



GOLDEN OCEAN™

Results Q3 - 2015

November 24, 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



Highlights



- Net time charter revenue increased by \$13.4 million in Q3, however higher charter hire expenses, impairment and loss on sale of assets, as well as negative mark to market movements on interest rate hedges led to a reduction in the net result from last quarter
- Further steps have been taken to improve the future cash position of the Company
- The current fleet of Golden Ocean as per November 24, 2015:

| | Capesize | Kamsarmax /Panamax | Iceclass Panamax | Supramax |
|---------------|-----------|--------------------|------------------|----------|
| Sailing | 17 | 8 | 10 | 5 |
| Newbuilding | 18* | - | - | 3 |
| BB/TC in + JV | 8 + 1(JV) | 2 | - | 1 |
| Total | 44 | 10 | 10 | 9 |

* Of which 3 are sold and will be delivered to new owners upon completion and 2 are converted to Suezmax vessels and sold to Frontline as newbuilding contracts (closing of transaction expected during December)

Recent developments



- Fleet development:
 - The Company took delivery of the Capesize newbuilding, *Front Atlantic*, in August and immediately delivered the vessel to its new owner further to a previously agreed sale
 - The Company took delivery of the Capesize newbuilding, *Golden Finsbury*, during Q3 2015 and \$27.2 million was drawn down in debt
 - During the third quarter eight vessels were sold to, and leased back from, Ship Finance. The leases have been classified as operating leases.
 - The index charter agreements with RWE have been amended from 15 vessels for 5 years to 10 vessels for 7,5 years

- Newbuilding program:
 - The Company agreed during October 2015 to postpone delivery of three of its newbuilding contracts by 14 months in aggregate
 - The Company has agreed to swap two Capesize newbuilding contracts with two Suezmax newbuilding contracts, and on November 23, 2015, agreed to sell these newbuilding contracts to Frontline Ltd

Corporate transactions and financing



- In July 2015, the Company drew down \$26.4 million in debt on the Capesize vessel, *Golden Aso*, which was delivered on June 30.
- At the Company's AGM in September 2015 it was resolved that the share premium account be reduced to nil and that the amount from the reduction be credited to the Contributed Surplus account

Profit & Loss



| INCOME STATEMENT <i>(in thousands of \$)</i> | 2015 Jul-Sep | 2015 Apr-Jun | 2015 Jan-Sep | |
|--------------------------------------------------------|-------------------------------|-------------------------------|-------------------------------|---------------------------------------------------------------------------------------------|
| Operating revenues | 65,692 | 49,333 | 133,108 | • Time Charter Equivalent up \$13.4 million since Q2 |
| Loss on sale of newbuilding | (2,296) | - | (2,296) | • Loss on sale of newbuilding + impairment on three remaining sales, in total \$9.4 million |
| Operating expenses | | | | • Ship operating expenses up, mainly due to three vessels DD during the quarter |
| Voyage expenses | 24,268 | 21,278 | 58,960 | • Charter hire expenses up on SF leases and provisions |
| Ship operating expenses | 26,553 | 23,924 | 57,527 | • Admin expenses down by \$1.7 million since Q2 |
| Charter hire expense | 12,796 | 5,348 | 18,144 | |
| Administrative expenses | 3,080 | 4,811 | 9,043 | |
| Vessel impairment loss | 7,110 | - | 148,072 | |
| Depreciation | 14,363 | 14,778 | 38,959 | |
| Total operating expenses | 88,170 | 70,139 | 330,705 | |
| Net operating (loss) income | (24,774) | (20,806) | (199,893) | |
| Other income (expenses) | | | | • Negative MtM on interest rate hedges impact the result with -\$5.0 million |
| Interest income | 163 | 382 | 548 | |
| Interest expense | (9,379) | (11,296) | (22,242) | |
| Other financial items | (6,693) | (1,752) | (8,860) | |
| Bargain purchase gain arising on consolidation | - | (2,073) | 78,876 | |
| Total other income (expenses) | (15,909) | (14,739) | 48,322 | |
| Net (loss) income from continuing operations | (40,683) | (35,545) | (151,571) | Other elements to note: |
| <i>Net loss from discontinued operations</i> | - | - | - | • Ship finance – hire cost split between charter hire expenses and OPEX |
| Net (loss) income | (40,683) | (35,545) | (151,571) | • Amortisation of TC revenue in Q3: - \$7.2 million |
| Basic (loss) earnings per share (\$) | (0.24) | (0.21) | (1.05) | |

Balance Sheet



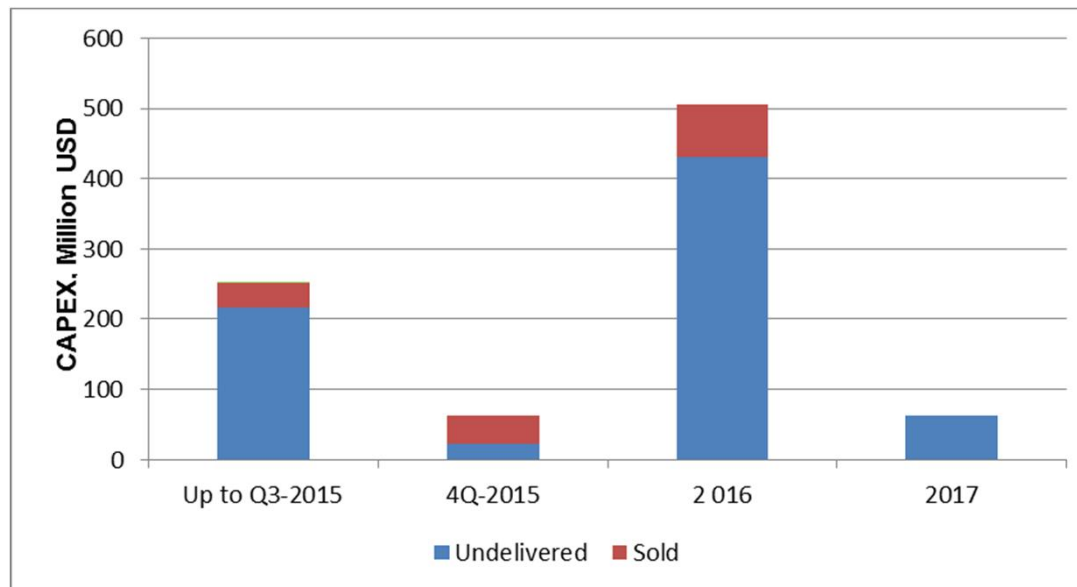
| | 2015 Sep 30 | 2015 Jun 30 | 2014 Dec 31 |
|-----------------------------------------------------------------------|------------------|------------------|------------------|
| BALANCE SHEET <i>(in thousands of \$)</i> | | | |
| ASSETS | | | |
| <i>Short term</i> | | | |
| Cash and cash equivalents | 139,185 | 83,216 | 42,221 |
| Restricted cash | 1,736 | 1,593 | - |
| Other current assets | 122,842 | 113,193 | 22,058 |
| <i>Long term</i> | | | |
| Restricted cash | 49,023 | 58,245 | 18,923 |
| Vessels, net | 1,501,731 | 1,731,191 | 852,665 |
| Newbuildings | 330,033 | 325,274 | 323,340 |
| Other long term assets | 120,143 | 127,923 | 3,533 |
| Total assets | 2,264,693 | 2,440,635 | 1,262,740 |
| LIABILITIES AND EQUITY | | | |
| <i>Short term</i> | | | |
| Current portion of long-term debt and obligations under capital lease | 66,756 | 182,972 | 19,812 |
| Other current liabilities | 58,273 | 46,469 | 14,967 |
| <i>Long term</i> | | | |
| Long-term debt and obligations under capital lease | 913,695 | 941,970 | 343,688 |
| Other long term liabilities | 8,878 | 5,785 | - |
| Equity | 1,217,091 | 1,263,439 | 884,273 |
| Total liabilities and equity | 2,264,693 | 2,440,635 | 1,262,740 |

- Cash including cash classified as restricted cash totals \$190 million
- Vessels increased with delivery of Golden Finsbury and decreased with sale of eight Ship Finance vessels
- Debt increased with debt on Golden Aso and Golden Finsbury less debt repaid on eight vessels sold to Ship Finance and ordinary debt repayments.

Newbuildings: Delivery schedule



| Yard | 2015 | 2016 | 2017 |
|-----------------|------|------|------|
| Capesize | - | 11 | 2 |
| Supramax | - | 3 | - |
| Capesize (Sold) | 1 | 2 | - |



- Three Supramax vessels with delivery in 2016 unfinanced
- Two newbuilding contracts converted to Suezmax and agreed to be sold to Frontline are not included

Open positions including newbuildings



Capesize exposure - Core Fleet *

| | 2015 | 2016 | 2017 |
|--------------------------------|-------------|-------------|-------------|
| Total vessel days | 1 192 | 14 004 | 15 170 |
| Open vessel days | 840 | 13 688 | 15 150 |
| Open position (%) | 70 % | 98 % | 100 % |
| Average net rate on fixed days | na | na | na |
| No of vessels | 28 | 40 | 40 |

Panamax exposure - Core Fleet

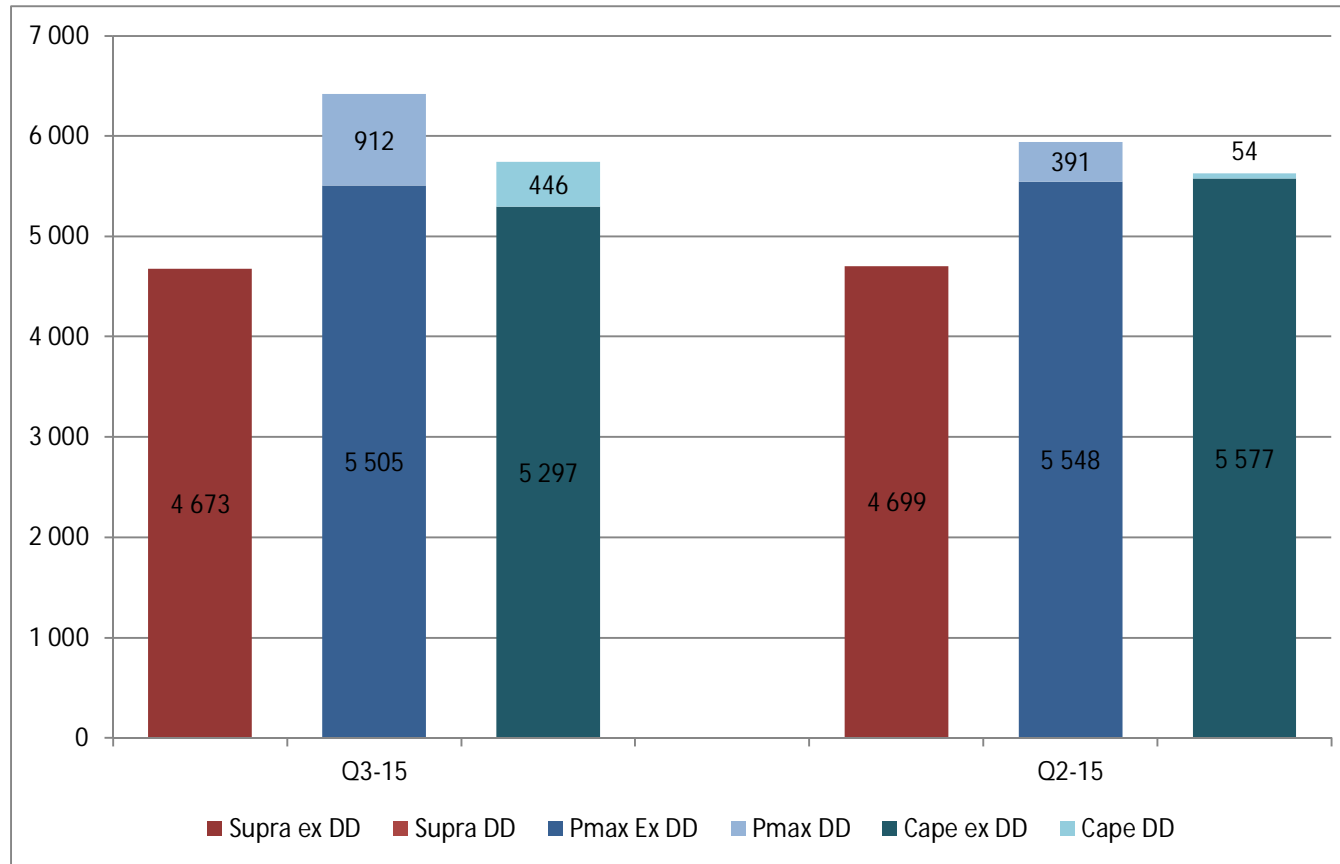
| | 2015 | 2016 | 2017 |
|--------------------------------|-------------|-------------|-------------|
| Total vessel days | 814 | 7 148 | 6 903 |
| Open vessel days | 351 | 4 389 | 5 306 |
| Open position (%) | 43 % | 61 % | 77 % |
| Average net rate on fixed days | 15 872 | 19 331 | 22 152 |
| No of vessels | 20 | 20 | 19 |

Supramax exposure - Core Fleet

| | 2015 | 2016 | 2017 |
|--------------------------------|-------------|-------------|-------------|
| Total vessel days | 269 | 3 161 | 3 589 |
| Open vessel days | 210 | 3 161 | 3 589 |
| Open position (%) | 78 % | 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



- Based on 5 Supramaxes, 20 Panamax/Kamsarmax and 25 Capesize
- Three vessels docked in Q3



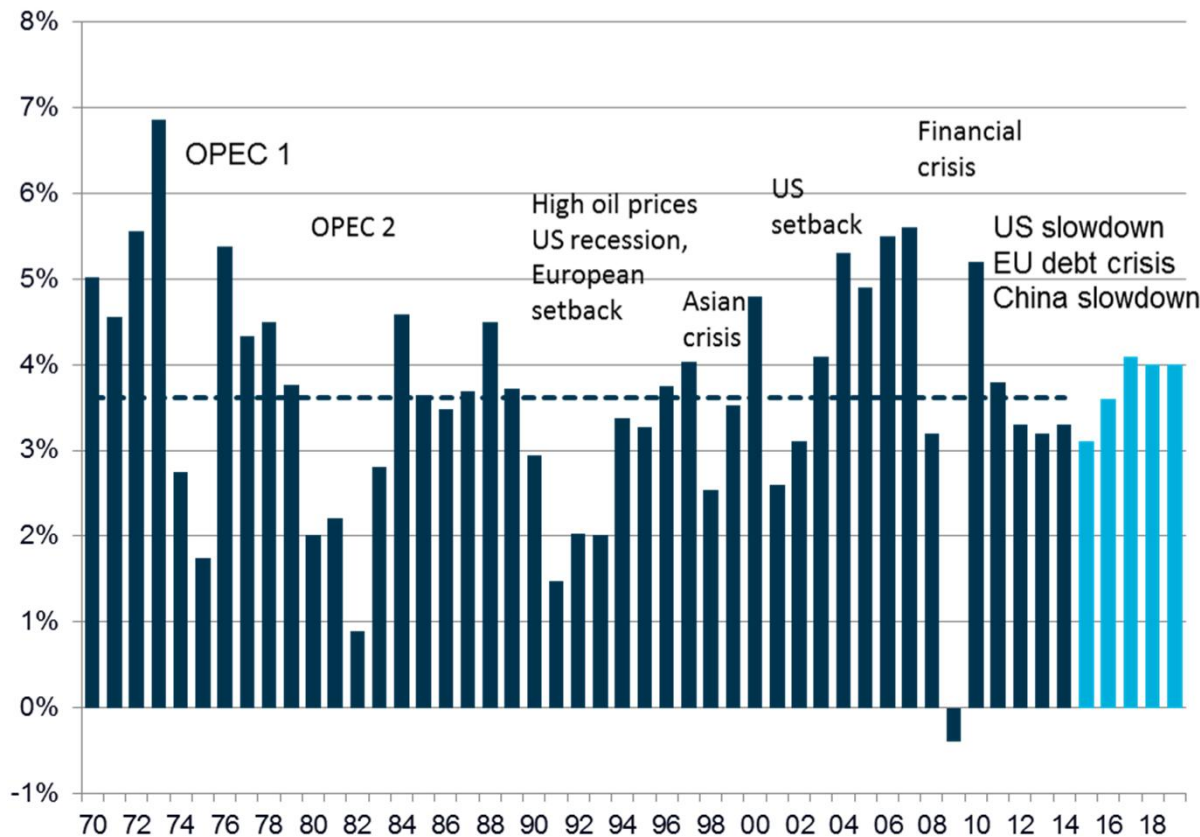
Macro Update

Herman Billung, CEO Golden Ocean Management AS

World economy – still slow



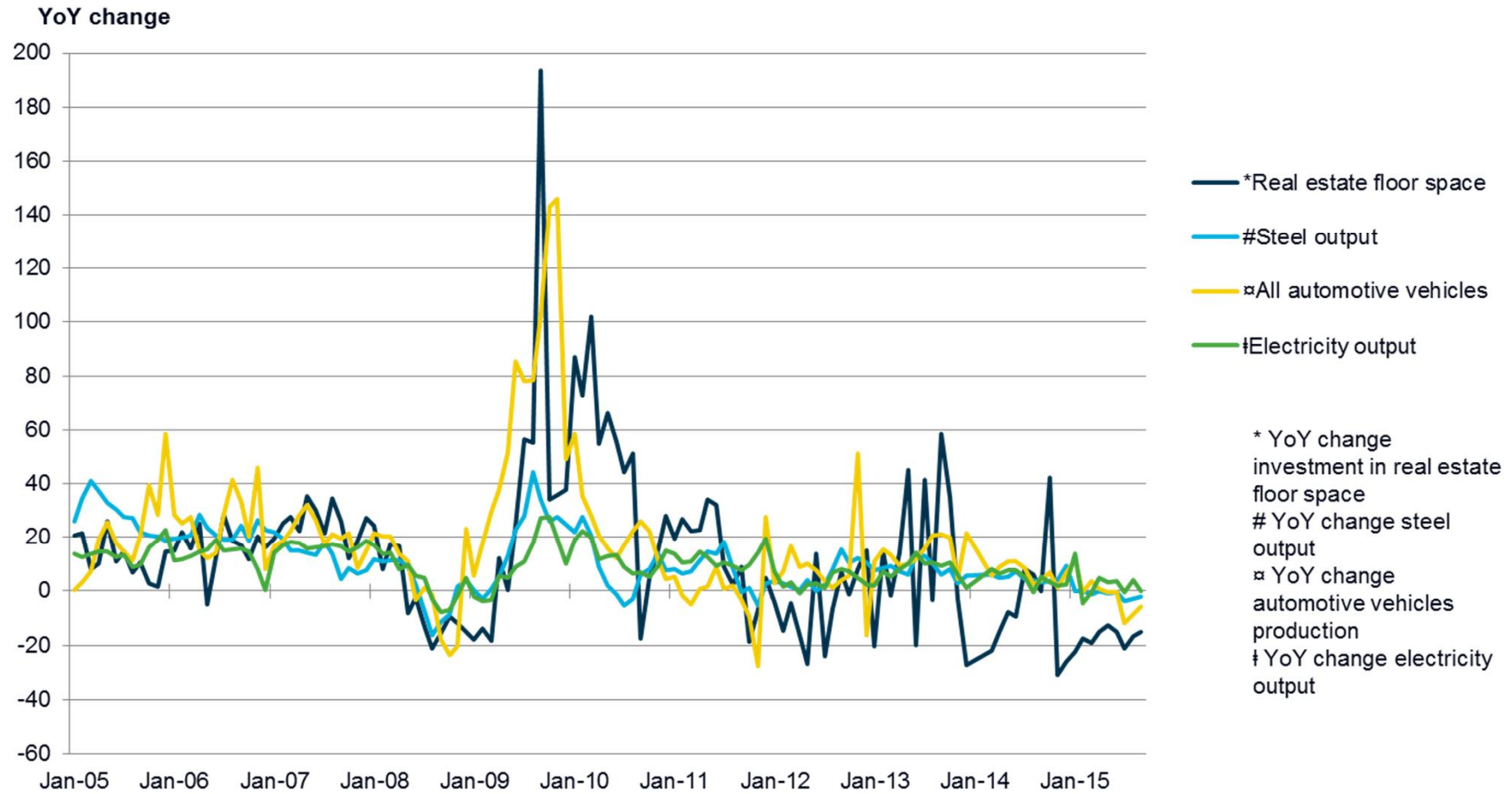
Global economic growth 1970 - 2019



| GDP growth | 2014 | 2015 | 2016 |
|--------------|------------|------------|------------|
| USA | 2.4 | 2.4 | 2.7 |
| Euro area | 0.9 | 1.5 | 1.8 |
| Japan | 0.1 | 0.9 | 1.7 |
| China | 7.4 | 6.9 | 6.7 |
| Korea | 3.3 | 2.6 | 3.3 |
| India | 7.2 | 7.6 | 7.9 |
| L. America | 1.2 | 0.5 | 1.7 |
| Russia | 0.6 | -3.6 | 0.4 |
| World | 3.3 | 3.1 | 3.6 |

2017-19 based on IMF Oct 2015

Chinese economic activity indicators

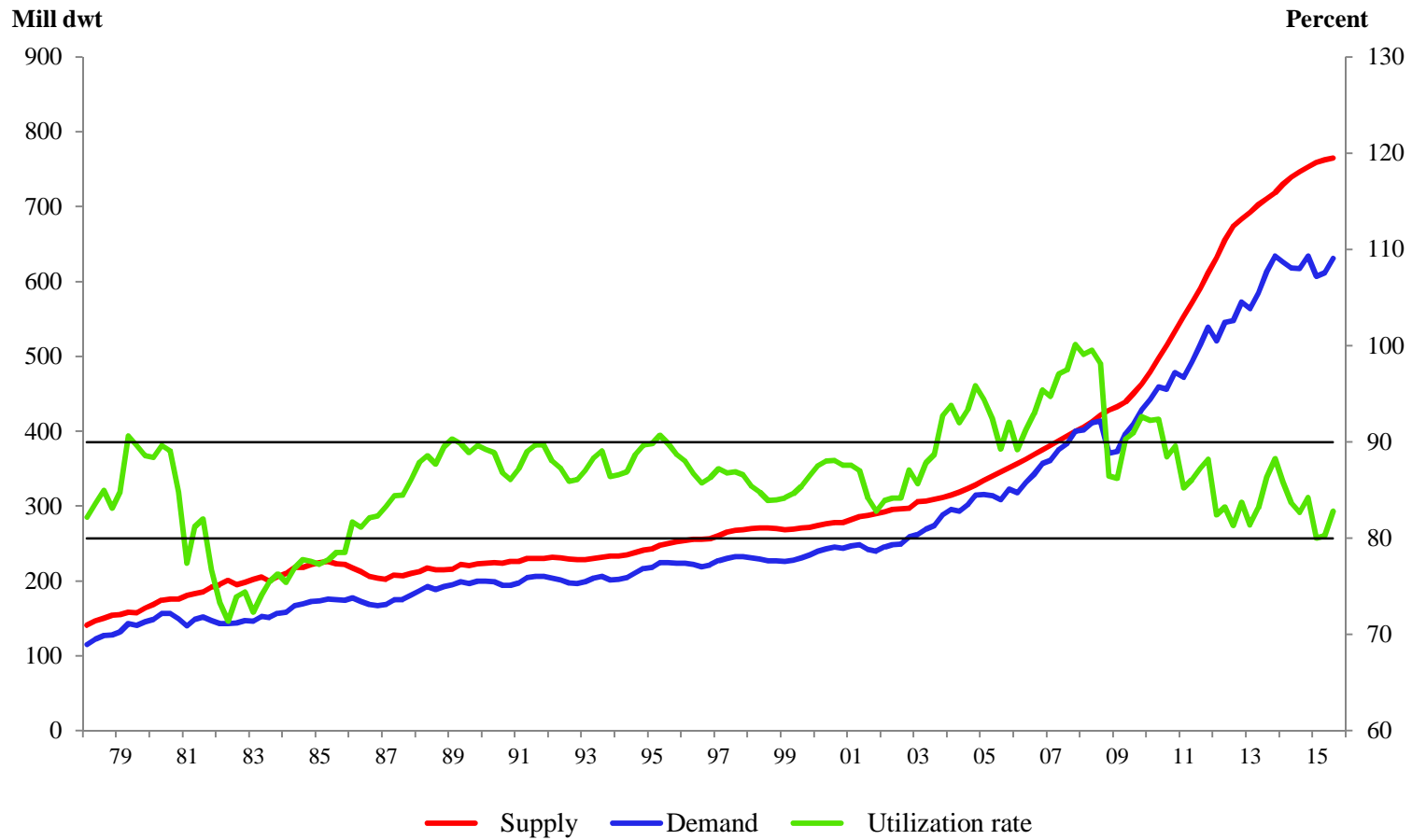


Source; National bureau of statistics of China

Dry Bulk Market fundamentals...



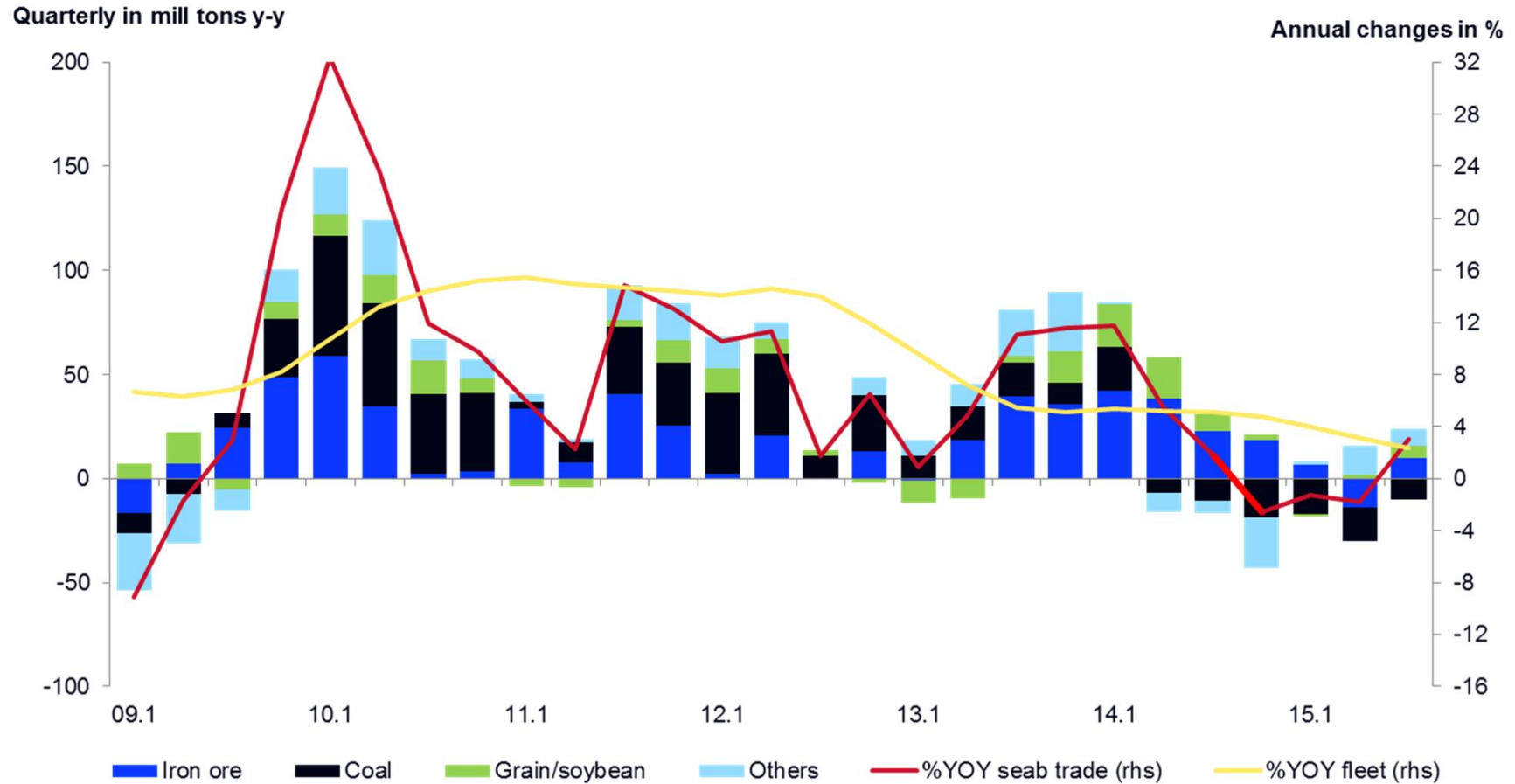
Supply, demand and utilization rate - dry bulk ships 10,000 dwt +



Global Dry bulk imports in full reverse until recently



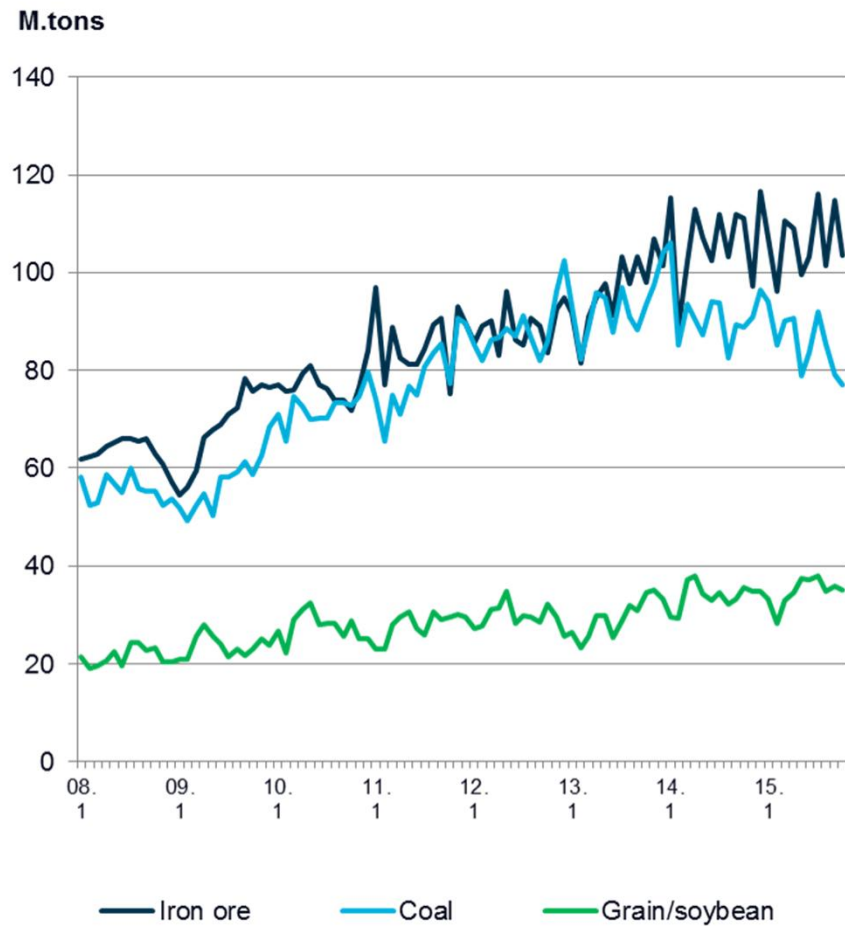
Major importing countries - quarterly



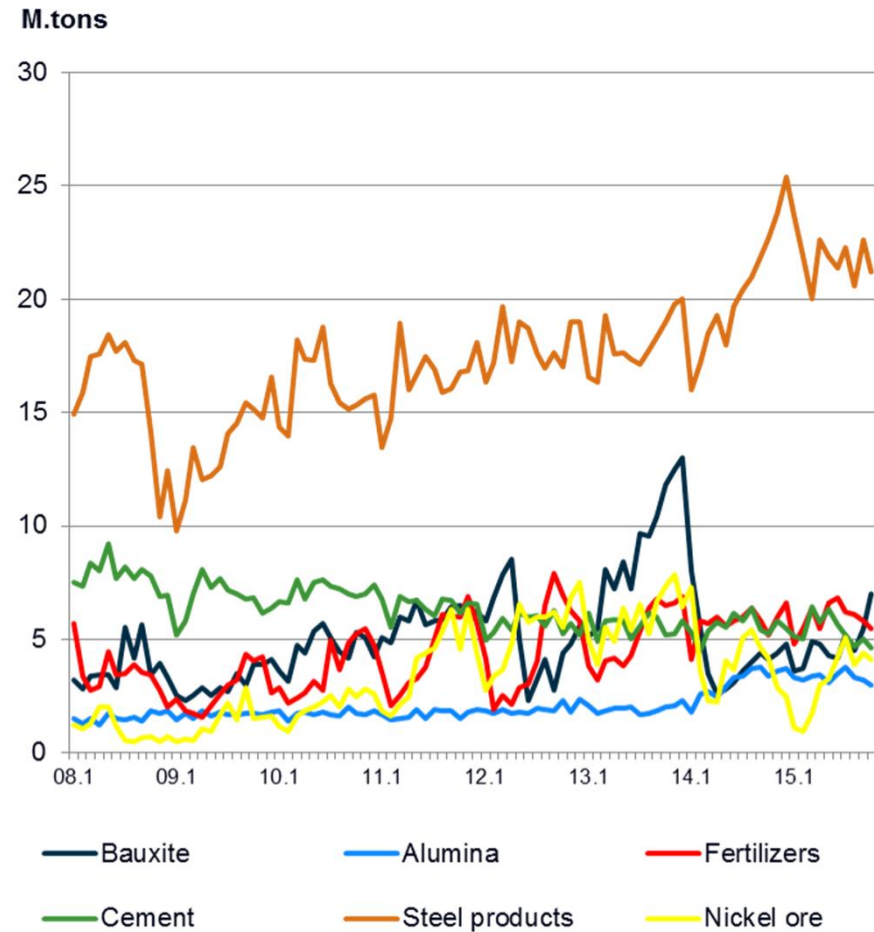
Global seaborne trade of dry bulk commodities



Iron ore and coal export



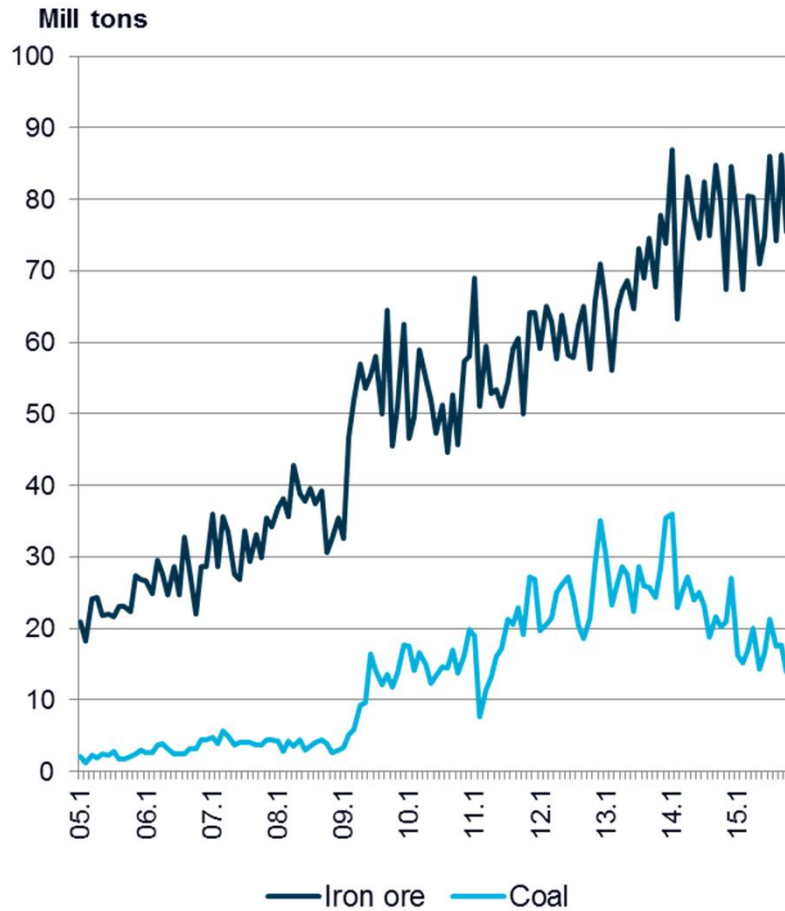
Other commodities



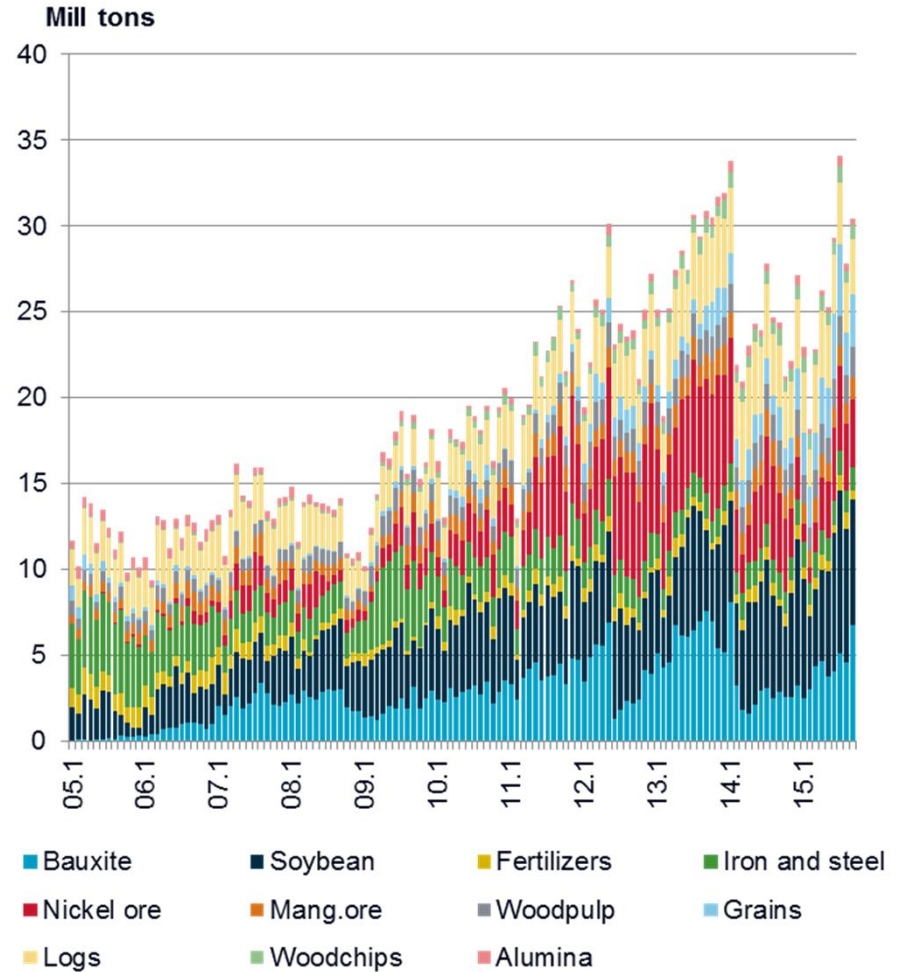
China – dry bulk imports – down 4 % yoy



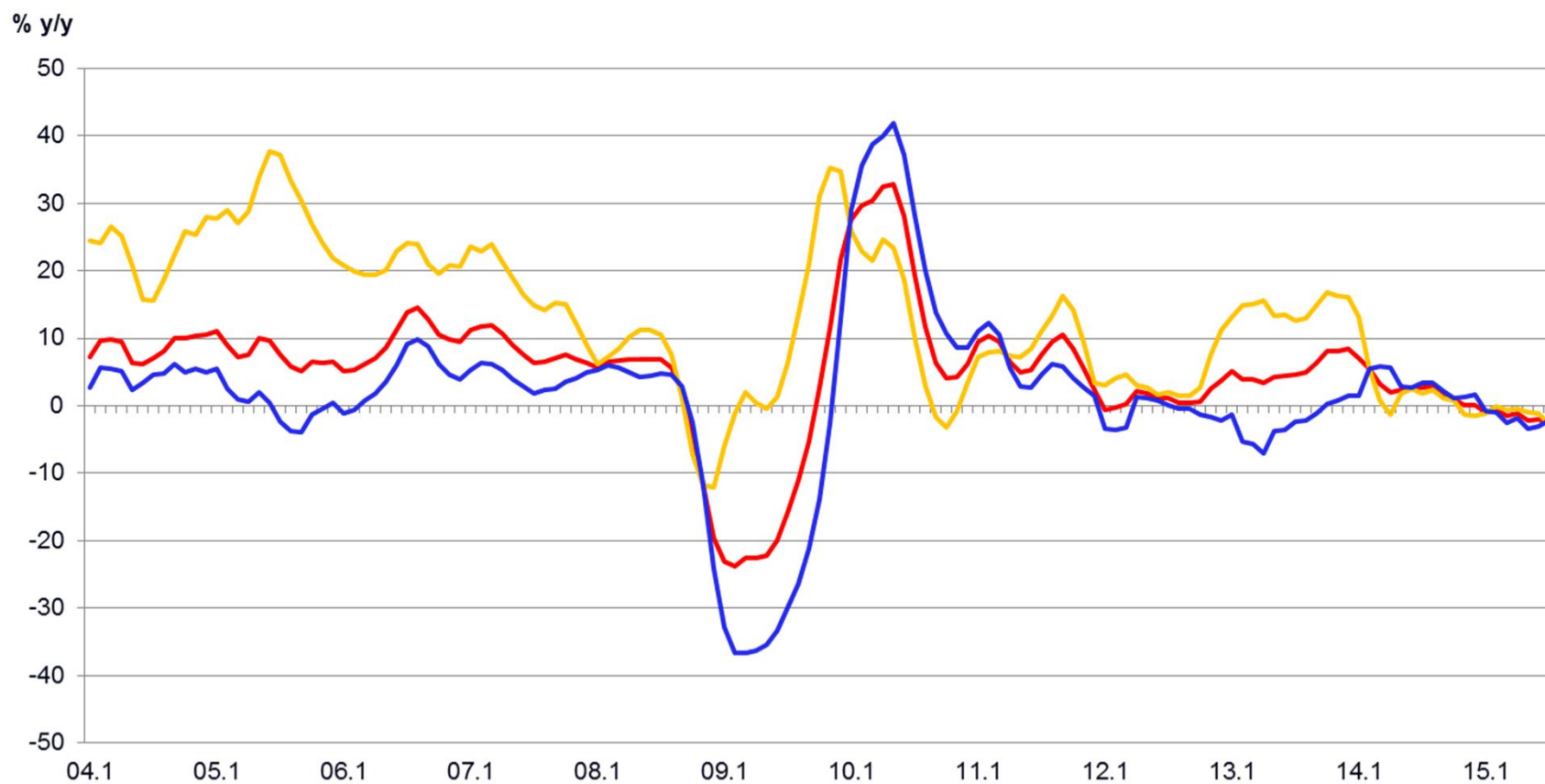
Iron ore and coal



Other commodities



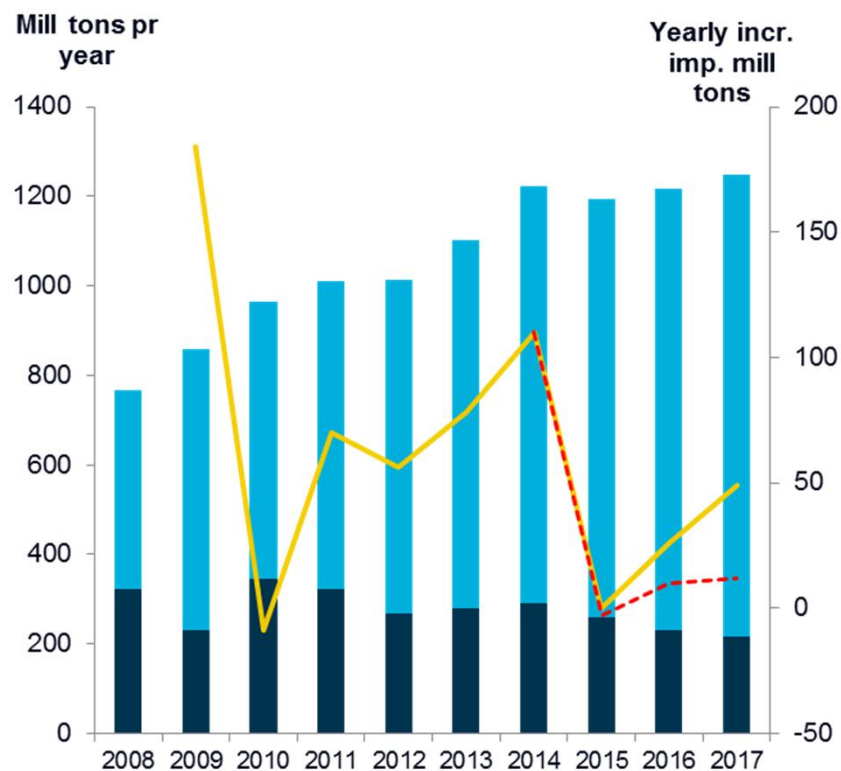
World steel production – yr on yr in %, 3 months moving average



Source: World Steel Association

— World — China — Rest of the world

Chinese iron ore sensitivities



- Imports (left scale)
- Domestic supply (left scale)
- Yearly increase in imports (right scale)
- - - Downside risk (right scale)

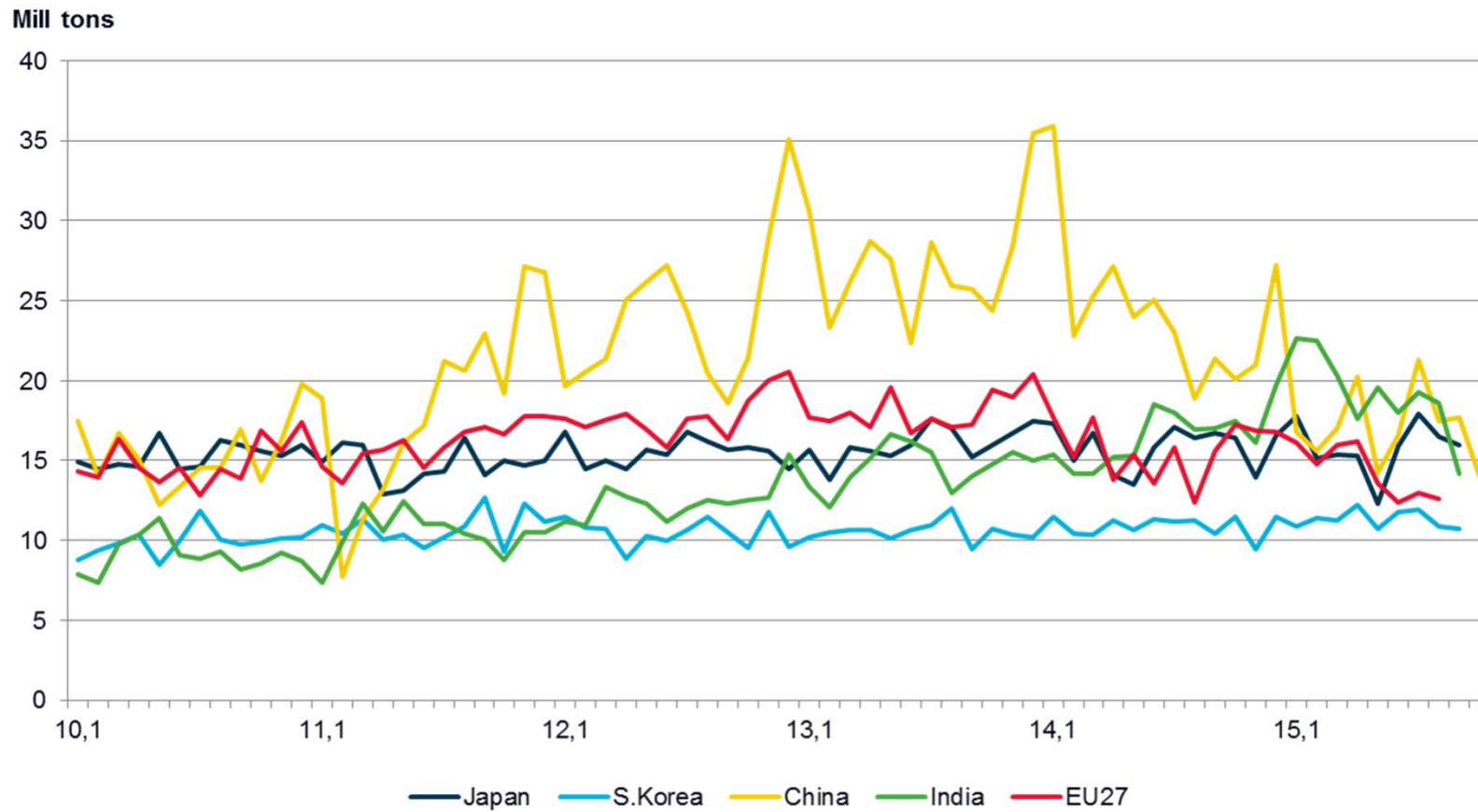
| Assumptions base case | | | | | | |
|-----------------------|------------|----------|-----------|----------|-----------|--------|
| | steel | Iron ore | Domestic | Iron ore | Port | change |
| mill tons | production | demand | lore prod | imports | inventory | yoy |
| 2014 | 838 | 1215 | 290 | 933 | 110 | |
| 2015 | 830 | 1204 | 260 | 933 | 81 | 0 |
| 2016 | 825 | 1196 | 225 | 959 | 79 | 26 |
| 2017 | 830 | 1204 | 185 | 1008 | 81 | 49 |

| Assumptions downside risk scenario | | | | | | |
|------------------------------------|------------|----------|-----------|----------|-----------|--------|
| | steel | Iron ore | Domestic | Iron ore | Port | change |
| | production | demand | lore prod | imports | inventory | yoy |
| 2014 | 838 | 1215 | 290 | 933 | 110 | |
| 2015 | 830 | 1204 | 270 | 930 | 81 | -3 |
| 2016 | 820 | 1189 | 240 | 940 | 75 | 10 |
| 2017 | 810 | 1175 | 210 | 950 | 70 | 11 |

Coal imports



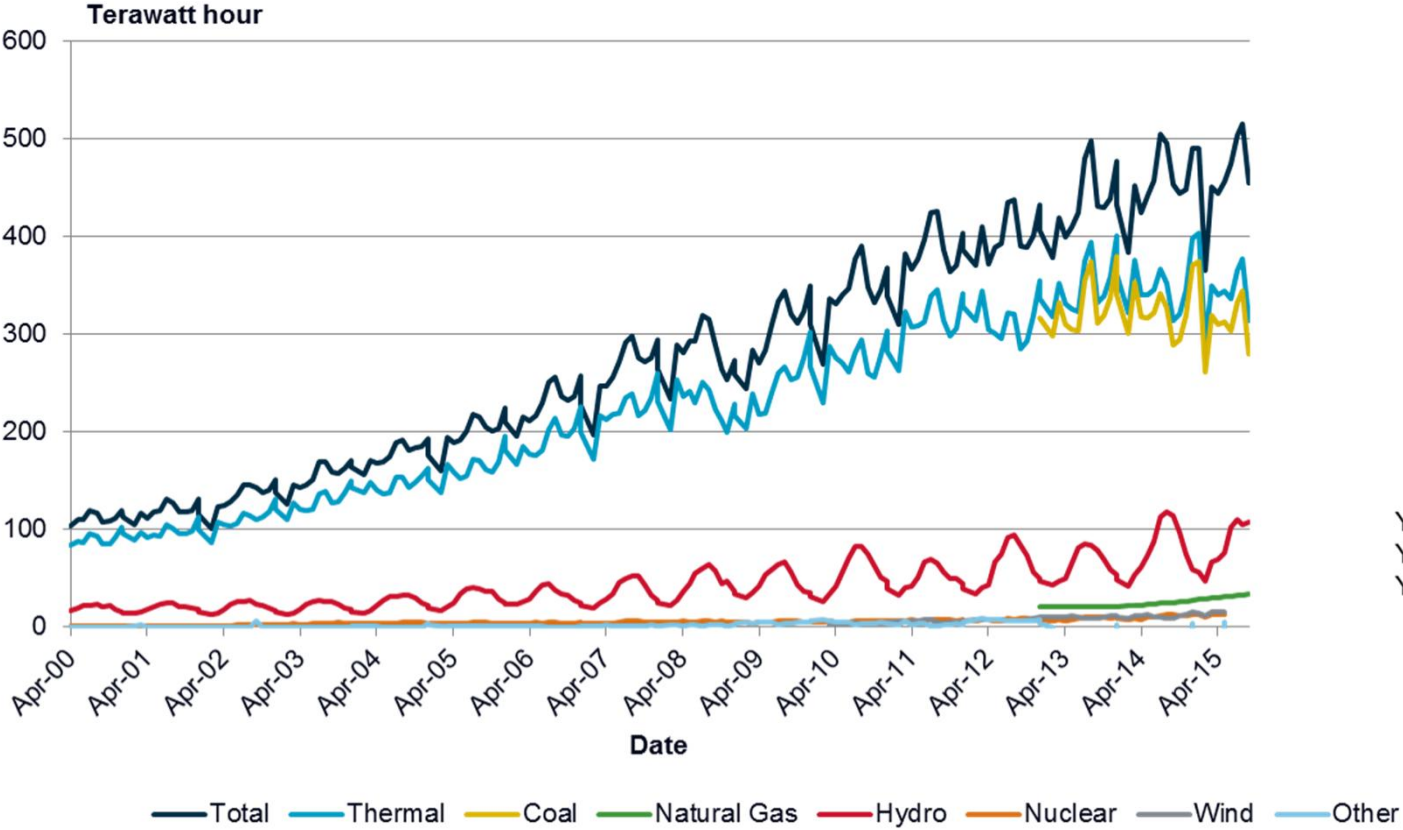
Seaborne import by major importing countries



Chinese economic activity indicators



Total electricity generation and by source

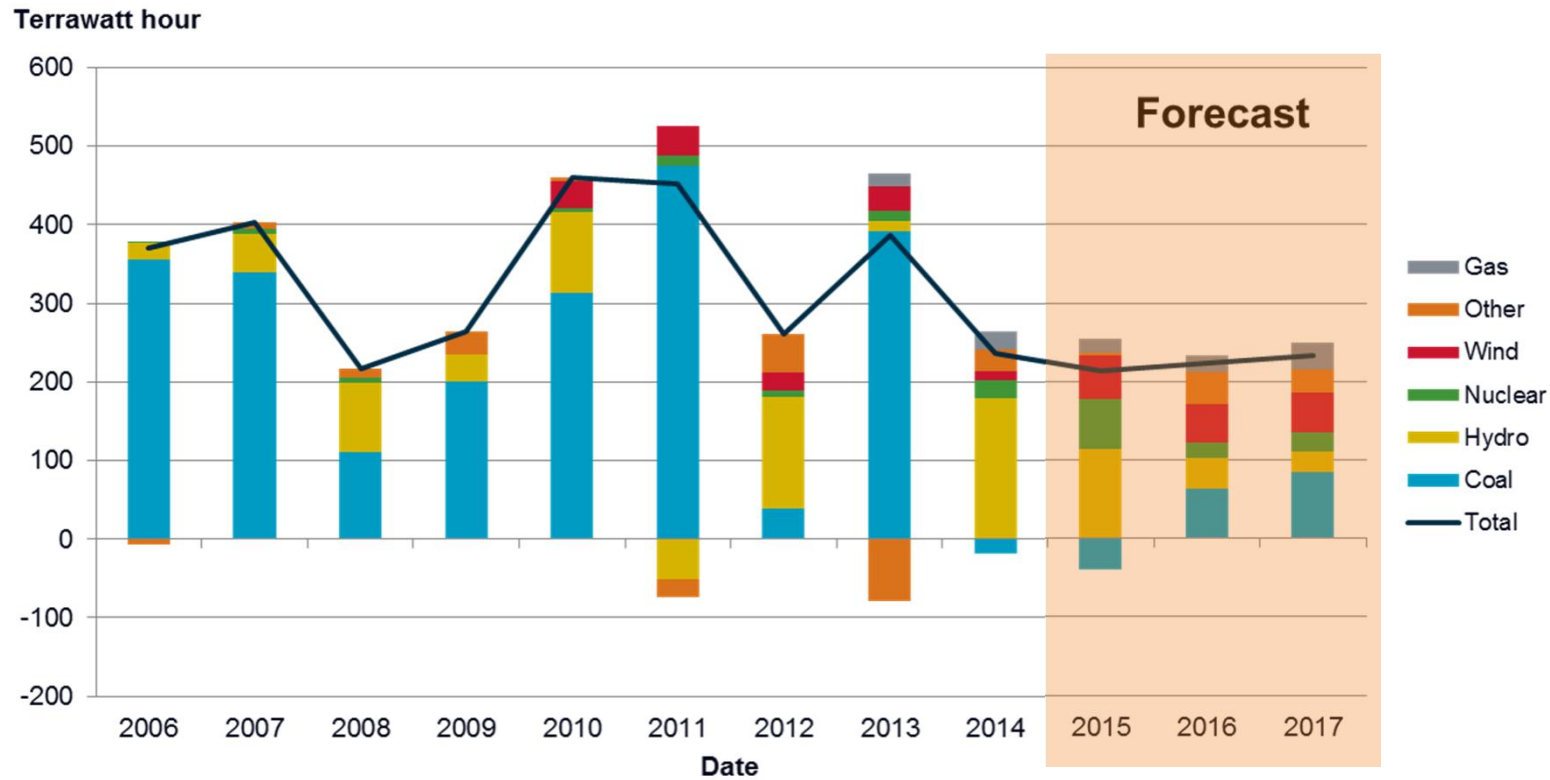


YTD to September 2015
 YTD coal -2,3%
 YTD natural gas 33,4%

Incremental increase in Chinese electricity production



By energy source (TWh)

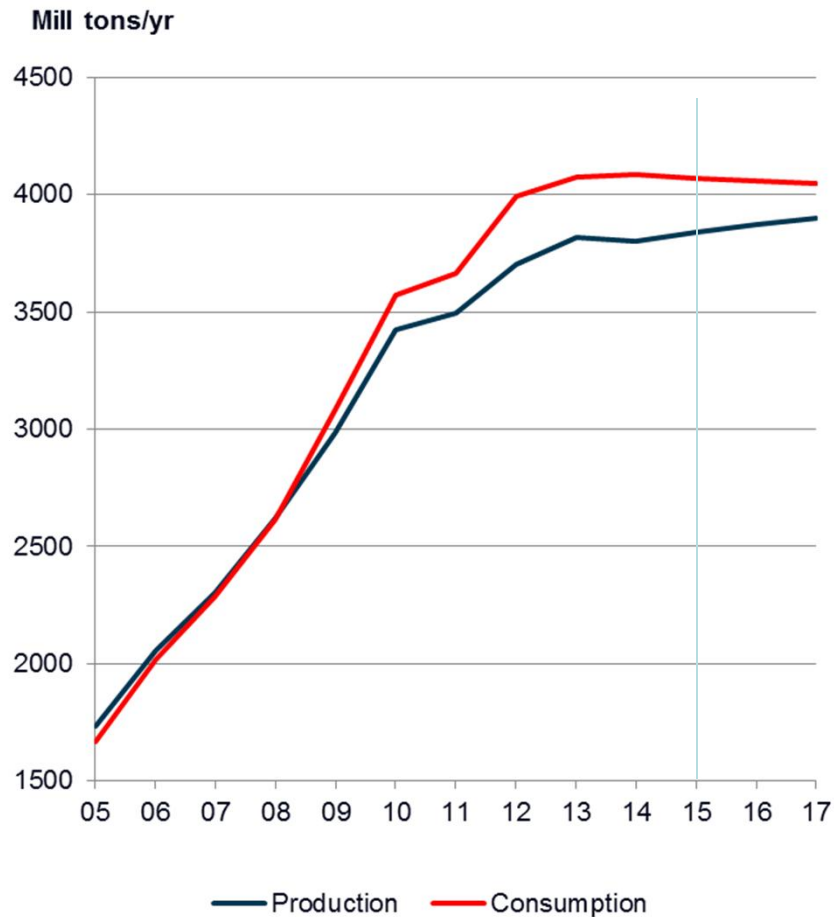


*includes: coal, gas and oil

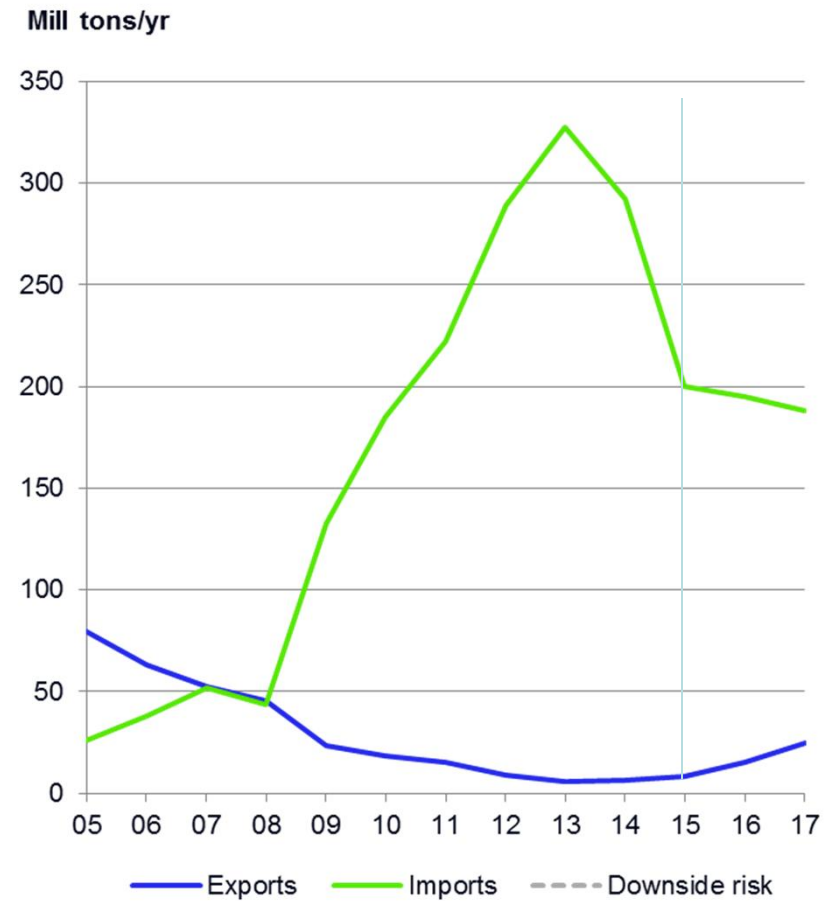
China's coal demand – only 6 % covered by imports



China coal production vs consumption



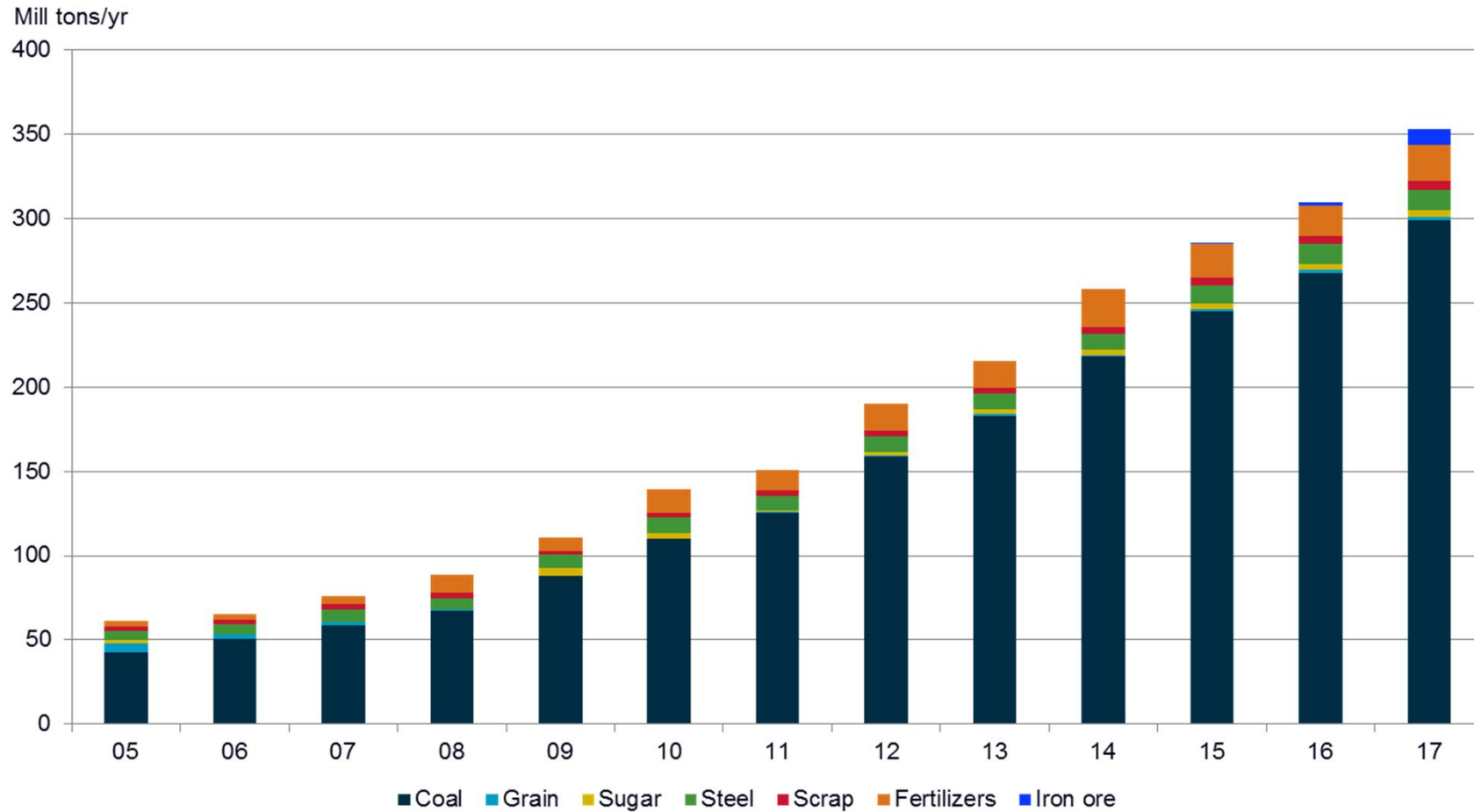
China coal imports/Exports



India—a larger contributor to Dry Bulk demand going forward



India's Dry Bulk imports by commodity



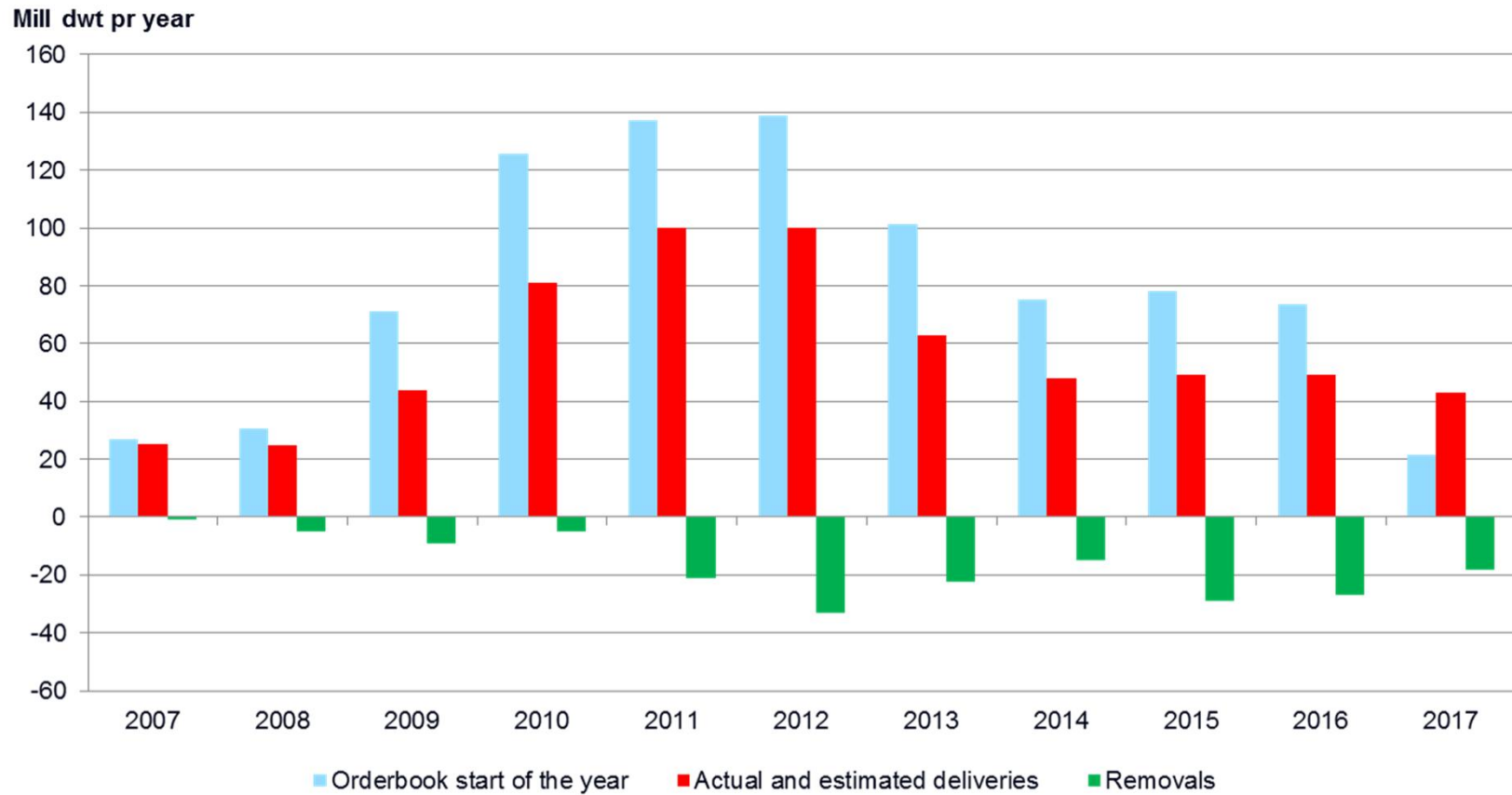
Bulk carriers: Existing fleet and order book

Per November 2015



| Bulk carriers | Existing fleet | On order | Del. YTD | Rest 2015 | 2016 | 2017 | 2018+ | Share of fleet |
|----------------------------|----------------|--------------|-------------|-------------|-------------|-------------|------------|----------------|
| Handysize | | | | | | | | |
| 10-14,999 dwt | 4.0 | 0.1 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 | 3.6% |
| 15-19,999 dwt | 4.9 | 0.1 | 0.1 | 0.0 | 0.1 | 0.0 | 0.0 | 2.0% |
| 20-29,999 dwt | 28.9 | 0.4 | 0.2 | 0.3 | 0.1 | 0.1 | 0.0 | 1.5% |
| 30-39,999 dwt | 54.0 | 13.4 | 5.4 | 2.6 | 6.5 | 2.8 | 1.4 | 24.8% |
| Total | 91.8 | 14.1 | 5.7 | 3.1 | 6.7 | 2.9 | 1.4 | 15.3% |
| Handymax/Supramax | | | | | | | | |
| 40-52,999 dwt | 58.0 | 2.3 | 1.2 | 0.9 | 1.1 | 0.3 | 0.0 | 4.0% |
| 53-64,999 dwt (blt > 1999) | 119.9 | 34.0 | 12.3 | 7.8 | 19.2 | 6.1 | 0.8 | 28.3% |
| Total | 177.9 | 36.3 | 13.5 | 8.7 | 20.3 | 6.4 | 0.8 | 20.4% |
| Total | 269.7 | 50.3 | 19.2 | 11.9 | 27.0 | 9.3 | 2.2 | 18.7% |
| Panamax/Kamsarmax | | | | | | | | |
| 65-84,999 dwt** | 159.3 | 25.5 | 8.4 | 6.1 | 14.2 | 4.0 | 1.2 | 16.0% |
| Post-Panamax | | | | | | | | |
| 85-119,999 dwt | 51.7 | 3.3 | 1.7 | 0.9 | 1.5 | 0.7 | 0.2 | 6.3% |
| Capesize | | | | | | | | |
| 120,000 dwt + | 294.9 | 51.1 | 14.4 | 9.4 | 31.0 | 7.4 | 3.3 | 17.3% |
| Grand total | 775.7 | 130.2 | 43.7 | 28.3 | 73.6 | 21.4 | 6.9 | 16.8% |
| No. of vessels | 10,659 | 1,598 | 581.0 | 377 | 863 | 276 | 82 | 15.0% |

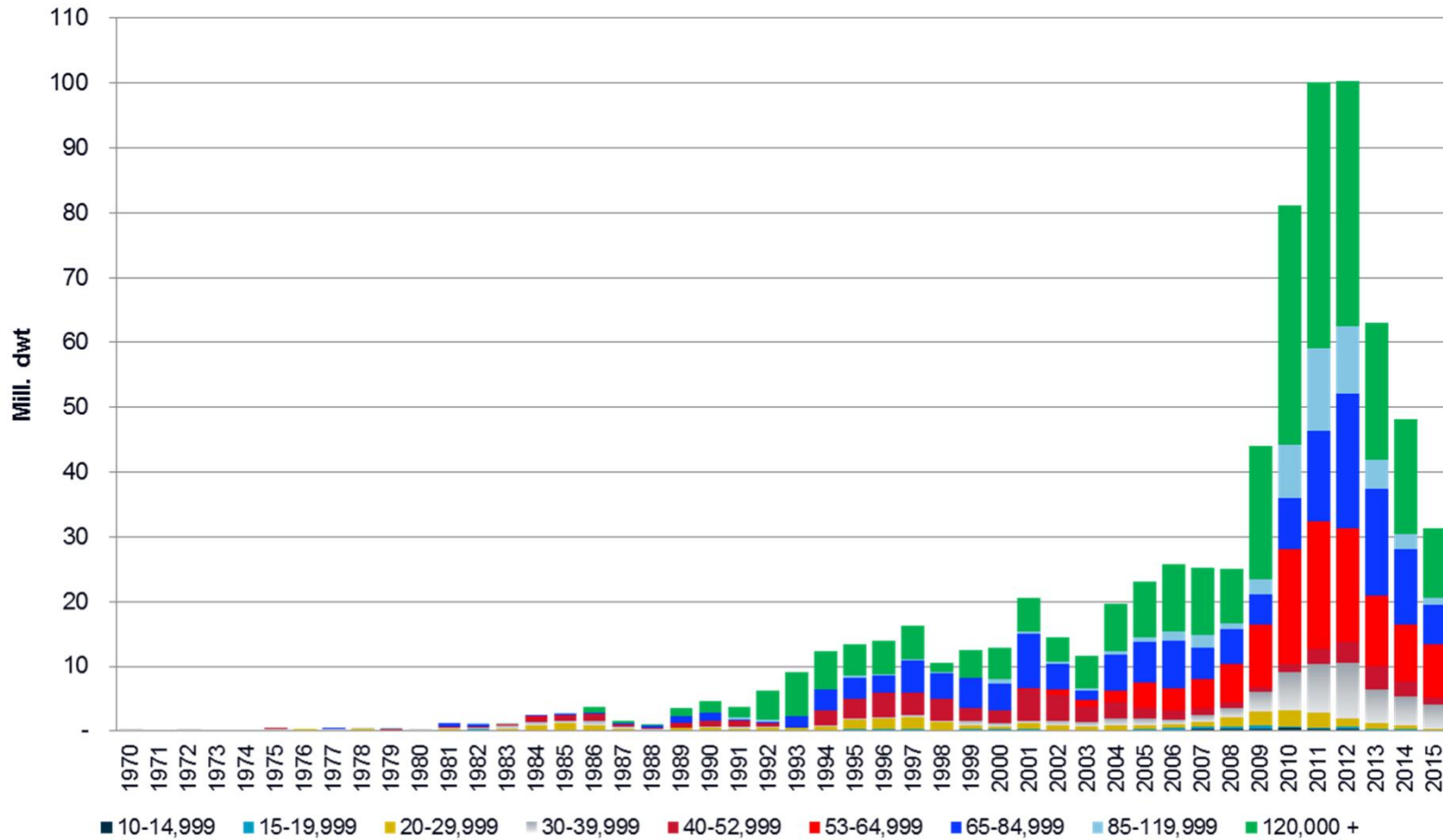
Scheduled order book, actual deliveries and removals



Bulk carrier fleet by building year



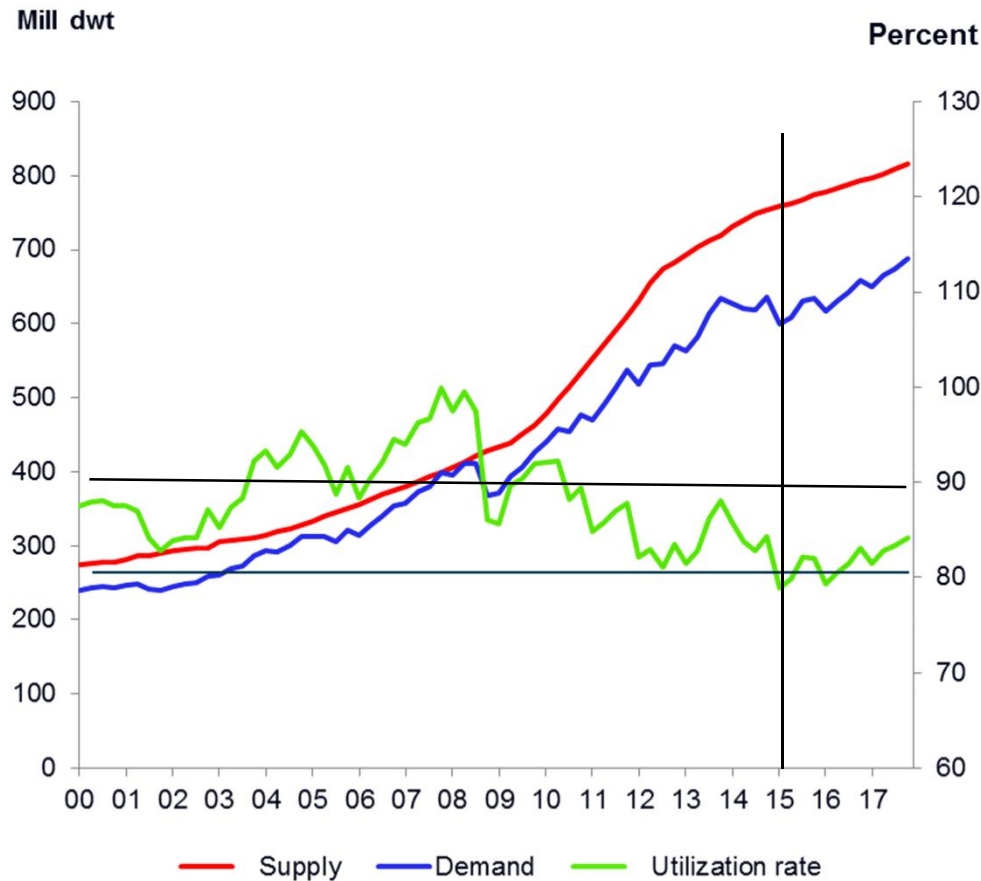
+10,000 dwt as per August 1, 2015



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 | 48 | 47 | 45 |
| Removals dwt | 22 | 15 | 29 | 29 | 20 |
| % change prev yr | 6.8 | 5.1 | 3.1 | 2.6 | 2.6 |

Tonnage demand base case

| | | | | | |
|----------------------|-----|-----|------|-----|-----|
| % chge from prev yr: | 9.5 | 4.3 | -0.3 | 3.0 | 4.5 |
|----------------------|-----|-----|------|-----|-----|

Fleet utilization rate base case

| | | | | | |
|---------------------|------|------|------|------|------|
| Yearly average in % | 84.7 | 84.1 | 80.8 | 81.1 | 83.0 |
|---------------------|------|------|------|------|------|



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Q & A





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Thank you for your attention !

