liquid assets - start period	526 614	110 156	55 047
Liquid assets - end period	494 309	96 933	526 614



## SHAREHOLDERS PER 10.08.2006

Company		Interests %
HAVILA AS	NOR	50,32
PARETO AKSJE NORGE	NOR	6,25
ODIN NORDEN	NOR	4,77
ODIN NORGE	NOR	4,57
PARETO AKTIV	NOR	2,76
GRIFFIN UMBRELLA FUN	IRL	1,93
PICTET & CIE BANQUIE	CHE	1,93
NORINVEST LTD	VGB	1,88
PACTUM AS	NOR	1,84
SS SEGAINTERSETTLE	CHE	1,63
Largest shareholders :		77,90 %





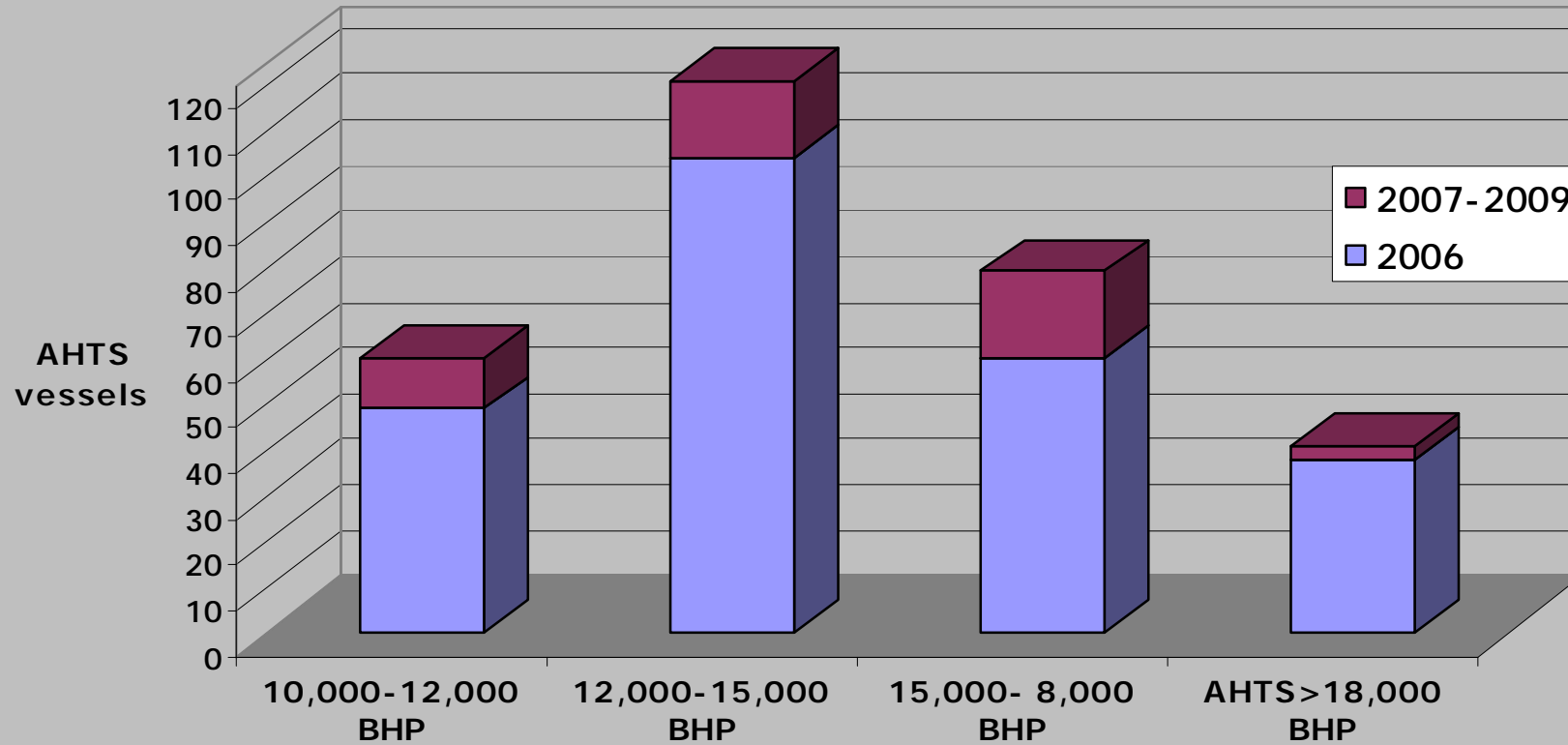
## MARKET OUTLOOK



- Increasing numbers of drilling units for delivery in 2007-2010. Demand for anchor handling duties
- Increasing deepwater operations. SubSea / Construction company ask for large modern vessels
- Increasing demand for larger modern vessels outside the North Sea



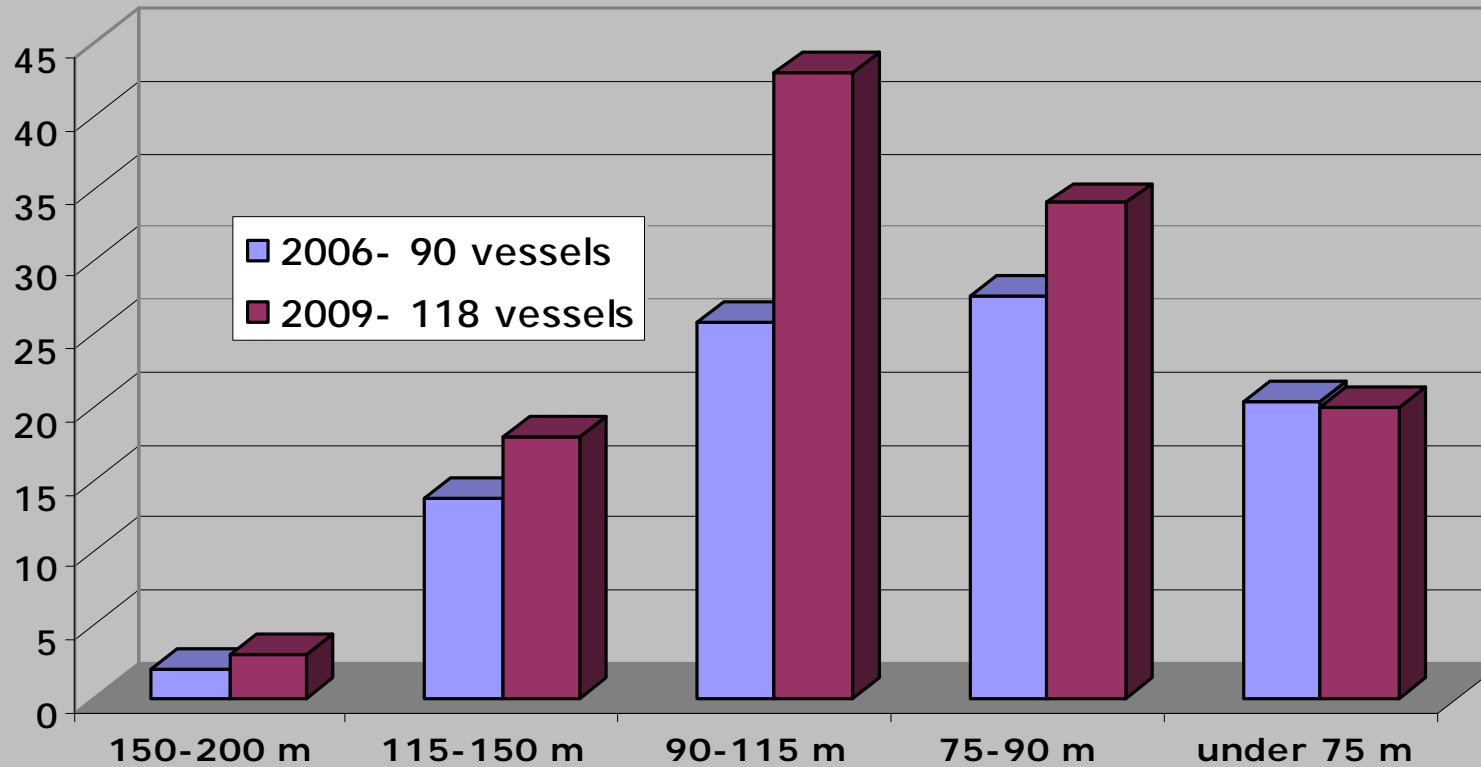
# AHTS fleet - World Wide



Source: Offshore Research



# ROV/Lay- support fleet - World Wide



Source: Offshore Research



# PSV- Contract Status

	Design	2006	2007-	Options	Built
<b>PLATTFORM SUPPLY VESSELS:</b>					
Havila TBN	MT 6010		Aug 2007- July 2016		2007
Havila Harmony	MT 6010	100-160 d			2005
Havila Favour	VS 483	sept.2006			1999
Havila Faith	VS 483	July 2006-Aug 2007			1998
Havila Princess	VS 473	aug.2007		1 year	2005
Havila Fame	LMG	Spot			1995
Havila Fortress	VS 483		jan.2008	2x1 year	1996



# Rescue- Contract Status

	Design	2006	2007-20013	Options	Built
<b>RESCUE VESSELS :</b>					
Havila Troll	UT 527		des.13	3x2 year	2003
Havila Runde	KK		Jul.11	2x1 year	1997
Havila Star	UT 719R	nov.06		4x1 year	2000
Havila Tigris	UT 719R		mar.07	4x1 year	2000
Havila Sea	PSV	des.06			1975
Havila Searcher	UT 704		apr.08	2x1 year	1975
Havila Sun	PSV	Relief			1972
Havila Tern	Pattie	oct.06			1974
Havila Sky	Stby	nov.06		1 year	1957
Havila Clever	Bolsones	apr.06		4x1 year	1975



# AHTS/ SUBSEA CONSTRUCTION

	Design	2006	2007	2008	2009
<b>AHTS:</b>					
Havila Force	VS 473	SPOT			
<i>Havila Mars</i>	<i>UT 786</i>		<i>mar.07</i>		
<i>Havila Mercury</i>	<i>UT 786</i>		<i>jun.07</i>		
<i>Havila Saturn</i>	<i>Havyard 842</i>		<i>sept.07</i>		
<i>Havila Neptune</i>	<i>Havyard 842</i>		<i>dec.07</i>		
<i>3 Havila TBN</i>	<i>Focal Marine</i>			<i>Jan-Dec 08</i>	
<b>SUBSEA CONSTRUCTION:</b>					
<i>Havila 858 TBN</i>	<i>Havyard 858</i>			<i>june.08</i>	
<i>(Havila 858 TBN</i>	<i>Havyard 858</i>				<i>mar.09</i>



# Havyard 858 - SubSea/Construction vessel





# HAVILA HARMONY



## 4 AHTS newbuildings - delivery 2007

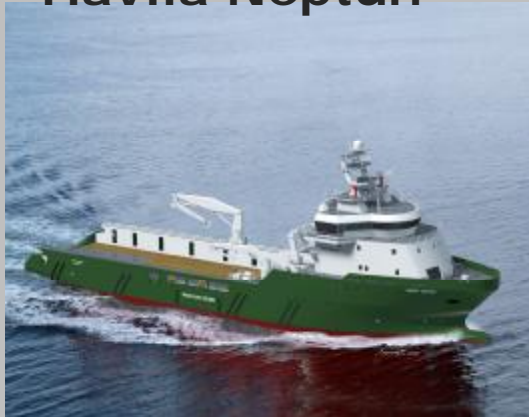
**Havila Mars**



**Havila Mercury**



**Havila Neptun**



**Havila Saturn**

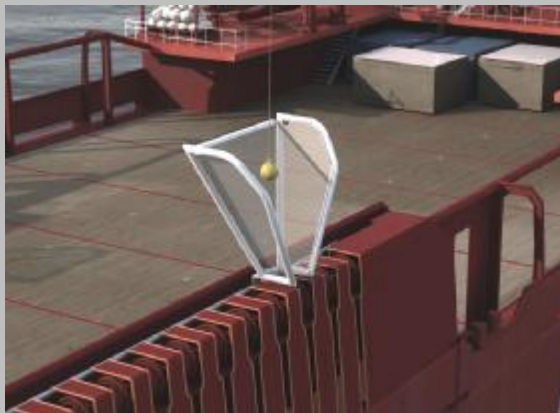


# PSV newbuilding - delivery Q3 2007



# SAFETY

- Both Hydro and Havila emphasize safety





# AH Crane



- Replaces 3 permanent installed cranes
- Operation area deck and winches
- Travelling on cargo rail with full load
- Wireless operation from safe zone
- Multitool for a number of operations





## SUMMARY

- Market onwards looks very promising with still high activity in all segments
- SubSea- market continue to absorb large PSVs
- Difficult to estimate demand for smaller PSV
- Steady strong in Rescue recovery vessel market. Few newbuilds
- Havila expects demand for modern multifunction AHTS vessels and large SubSea Construction vessels

