



GOLDEN OCEAN™

Results Q1 - 2015

May 28, 2015

Forward-Looking Statements

- *Matters discussed in this presentation may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements, which 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. Words such as "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 presentation are based upon various assumptions. Although we believe 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 our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections. The information set forth herein speaks only as of the date hereof, and we disclaim any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this communication.*
- *In addition to these important factors and matters discussed elsewhere herein, important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies, fluctuations in currencies and interest rates, general market conditions, including fluctuations in charter hire rates and vessel values, changes in demand in the dry bulk market, changes in our operating expenses, including bunker prices, drydocking and insurance costs, the market for our vessels, availability of financing and refinancing, 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, political events or acts by terrorists, and other important factors described from time to time in the reports filed by the Company with the Securities and Exchange Commission.*
- *Certain shipping, steel, Chinese and global industry information, statistics and charts contained herein have been derived from several sources. You are hereby advised that such industry data, charts and statistics have not been prepared specifically for inclusion in these materials and Golden Ocean has not undertaken any independent investigation to confirm the accuracy or completeness of such information*



Agenda



- Highlights
- Recent developments
- Financials
- Fleet information
- Macro Update
- Q&A

In this report, the Company is defined as Knightsbridge Shipping Limited prior to the Merger on 31 March 2015, and the combined company, renamed to Golden Ocean Group Limited, following the Merger with the Former Golden Ocean.

Highlights



- The merger between Knightsbridge Shipping Limited and the Former Golden Ocean Group Limited was completed on March 31, 2015, with Knightsbridge as the acquiring company. Following the merger the Company was renamed to Golden Ocean Group Limited

- In April, Golden Ocean completed several transactions in order to strengthen its cash position and balance sheet

- The current fleet of Golden Ocean as per May 28:
 - 47 sailing vessels
 - 24 Capesize vessels (1 sold, not delivered & 8 sale /leaseback)
 - 8 Kamsarmax vessels
 - 10 Iceclass Panamax vessels
 - 5 Supramax vessels
 - 24 newbuildings (21 Capesizes and 3 Supramax vessels)
 - Of which four have been sold upon completion
 - 2 vessels on BB in, 1 vessel on long term TC in and 1 vessel in a JV

Recent development



- Fleet development:
 - The Company took delivery of 5 Capesize newbuildings during Q1
 - In Q1 the Company entered into an agreement with RWE for 15 index linked time charter contracts for 5 years. 5 vessels delivered and the remaining will be delivered over the next 12 months.
 - Former Golden Ocean took delivery of 4 Supramax newbuildings during Q1
 - The Company has taken delivery of 1 Supramax newbuilding in Q2
 - The Company delivered *Channel Navigator* in May and expects to deliver *Channel Alliance* shortly
 - The Company decided not to declare optional periods for *Golden Sakura* and expects to redeliver her during June
- Newbuilding program:
 - The Company agreed to sell four Capesize newbuilding contracts, upon delivery of the completed vessels
 - The Company has postponed delivery of several of its newbuilding contracts by 79 months in aggregate

Corporate transactions



- In March 2015, the Company completed the previously announced acquisition of 12 newbuilding contracts from Frontline 2012
- The Merger closed on March 31, 2015 and the Company issued 61.4 million shares to the shareholders of Former Golden Ocean
- In February 2015, the Company entered into a \$425.0 million secured post-delivery term loan facility to part finance 14 newbuilding vessels
- In April 2015, the Company received the remaining receivable of \$40.1 million from Jinhaiwan in relation to the claim held by the Former Golden Ocean. In total \$215.8 million has been received of which \$40.5 million is interest.
- In April 2015, the Company agreed to a sale leaseback transaction with Ship Finance International Ltd (SFL) for eight Capesize vessels
 - Sold enbloc for \$272 million
 - Time charter at \$17,600 / day for 7 yrs and \$14,900 / day for last 3 yrs (including OPEX of \$7,000 / day) + profit split of 33% to SFL
 - En-bloc purchase option of \$112 million after 10 yrs, or SFL has option to extend charter for 3 yrs at \$14,900 / day

Profit & Loss



INCOME STATEMENT <i>(in thousands of \$)</i>	2015 Jan-Mar	2014 Jan-Mar	2014 Jan-Dec
Operating revenues	18,083	20,105	96,715
Operating expenses			
Voyage expenses	13,414	1,599	33,955
Ship operating expenses	7,050	3,042	18,676
Administrative expenses	1,152	1,384	5,037
Vessel impairment loss	140,962	-	-
Depreciation	9,818	2,647	19,561
Total operating expenses	172,396	8,672	77,229
<i>Net operating (loss) income</i>	<i>(154,313)</i>	<i>11,433</i>	<i>19,486</i>
Other income (expenses)			
Interest income	3	5	29
Interest expense	(1,567)	(564)	(2,525)
Other financial items	(415)	(114)	(737)
Bargain purchase gain arising on consolidation	80,949	-	-
Total other income (expenses)	78,970	(673)	(3,233)
<i>Net (loss) income from continuing operations</i>	<i>(75,343)</i>	<i>10,760</i>	<i>16,253</i>
<i>Net loss from discontinued operations</i>	<i>-</i>	<i>(42)</i>	<i>(258)</i>
<i>Net (loss) income</i>	<i>(75,343)</i>	<i>10,718</i>	<i>15,995</i>
Basic (loss) earnings per share from continuing operations (\$)	(0.88)	0.35	0.31
Basic loss per share from discontinued operations (\$)	-	-	-
Basic (loss) earnings per share (\$)	(0.88)	0.35	0.30
Income on time charter basis (\$ per day per vessel)* Capesize	\$3,100	\$25,200	\$14,600
* Calender days less off-hire after deduction of broker commission			

- The result for Q1 is only related to operation of Knightsbridge Shipping Limited with the exception of the Bargain purchase gain arising on consolidation
- Impairment loss relates to five Knightsbridge vessels included in the sale and leaseback transaction with SFL
- Bargain purchase gain arising on consolidation of Former Golden Ocean, since Total estimated purchase consideration was lower than the Total estimated fair value of net assets acquired
- The earnings in the first quarter were hit by idle vessels and vessels being delivered from yard with expensive bunkers and start-up costs

Balance Sheet



	2015 Mar 31	2014 Dec 31
BALANCE SHEET <i>(in thousands of \$)</i>		
ASSETS		
Short term		
Cash and cash equivalents	185,345	42,221
Restricted cash	2,448	-
Other current assets	138,079	22,058
Long term		
Restricted cash	57,007	18,923
Vessels, net	1,668,305	852,665
Newbuildings	302,316	323,340
Other long term assets	130,539	3,533
<i>Total assets</i>	<i>2,484,039</i>	<i>1,262,740</i>
LIABILITIES AND EQUITY		
Short term		
Current portion of long-term debt and obligations under capital lease	75,969	19,812
Other current liabilities	39,535	14,967
Long term		
Long-term debt and obligations under capital lease	1,063,880	343,688
Other long term liabilities	434	-
Equity	1,304,221	884,273
<i>Total liabilities and equity</i>	<i>2,484,039</i>	<i>1,262,740</i>

- Cash increased with step2 of the Frontline 2012 transaction and closing of merger
- Vessels increased with five deliveries in Knightsbridge in Q1 and with fair value of Former Golden Ocean vessels, net of impairment on vessels in sale leaseback transaction
- Debt increased with debt drawn on five delivered vessels and with fair value of debt assumed from Former Golden Ocean

Preliminary Purchase Price Allocation



The following represents the preliminary purchase price calculation (in thousands):

(number of shares in thousands)	
Former Golden Ocean outstanding shares	447,314
Exchange Ratio	0.13749
Shares issued to the Former Golden Ocean shareholders	61,444
Closing price per share on March 31, 2015	\$ 5.00
Value of shares issued to the Former Golden Ocean shareholders	\$ 307,220
Value of vested options held by the Former Golden Ocean shareholders	926
Total estimated purchase price consideration	\$ 308,146

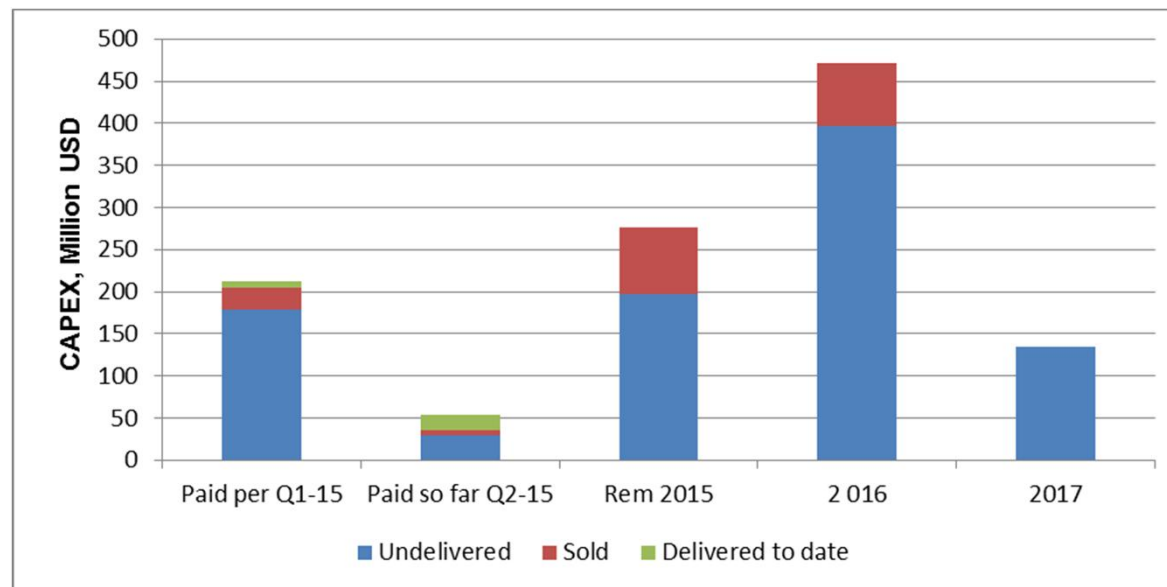
The following represents the calculation of the bargain purchase gain and the allocation of the total purchase price based on management's preliminary valuation (in thousands):

Total estimated purchase price consideration	\$ 308,146
Fair value of net assets acquired and liabilities assumed	389,095
Bargain purchase gain	\$ (80,949)
Current assets	278,655
Vessels, net	634,647
Vessels held under capital lease	13,591
Newbuildings	12,030
Investments in associated companies	11,038
Available for sale financial assets	6,024
Value of long term time charters, long term portion	83,517
Other long term assets	9,346
Current liabilities	(74,997)
Non-current liabilities	(584,756)
Fair value of net assets acquired and liabilities assumed	389,095

Newbuildings: Delivery schedule supramax vessels



Yard	2015 (Q2-Q4)	2016	2017
Capesize	4	9	4
Supramax	1	3	
Capesize (Sold)	2	2	



- The 4 Capesize vessels sold were financed. These are swapped with four unfinanced Capesize vessels in the same loan facility
- Five vessels unfinanced
 - Three Supramax with delivery 2016
 - Two Capesize with delivery 2017

Open positions including newbuildings



Capesize exposure - Core Fleet *

	2015	2016	2017
Total vessel days	6 380	13 921	15 760
Open vessel days	6 266	13 900	15 747
Open position (%)	98 %	100 %	100 %
Average net rate on fixed days	na	na	na
No of vessels	33	40	41

Panamax exposure - Sailing vessels Core Fleet

	2015	2016	2017
Total vessel days	4 381	7 148	6 903
Open vessel days	2 640	4 857	5 287
Open position (%)	60 %	68 %	77 %
Average net rate on fixed days	15 180	20 806	22 152
No of vessels	21	20	19

Supramax exposure - Core Fleet

	2015	2016	2017
Total vessel days	1 436	3 102	3 589
Open vessel days	1 228	3 102	3 589
Open position (%)	86 %	100 %	100 %
Average net rate on fixed days	na	na	na
No of vessels	6	9	9

* Golden Opus included with 50%

Vessel operating expenses



<u>Vessel type</u>		<u>Q1-15</u>
Supramax	\$/d	4 589
Panamax	\$/d	5 537
Capesize	\$/d	5 010

- These are numbers for both Former Golden Ocean and Knightsbridge Shipping and not comparable with OPEX cost in the Q1 result
- Based on 4 Supramaxes, 20 Panamax/Kamsarmax and 25 Capesize
- Two vessels was drydocked during Q1-15. Drydock cost not included in above Opex numbers



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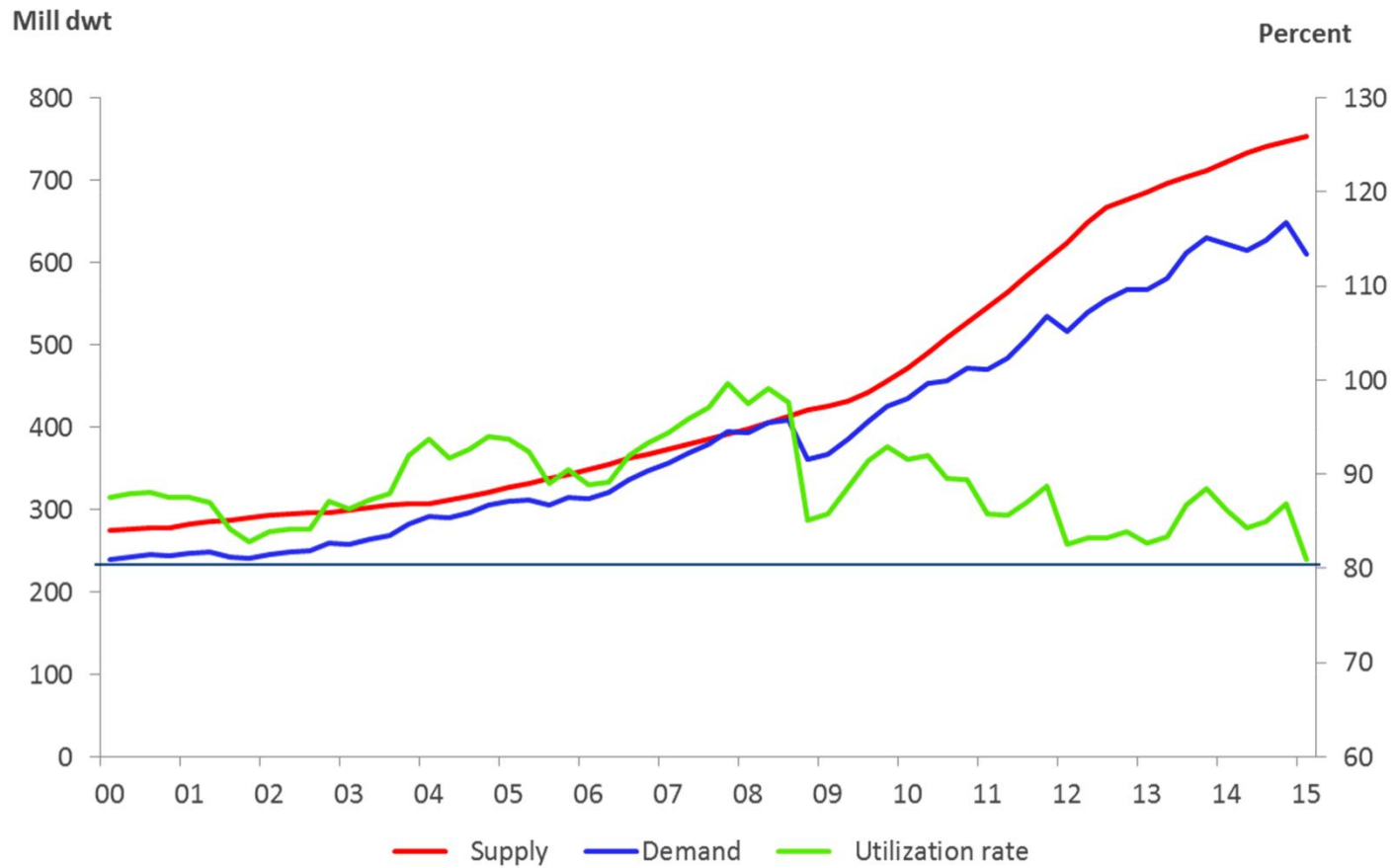
Macro Update

Herman Billung, CEO Golden Ocean Management AS

Dry Bulk Market fundamentals



Supply, demand and utilization rate - dry bulk ships 10,000 dwt +

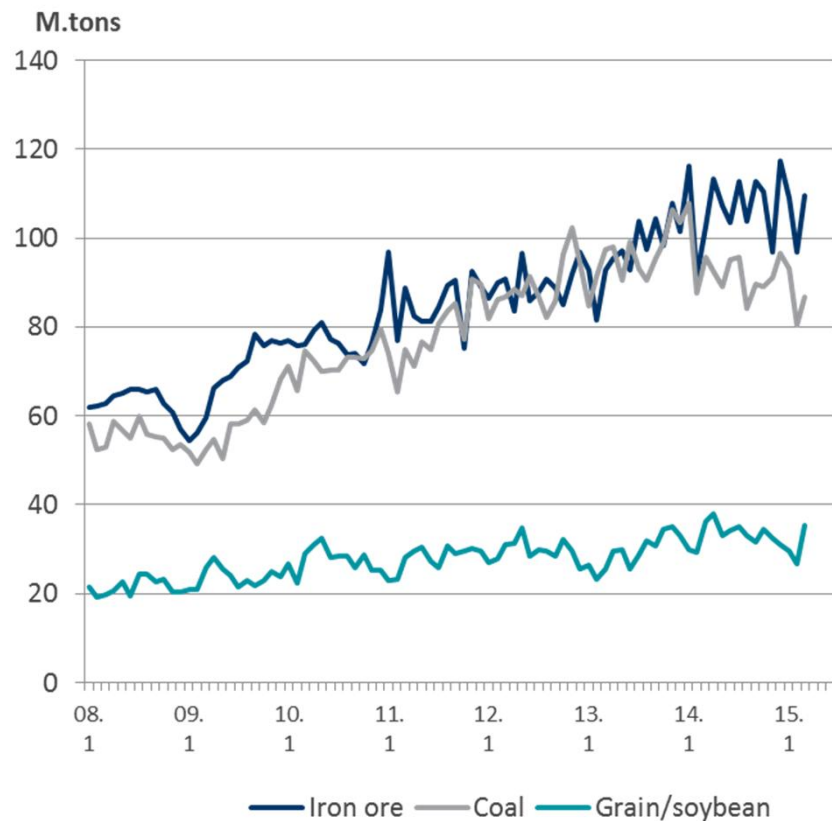


Global seaborne trade in dry bulk commodities

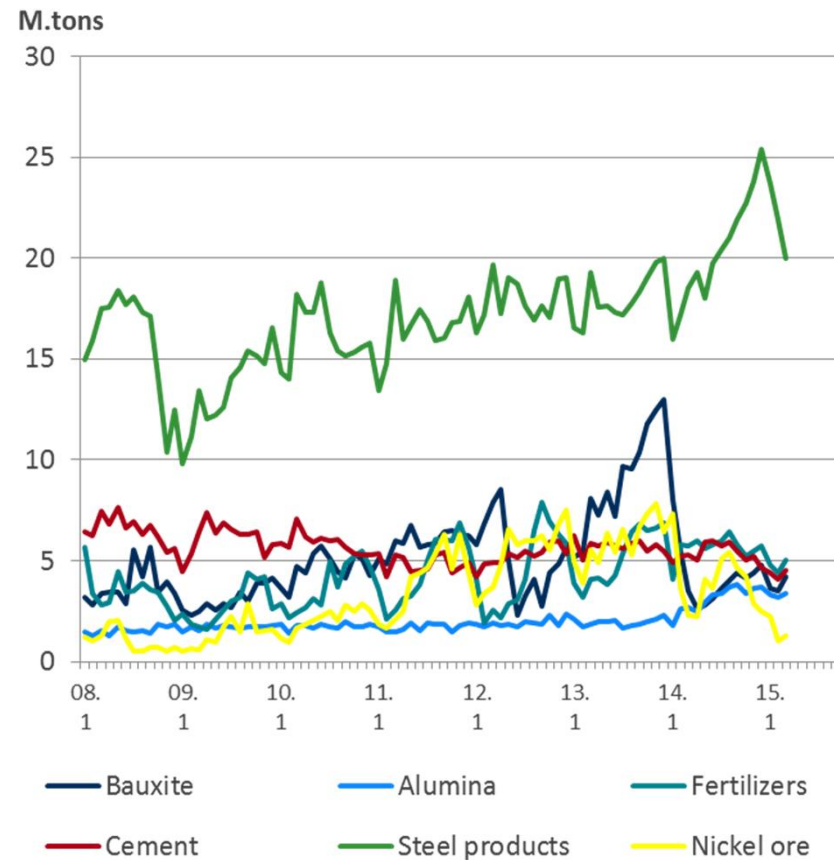
2015Q1 vs 2014Q1 : Total imports down close to 4 %



Iron ore and coal export



Other commodities

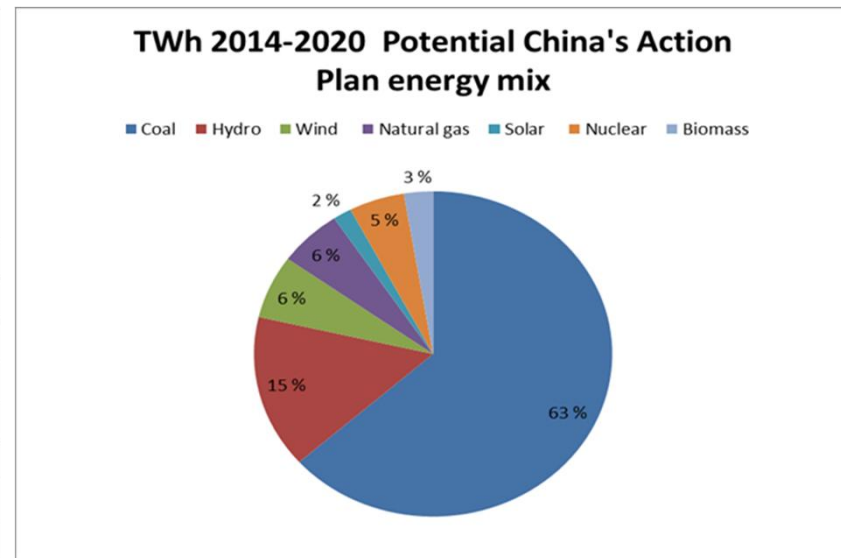


China's energy industry



China's Energy Development Strategy Action Plan 2014-2020

Source	Capacity (GW) 2014	2014- 2020 Capacity (GW)	2014 - 2020 energy capacity (GW) change (%)	2014-2020 energy capacity (GW) mix by source (%)	2014-2020 POTENTIAL energy generation (TWh)
Coal	830	969	17	53	5 303
Hydro	302	350	16	19	1 272
Wind	96	200	109	11	526
Natural gas	56	119	114	6	481
Solar	27	100	277	5	140
Nuclear	20	58	192	3	419
Biomass	30	40	32	2	219
TOTAL	1 360	1 836	35	100	8 360



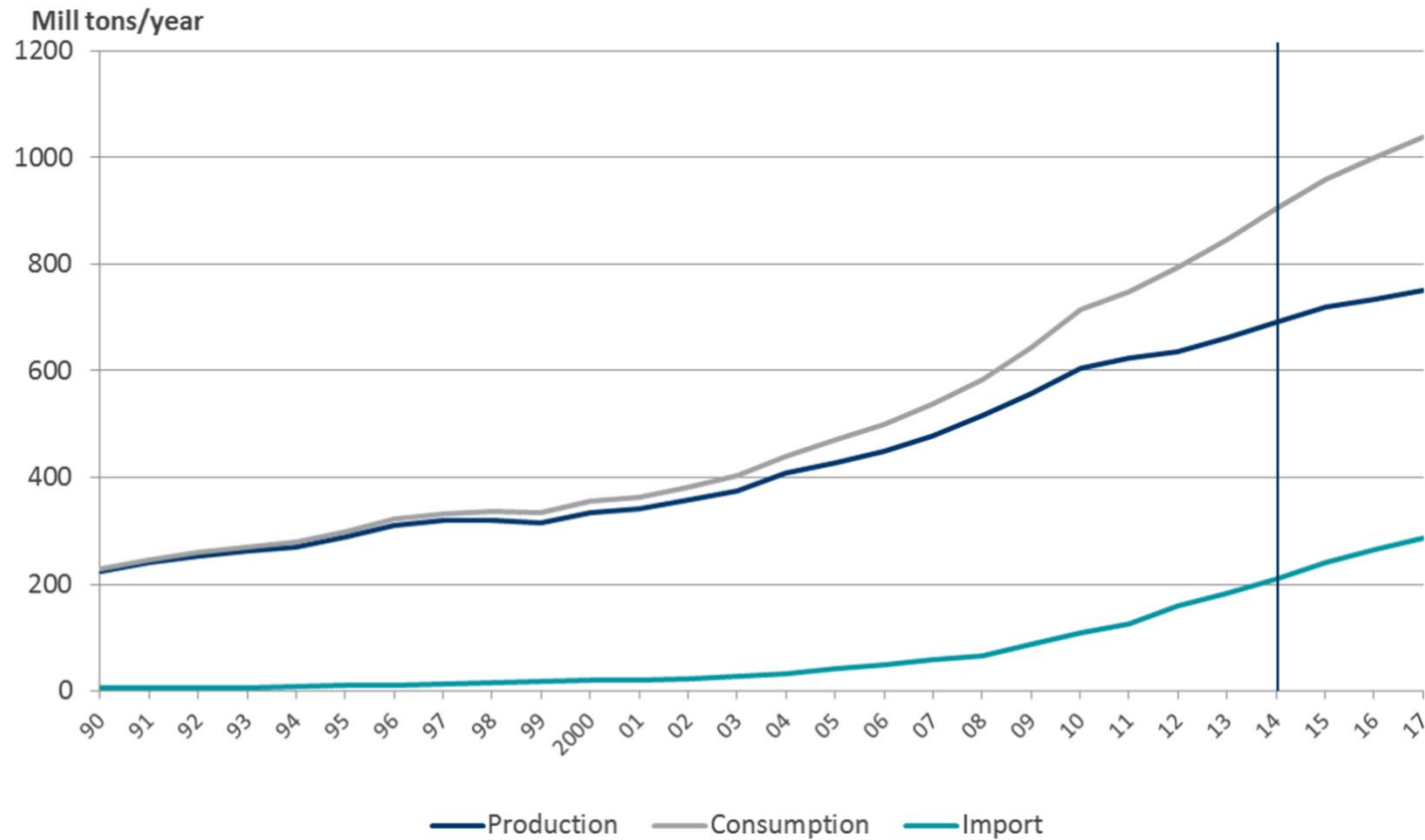
Source: Chinese State council Action Plan 2014-2020

Source: RS Platou Economic Research

India will become a larger coal importer....



The Indian coal market



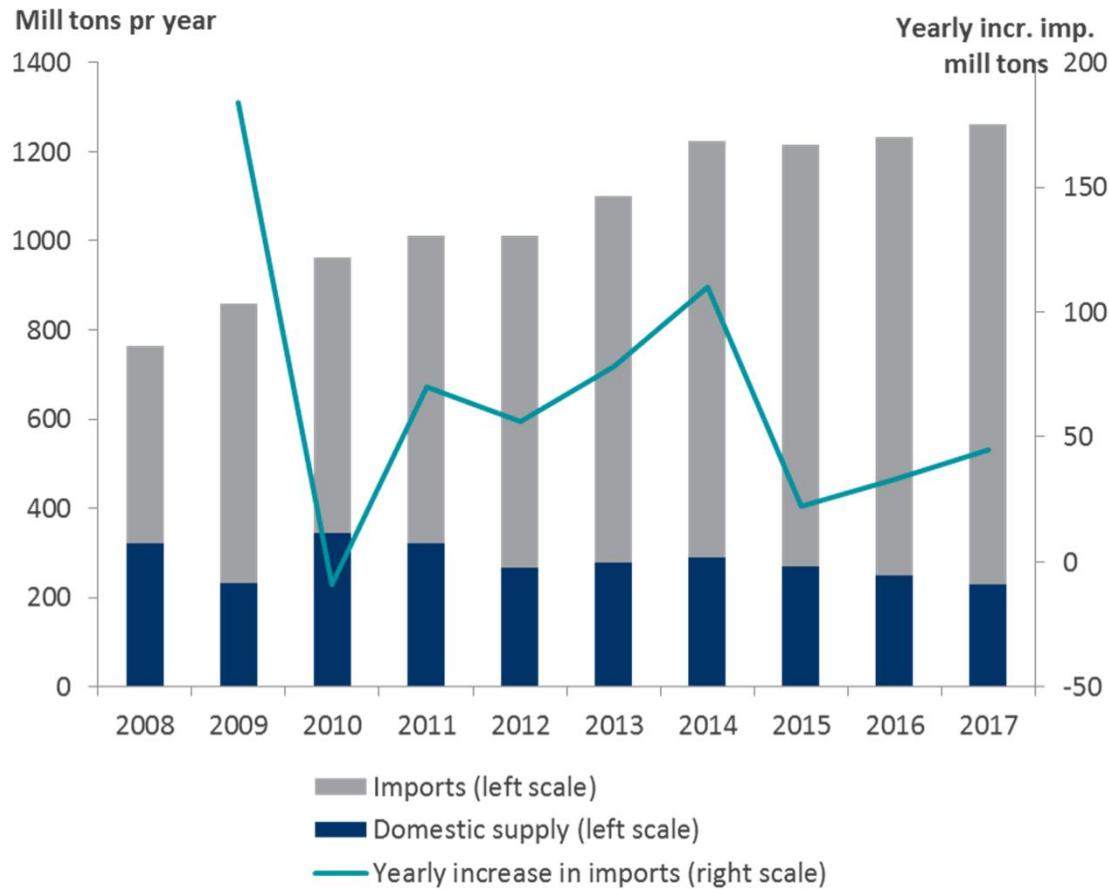
Source: IEA

Source: RS Platou Economic Research

Chinese iron supply



Domestic supply vs foreign supply

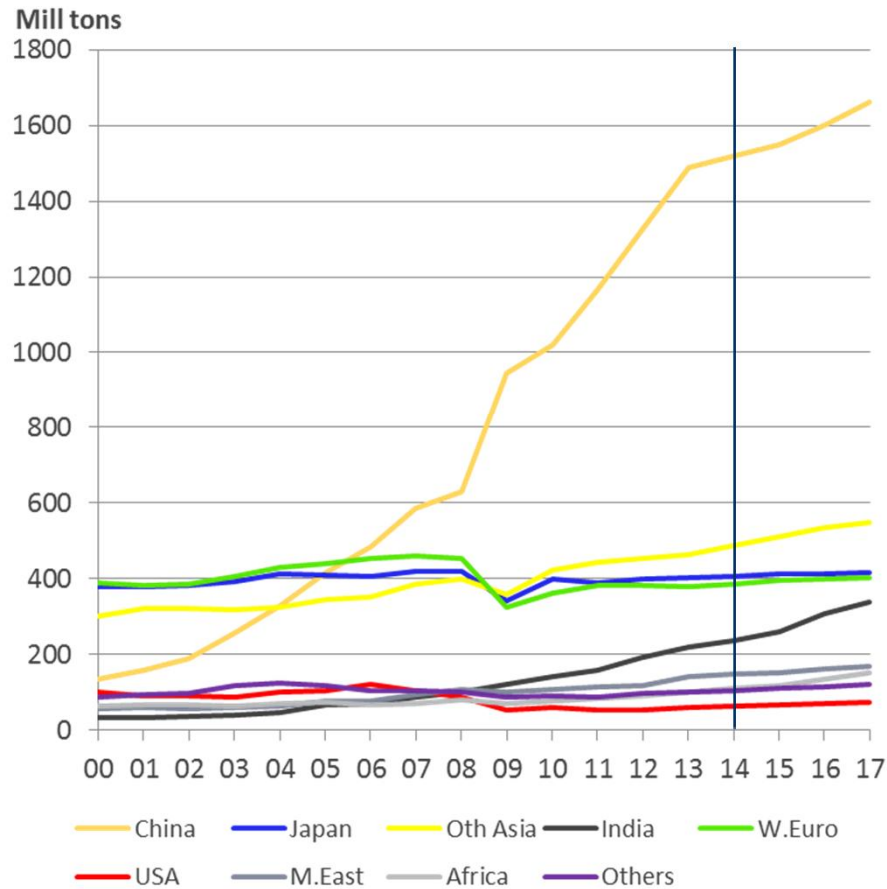


	Assumptions			
	steel production	Iron ore demand	Domestic ore prod	Iron ore imports
2014	838	1215	290	933
2015	845	1225	270	955
2016	860	1238	250	988
2017	879	1261	230	1031

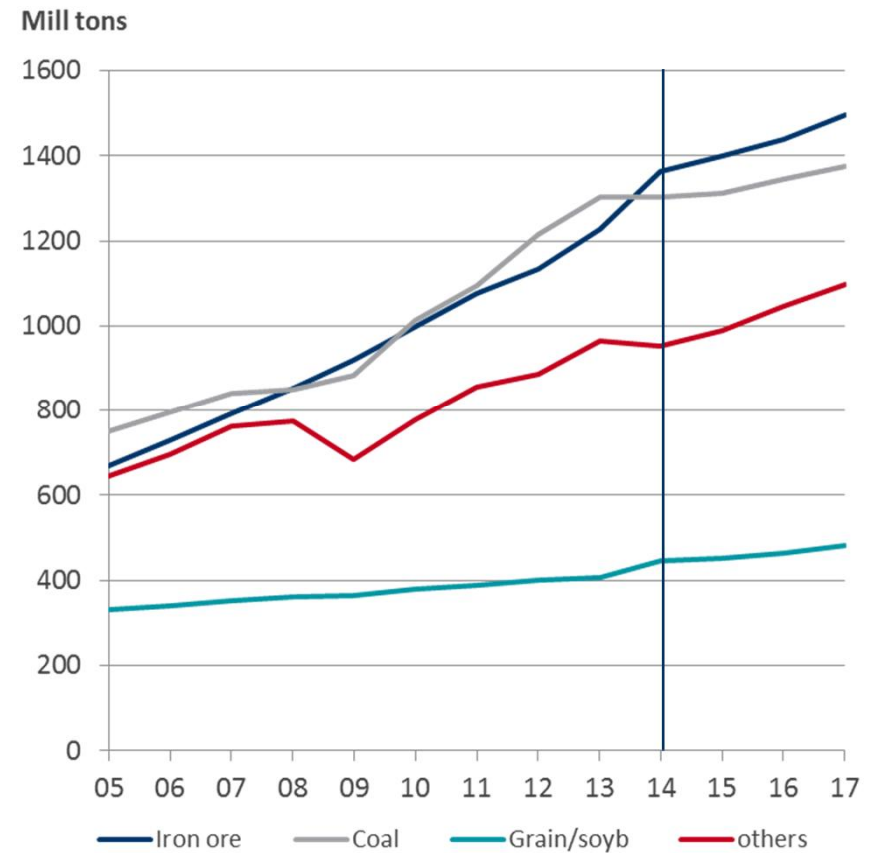
Dry bulk trade



Major importing countries



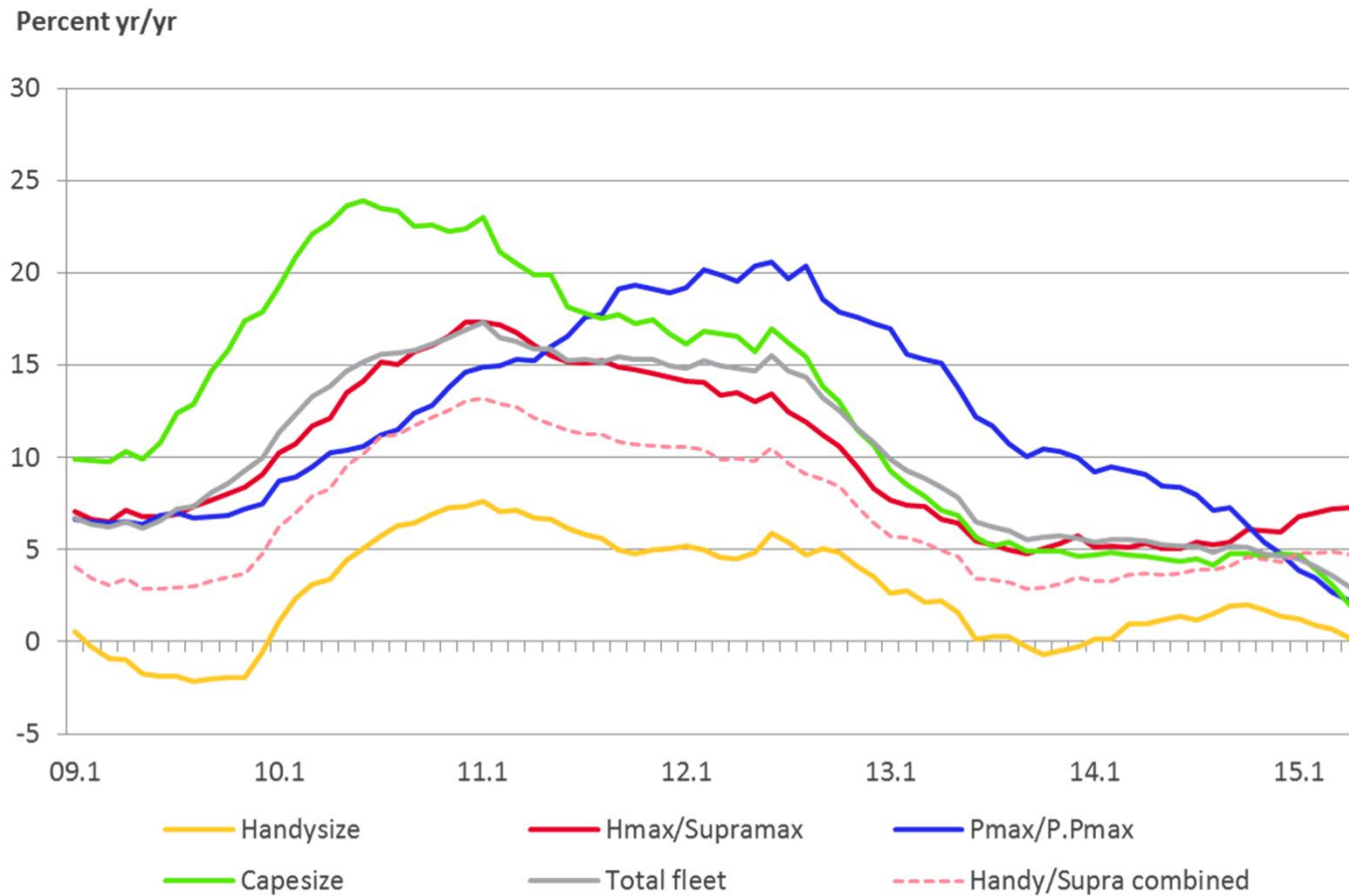
World seaborne trade by commodity



Underlying fleet growth - monthly

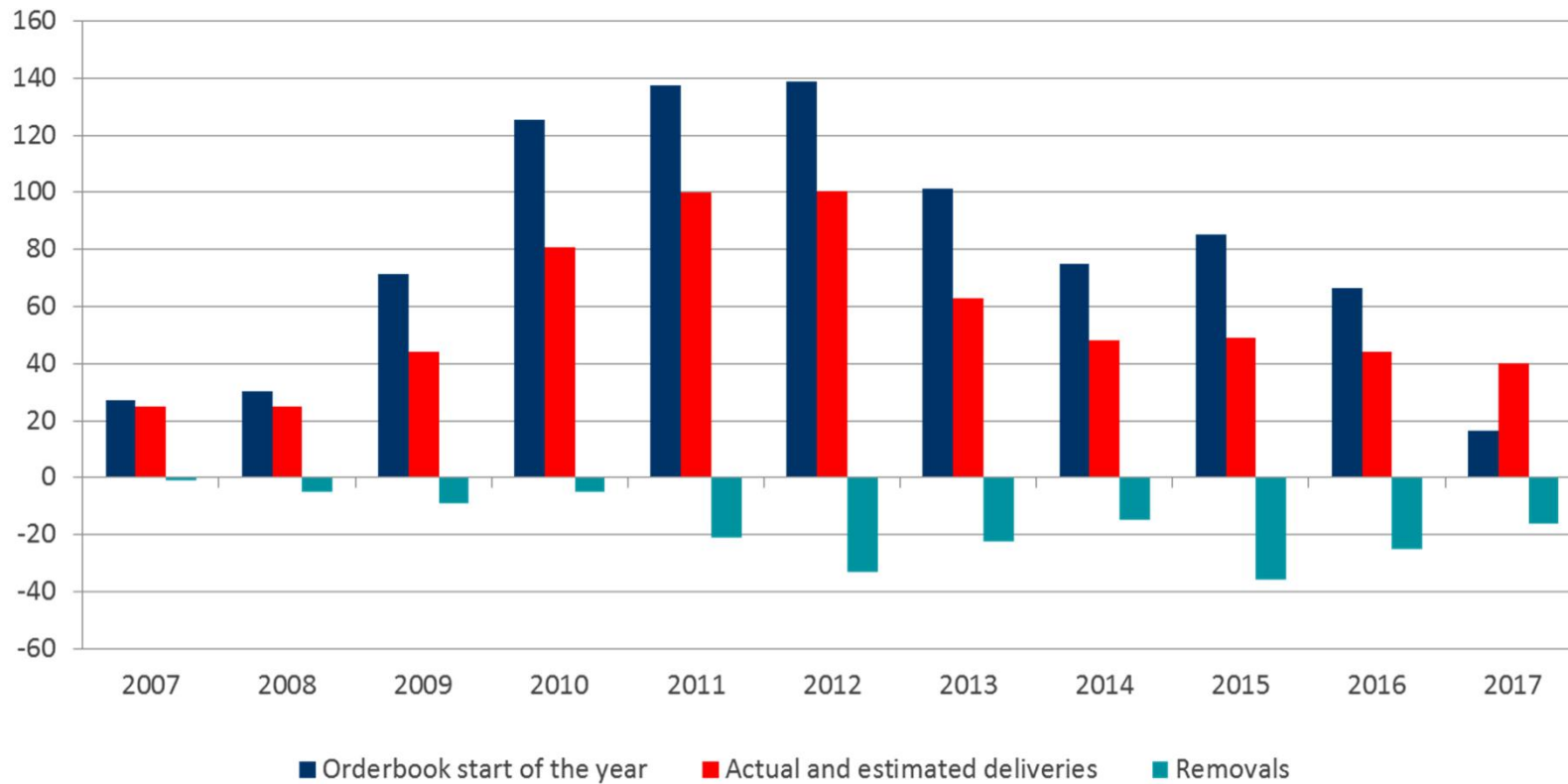


Net fleet growth by segment from 2009



Scheduled order book, actual deliveries and removals

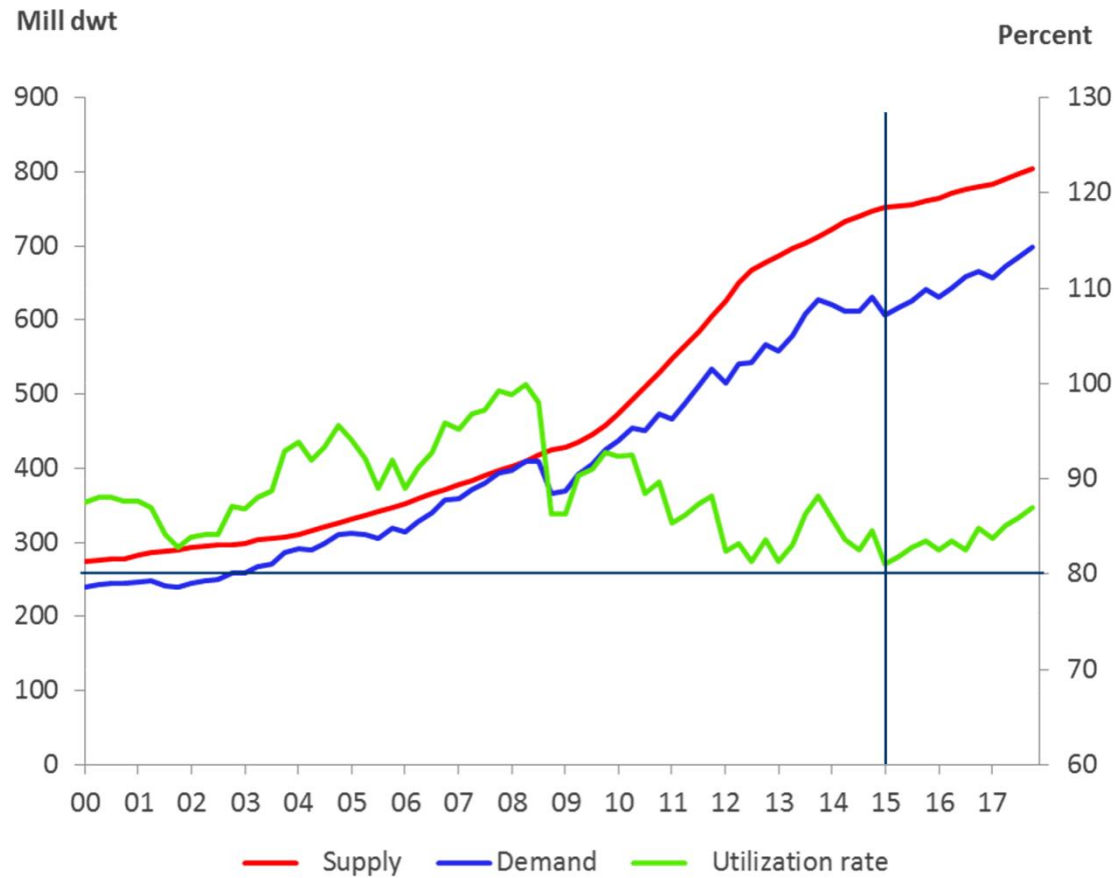
Mill dwt pr year



Dry Bulk Market fundamentals



Supply, demand and utilization rate - dry bulk ships 10,000 dwt +



Assumptions:

Base case

Year	13	14	15	16	17
Deliveries (dwt)	59	49	49	44	40
Removals (dwt)	22	15	35	26	16
% change prev yr	6.8	5.1	2.6	2.3	2.6

Tonnage demand					
% chge from prev yr:	13	14	15	16	17
	9.5	4.3	1.1	3.0	4.5

Fleet utilization rate base case					
Yearly average in %	13	14	15	16	17
	84.7	84.1	82.8	83.4	85.2



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Q & A





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Thank you for your attention !

