



Ship Finance International Limited
Q2 2019 presentation

August 20, 2019



Forward Looking Statements



This presentation contains forward looking statements. These statements are based upon various assumptions, many of which are based, in turn, upon further assumptions, including SFL management's examination of historical operating trends, data contained in the Company's records and other data available from third parties. Although SFL believes that these assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control, SFL cannot give assurance that it will achieve or accomplish these expectations, beliefs or intentions.

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 markets in which we operate, changes in demand resulting from changes in OPEC's petroleum production levels and world wide oil consumption and storage, developments regarding the technologies relating to oil exploration, changes in market demand in countries which import commodities and finished goods and changes in the amount and location of the production of those commodities and finished goods, increased inspection procedures and more restrictive import and export controls, changes in our operating expenses, including bunker prices, dry-docking and insurance costs, performance of our charterers and other counterparties with whom we deal, timely delivery of vessels under construction within the contracted price, 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 or political events, and other important factors described from time to time in the reports filed by the Company with the Securities and Exchange Commission.

Q2 2019 Highlights



DIVIDEND
\$0.35/share

- 62nd consecutive quarter of profits and dividends
- 10.9% dividend yield⁽¹⁾

CHARTER HIRE⁽²⁾
\$152m

- >90% from long term charters
- Adjusted EBITDA⁽³⁾ of \$121m

NET INCOME
\$28.1m

- Earnings per share of \$0.26
- Positive mark-to-market on equity securities

ADDED BACKLOG
~\$200m

- Charter extensions in combination with scrubber investments
- Added three vessels on long term charter to a leading liner operator

1) Quarterly cash dividend (annualized) divided by SFL's share price of \$12.82 as of August 19, 2019

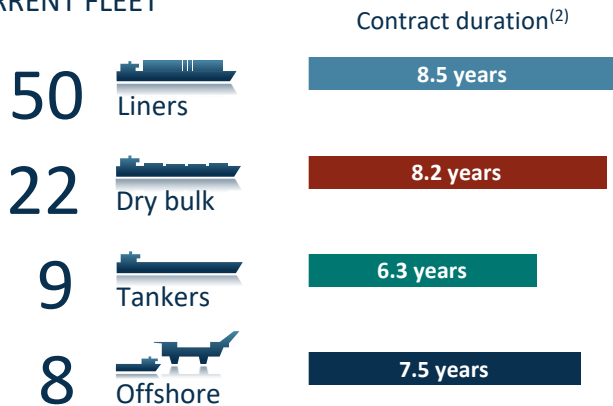
2) Charter hire include total charter hire from all vessels and rigs, including assets in 100% owned subsidiaries classified as 'Investment in associates'

3) 'Adjusted EBITDA' is a non-GAAP measure. It represents cash receipts from operating activities before net interest, amortization and capital payments from all of our owned vessels and rigs. It is the equivalent of charter hire receipts less cash operating expenses. For more details please see Q2 19 report Appendix 1: Reconciliation of Adjusted EBITDA

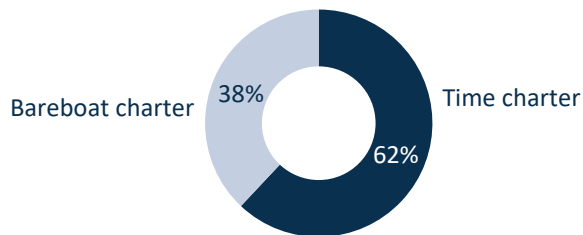
The SFL portfolio



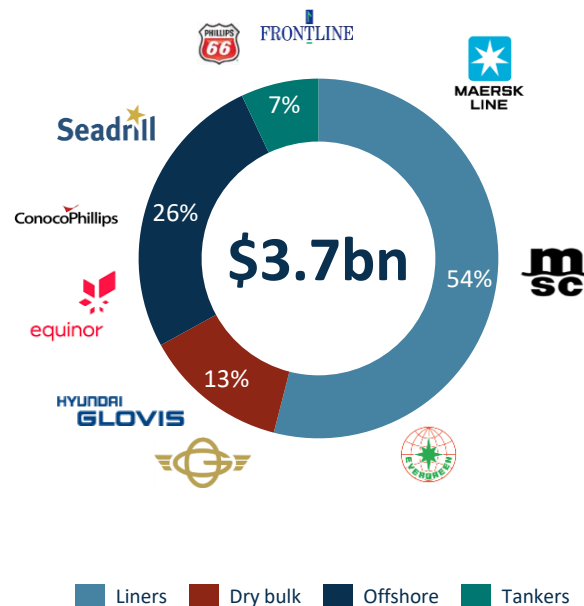
CURRENT FLEET



CHARTER HIRE Q2 2019⁽³⁾



CONTRACTED REVENUE⁽¹⁾



1) As of June 30, 2019 excluding charterer options and adjusted for subsequent sales and acquisitions. Contracted revenue excludes profit share. Vessels on charter to a subsidiary of Solstad Offshore are excluded from the charter backlog. ConocoPhillips and Equinor are shown in the above illustration as they are sub-charterers of two rigs on charter to Seadrill

2) Average charter term weighted by charter revenues and excluding charterer option periods, and adjusted for subsequent sales and acquisitions

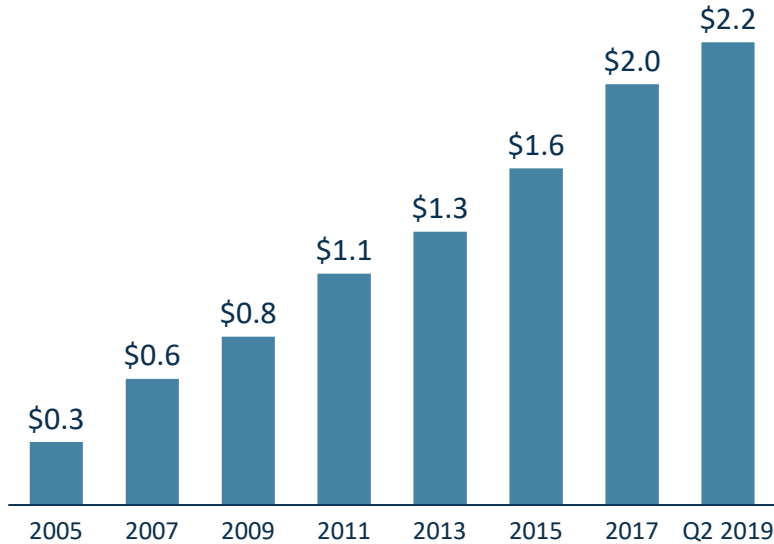
3) Charter hire include total charter hire from all vessels and rigs, including assets in 100% owned subsidiaries classified as 'Investment in associates'

Delivering Shareholder Value



ACCUMULATED SFL DIVIDENDS

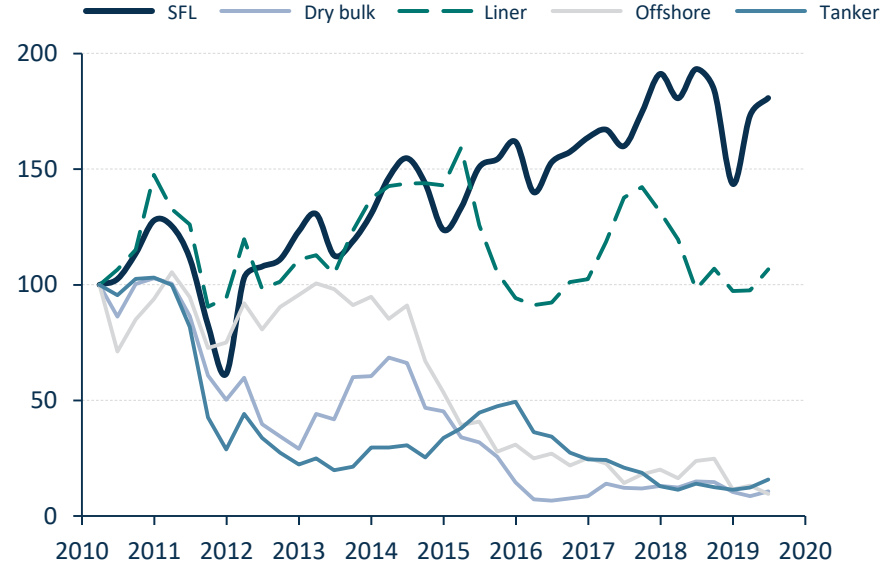
In billions (except per share data)



~\$26 dividend per share
Paid to shareholders since 2004

SFL VS. SINGLE SEGMENT INVESTMENTS

Indexed share price performance (gross dividends)¹⁾



Superior shareholder returns

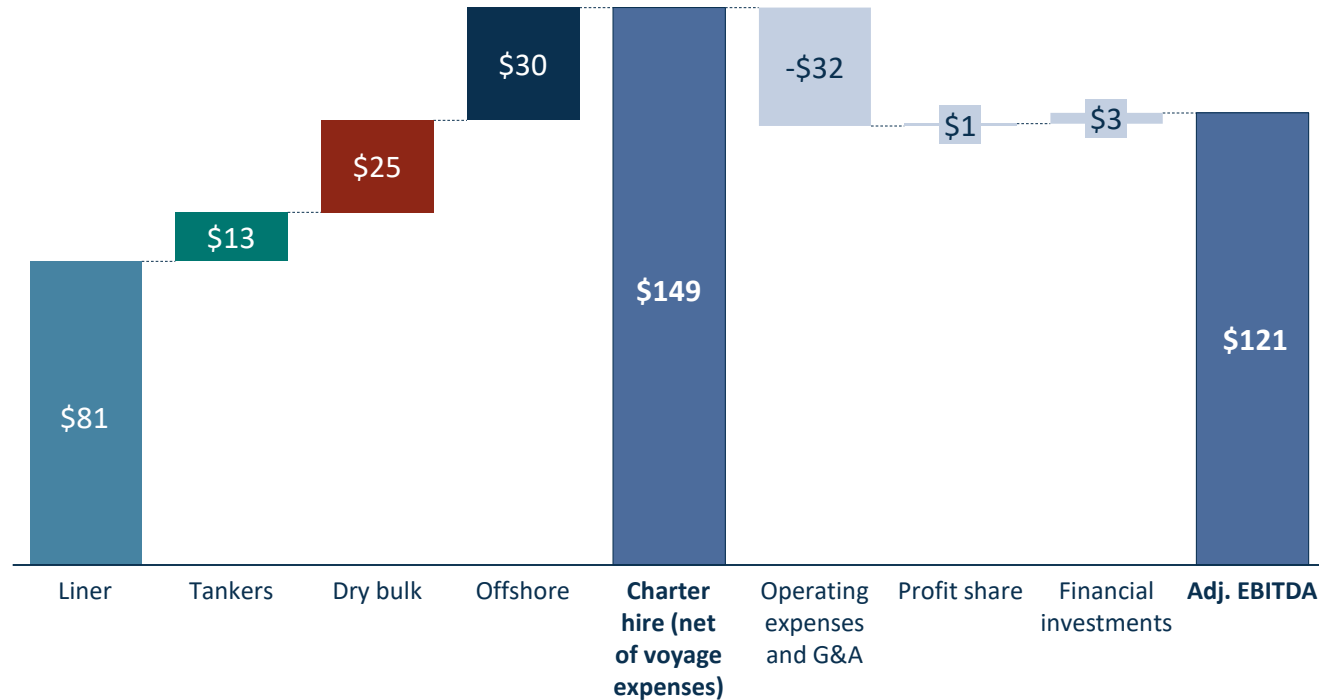
¹⁾ Source: Bloomberg. Quarterly time series from March 31, 2010 to June 28, 2019; The proxy index for dry bulk is based on the share prices of DSX, EGLE, GOGL and SBLK, equal weighted. The proxy index for liners is based on the share prices of Evergreen (Taiwan Stock Exchange) and Maersk (Copenhagen Stock Exchange) in USD, equal weighted. The proxy index for offshore is based on the share prices of DO, RIG and VAL, equal weighted. The proxy index for tankers is based on the share prices of DHT, FRO, NAT and TNK, equal weighted

SFL Operational Performance



ADJUSTED EBITDA Q2 2019 BREAKDOWN⁽¹⁾

In millions



1) Pro-forma illustration of cash flow is not as accounted for under US GAAP. This is used as an internal guideline to assess the Company's performance. Note that figures are net of voyage expenses, extraordinary and non-cash items. Including charter hire in subsidiaries accounted for as 'investment in associates'

Income Statement



	Three months ended	
	Jun 30, 2019	Mar 31, 2019
<i>(in thousands of \$ except per share data)</i>		
Charter revenues - operating lease	93,593	99,002
Charter revenues - finance lease (net of charter hire treated as Repayment of investment in finance leases)	16,756	16,547
Profit share income	553	994
Total operating revenues	110,902	116,543
Gain (loss) on sale of assets and termination of charters		
Total operating expenses	(64,809)	(65,256)
Operating income	46,093	51,287
Results in associates	4,251	4,740
Interest income from associates	3,532	3,532
Interest income, other	1,727	1,499
Interest expense	(33,676)	(34,305)
Amortization of deferred charges	(1,951)	(2,233)
Income (expense) related to non-designated derivatives	(3,938)	(1,676)
Mark-to-market of equity securities	16,794	10,529
Other financial items	(4,711)	219
Net income	28,121	33,592
Basic earnings per share (\$)	0.26	0.31

Mark-to-market of equity securities

- A gain of ~\$16.8m, primarily due to movement in FRO shares

Other financial items

- \$4.4m loss on mark-to-market movement on hedging derivatives
- \$2.0m amortization of deferred charges
- \$8.2m Sea Bear note issued by a subsidiary of Solstad Offshore written down to zero

CASH AND CASH EQUIVALENTS

\$221m

MARKETABLE SECURITIES

\$116m

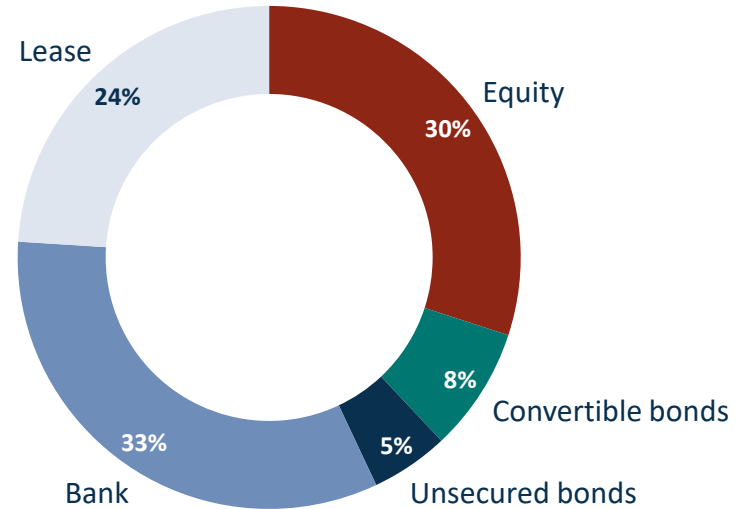
ACTIVE RELATIONSHIP BANKS

>25

ACCESS TO CAPITAL MARKETS

REPEAT ISSUER

DIVERSIFIED SOURCES OF FUNDING⁽¹⁾



¹⁾ Based on book value of interest bearing debt as of June 30, 2019 incl. bonds, capital lease obligations and debt in subsidiaries accounted for as associates. Equity value based on SFL share price of \$12.82 as of August 19, 2019

DIVIDEND
\$0.35/share

- 62nd consecutive quarter of profits and dividends
- 10.9% dividend yield⁽¹⁾

ADDED BACKLOG
~\$200m

- Charter extensions in combination with scrubber investments
- Added three vessels on long term charter to a leading liner operator

IMO
2020

- The story starting to unfold
- Positioned to benefit from the market uplift through profit splits

CASH
\$221m

- Solid cash position
- Significant investment capacity

1) Quarterly cash dividend (annualized) divided by SFL share price of \$12.82 as of August 19, 2019