




EXMAR



EXMAR GROUP – Leadership through Innovation

EXMAR GROUP – General Assembly May 20th 2014

EXMAR Group			
LNG	LPG / NH ₃	Offshore	Services
			
Shipping	Shipping	Accommodation / Work Barge	Shipmanagement
Infrastructure	Logistical Provider	Floating Production & Storage	Design & Engineering
Design & Engineering	Design & Engineering	Design & Engineering	Belgibo Insurance
Shipmanagement	Shipmanagement	Operations & Maintenance	Travel Plus Travel Agency

Highlights of the Past Twelve Months

February 2013

Creation of the Joint-Venture EXMAR LPG with Teekay LNG Partners

October 2013

EXMAR appointed strategic partner for LNG bunkering in the port of Antwerp

March 2014

Sale of the TEMSE (MGC)

May 2014

EXCEL fixed to ConocoPhillips for 6 months + 2 months options

March 2014

Construction of the hull of OPTI – 11,000 completed

September 2013

First payments under the tariff fee from the production of the OPTI – EX kicked in

March 2014

Delivery of the WAASMUNSTER

May 2014

BW TOKYO (VLGC) contributes 100% to the fleet

July 2013

Letter of Intent to provide a Floating Liquefaction and Storage Unit to serve of the coast of British Columbia (Canada)

November 2013

Heads of Agreement signed between Pacific Rubiales and Gazprom for the offtake of the LNG produced by EXMAR

January 2014

Joint-Venture between EXMAR and Pacific Rubiales to order a Regassification Barge for delivery Q3 2016

May / June 2014
Sale of the FLANDERS HARMONY (VLGC)

December 2013

KISSAMA starting a new employment with PERENCO for a period of 12 months + options

March 2014

Extension of the charter on the LIBRAMONT and SOMBEKE for a period of 10 years with PCS

May / June 2014

Delivery of the WARINSART (MGC)

Evolution of Key Figures

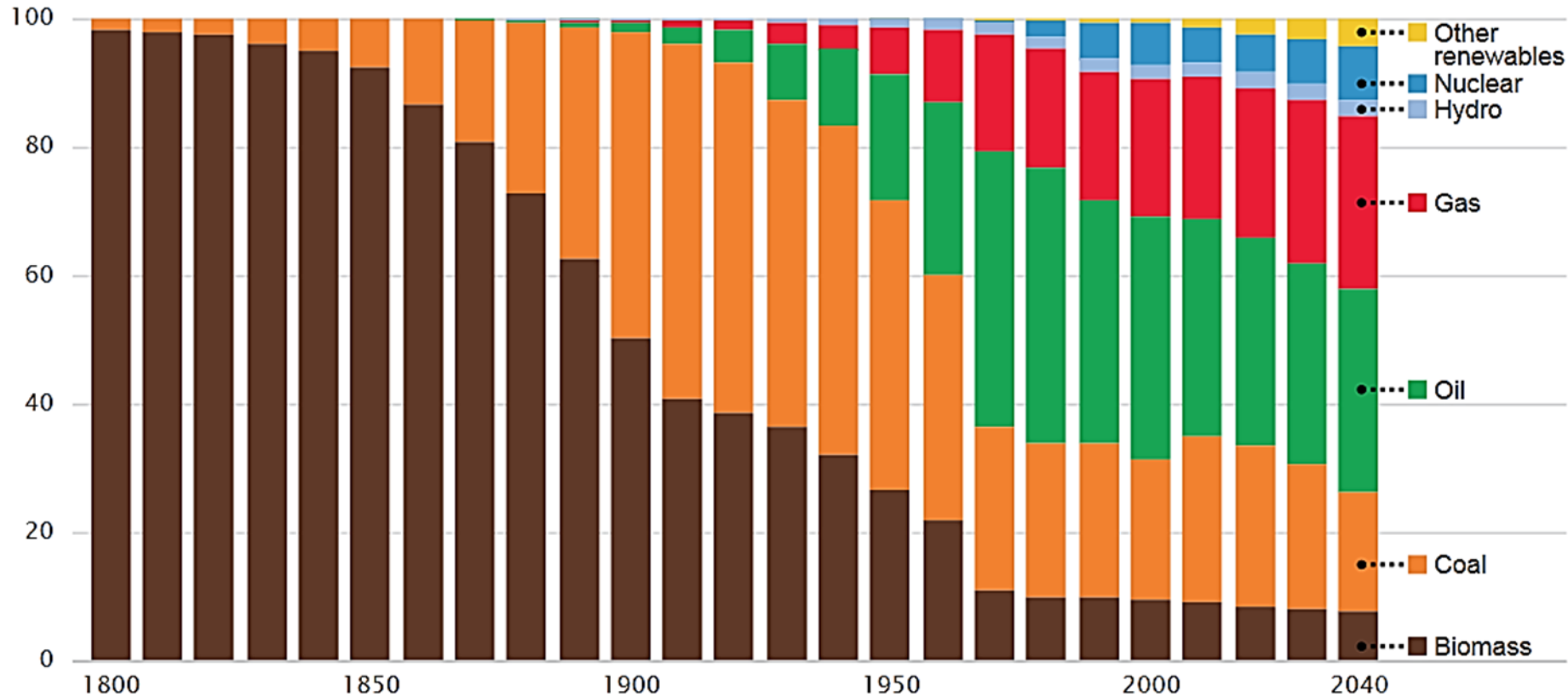
(In million USD)	2012 (Actual)	2013 (Actual)	2014 (Budget)	2015 (Projected)
EBITDA Breakdown	LNG: 56% Offshore: 2% LPG: 42%	LNG: 53% Offshore: 8% LPG(*): 39%	LNG: 55% Offshore: 9% LPG: 36%	LNG: 55% Offshore: 10% LPG: 35%
Total Assets	1,370	1,189	1,180	1,366
Net Debt	594	422	431	608
Equity	367	407	443	470
Net Debt / Equity Ratio	1,62	1,04	0,97	1,29

(*) Excluding the Capital Gain on the sale of 50% of EXMAR LPG to Teekay LNG

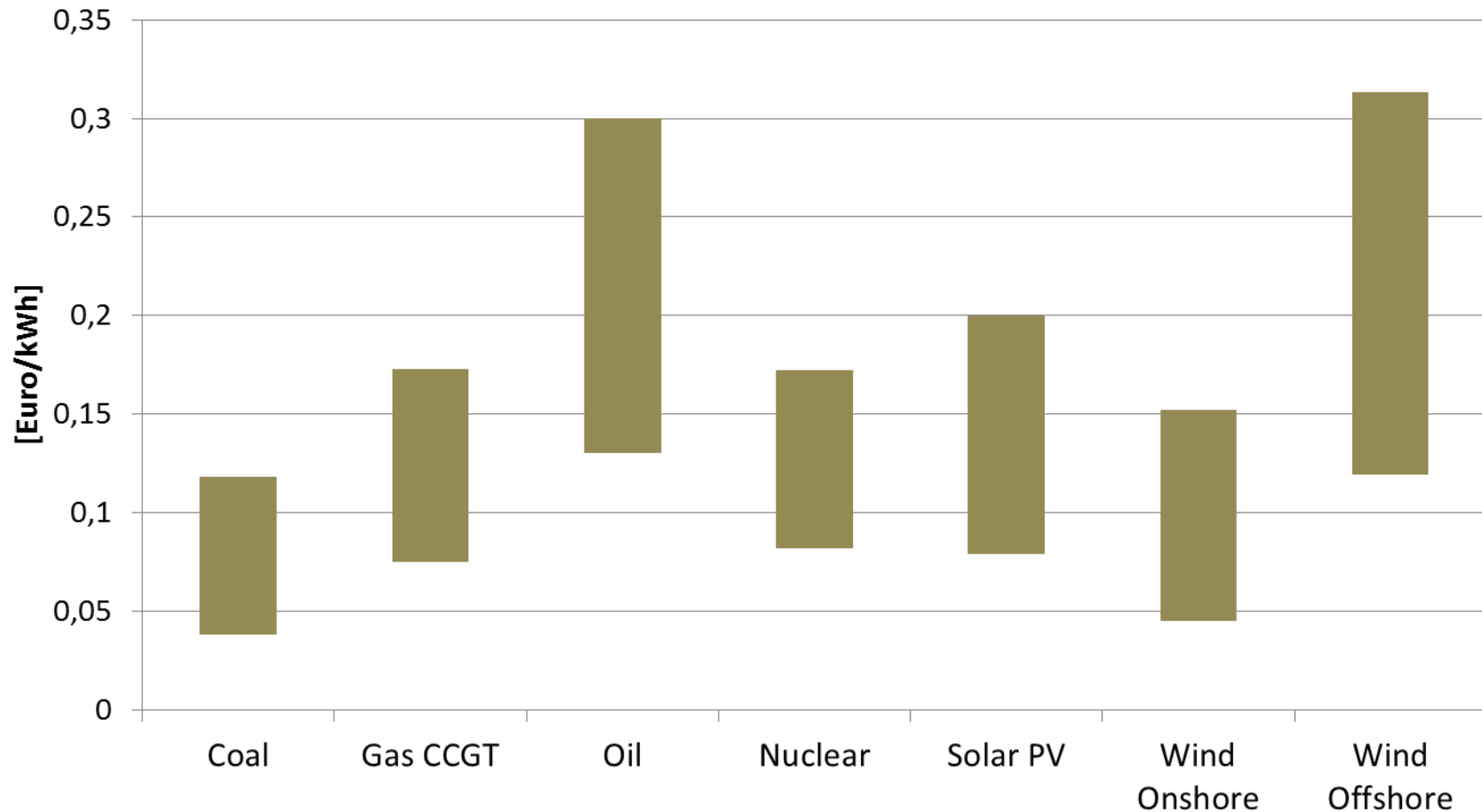


Natural Gas in the Post-Fukushima Age

The World's Continuously Changing Fuel Mix



Indicative Levelized Cost of Energy by Energy Source in NW Europe*



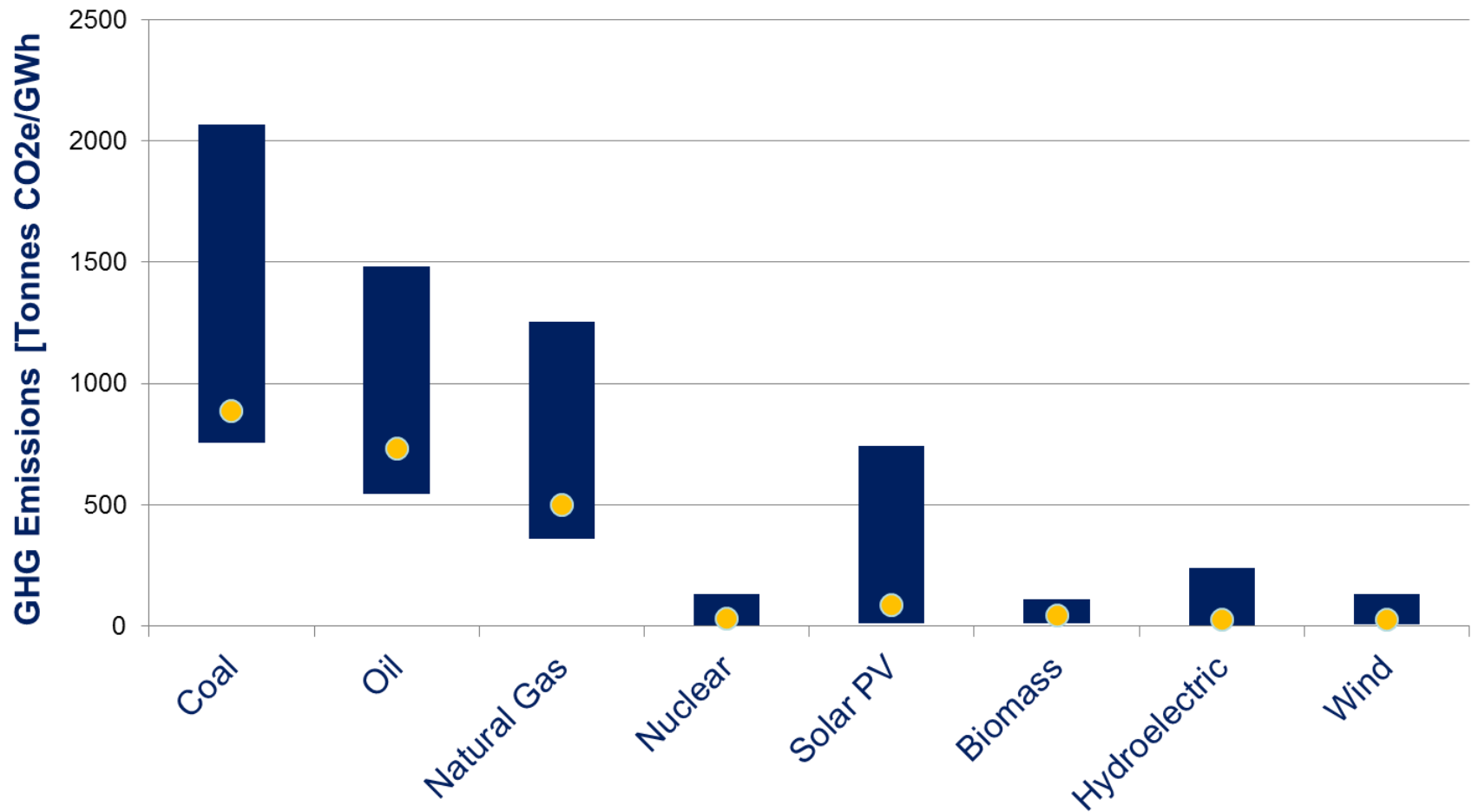
* Germany is taken as base case

Source: Fraunhofer ISE, November 2013 & IER, 2011

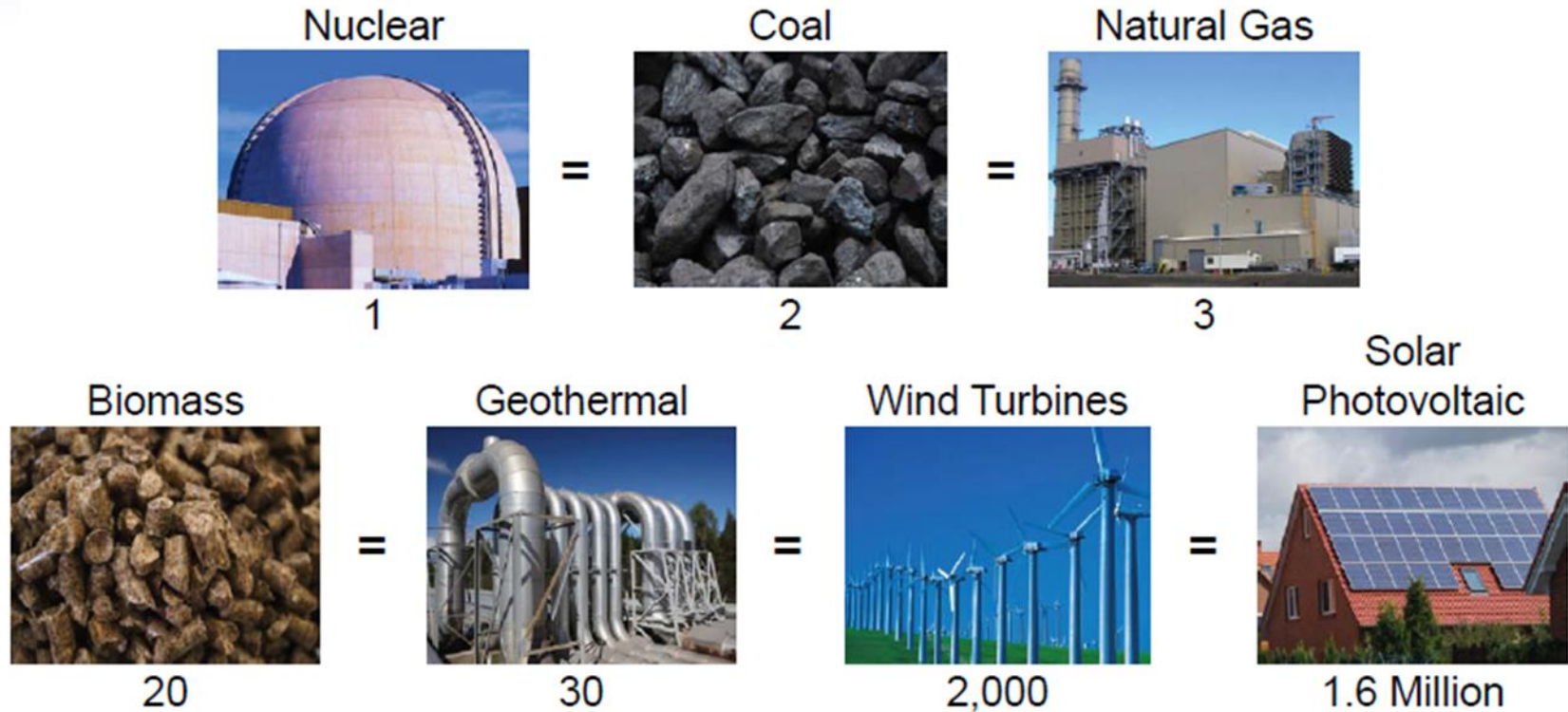
Private & Confidential

Indicative Average Emissions by Energy Source

Electricity Generation



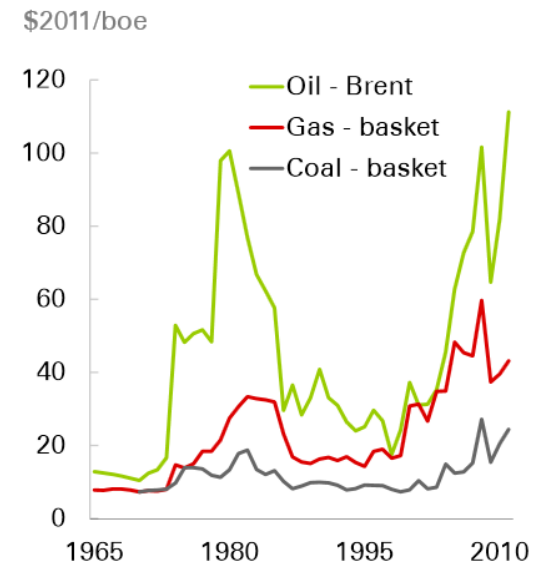
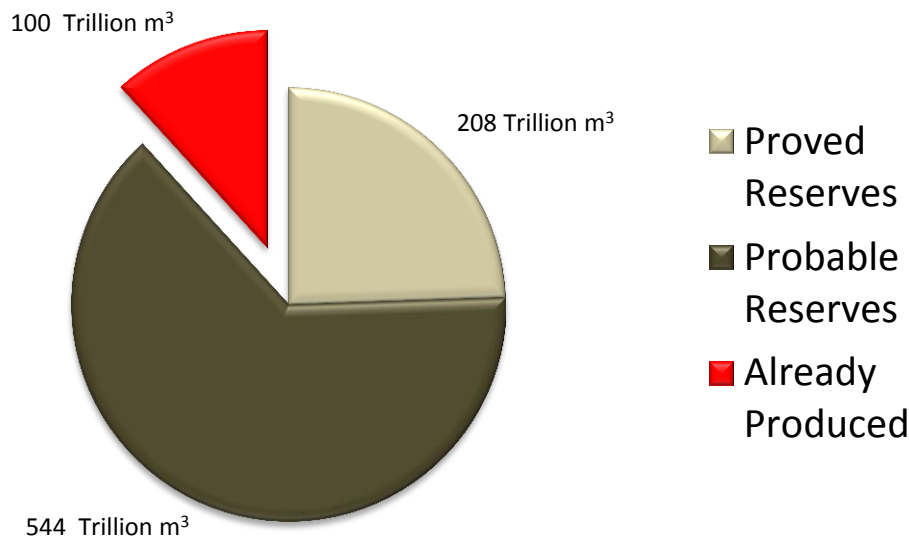
A Sense of Scale



No of plants required for the Annual Electricity Consumption of
1 million homes

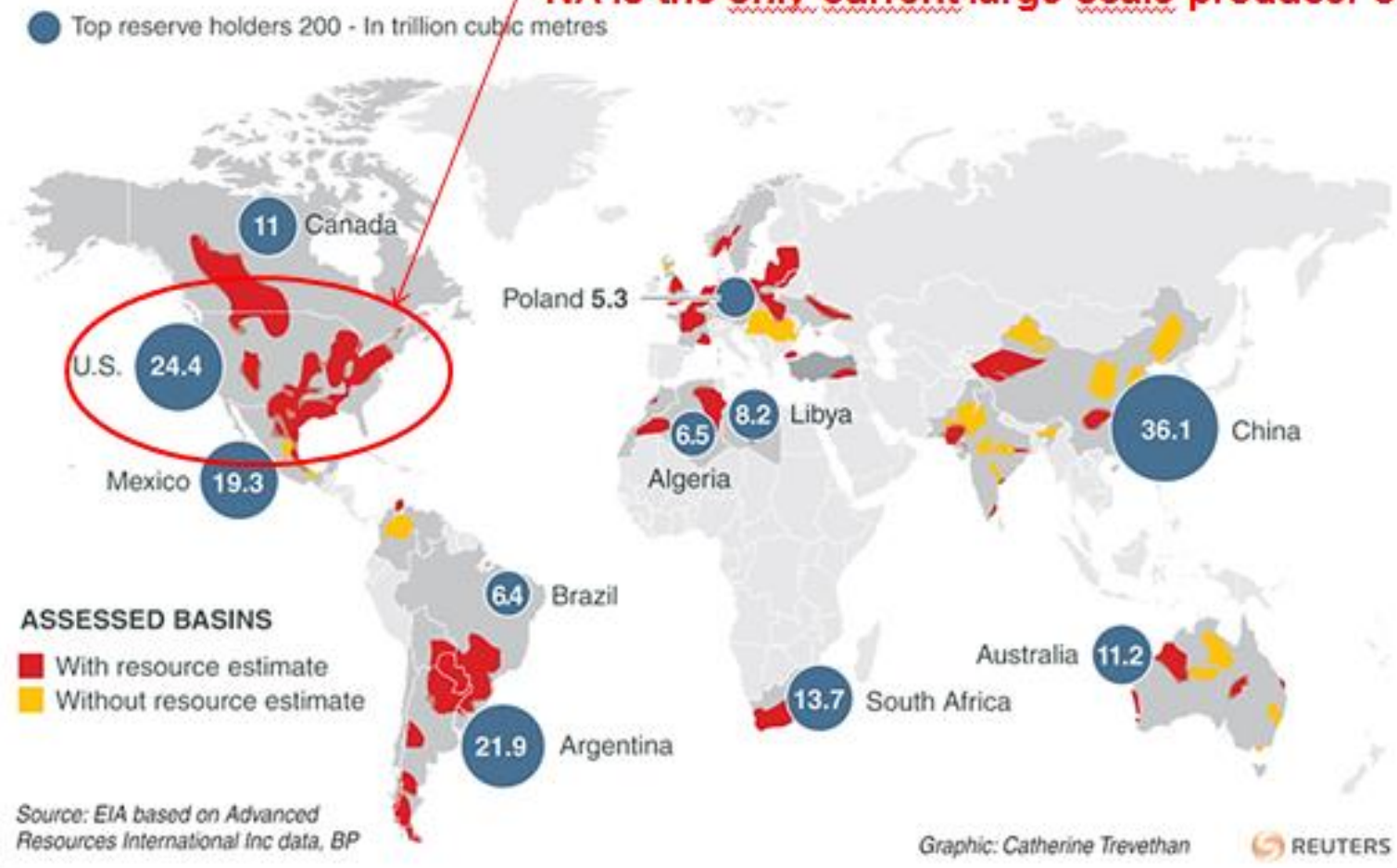
The Abundance of Natural Gas as Cleanest Fossil Fuel

- Abundant and increasing proven reserves
 - Significant gas discoveries are frequently made
 - Rapid Technological Advances
- Cheaper than oil, more expensive than coal
- The cleanest fossil fuel



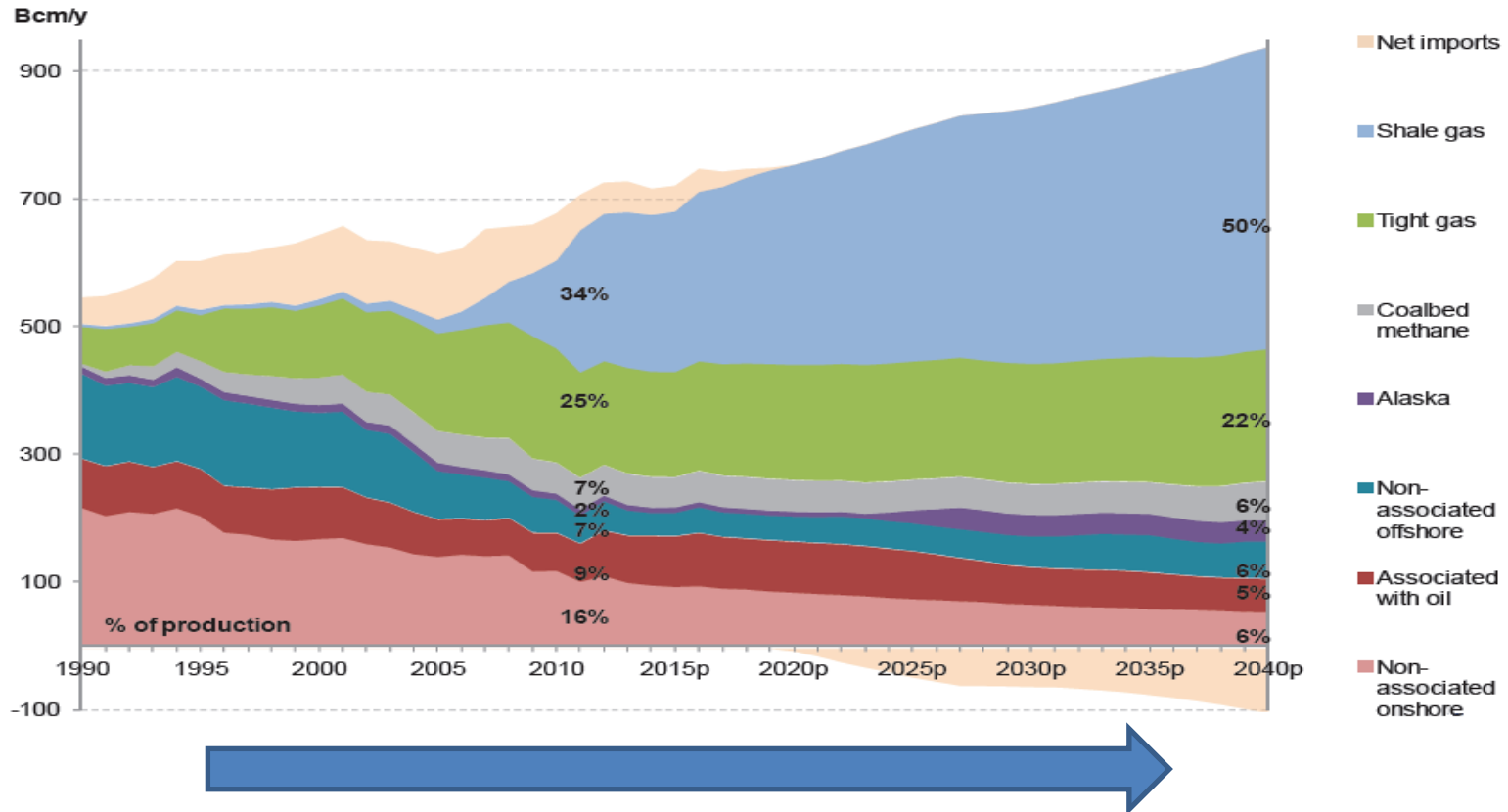
The Enormous Resource Potential of Shale Gas

NA is the only current large-scale producer of shale gas



Transformation of the US Gas Market

US Natural Gas Production by Source



US transforms from importer to net exporter of gas!

*Source: M. de Wachter. De actuele veranderingen in het Amerikaanse landschap van niet-conventionele koolwaterstoffen en hun implicaties voor Europa. Antwerpen, 13 juni 2013

- Japan

- Post-Fukushima Age
- No nuclear power vs economic reality
- Significant increase in coal & gas imports



- China

- Smog problems
- Green revolution to move away from coal
- Large amount of investments in gas infrastructure
- Subsidies in solar pv



- India

- Increasing role of gas in energy portfolio



Current Trends in Europe

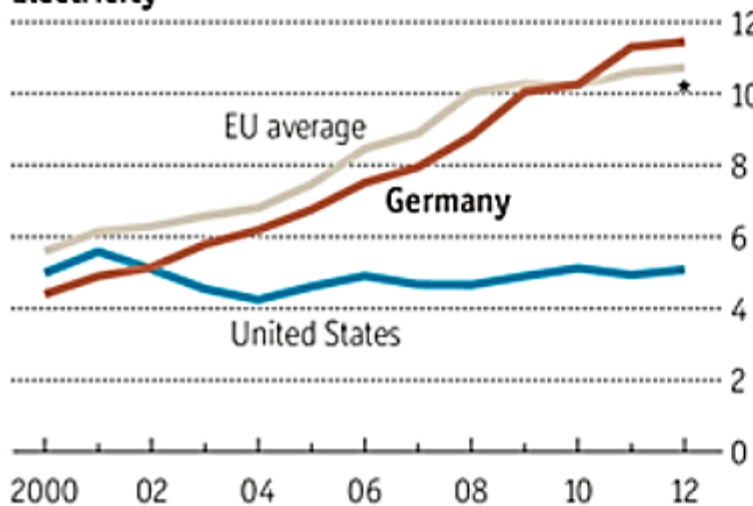
- Severe economic crisis that is ongoing
- Crisis in Ukraine Holding Back Gas Reserves
- Lower energy consumption due to that crisis
- The move towards green energy - Europe 2020 targets
 - 20% lower greenhouse gas emissions compared to 1990
 - 20% energy from renewable energy
 - 20% increase in energy efficiency
- The only region to have voluntarily submitted to such targets
- But: expensive green energy is being offset by cheaper (and dirtier) coal consumption!
 - Shale gas is consumed in US & US coal is exported to Europe



Europe's Handicap: High Industrial Energy Prices

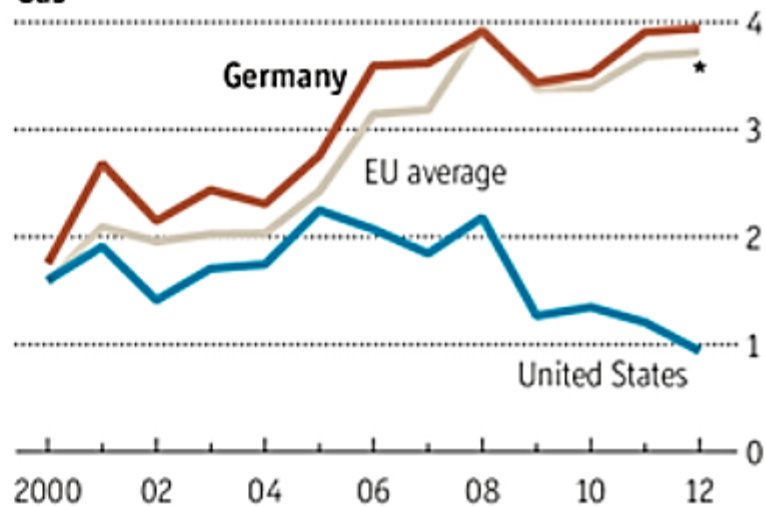
Industrial energy prices, € cents per kWh

Electricity



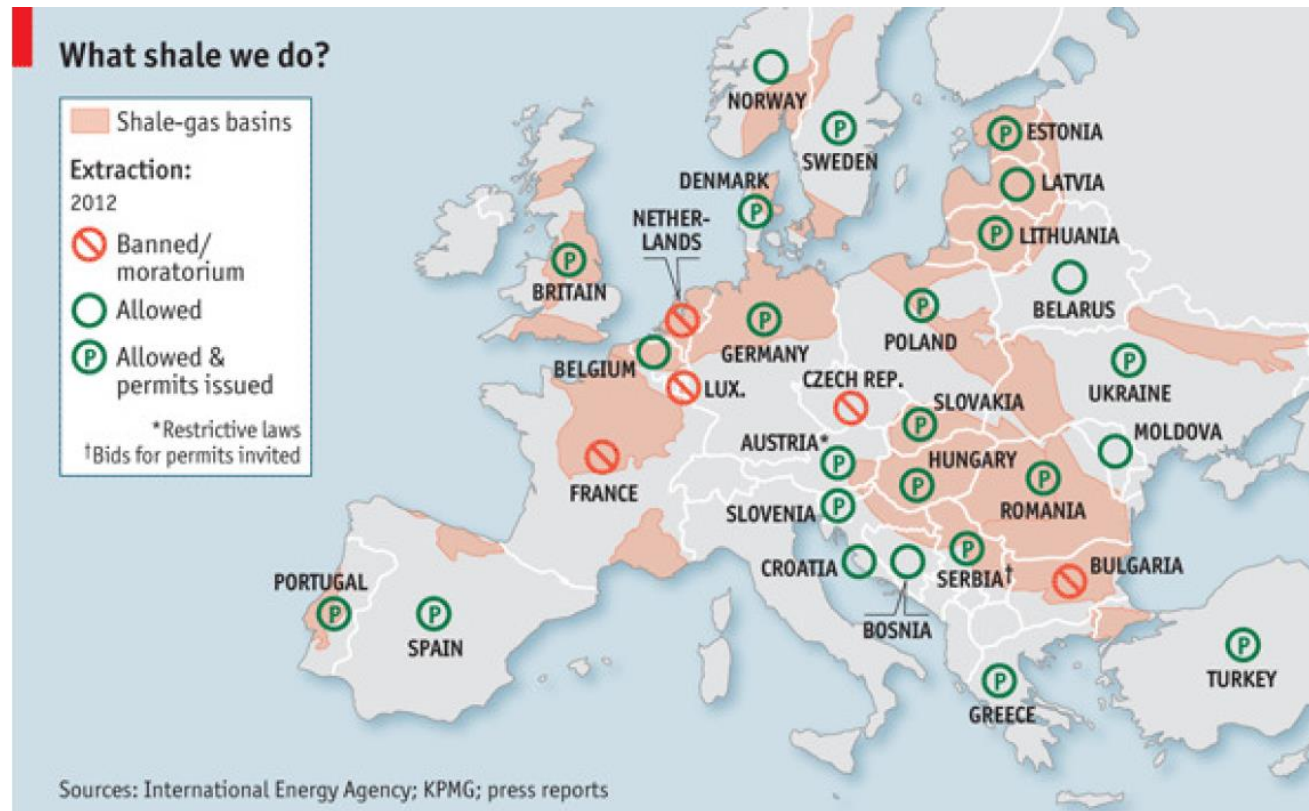
Source: Enerdata/McKinsey

Gas



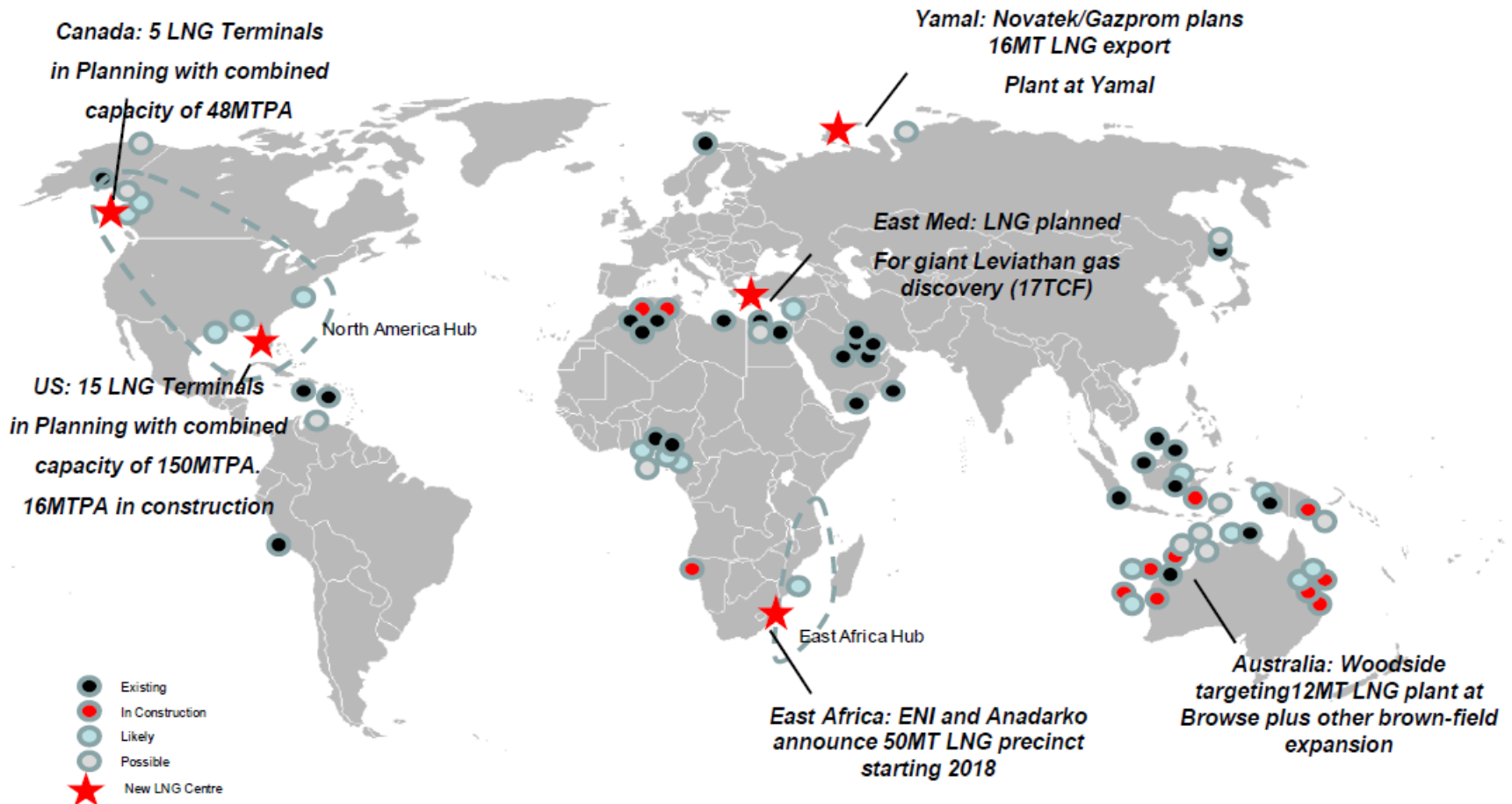
*Estimate

Shale Gas Developments in Europe?



1. No clear strategy towards shale gas
2. Different stance towards shale gas in the various countries

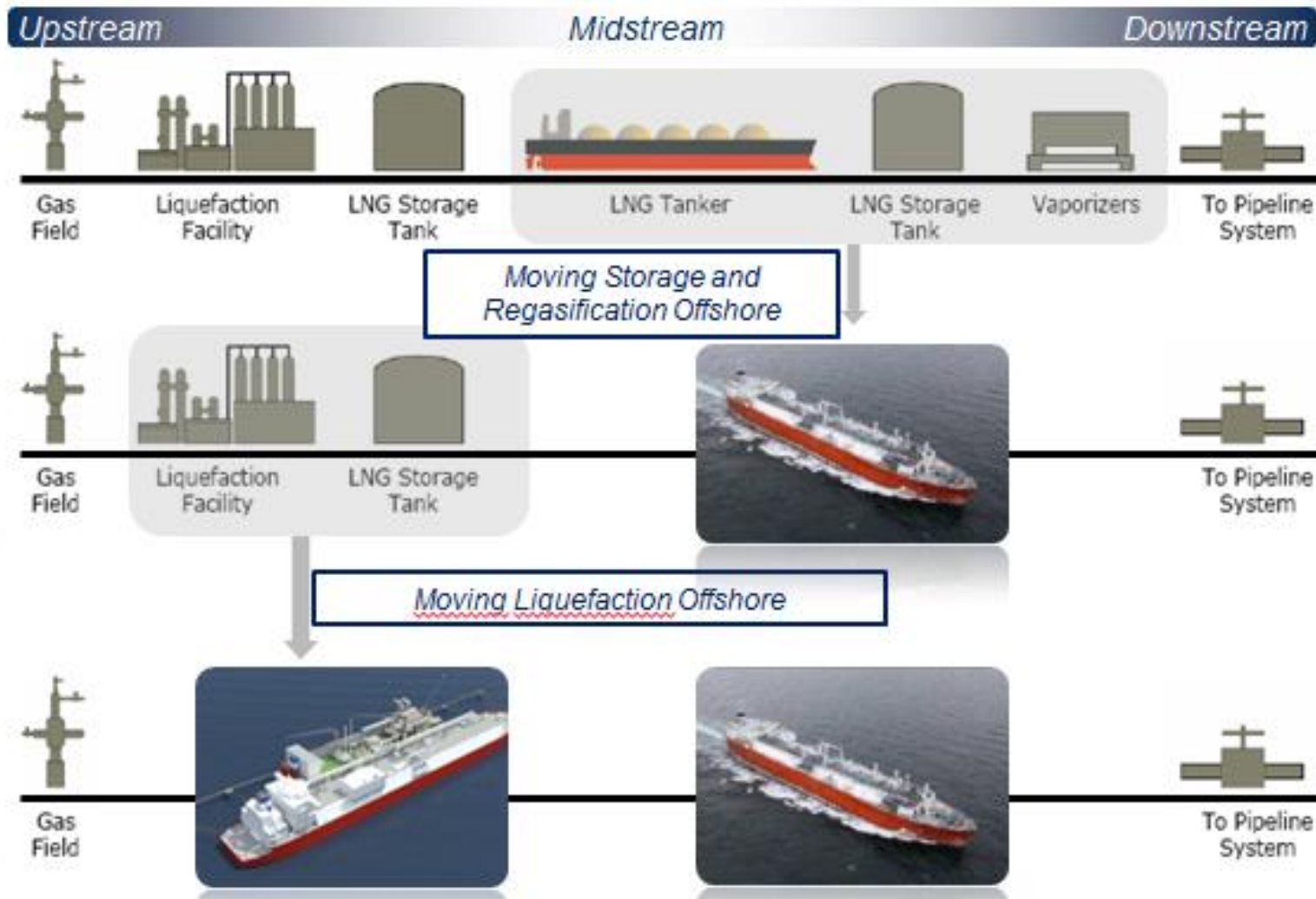
But, There's More Than Only Shale Gas: Emergence of Other New LNG Centers





The New Dash For Gas - The Big Potential of “Floating Gas Infrastructure”

EXMAR's Innovations in the LNG Industry: Floating LNG as Optimization of the LNG Value Chain



Advantages of Floating vs Onshore

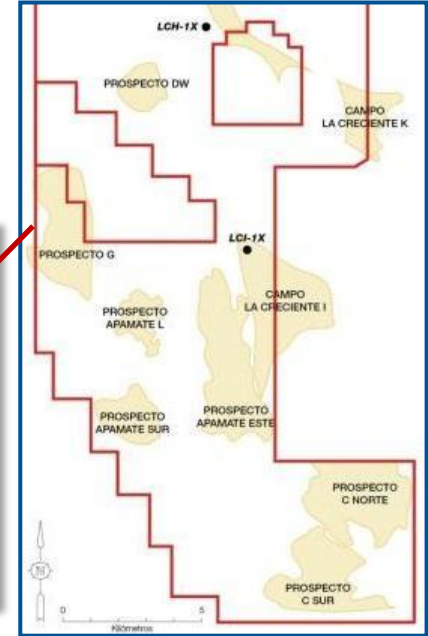
- Cost efficient and price stable solution
 - Efficient and industrial shipyard environment
 - Skilled labour & routine environment
 - Minimizing cost blowouts
- Fast track solution: earlier monetization
- Flexible: re-deployable
- Offshore advantages
 - Avoiding site specific restrictions and constraints
 - Permitting and security
 - Avoiding highly populated areas
- (Re-)use onshore infrastructure
 - Timing- and cost advantages



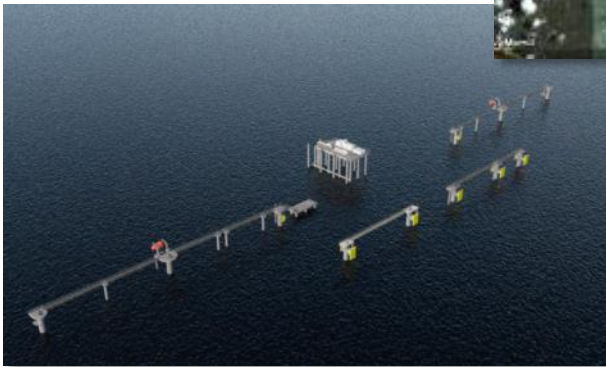
Project Overview Caribbean FLNG



- The “Caribbean FLNG”
- Floating Storage Unit

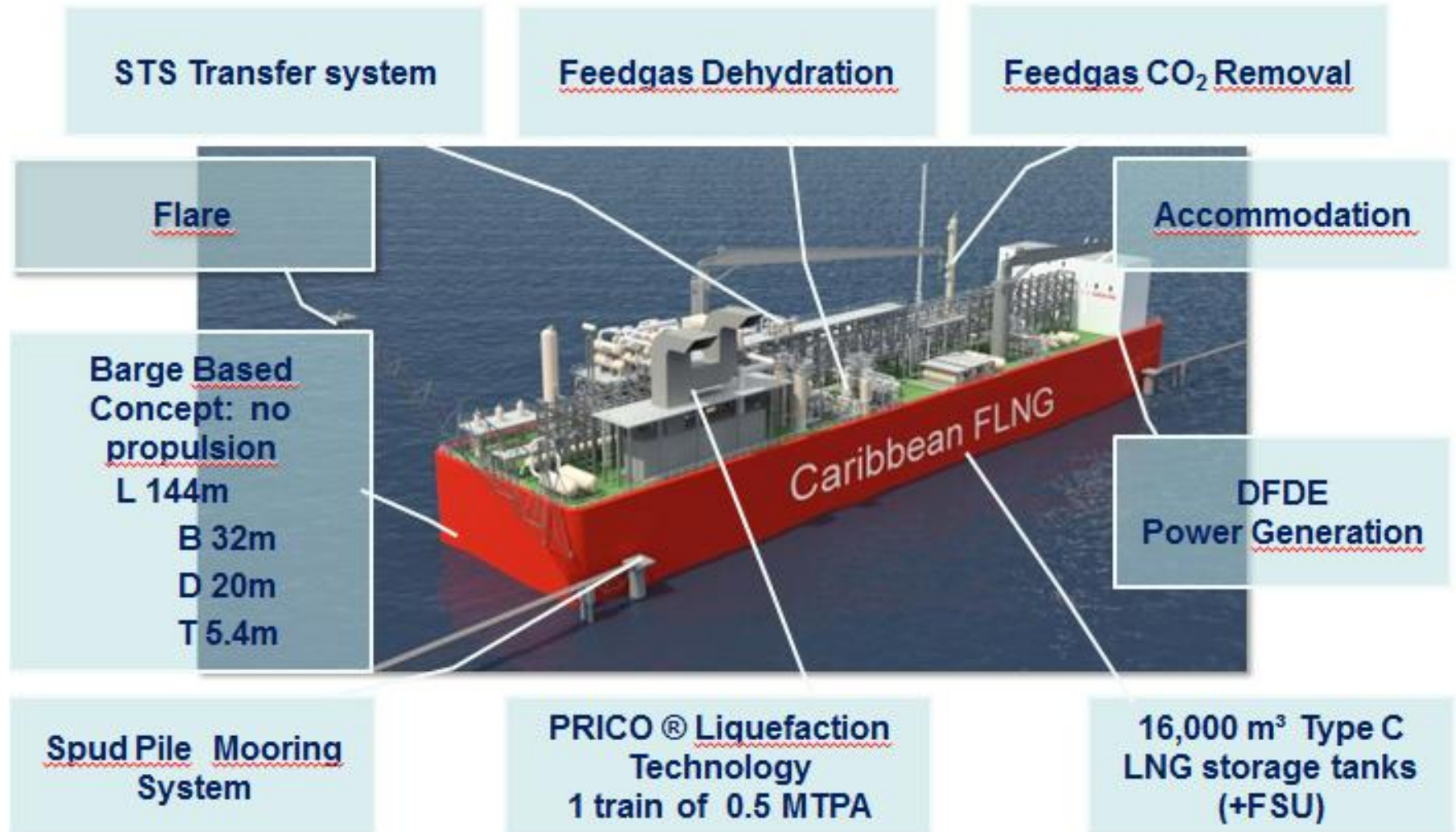


- La Creciente gas field
- 88 km onshore pipeline



Outline of the World's FLNG

Floating LNG Exports

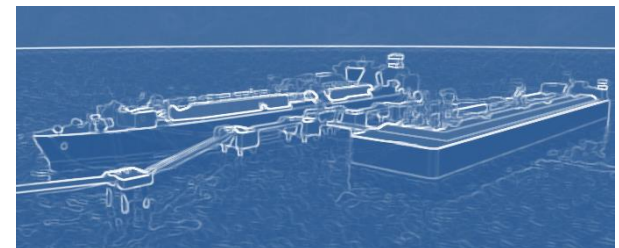


Construction of the Caribbean FLNG: In Pictures



Other Projects in the Gas Industry:

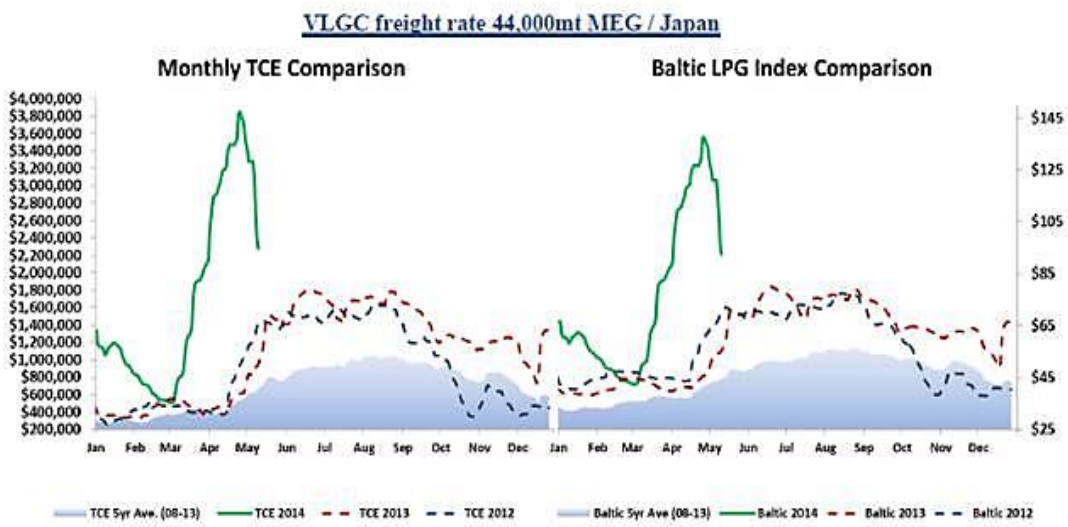
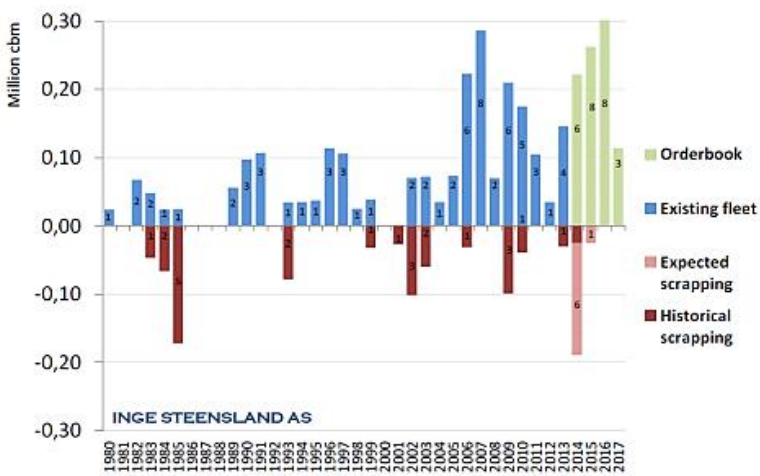
- LNG Bunkering Ships
 - More stringent emission criteria for shipping industry as from 2015
 - Strategic partnership with the port of Antwerp for the development of LNG as ship fuel
 - Prosperous market outlook
- Regas Barge
 - EXMAR ordered a 25,000 m³ floating regasification barge (FSRU) in February 2014
 - Improved cost efficiency: barge-based & non-propelled
 - Commercial flexibility





LPG: the Forgotten Child of the Gas Industry

- Our LPG fleet will increase by 11 Midsize Gas Carriers by 2018; leaving the average age of our fleet unchanged between 2014 to 2018 of approximately 9 years
- Sale of older vessels over the last twelve months have delivered \$11,3mm profit to EXMAR
- Midsize Gas Carriers newbuild program negotiated at historically low asset prices
- VLGC rates benefitting from historically high rates and other segments are following the same trend
- We are still involved in the Very Large Gas Carriers even if as the main player in the niche Midsize Gas Carriers we will continue to strive to be a lead operator of all LPG segments
- Rewarding Long-Term Time Charters finalised on existing vessels and newbuilds with Potash Corporation of Saskatchewan and Statoil



Offshore: OPTI Production Design

- After Developing OPTI designs for the US Gulf of Mexico, EXMAR is entering into new territories
- Delta House (OPTI – design) production semisubmersible for LLOG of Louisiana to be delivered in the summer of 2014
- Production capacity of 100,000 bopd and 200 mmscfd
- Exmar scope of work includes design, engineering, construction supervision and project management of the hull
- Hull based on the OPTI concept but larger than the original OPTI-EX® design which is installed on the WHO DAT Field of LLOG
- The OPTI-11000 design which was designed to be a repeatable design for LLOG
- LLOG has stated that it has several prospects suitable for a repeat of the Delta House
- Hull construction at HHI Offshore was completed on time



WHO DAT



DELTA HOUSE



GOLFO DE MEXICO – THE MEXICAN GoM

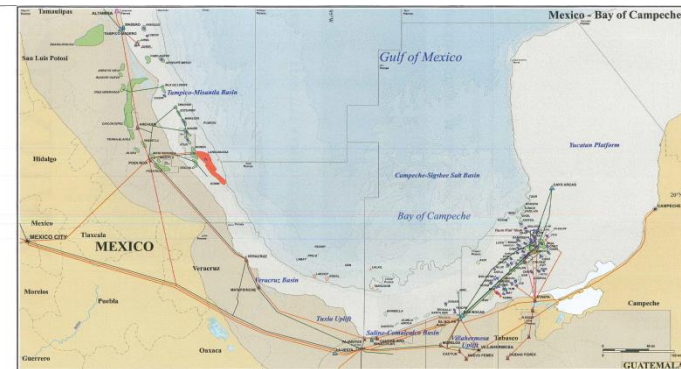
- EXMAR is moving into the Mexican part of the Gulf of Mexico
- Mexico's oil production has decreased since 2005 while consumption has largely remained stable
- The Two largest offshore oil fields account for over 50% of Mexican oil and gas production
- Mexican offshore development has been primarily limited to shallow water and exploration in deep water started only in 2007
- Total Mexican reserves are at 14 billion bbls and estimated reserves from deepwater alone could be as much at 26.6 billion bbls. Physically, the Mexican side of the GoM is larger than the US side
- Energy reforms were enacted in December 2013 to allow foreign companies to profit directly from the exploitation of hydrocarbons
- Secondary reforms to be passed in the course of 2014 to clear the path for contractual terms and fiscal model

US GoM – field development



Source: Clarksons Research and Development

Mexican GoM – field development



Source: Clarksons Research and Development

Floating Production

- Approximately 50 floating production facilities (SPARs, TLPs, Semisubmersibles and FPSOs) operate in the Gulf of Mexico
- More than 90% are in the US GoM
- Mexico has 1 large FPSO and 4 small single well production vessels (early production and well test vessels)
- US GoM production facilities vary because of the development of pipeline infrastructure. A similar pipeline network is not expected to be installed in Mexico which leaves FPSOs as the likely floating production solution
- Globally, worldwide FPSO demand is expected to be in the range of 65 to 93 units over the next 5 years whereas all other production solutions are expected to be in the range of 14 to 27 for the same period not including FLNG and FSRU

A Strategic Move: Integrating the Energy Value Chain

Transition from pure shipping to a provider of a full value chain of infrastructure and integrated logistics to address the industry's need for environmentally friendly and competitively priced energy solutions.

- **LNG:**

- Building on the production of Natural Gas from LNG through its LNGRV concept to now focus on providing fully fledged floating LNG value chain services through build, own and operate FLSU and FSRU to bring LNG as a competitive and greener alternative to the markets.
- Pursuing opportunities in “small scale” LNG vessels for bunkering as well as coastal and domestic trade
- Structuring and listing an MLP comprised of high-quality LNG and LNGRV assets to achieve a yield valuation and to facilitate significant future growth in the Floating LNG Infrastructure

- **OFFSHORE:**

- Building on the success of its proprietary hull designs, Exmar continues to develop projects along the E&P value chain with a specific focus on offshore floating operations
- Capitalize on the growing Floating Production and Storage Unit Market

- **LPG:**

- Partnership with Teekay LNG to strengthen EXMAR's already substantial commercial portfolio in the Midsize segment and to stay ahead of the upcoming amendments in environmental legislation. EXMAR wishes to pursue its tradition of providing operational and technical excellence at the service of its customers with a competitive quality fleet based on innovative designs.
- In order to provide a full package service to its customers EXMAR will continue to pursue projects in the VLGC, MGC and the pressurized segment as well as developing new opportunities in Very Large Ethane Carriers (VLEC)

HIGHLIGHTS

- Results include capital gain realised on the sale of 50% of EXMAR LPG to TEEKAY LNG PARTNERS (\$52,8mm) as well as a capital gain on the sale of the DONAU (\$0,9mm)
- Significant Reduction of Net Financial Debt and increase in equity strengthening the overall balance sheet for further expansion

Key consolidated figures (USD million)	Actual 2013	Actual 2012
EBITDA	154,2	162,2
EBIT	100,3	88,9
Net Profit	104,9	56,4
Total Assets	1.188,8	1.370,3
Net Financial debt	422,8	594,0
Equity	406,9	367,0

EBIT contribution (USD million)	Actual 2013	Actual 2012
LNG	26,5	30,5
Offshore	1,4	29,9
LPG	73,5	28,0
SERVICES & HOLDING	<u>(1,1)</u>	<u>(0,5)</u>
	100,3	88,9

Key-Figures Q1 2014

• LNG

- All ships contributed as per their respective Time-Charters

• Offshore

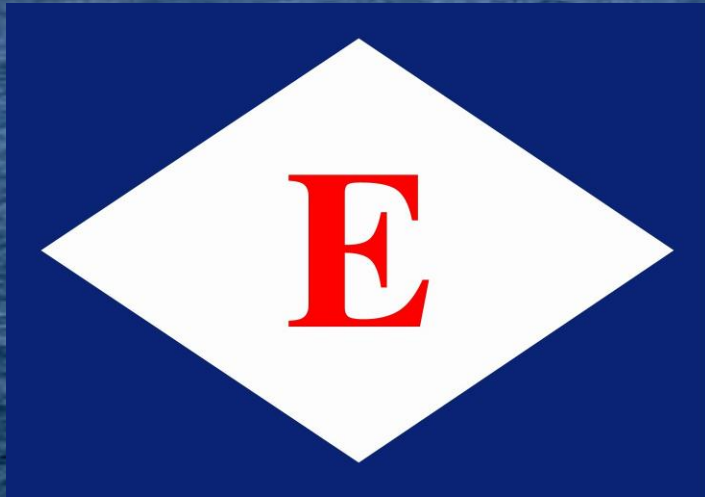
- All units have contributed as per their charter party and should continue to do so until the end of the year
- Tariff Fee on the OPTI-EX is expected to continue to perform all of this year

• LPG

- Figures Q1 2013 include \$ 54,2mm profit on sale of 50% of EXMAR LPG to Teekay LNG
- Q1 2014 figures include a profit of \$4,4mm on the sale of the TEMSE
- Sale of the FLANDERS HARMONY will contribute in the second quarter
- High rates in both Midsize and Very Large Gas Carriers should benefit the second quarter results

Key proportionally consolidated figures (USD million)	Actual Q1/2014	Actual Q1/2013
EBITDA	28,8	79,8
EBIT	17,0	64,6
Profit	14,2	66,1

EBIT Contribution (USD million)	Actual Q1/2014	Actual Q1/2013
LNG	8,8	8,1
Offshore	0,4	0,7
LPG	8,0	56,2
Services and Holding	<u>(0,2)</u>	<u>(0,4)</u>
	17,0	64,6



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