

## EXMAR: Leadership through Innovation



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**EXMAR at a Glance**

# EXMAR at a Glance

A Market Leader in Marine Gas Transportation, LNG Regasification and Offshore Services

## Overview

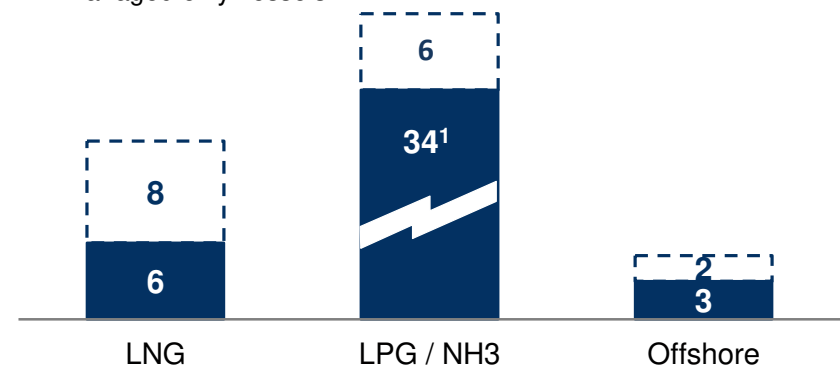
- Leading provider of marine logistics solutions within the global oil and natural gas industry
  - LNG transportation, storage, liquefaction and regasification, LPG and ammonia transportation and Offshore
  - In business for over 30 years
  - Listed on NYSE Euronext ("EXM")
- Distinguished track record of innovation
  - World's 1<sup>st</sup> floating regasification vessel
  - World's 1<sup>st</sup> ship-to-ship transfer
  - Building world's 1<sup>st</sup> floating liquefaction unit
- Crewing and technical management expertise with EXMAR Shipmanagement
- Headquarter in Antwerp, Belgium

## Key metrics (proportional)

- Market capitalization: > EUR 500m
- Revenue (2014): USD 375m
- EBITDA (2014): USD 133m
- Total assets (2014): USD 1,160m
- Equity ratio (2014): 37%
- Net Debt / EBITDA (2014): 3.78
- Employees: approx. 1,720 (including 1,400 seafarers)

## Vessels overview







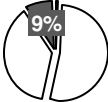
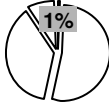






















- Owned vessels
- ▤ Managed only vessels



<sup>1</sup> Includes 8 vessels under construction

# EXMAR Business Overview

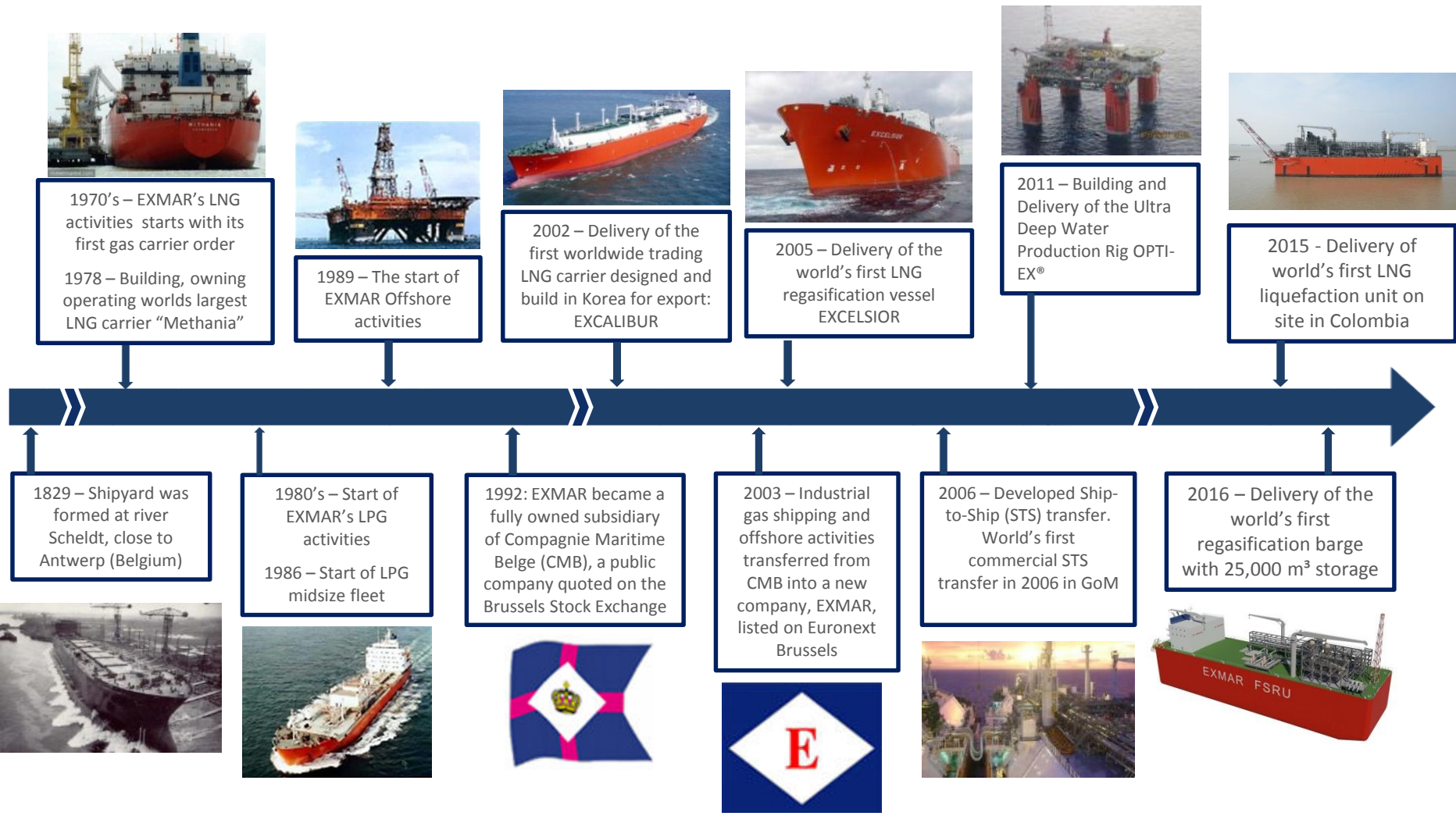
## Overview of EXMAR NV's divisions

	LNG	LPG / NH <sub>3</sub>	Offshore	Services
				
EBITDA by segment (2014)				
Overview / business approach	<ul style="list-style-type: none"> <li>LNG transportation, liquefaction, storage and regasification</li> <li>Customized service with significant added value</li> <li>Long-term time-charter contracts of 15+ years</li> <li>Limited opex exposure</li> <li>1<sup>st</sup> class in-house technical management and crewing</li> </ul>	<ul style="list-style-type: none"> <li>Niche position in LPG, chemical gases and ammonia transportation</li> <li>Long-term relationships with blue-chip customers</li> <li>Balance between TC, COA and spot commitments</li> <li>1<sup>st</sup> class in-house technical management and crewing</li> <li>Established 50/50 JV with Teekay LNG to focus on midsize gas carriers</li> </ul>	<ul style="list-style-type: none"> <li>Provides innovative solutions in the field of offshore oil &amp; gas production</li> <li>Cost effective approach with standardized design &amp; engineering</li> <li>Large geographical coverage, with a focus on Gulf of Mexico and West Africa</li> </ul>	<ul style="list-style-type: none"> <li>In-house engineering departments in Antwerp, Houston and Paris with in-house ship management offices in Antwerp and Singapore</li> <li>Provides management services for a multitude of blue-chip clients</li> </ul>
No. vessels (owned / managed only)	6 / 8	34 <sup>1</sup> / 6	3 / 2	n/a
Key customers	   	       	    	    

<sup>1</sup> Includes 8 vessels under construction



# 180 Years Experience in the Marine Industries



# EXMAR around the world



# Company Profile and Strategy

## Strategy

- Provider of industrial marine and energy logistics solutions for transport, regasification and liquefaction within the oil and gas industry
- Transitioning from pure shipping to a provider of a full value chain of infrastructure and integrated logistics to address the industry's need for competitive energy solutions
- Create value by balancing long- and short term operations to counteract volatility in the freight market

### LNG

- Being a full service provider within the LNG value chain
- Bring LNG as a competitive and green alternative to coal and oil to the market
- Maintain a leading position to provide floating LNG infrastructure solutions

### LPG

- Strengthen EXMAR's already substantial commercial portfolio in the midsize segment and stay ahead of the upcoming amendments in environmental legislation
- Looking actively at all ancillary gas transportation sector (ethane, etc.)

### Offshore

- Develop projects along the E&P value chain with specific focus on offshore floating operations
- Capitalize on the growing Floating Production and Storage Unit market





**EXMAR along the LNG Value Chain**

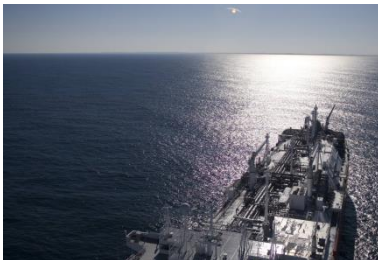
## Business Approach

- Customized service with significant added value
- Investments with long-term time-charter contracts
- Limited or no OPEX exposure
- In-house management and crewing services
- Niche market - infrastructure projects

## First class client base



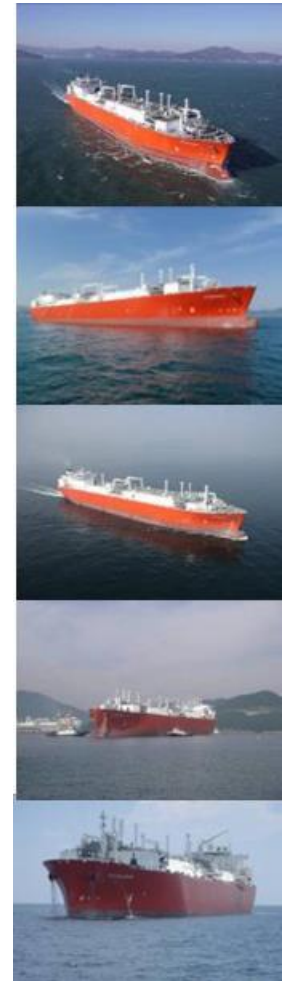
***EXMAR is active in the field of LNG liquefaction, LNG transportation and LNG regasification.***





























# EXMAR LNG Shipping & LNG Infrastructure




## First mover in floating regasification concept

- Active in LNG Transport Since 1978, Methania Largest LNG Carrier in the World at the Time
- Exmar has developed the floating regasification concept together with Excelerate Energy of the US
- Proven LNG regasification system in use since 2005, for baseload or peak shaving operations
- Six vessels in Exmar fleet, combining shipping, storage and regasification capabilities. Highly flexible, capable of discharging either LNG in liquid form or natural gas in vapor form directly into the pipeline network
- Exmar is a leader in Ship-to-Ship LNG transfer operations with more than 500 successful STS realized
- Barge type regasification unit currently under construction at Wison Offshore and Marine



# LNG Fleet Charter Coverage

Vessel	Type	Built	Capacity (m <sup>3</sup> )	Regas capacity (per day)	Ownership / JV partner	Charterer	End user	2020	2025	2030	2035
Excalibur	LNG/C	2002	138,000	n.a.	50% /  TEEKAY LNG PARTNERS L.P.						
Excel	LNG/C	2003	138,000	n.a.	50% / 	ConocoPhillips	ConocoPhillips				
Excelsior	LNGRV	2005	138,000	30k cbm LNG 600mm cu ft. gas	50% /  TEEKAY LNG PARTNERS L.P.						
Excelerate	LNGRV	2006	138,000	30k cbm LNG 600mm cu ft. gas	50% / 		Spot				
Explorer	LNGRV	2008	150,900	30k cbm LNG 600mm cu ft. gas	50% / 						
Express	LNGRV	2009	150,900	30k cbm LNG 600mm cu ft. gas	50% / 						

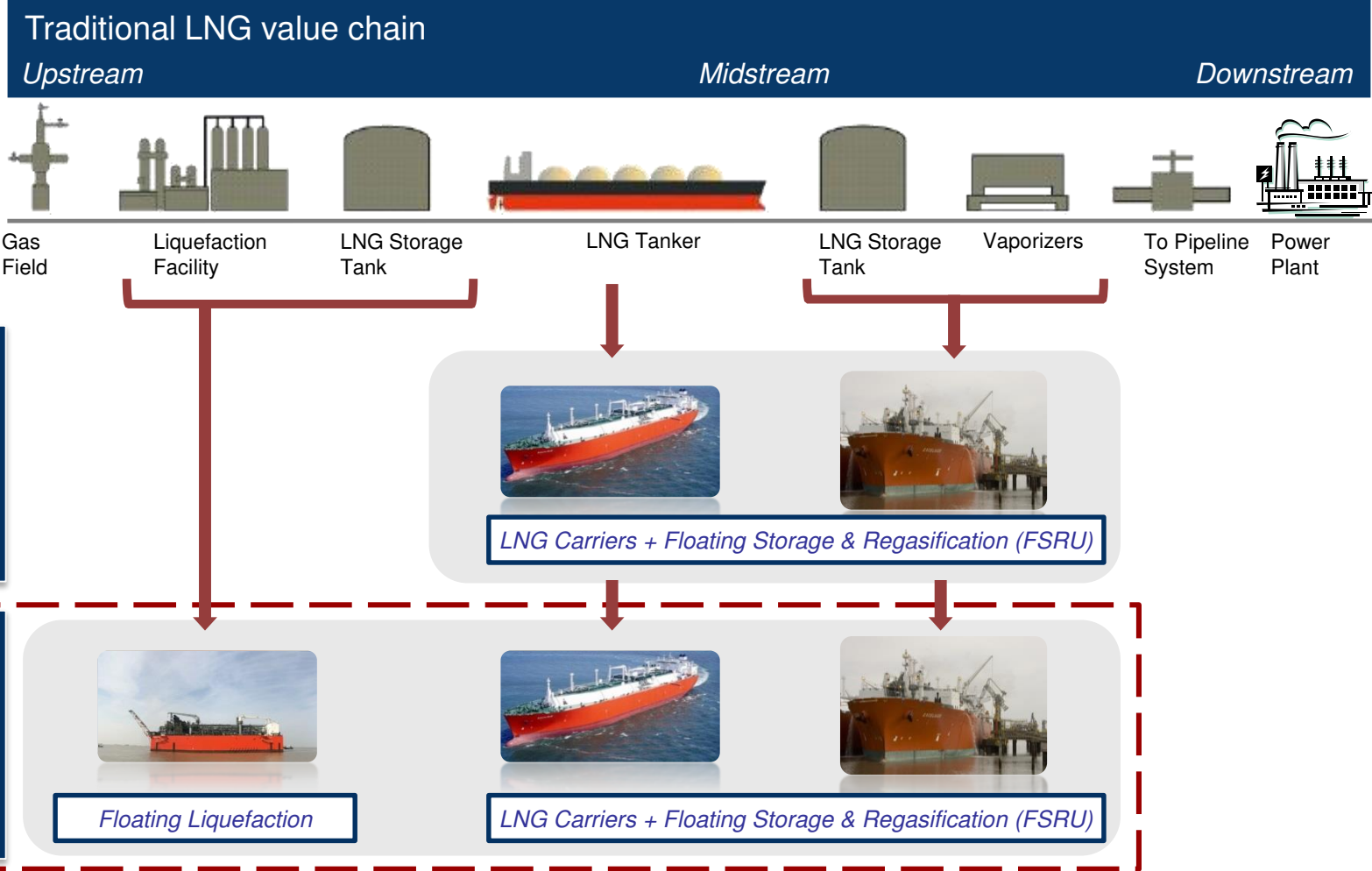
 Chartered 
  Min revenue undertaking from ConocoPhillips 
  Option

- Current portfolio has an avg. remaining firm charter duration of ~15 years for our LNGRVs
- Expected to generate EBITDA in 2014 of USD ~55m and double to USD ~100m within 24 months with contribution from the Caribbean FLNG on charter to PACIFIC RUBIALES
- Limited exposure to opex
  - Full opex pass-through on Excelerate, Explorer and Express
  - Opex escalation clauses on Excelsior and Excalibur
- Minimum revenue undertaking from ConocoPhillips for Excel

Long term contracts in the LNG business provide cash flow visibility and stability



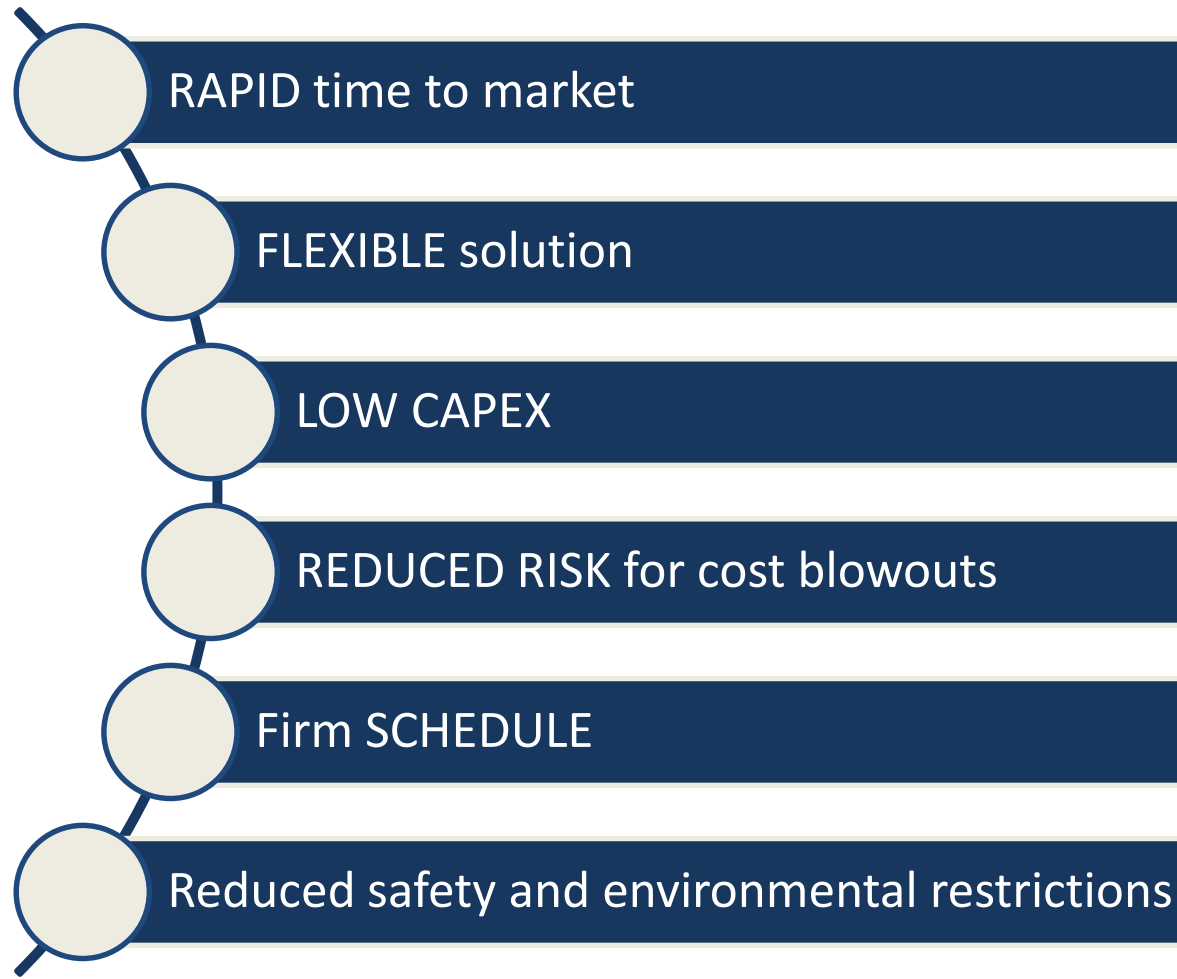
# Innovating Along the LNG Value Chain



By 2015, EXMAR to cover the full LNG value chain

# Advantages of Floating LNG Infrastructure

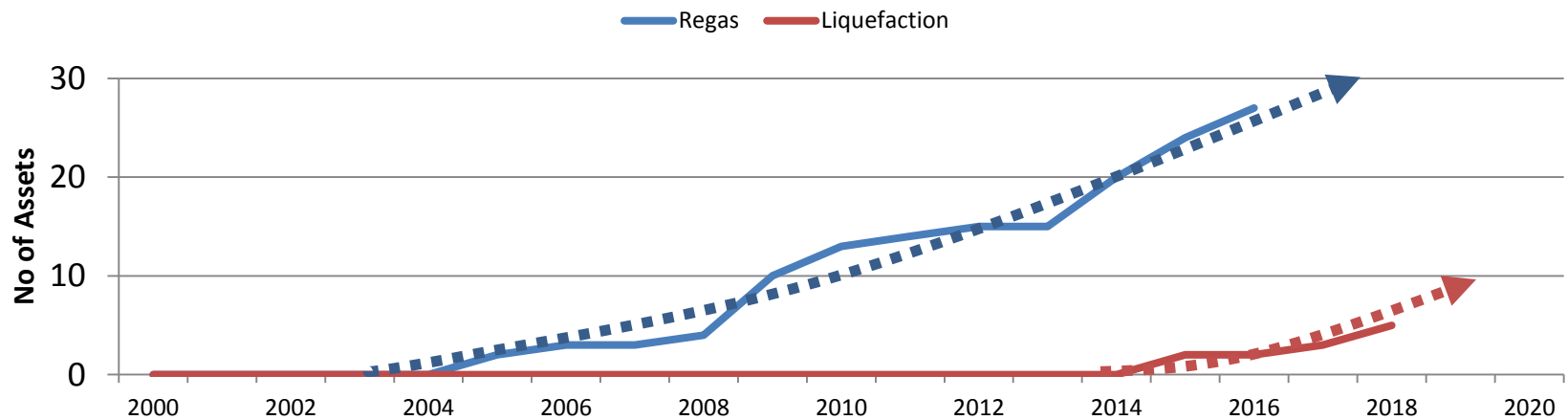
General Comparison with onshore LNG Infrastructure



# Floating LNG Infrastructure: From New Concept to Proven Technology

- It took some years before floating regasification (“FSRU”) really took off
- Floating liquefaction (“FLNG”) is only just starting and market prospects are bullish

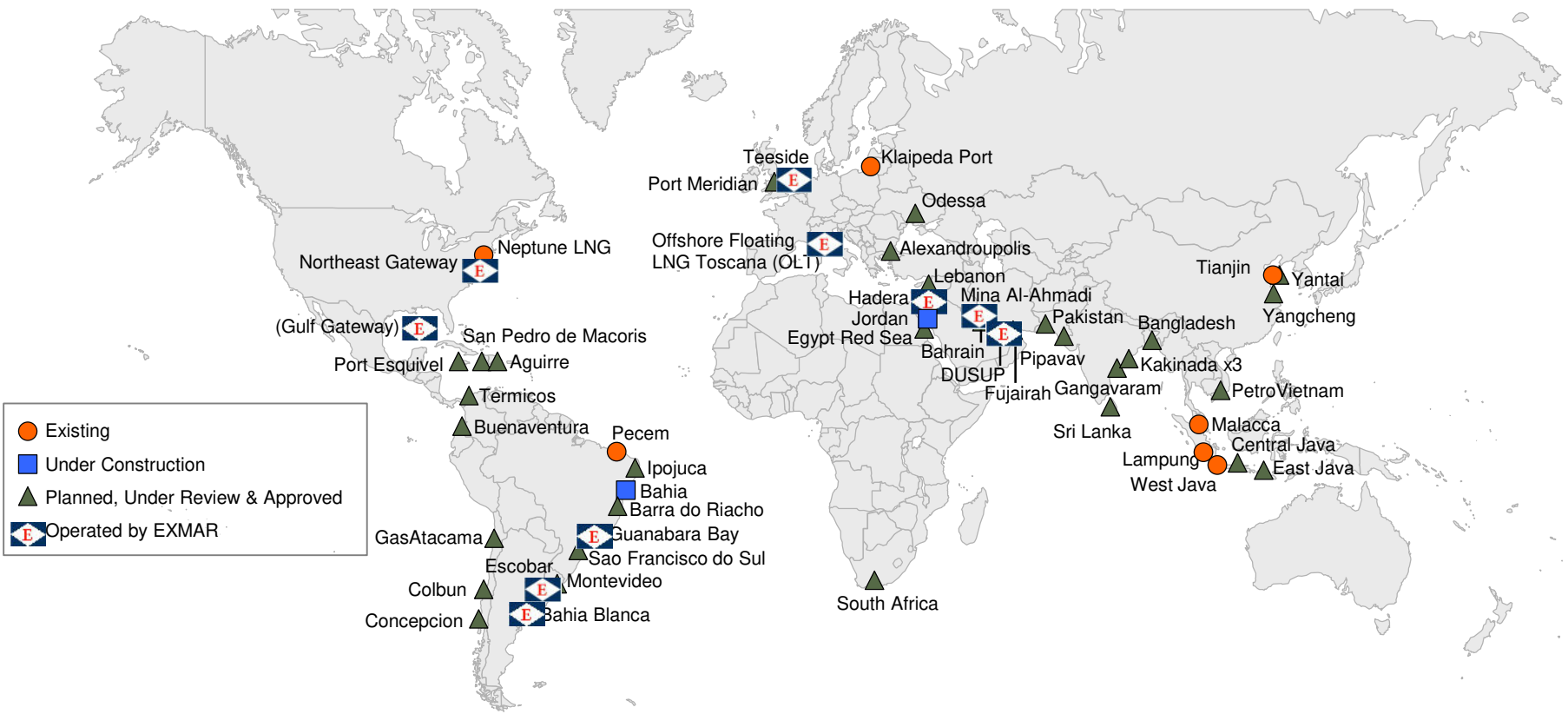
## Development of Floating LNG Infrastructure Market



# Evolution of Floating LNG Import Infrastructure

EXMAR is providing FSRUs since 2005

Floating regasification projects worldwide – 25 units projected to be operational by 2020



## Benefits of floating regasification vs. traditional onshore structures

- Serve new, niche LNG import markets more cost effectively
- Faster implementation relative to onshore facilities
- Can act as bridging solution until onshore terminal can be built
- Inherent mobility provides flexibility to relocate assets

Source: Poten & Partners





# Unique Position in the Development and Operation of FSRUs

Strong leverage for the 30+ FSRU projects being developed worldwide



**Escobar, Argentina, Jetty-moored**



**OLT Toscana, Italy, Turret-moored**



**Bahia Blanca, Argentina, Jetty-moored**

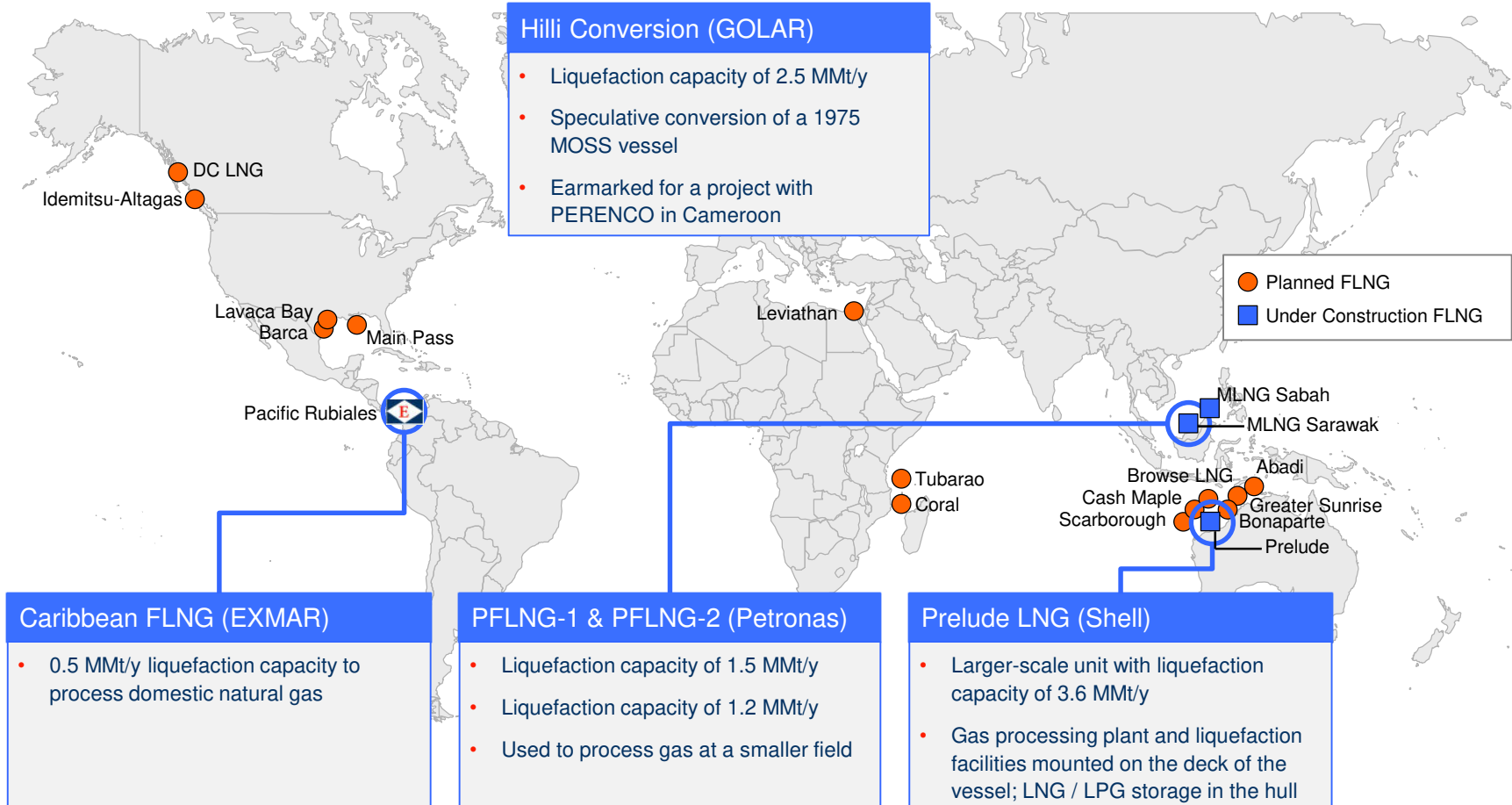


**Gulf Gateway, USA, Buoy-moored**

# Evolution of Floating LNG Export Infrastructure

The World's **First** FLNG is Developed by EXMAR

FLNG projects – planned and under construction worldwide



The FLNG solution provides an attractive and efficient alternative to traditional liquefaction

# The World's First FLNG is Developed by EXMAR

## Caribbean FLNG project in Colombia

- EXMAR to build, operate and maintain the world's first Floating LNG ("FLNG") unit
  - Expected to be operational in second half of 2015
  - Construction currently on-schedule and on-budget
  - Commissioning to start in the summer of 2015 in the People's Republic of China
  - Financing discussion ongoing with consortium of banks on an asset-backed long term financing secured by EXMAR
  - Operate under a 15-year contract (dayrate based agreement) with Pacific Rubiales Energy Corp. ("PRE") (BB+ / Ba2)
  - Largest independent oil and gas exploration and production company in Colombia
- As from successful commissioning of the unit PRE will take delivery and start making payments to EXMAR
- Export capacity: 0.5 MMt per year
- Storage: 16,100 m<sup>3</sup>
- Dimensions:
  - Length: 144 m
  - Breadth: 32 m
  - Depth: 20 m
  - Draught: 5.4 m
- Black & Veatch PRICO® technology
- EXMAR's proven STS transfer technology









# EXMAR FLNG Projects

## FLNG project in British Columbia (Canada)

- EXMAR and a consortium have now taken full ownership of the **Douglas Channel FLNG Project**
  - FEED study ongoing
  - FID expected end of 2015
  - Working towards a long term contract with partners IDEMITSU ALTAGAS and EDFt
  - Unit should be operational in 2018
- EXMAR is working on several other FLNG projects worldwide
  - Based on the promising prospects EXMAR has order a second FLNG barge of a capacity of 0.6mmtpa at Wison Offshore and Marine for delivery mid 2018



Export location	Approx. Shipping cost to NE Asia
US Gulf	2.5 \$/mmbtu
Qatar	2 \$/mmbtu
East Africa	2 \$/mmbtu
<b><u>DC LNG</u></b>	<b><u>1.25 \$/mmbtu</u></b>
Australia	1 \$/mmbtu

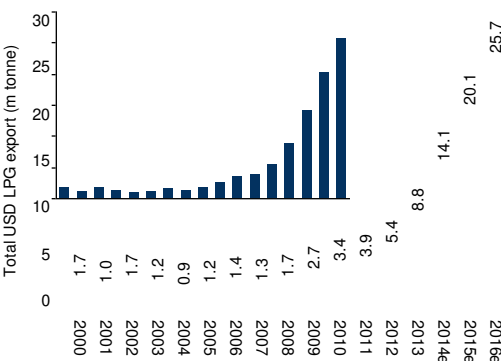


## EXMAR's LPG Activities

## LPG market snapshot

- The US shale gas revolution has lowered the US natural gas price relative to the price of gas in other parts of the world, in particular Asia
- As a consequence, US has become a net exporter of gas, quickly increasing the demand for LPG shipping requirements
- LPG has already become cheaper in price, especially relative to oil prices. US LPG commands a firm price discount *vis-à-vis* Asia and Europe, which adds to continued strong LPG freight market conditions
- Oversupply of LPG in the US and forceful terminal expansions will ensure the strong expansion in LPG exports

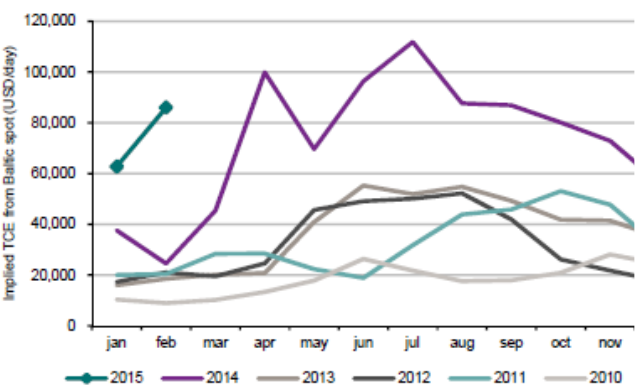
## USD LPG export



## VLGC market outlook

- Current VLGC rates are at record highs in seasonal context due to a persisting regime of high capacity utilization
- Fleet growth expected to be at about 15% going to end 2015, equivalent to an addition of 28 units.
- The order book for VLGCs stands at 95 units, equaling to 54% of the current fleet

## VLGC seasonal spot charter rates



## MGC market outlook

- Ammonia is typically carried by the handy, medium and large sized gas carriers
- Demand for ammonia is driven by population growth and developments in the agriculture industry
- Ammonia accounts for about 1/6 of the total LPG market and constitutes to a large extent regional trade
- MGC rates have over the last decade been more stable than VLGC rates due to more versatile trading patterns
- Over the past 10 years, the ammonia trade has grown by over 3% annually
- The order book for MGCs amounts to 20 units, equivalent to 20% of the current fleet

## MGC time charter rates





## Business Approach

- Niche position in LPG, ammonia and chemical gases transportation
- Focus on midsize carriers
- Long-term relationships with blue-chip customers
- Balance between Time-Charter, COA and spot commitments
- 1<sup>st</sup> class in-house ship management and crewing

## First class client base



### Owner/Operator of LPG carriers

- Transportation of LPG, Chemical Gases and Ammonia;
- Flexible commercial proposition; (Time-Charter, COA and spot commitments);
- VLGC and MGCs integrated in a JV with Teekay LNG (February 2013)

### Fleet of 34 LPG carriers (Owned and Time-Chartered):

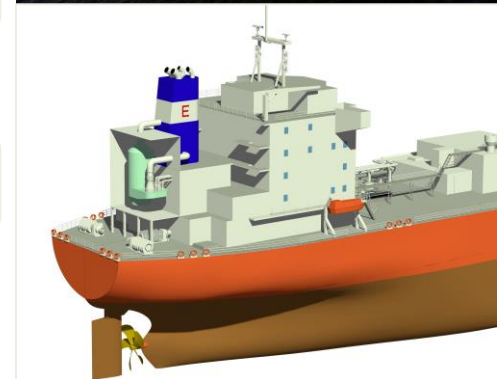
- VLGC (85,000 m<sup>3</sup>);
- LPG/NH<sup>3</sup> Midsize (38,000 m<sup>3</sup>);
- Pressurized (3,500 – 5,000 m<sup>3</sup>)

### Market leader in Midsize segment (20,000 - 40,000 m<sup>3</sup>):

- Transports 30% of the world's seaborne Ammonia

### Newbuilding program of 12 midsize vessels (38,000 m<sup>3</sup>):

- 8 vessels under construction with Hanjin;
- 4 newbuild vessels at HHI have been delivered







## EXMAR's Offshore Activities

## Business Approach

- Provides engineering and design services, asset leasing and operating and management services
- Cost effective approach with standardized design & engineering
- Large geographical coverage, with a focus on Gulf of Mexico and West Africa

## First class client base



# EXMAR's Activities in the Offshore Sector

## Build, own, operate model

- Owned assets: 3 accommodation barges
- Development of FPSO's and FSO's
- Development of Semi-submersible platforms
- Development of Accommodation barges

## Services

- Pre-Operations Engineering
- Marine and Maintenance Services
- Operational Services
- Staffing and Technical Services
- Procurement and Logistical Services
- Asset Integrity Management





# Conclusions

## EXMAR and Floating LNG solutions

35 years experience  
in gas shipping and  
handling with 40+  
vessels



Pioneer in the oil &  
gas industry with  
strong in-house  
engineering teams



World's first  
FLNG to be  
delivered 2H 2015

Turnkey floating  
LNG solutions,  
tailored to the needs  
of the client



Innovation and  
Investment to create  
Shareholders' Value



Market leader in LPG  
midsize segment

Benefitting from a  
unique position in  
growing markets



# Questions & Answers

