



Fourth quarter 2019 presentation

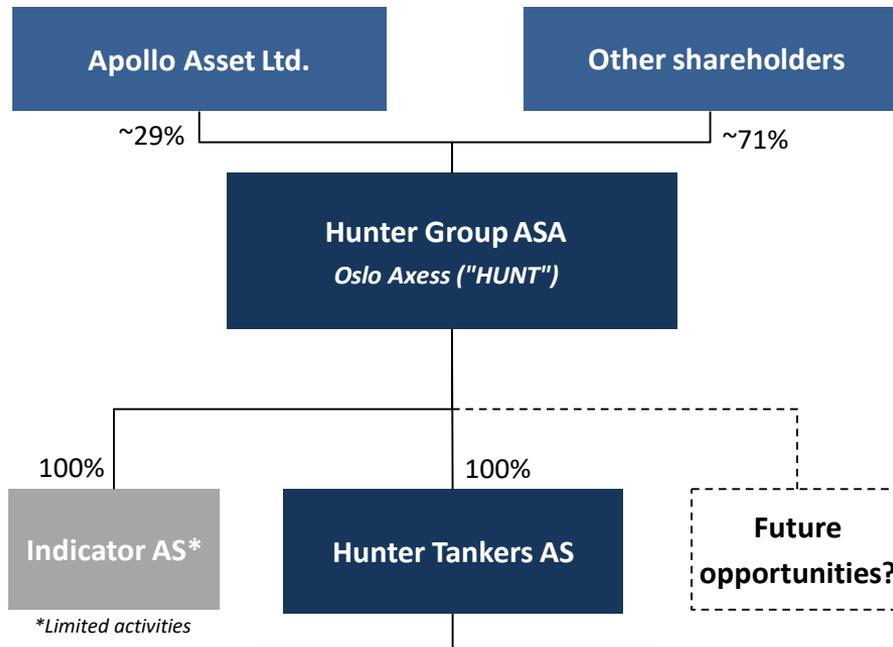
6 March 2020

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Company overview



*Limited activities



4x VLCCs on the water
3x VLCC delivering Q2-Q3 '20

Top 10 shareholders (as of 5 March 2020)

Investor	Shares (m)	Ownership
APOLLO ASSET LIMITED	168	29.1%
SONGA	50	8.6%
SUNDT AS	46	7.9%
SWAP INVEST AS	16	2.7%
BNP PARIBAS SECURITIES SERVICES	15	2.6%
VERDIPAPIRFONDET DNB SMB	9	1.6%
VERDIPAPIRFONDET FONDSFINANS NORGE	8	1.3%
VERDIPAPIRFONDET NORDEA KAPITAL	7	1.2%
NORDNET LIVSFORSIKRING AS	6	1.0%
HALVORSENS FABRIKK AS	6	1.0%
Sum top 10	328	57.0%
Total	575	43.0%

- Owns 7x ECO scrubber-fitted VLCC newbuilds from DSME, ordered for avg. all-in price of ~\$86m
 - Sister vessel recently sold for \$106m
- Superior access to cargo flow provided by Tankers International, the world's largest VLCC pool
- Quality and bespoke technical management services provided by OSM in Arendal

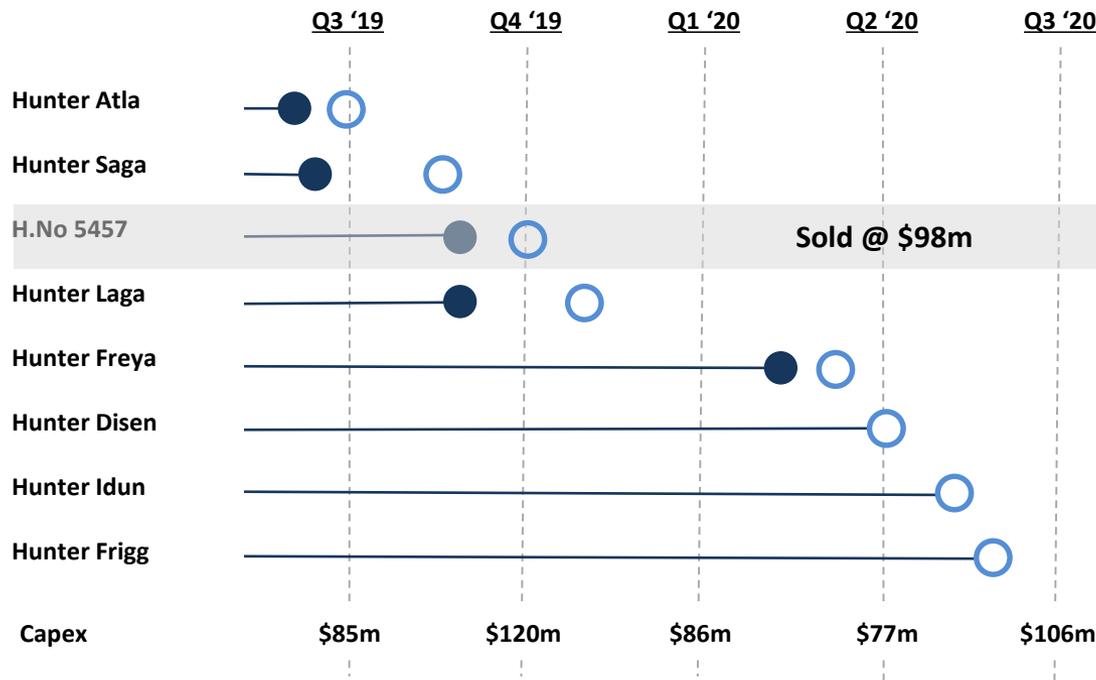
Key events

- Took delivery of Hunter Saga and Hunter Laga, 40 and 80 days ahead of schedule, respectively, significantly improving Q4 earnings power
- Completed the sale of H.No. 5457 for \$98m, resulting in gain of \$12.3m and positive cash effect of \$46.1m
- Secured a \$220 million takeout loan for the remaining four vessels with 275bps margin and 16-year repayment profile
- Fourth quarter daily pool revenues of \$66,600
- As of 28 February 2020, 70% of available pool days had been booked at an average TCE of approx. \$88,300

Q4 2019 financial highlights	
Operating days	231
Pool days	181
Revenue	\$24.4m
<i>Pool revenue</i>	<i>\$12.0m</i>
<i>Gain on sale</i>	<i>\$12.3m</i>
Operating expenses	3.4m
<i>Opex incl. insurance</i>	<i>1.4m</i>
<i>Cash based G&A</i>	<i>0.2m</i>
<i>"Start-up" voyage expenses</i>	<i>1.97m</i>
Net income	\$16.1m
Yard instalments	\$120m
Remaining capex	\$269m
Cash balance	\$52.5m
Interest-bearing debt	\$180.0m

Deliveries ahead of schedule improving earnings power

Delivery overview: ○ = Scheduled ● = Actual



- All four deliveries so far taken place ahead of original schedule

- Hunter Atla: 37 days
- Hunter Saga: 40 days
- Hunter Laga: 80 days
- Hunter Freya: 18 days

Increasing earnings power by a combined 175 days

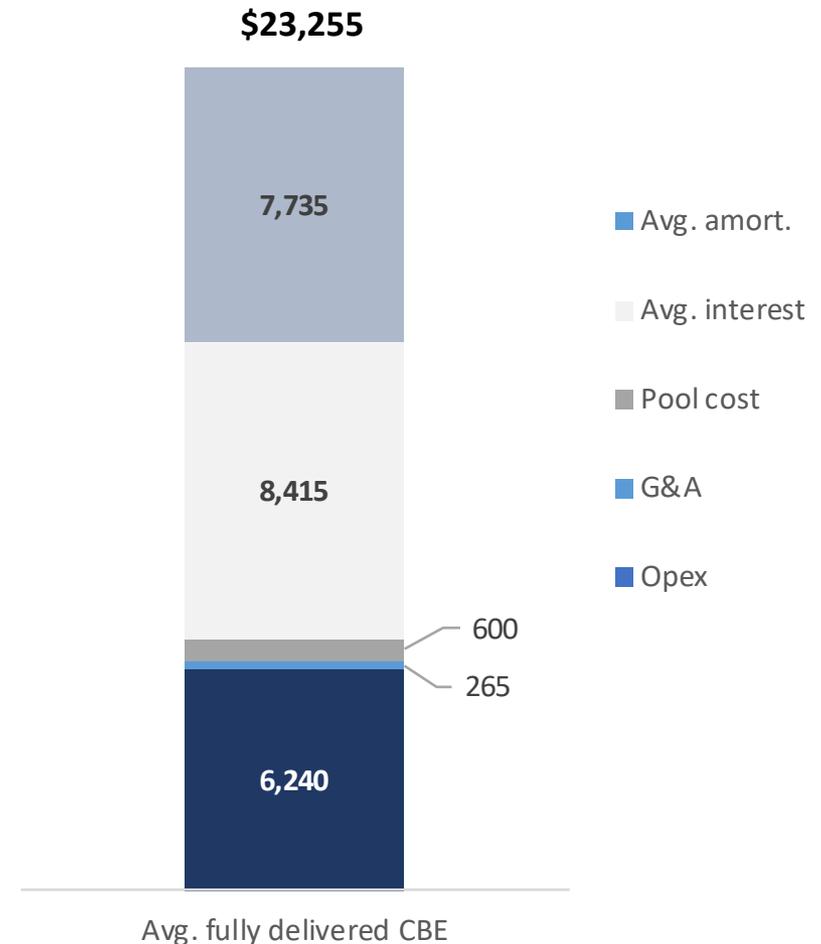
Fully delivered cash breakeven of \$23,255 per day

- Opex of \$6,240/day per day, including insurance
- G&A of \$265/day per vessel on fully delivered basis
- Pool cost of \$600 per vessel per day
- Three vessels on 180m sale leaseback to SFL at \$19,500/day, with full flexibility
 - 7% all in interest cost
 - 20-year repayment profile
- Four vessels financed by \$220m facility with
 - 3M Libor + 275bps
 - 16 year repayment profile

Cash breakeven of \$23,255 per day - fully delivered

~Equal to worldscale 30-35 on benchmark AG-East route

Average fully delivered cash breakeven



Wide dayrate differentials depending on age and fuel...

Current dayrates for AG-China voyage @ WS49.5

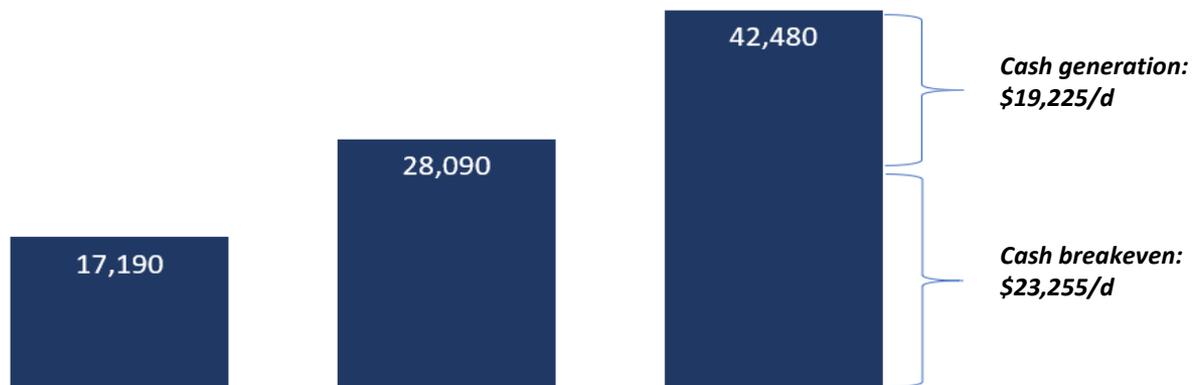
*Devon 2002 built
wo. scrubber*



*"Benchmark" 2010 built
wo. scrubber*



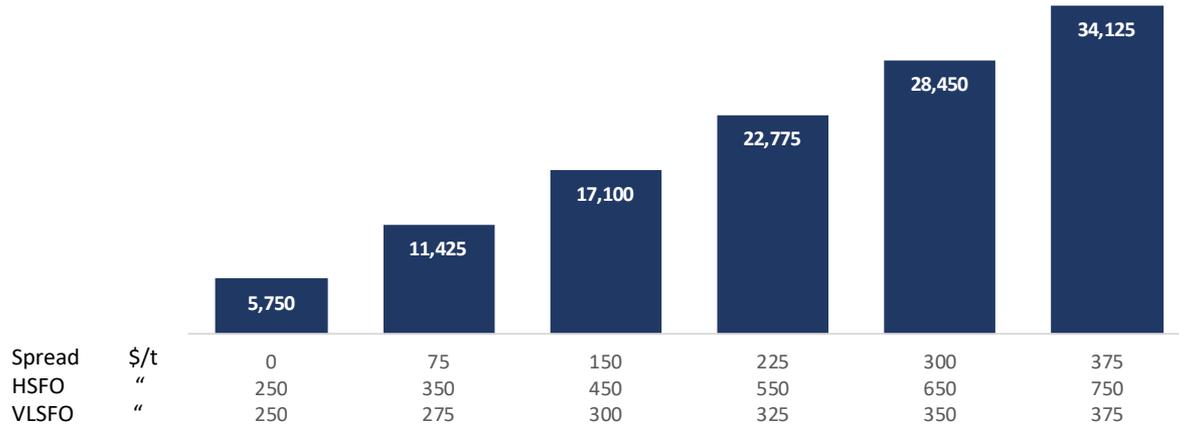
Hunter Freya



Avg. consumption	Tons/day	90	65	45
Fuel type	-	VLSFO	VLSFO	HSFO
Fuel price	\$/ton	436	436	310
Worldscale rate	%	49.5	49.5	49.5
Flat rate	\$/ton	19	19	19
Cargo amount	Tons	270,000	270,000	270,000
Gross freight	USD	2,539,350	2,539,350	2,539,350
Demurrage	"	250,000	250,000	250,000
Port/broker cost	"	-250,000	-250,000	-250,000
Fuel cost	"	-1,765,800	-1,275,300	-627,750
Net freight	"	773,550	1,264,050	1,911,600
Trip duration	Days	45	45	45
Dayrate		17,190	28,090	42,480

Substantial savings to be had - also on lower spreads

Hunter Freya fuel savings vs. benchmark VLCC (\$/day)



- Quoted VLCC dayrates are on the basis of a 10-year old “benchmark” vessel
- 2010-built vessels were ordered in a market environment where fuel efficiency was less important
- Hence, dayrates for modern scrubber-equipped VLCCs are higher

Hunter Freya



“Benchmark” 2010 built w.o. scrubber



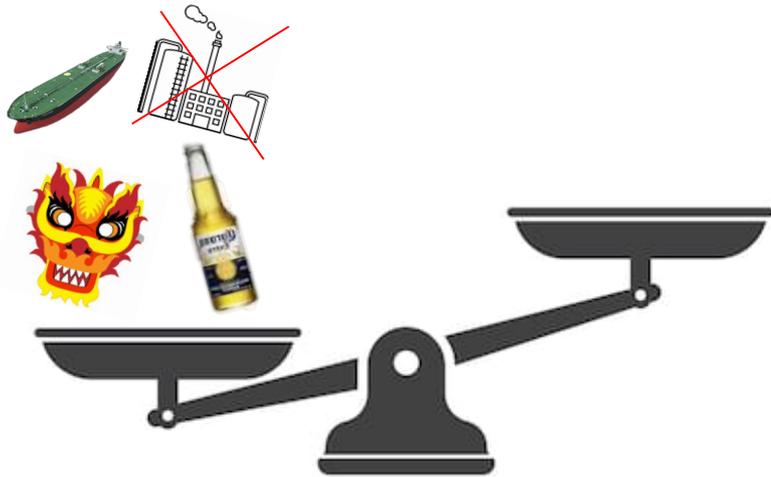
VS

Avg consumption: 45 tons HSFO per day

60 tons of VLSFO per day

Expect rebound from recent market weakness

So far in 2020



- 41 new vessels absorbed in market
 - 15 newbuildings so far in 2020
 - 26 Cosco VLCCs reentered the fleet
- Seasonal weakness with Lunar new year and refinery maintenance
- Coronavirus causing drop in Chinese oil demand of 3-5mbd
 - 87% reduction in road travel post lunar new year
 - 83% reduction in rail travel - “ -
 - 77% air travel - “ -

Modern scrubber equipped vessels bottomed at ~\$30,000/day

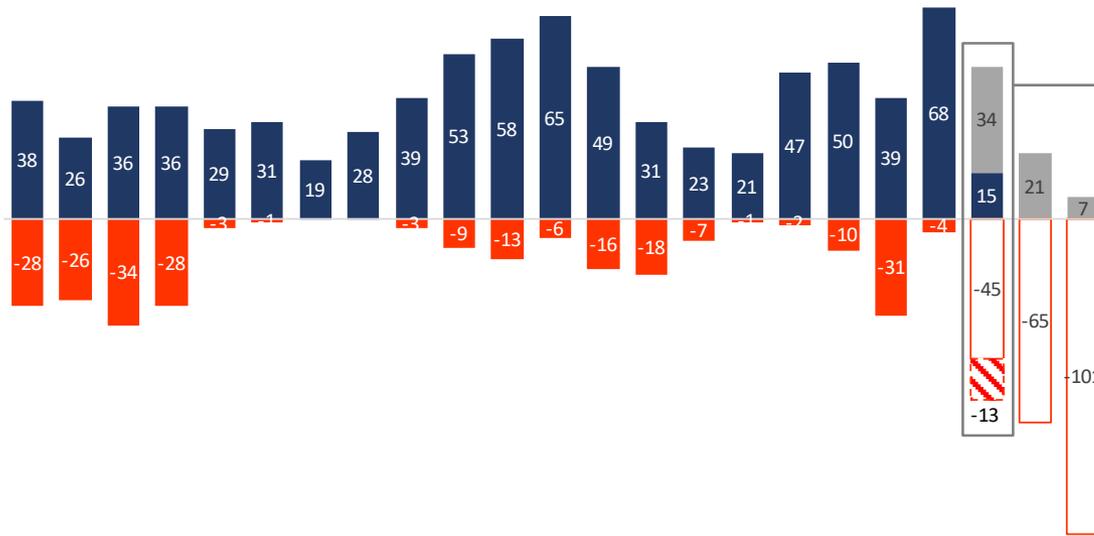
What to expect going forward



- Chinese coronavirus situation under control, and people are returning to work
- 3.5 trillion yuan (\$505bn) Chinese stimulus pledged so far
 - 7 out of 31 provincial governments
- Will lead to catch-up effect to regain lost activity
- 103 VLCCs scheduled for scrubber retrofits
- Low fleet growth and a high number of older vessels are cash flow negative in current environment
- No new vessel orders due to regulatory uncertainty around future decarbonization requirements

All time low orderbook and non-existent new ordering

Fleet overview



Rem. 2020 deliveries and scrubber offhire*



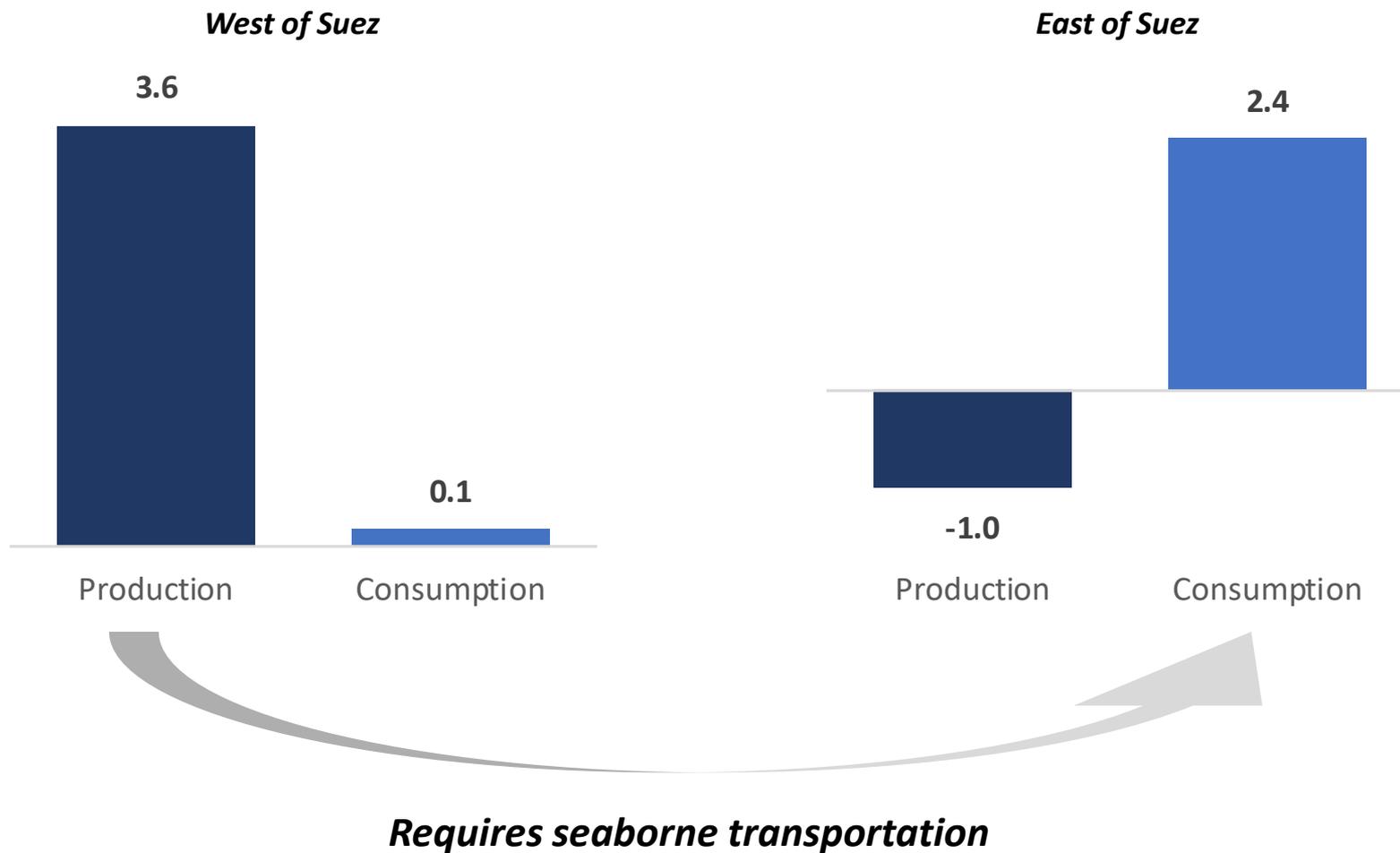
* VLCC equivalents basis 45 days for scrubber installation

2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022

■ Delivered ■ Scrapped ■ Orderbook □ Scrap candidates (cumulative) ▨ Scrubber offhire (VLCC equivalents)

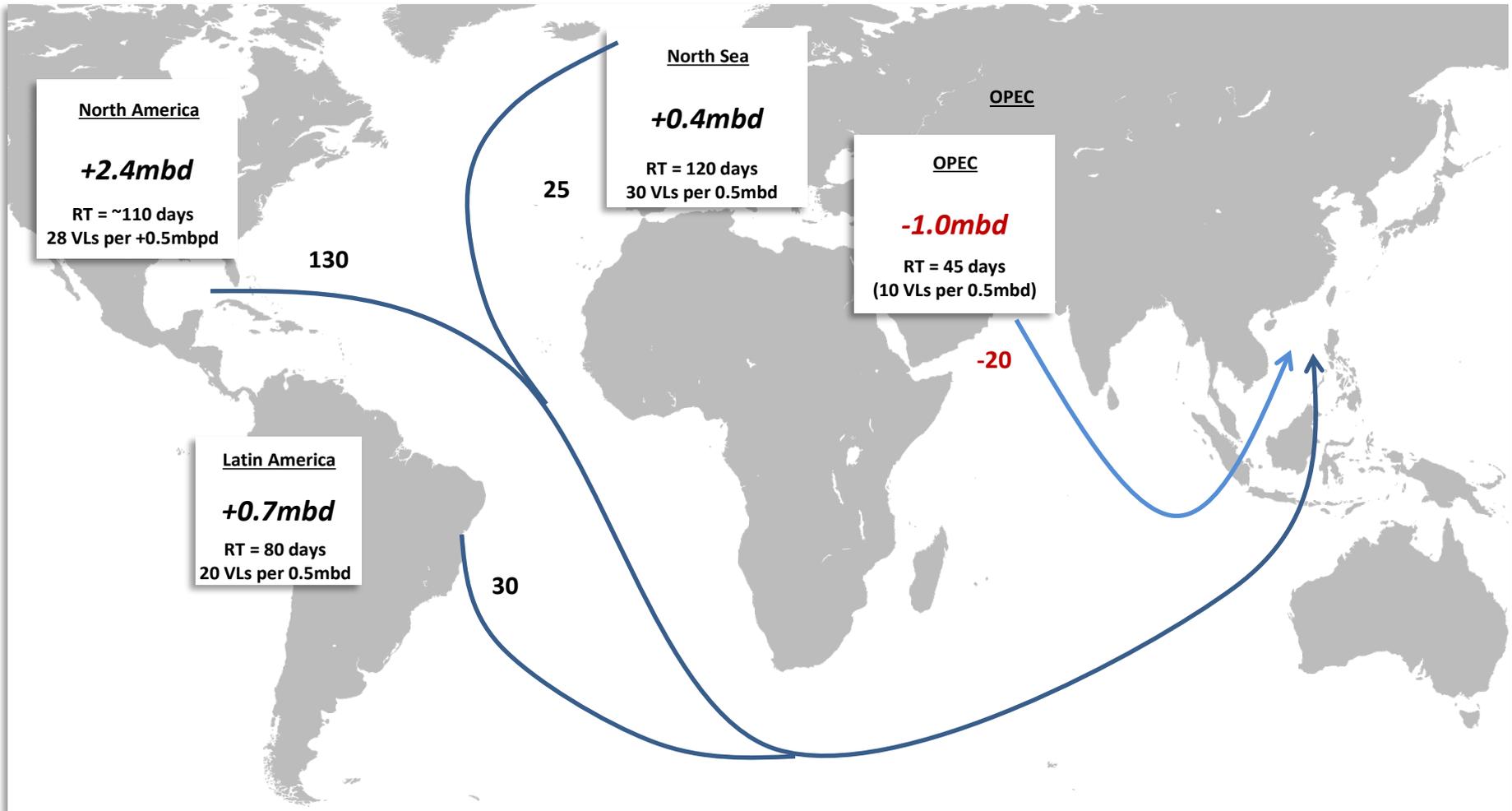
- 801 VLCCs currently on the water
- All time low orderbook of ~7.7%, with 62 VLCCs
- 101 VLCCs turning 20 years old or more by 2022, equal to 12.6% of current fleet
- 103 VLCCs scheduled for scrubber retrofit in 2020, equal to 13 VLCC years assuming 45 days in drydock
- Limited new orders due to uncertainty around decarbonization requirements
 - LNG dual fuel VLCCs currently priced with \$15-20m premium

Oil and liquids production and consumption growth 2020-21



Production growth next ~2 years to require ~160 VLCCs

US/MEG/NS oil production growth 2020-21 and VLCCs required



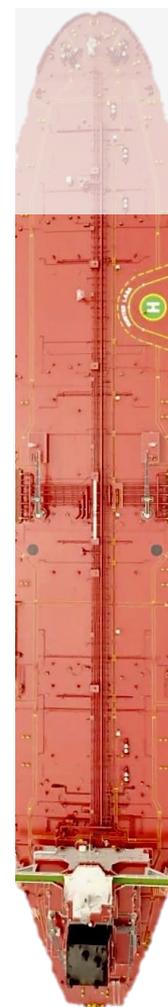
At NOK 3.5/share - Hunter VLCCs valued at 87m

FMV \$103.5
avg. two brokers

Implied pricing per VLCC

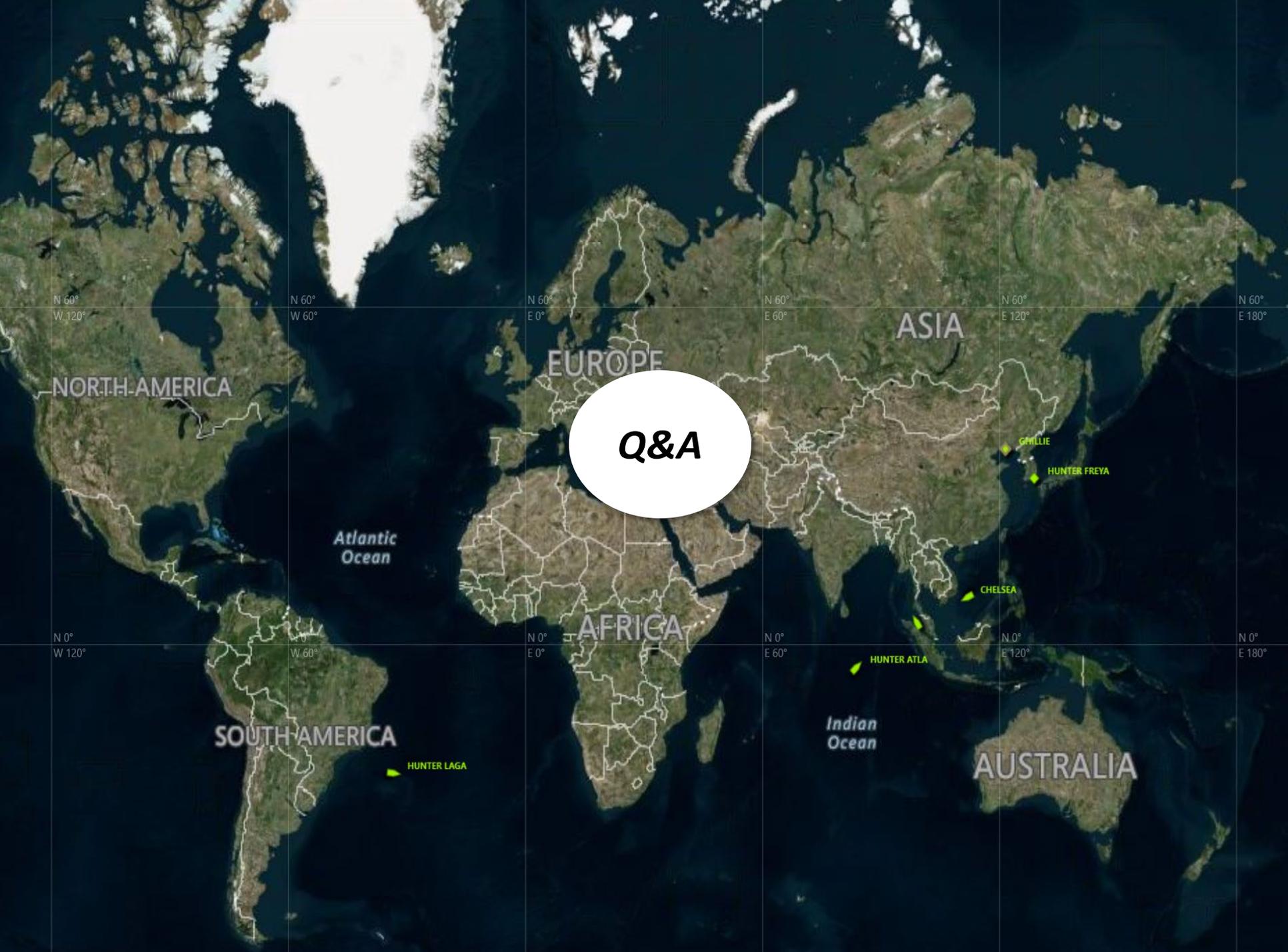
Last close	NOK	3.5
USDNOK	x	9.3
Shares (fully dil)*	Million	592
Market cap	USDm	223
Cash	"	53
Net other*	"	12
Interest bearing debt	"	180
Remaining capex	"	269
EV	"	608
VLCCs	#	7
Implied value per VLCC	USDm	87

* Adj. for warrants/options



\$16.5m = 16% discount

~\$87m = 84% of FMV



Q&A

N 60°
W 120°

N 60°
W 60°

N 60°
E 0°

N 60°
E 60°

N 60°
E 120°

N 60°
E 180°

N 0°
W 120°

N 0°
W 60°

N 0°
E 0°

N 0°
E 60°

N 0°
E 120°

N 0°
E 180°

NORTH-AMERICA

EUROPE

ASIA

Atlantic Ocean

AFRICA

Indian Ocean

SOUTH-AMERICA

AUSTRALIA

HUNTER LAGA

HUNTER ATLA

CHELSEA

GILLIE

HUNTER FREYA

<i>(Unaudited figures in USD 1 000)</i>	Quarters			Year to date	
	Q4 2019	Q4 2018	Note	12/31/2019	12/31/2018
<i>Continuing operations</i>					
Revenues					
Pool revenues	12,026	0	8	12,026	0
Other income	97	52	5, 7	378	52
Net gain on sale of assets	12,308	0		12,308	0
Total Revenues	24,431	52		24,712	52
Operating expenses					
Vessel operating expenses	1,442	0		1,442	0
Voyage expenses	1,968	0	1	1,968	0
Depreciation and amortisation expense	1,886	0	1, 7, 8	1,915	0
General and administrative expenses	410	506	4	1,113	2,816
Total operating expenses	5,706	506		6,438	2,816
Operating profit (loss) continuing operations	18,726	-454		18,274	-2,765
Net interest expense	-2,559	314	8	-2,465	874
Net other financial items	-59	1,321		144	2,406
Net financial income (loss)	-2,618	1,635		-2,321	3,280
Profit (loss) before taxes from continuing operations	16,107	1,180		15,953	515
Tax on ordinary result	0	76		0	-374
Net profit (loss) from continuing operations	16,107	1,256		15,953	142
<i>Discontinued operations</i>					
Net profit (loss) from discontinued operations	0	0		0	-4,410
Net profit (loss)	16,107	1,256		15,953	-4,268

Balance Sheet

<i>(Unaudited figures in USD 1 000)</i>	Note	12/31/2019	9/30/2019	12/31/2018
NON-CURRENT ASSETS				
VLCC vessels	8	254,234	84,837	0
VLCC vessels under construction	5, 8	79,663	162,387	56,682
Other tangible assets	7, 8	217	158	10
Total tangible assets		334,114	247,382	56,692
TOTAL NON-CURRENT ASSETS		334,114	247,382	56,692
CURRENT ASSETS				
Trade and other receivables		7,351	0	83
Other short-term receivables		818	1,217	147
Total current receivables		8,170	1,217	231
Other financial investments		0	0	24,758
Total other financial investments		0	0	24,758
Cash and cash equivalents	6	52,455	9,725	35,001
TOTAL CURRENT ASSETS		60,625	10,942	59,990
TOTAL ASSETS		394,739	258,323	116,681
Equity and Liabilities				
EQUITY				
Share capital (575 362 013 shares)	2	82,625	82,625	55,376
Share premium	2	112,626	112,467	61,123
Other equity		15,953	0	0
TOTAL EQUITY		211,204	195,092	116,499
LIABILITIES				
Non-current interest-bearing debt	7, 8	174,494	58,730	0
Total non-current liabilities		174,494	58,730	0
Trade creditors		3,077	552	132
Accrued public charges and indirect taxes		15	16	9
Current portion of interest-bearing debt	8	5,932	1,440	0
Other current liabilities	4	16	2,492	42
Total current liabilities		9,040	4,500	182
TOTAL LIABILITIES		183,534	63,230	182
TOTAL EQUITY AND LIABILITIES		394,739	258,323	116,681

Cash flow

<i>(Unaudited figures in USD 1 000)</i>	Quarters			Year to date	
	Q4 2019	Q4 2018	Note	31.12.2019	12/31/2018
Profit (loss) before tax from continuing operations	16,107	807		15,953	142
Profit (loss) before tax discontinued operations	0	0		0	-4,410
Profit (loss) before tax	16,107	807		15,953	-4,268
Depreciation	1,886	0	8	1,915	1,126
Gain on sale of VLCC	-12,308	0	5	-12,308	0
Net write-down intangible assets and capitalized grants	0	0		0	2,228
Interest received	-506	-314		-509	-874
Interest paid	2,882	0	8	2,974	33
Change in working capital items	-6,673	116		-4,818	-1,222
Net cash flow from operating activities	1,388	609		3,208	-2,977
Investments in VLCC newbuilds and PP & E	-122,358	-25,683	5, 8	-312,840	-59,672
Sale of VLCC	46,136	0	5	46,136	0
Investments in other financial investments	0	-31,172		0	-81,502
Sale of other financial investments	0	55,349		24,758	55,349
Net cash flow from investment activities	-76,222	-1,507		-241,946	-85,825
Interest received	506	314		509	874
Interest paid	-2,882	0	8	-2,974	-33
Proceeds from borrowings financial institution	120,184	0	8	180,184	-84
Installment leasing-debt (IFRS 16)	-19	0		-48	0
Capital contribution	0	0	2	79,168	92,738
Transaction cost capital contribution	-225	329	2	-647	-1,625
Net cash flow from financing activities	117,565	643		256,192	91,870
Total net changes in cash flow	42,730	-255		17,454	3,068
Currency effect on cash	0	-2,202		0	-2,125
Cash and cash equivalents beginning of period	9,725	37,459		35,001	34,059
Cash and cash equivalents end of period	52,455	35,001		52,455	35,001

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