



GOLDEN OCEAN™

RESULTS Q2 - 2019

August 15, 2019

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



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COMPANY UPDATE

HIGHLIGHTS



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- The Company reports **net loss of \$33.1 million** and net loss per share of \$0.23 for the second quarter of 2019, compared with net loss of \$7.5 million and net loss per share of \$0.05 for the first quarter of 2019
 - Net loss for the second quarter of 2019 included mark to market losses on derivatives of \$13.3 million, or \$0.09 per share
- Adjusted **EBITDA** in the second quarter of 2019 was **\$21.5 million**, compared with \$36.0 million in the first quarter of 2019
- Declared four options for scrubber installations, increasing the total number of installations to 23
- Completed refinancing of the non-recourse loans for 14 vessels, reducing interest expense and cash break even levels
- Invested in Singapore Marine, a dry bulk freight operator
- Entered into a non-binding term sheet together with Trafigura and Frontline to establish a leading global supplier of marine fuels
- Announces a cash **dividend of \$0.10** per share for the second quarter of 2019

PROFIT & LOSS



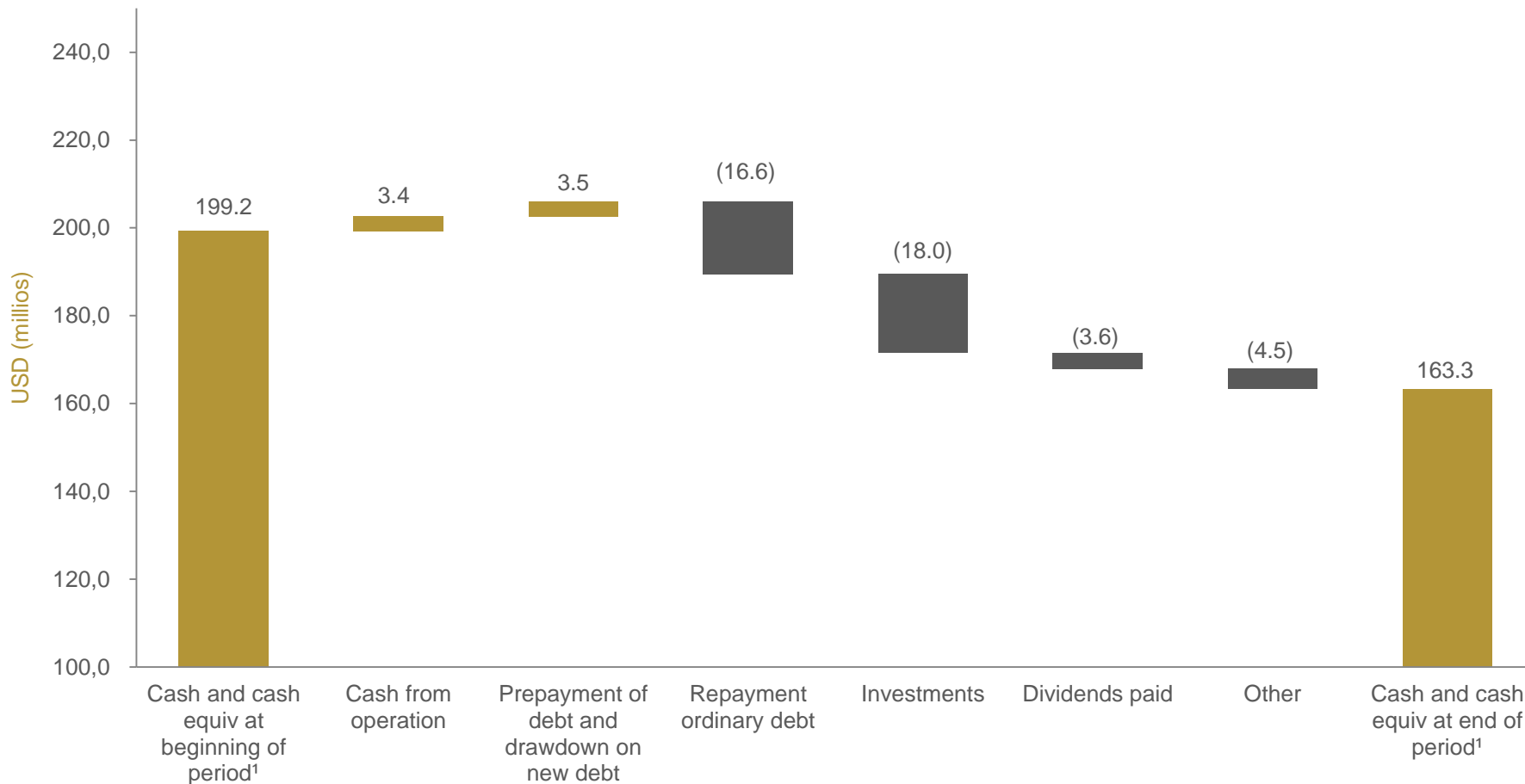
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(in thousands of \$)	Q2 2019	Q1 2019	Quarterly Variance
Operating revenues	117,653	126,956	(9,303)
Voyage expenses	(32,905)	(34,199)	1,294
Net revenues	84,748	92,757	(8,009)
Ship operating expenses	(48,707)	(42,111)	(6,596)
Administrative expenses	(3,276)	(3,530)	254
Charter hire expenses	(15,828)	(15,788)	(40)
Depreciation / impairment	(23,978)	(22,875)	(1,103)
Net operating expenses	(91,789)	(84,304)	(7,485)
Net operating income (loss)	(7,041)	8,453	(15,494)
Net financial expenses	(14,214)	(15,320)	1,106
Derivatives and other financial income (loss)	(11,793)	(560)	(11,233)
Net income before taxation (loss)	(33,048)	(7,427)	(25,621)
Income Tax expense	38	38	-
Net income (loss)	(33,086)	(7,465)	(25,621)
Earnings (loss) per share: basic and diluted	(\$0.23)	(\$0.05)	(\$0.18)
Adjusted EBITDA	21,507	36,021	(14,514)
TCE per day	11,629	13,131	(1,502)

CASH FLOW DURING THE QUARTER



Q2 2019



¹ INCLUDES RESTRICTED CASH

BALANCE SHEET



(in thousands of \$)	Q2 2019	Q1 2019	Quarterly Variance
ASSETS			
Short term			
Cash and cash equivalents (incl. restricted cash)	117,549	153,036	(35,487)
Other current assets	148,061	132,252	15,809
Long term			
Restricted cash	45,708	46,115	(407)
Vessels (incl. newbuildings and held-for-sale)	2,365,773	2,384,506	(18,733)
Operating leases, right of use assets, net	196,827	201,124	(4,297)
Other long term assets	29,669	19,992	9,677
Total assets	2,903,587	2,937,025	(33,438)
LIABILITIES AND EQUITY			
Short term			
Current portion of long term debt and capital lease	238,355	311,379	(73,024)
Current portion of operating leases	22,585	22,072	513
Other current liabilities	90,334	64,616	25,718
Long term			
Long term debt and capital lease	914,012	857,287	56,725
Non-current portion of operating lease obligations	165,084	170,976	(5,892)
Equity	1,473,217	1,510,695	(37,478)
Total liabilities and equity	2,903,587	2,937,025	(33,438)

CREDIT FACILITIES

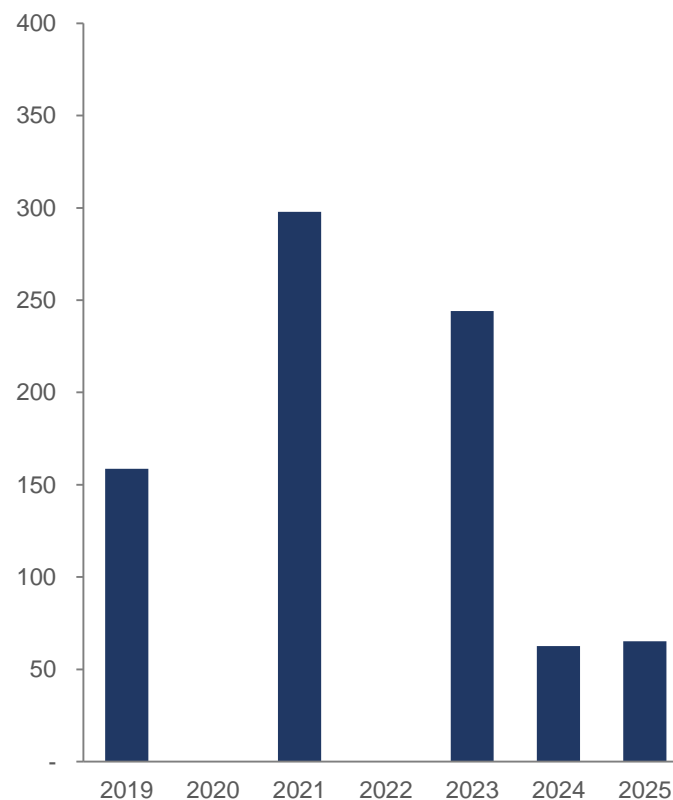
RECENT DEVELOPMENTS

- Three non-recourse facilities, financing 14 vessels, have been replaced by two new facilities with more favourable terms
- All loans are asset-backed with well-known shipping banks and fully guaranteed by GOGL
- An undrawn separate loan tranche of up to \$33 million, financing up to 11 scrubber installations, is in place
- Total amortization of \$21.2 million per quarter
- Average margin above LIBOR on bank financing is competitive at 2.25%

SELECTED COVENANTS

- Free cash of at least \$20 million or 5% of interest bearing debt
- Market Value Clause of 135%
- Value adjusted equity of at least 25% of its value adjusted total assets

DEBT MATURITIES

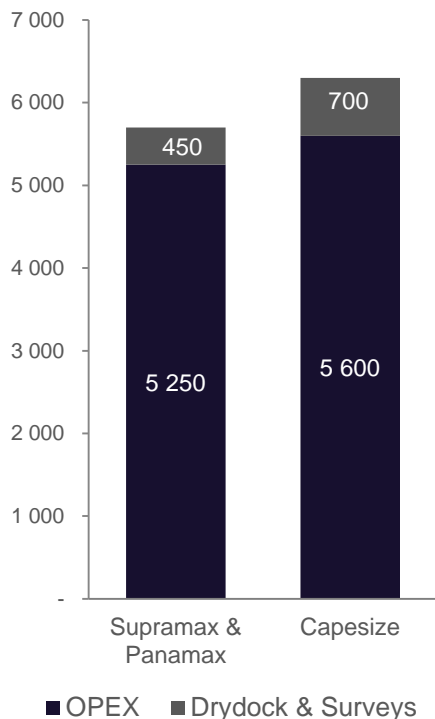


MODERN, EFFICIENT FLEET

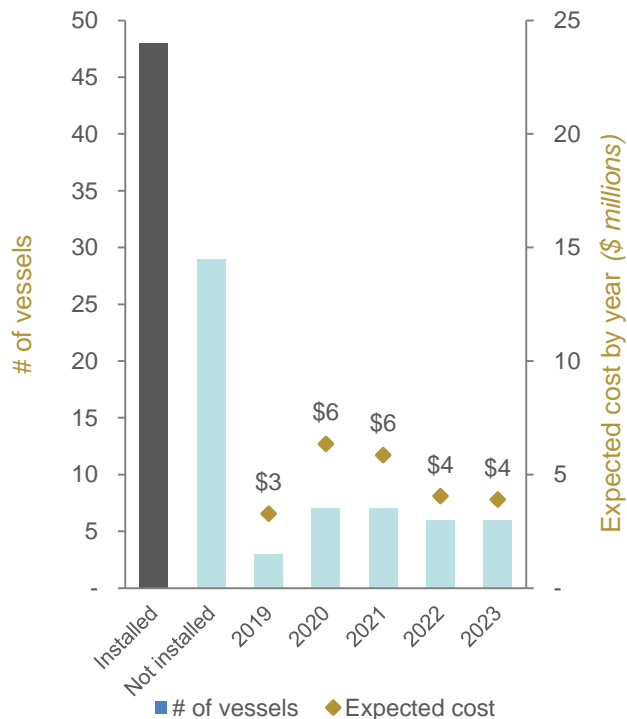


- Fully-burdened Opex includes dry docking and management fees
- Eight vessels completed dry-dock in first half of 2019, which included installation of BWTS
- Additional 11 Capesize vessels are scheduled for drydock in 2019
- Average fleet age of less than six years and majority of the fleet designed with fuel-efficient engines and ballast water treatment systems
- Additional advantage to be gained through scrubber installations

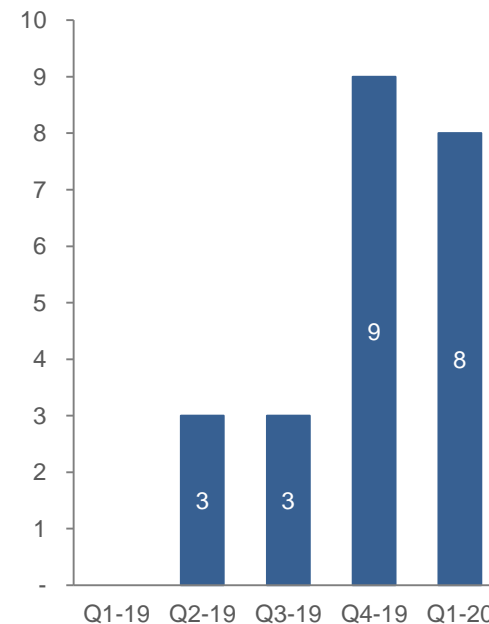
OPERATING EXPENSES (YTD 2019)



BWTS INSTALLATION SCHEDULE



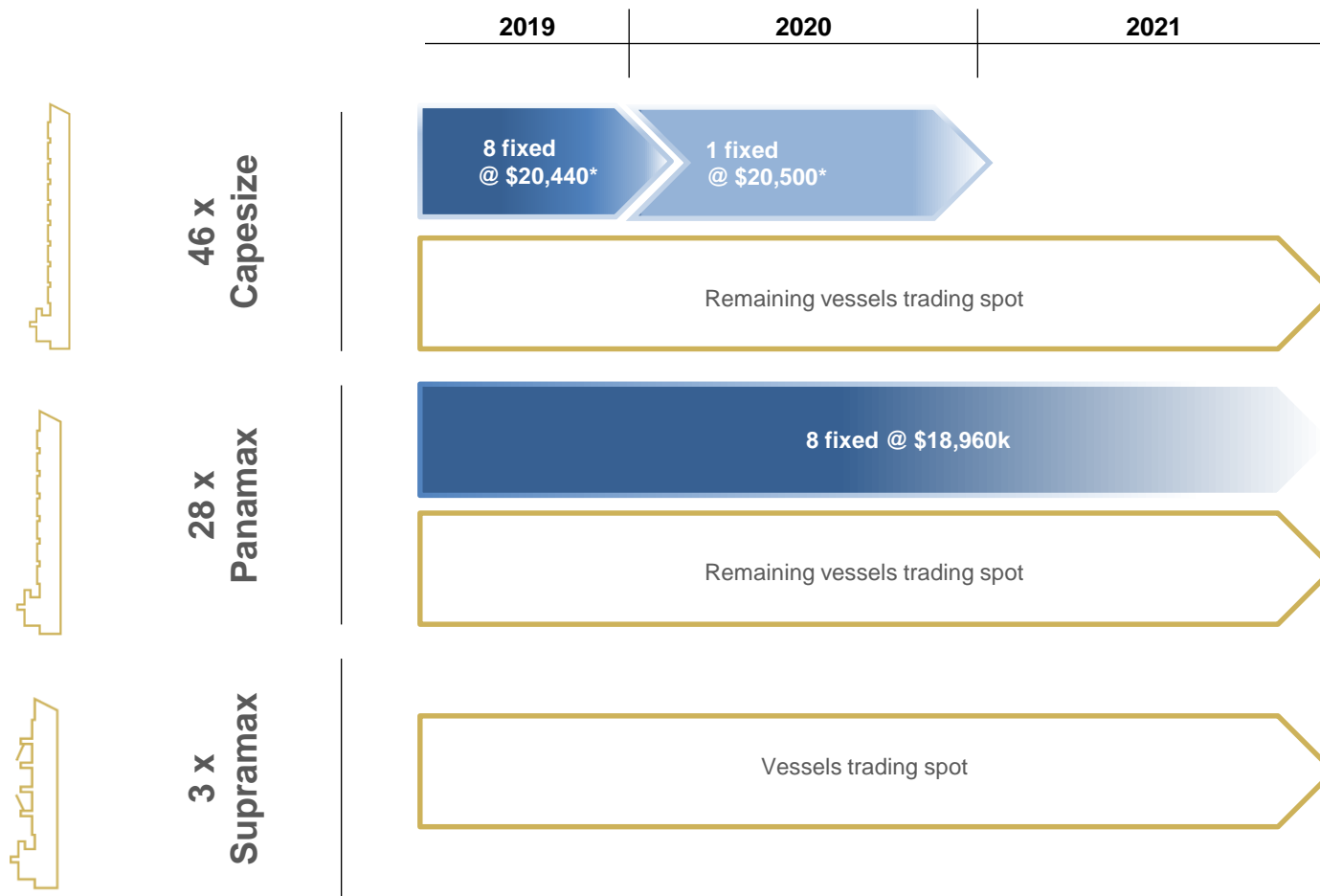
SCRUBBER INSTALLATION SCHEDULE



FLEET DEPLOYMENT

Opportunistic chartering strategy with significant operating leverage

CHARTERING PROFILE



NOTE: CHARTERING PROFILE AS OF AUGUST 2019; EIGHT PANAMAX CHARTERS EXPIRE BETWEEN END OF 2019 AND END OF 2021.

*IN ADDITION SIX CAPE SIZE VESSELS HAVE FLOOR / CEILING CONTRACTS FOR 2019 AND TWO VESSELS FOR 2020



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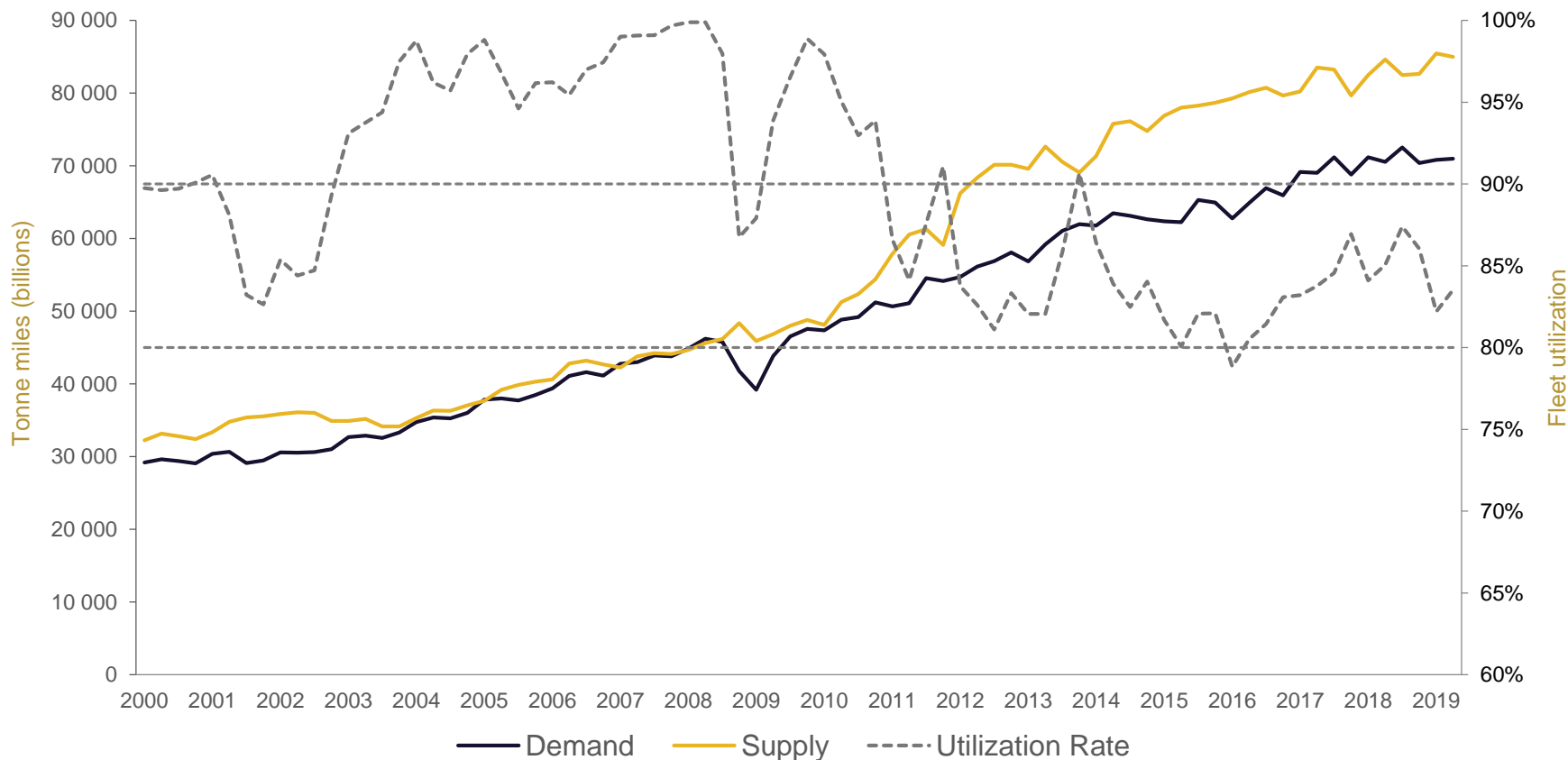
DRY BULK MARKET UPDATE

DRY BULK SUPPLY / DEMAND & UTILIZATION



Utilization increased to ~83.5% in the second quarter, rebounding from the pullback in the first quarter caused by iron ore export disruptions in Brazil

SUPPLY, DEMAND AND UTILIZATION RATE - DRY BULK SHIPS 10,000 DWT +

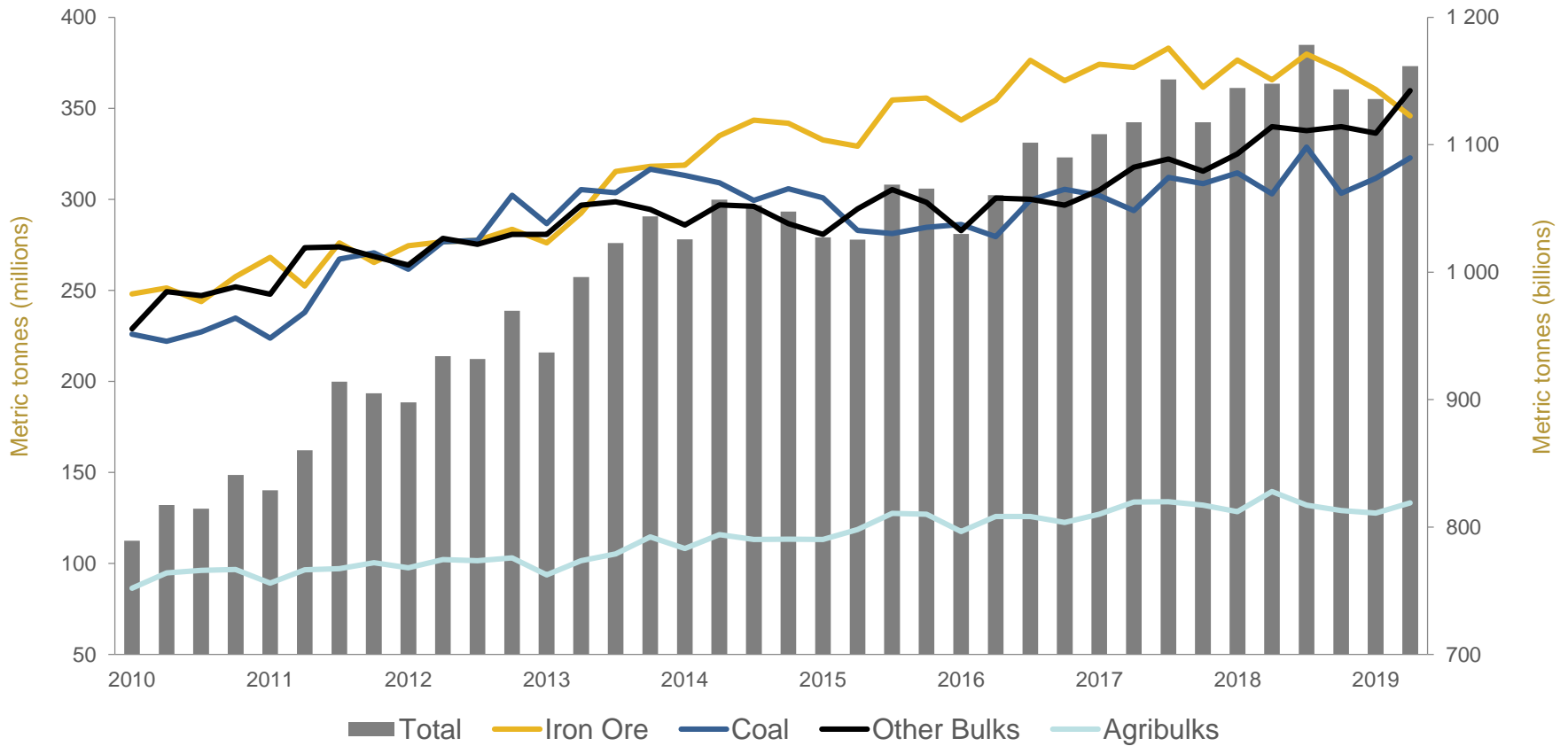


GROWTH IN VOLUMES DESPITE IRON ORE DISRUPTIONS



Volumes grew slightly year-over-year despite ~20mn metric tonne decrease in iron ore volumes

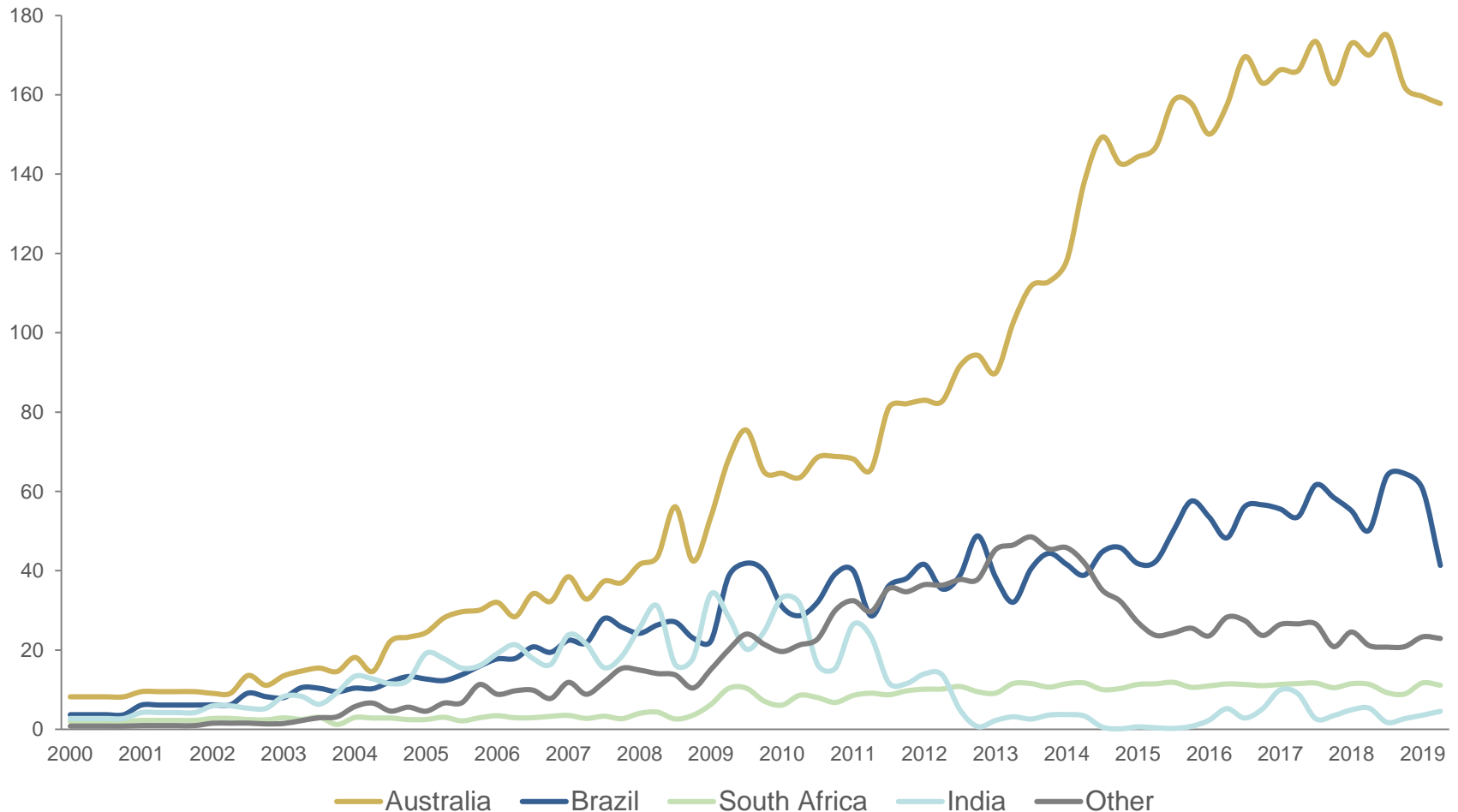
SEABORNE TRADE OF DRY BULK COMMODITIES (MAJOR IMPORTERS)



DECLINE IN BRAZIL IRON ORE PRODUCTION ARE REFLECTED IN Q2 2019 EXPORT FIGURES



QUARTERLY EXPORTED IRON ORE VOLUMES PER COUNTRY

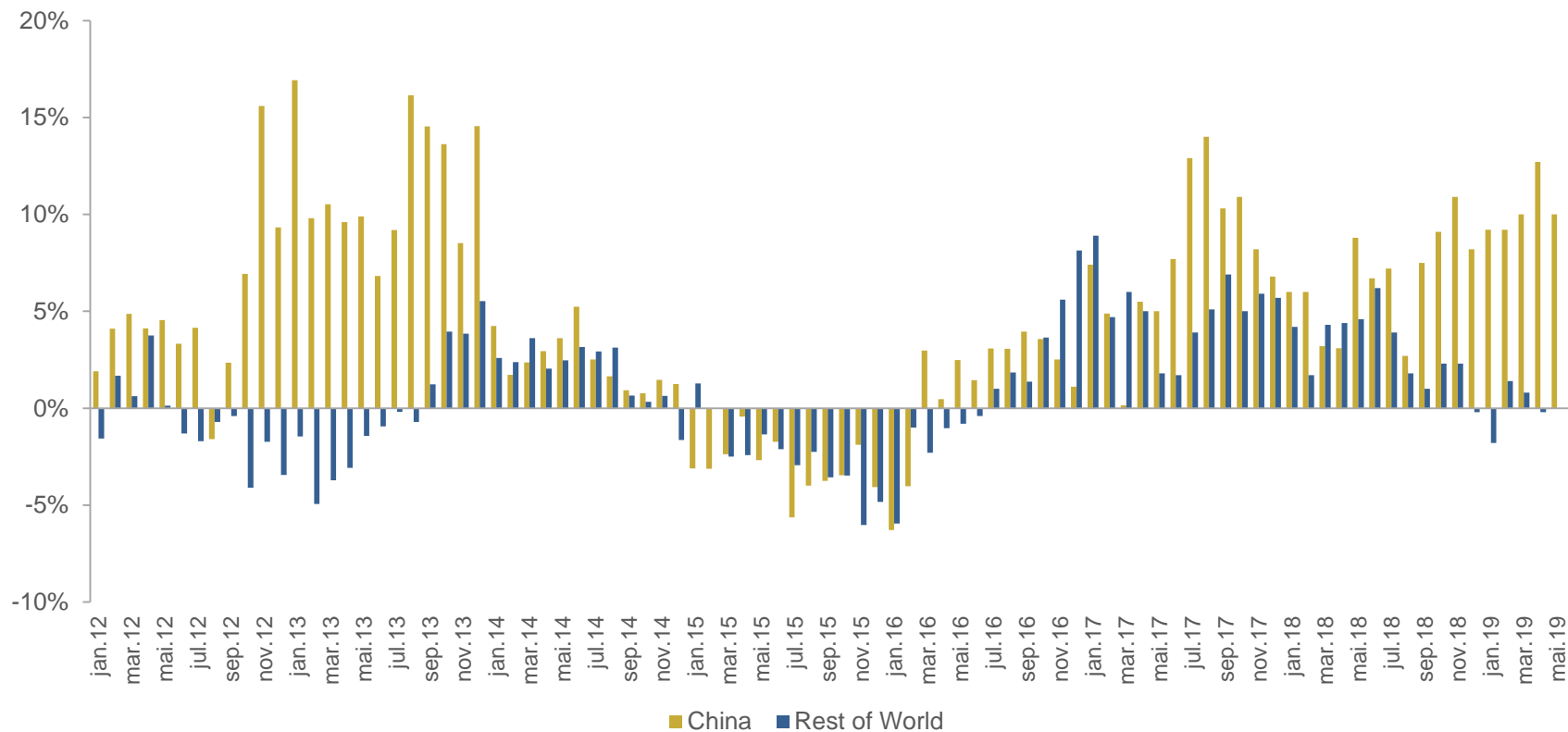


WORLD STEEL PRODUCTION TRENDS



Chinese steel production growth remained strong, while the rest of the world was unchanged year over year

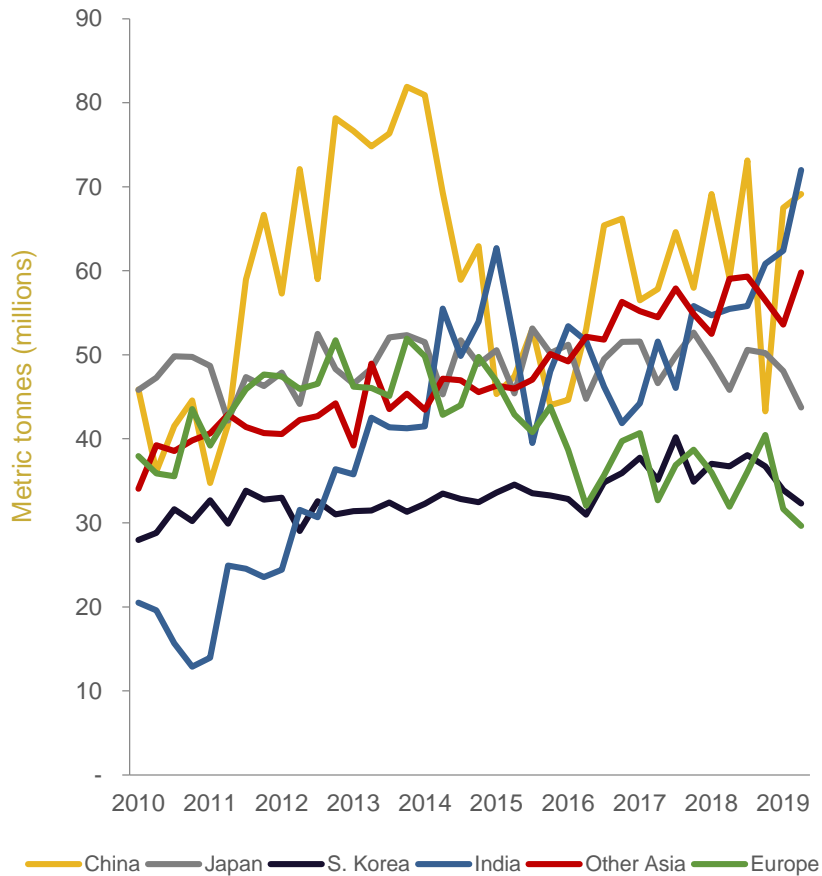
ANNUAL CHANGE IN STEEL PRODUCTION



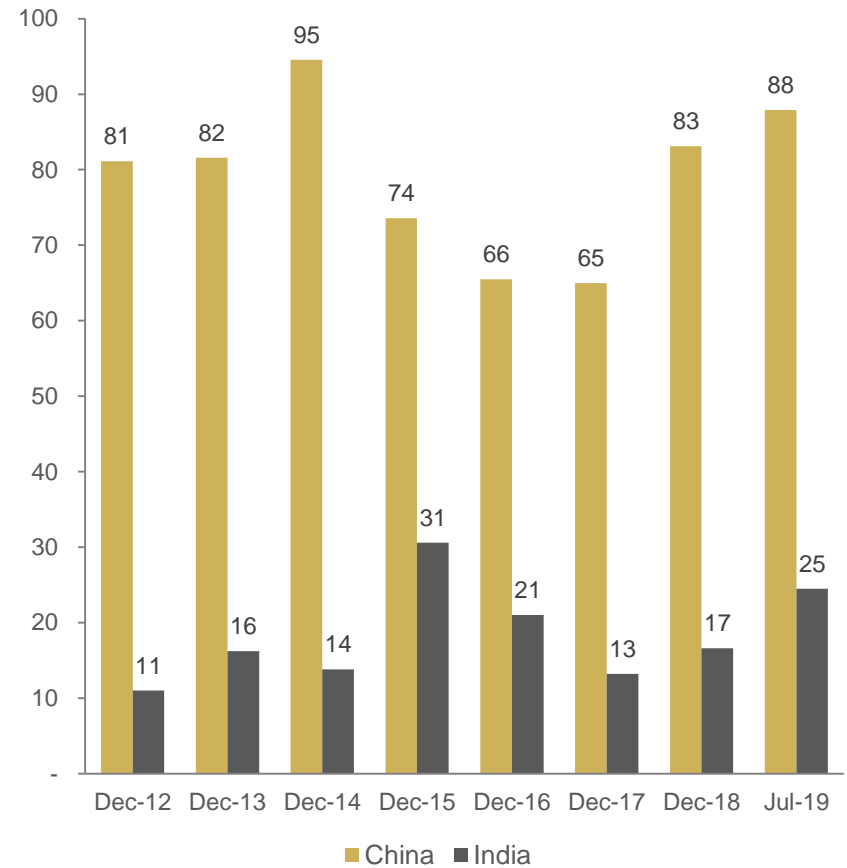
INDIAN AND CHINA COAL IMPORTS UP SIGNIFICANTLY YEAR-OVER-YEAR



COAL IMPORTS BY MAJOR IMPORTERS



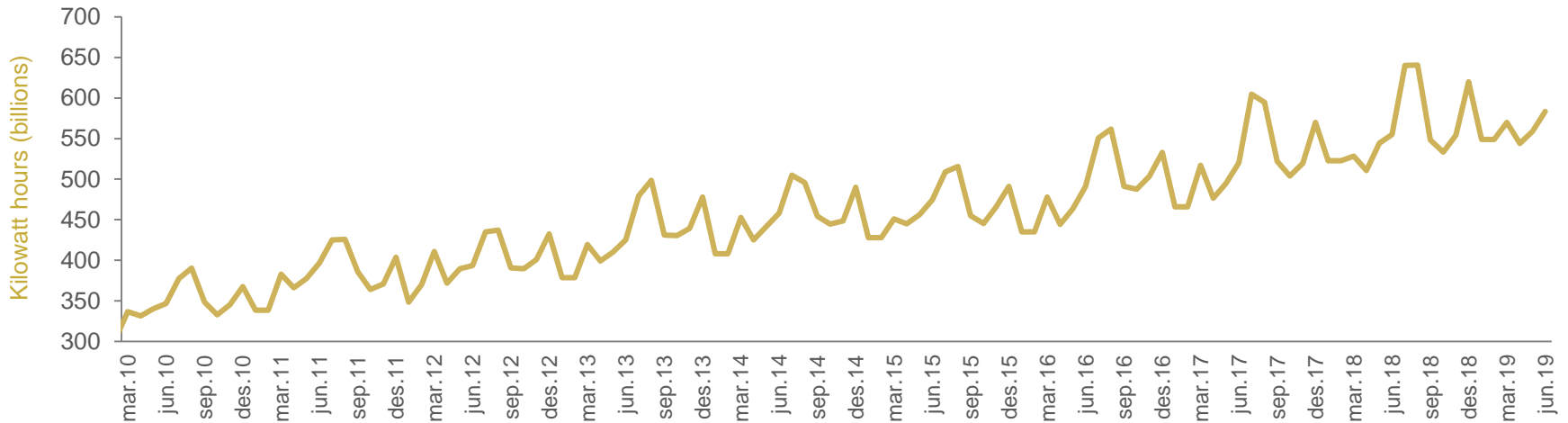
CHINA AND INDIA COAL INVENTORIES



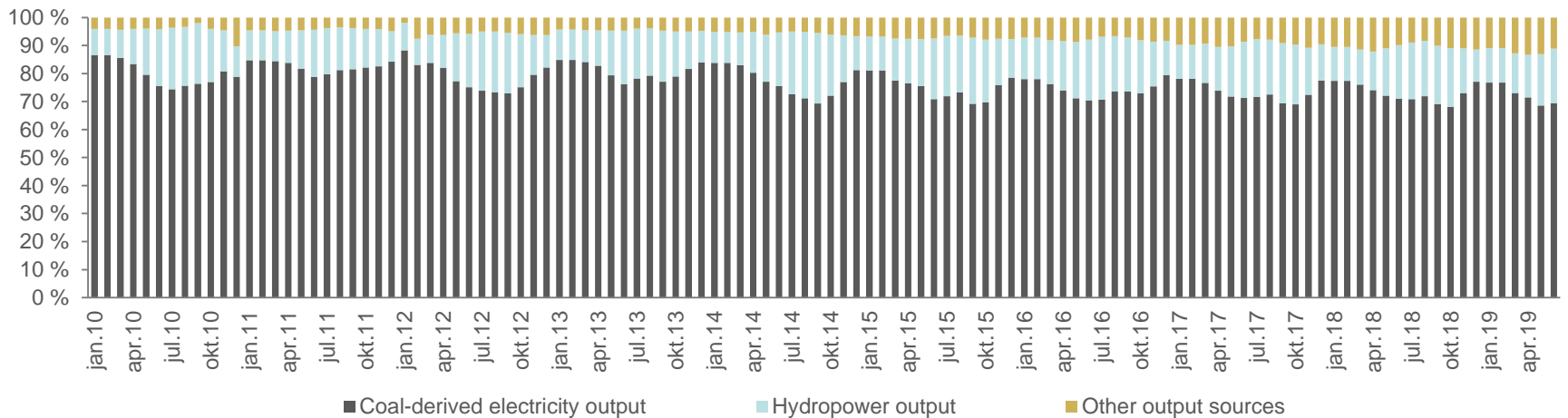
CONTINUED YEAR OVER YEAR GROWTH IN ELECTRICITY CONSUMPTION SUPPORTS COAL DEMAND IN CHINA



CHINESE ELECTRICITY OUTPUT



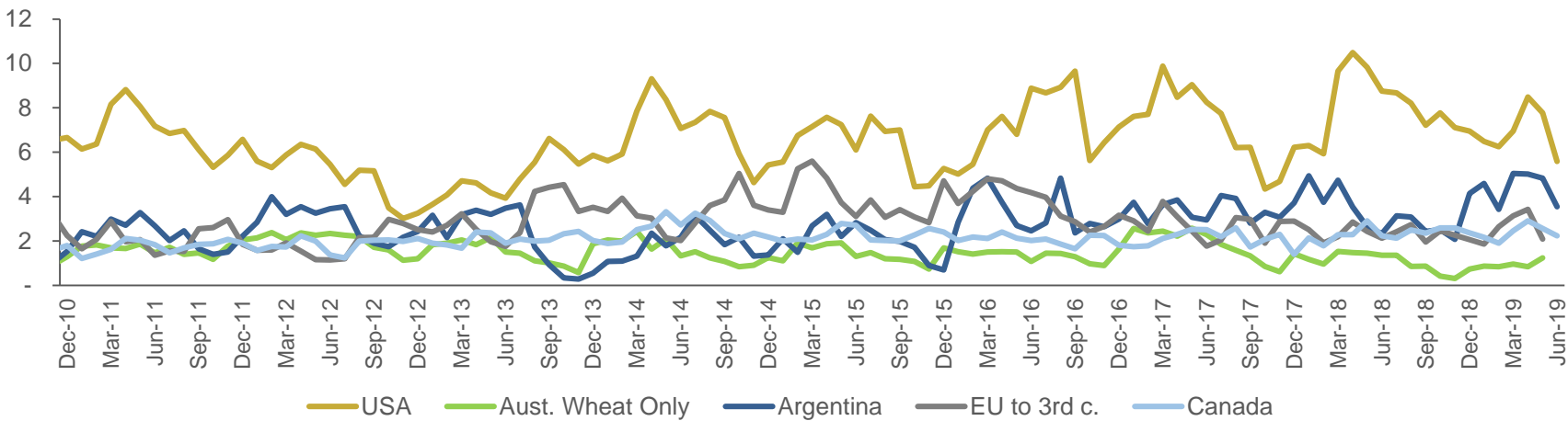
CHINESE ELECTRICITY OUTPUT BY SOURCE



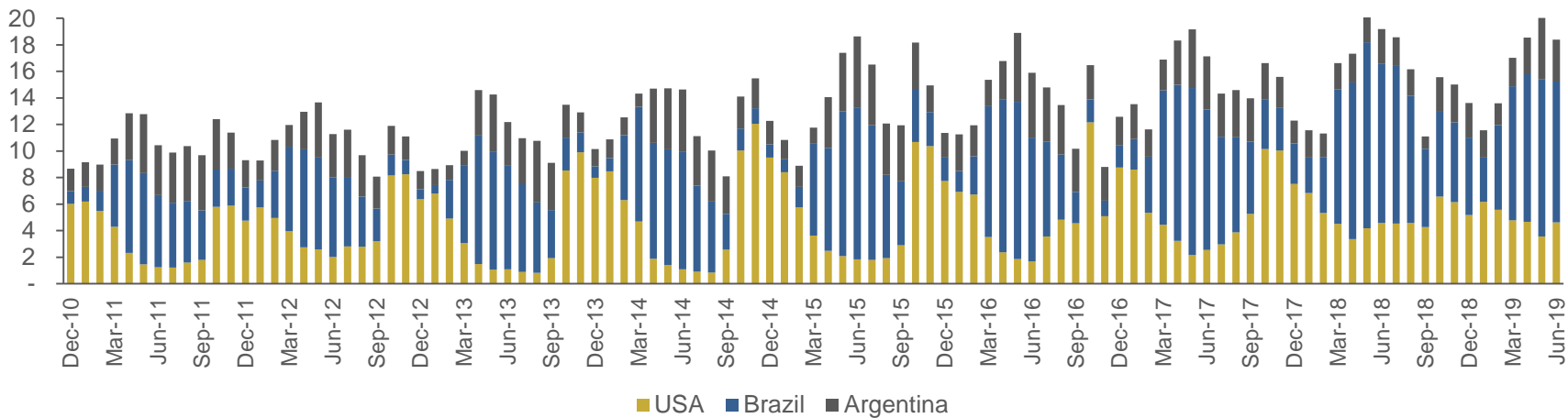
U.S. GRAIN EXPORTS CONTINUE TO BE DISRUPTED BY TRADE TENSIONS



GRAIN EXPORTS BY SOURCE



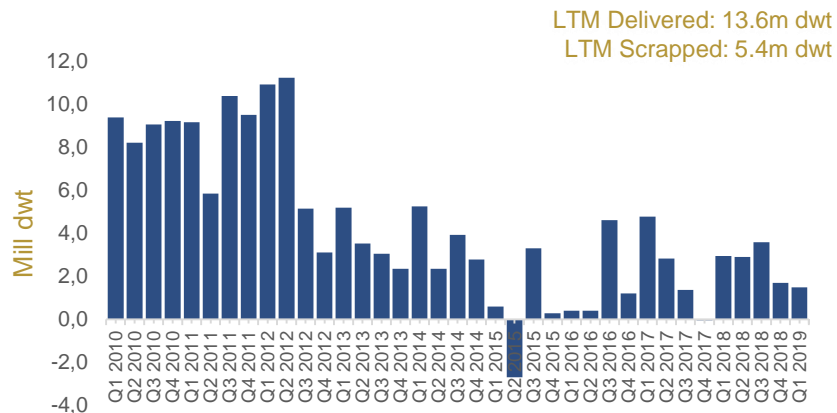
SOYBEAN AND SOYBEAN MEAL EXPORTS BY SOURCE



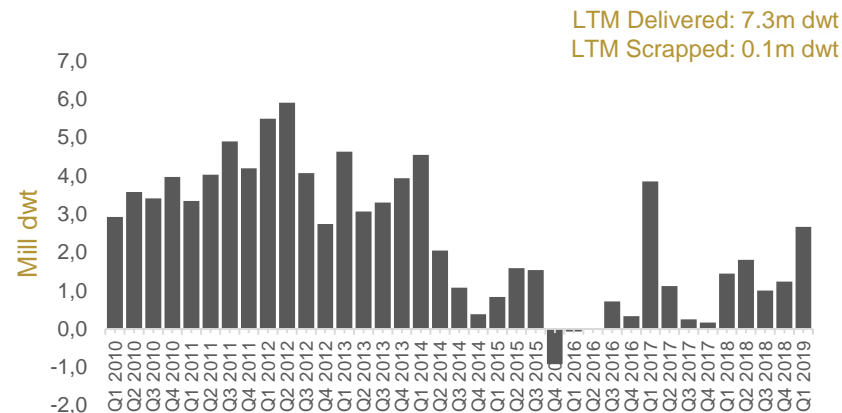
CAPE-SIZE FLEET GROWTH SLOWING ON HIGHER SCRAPPING



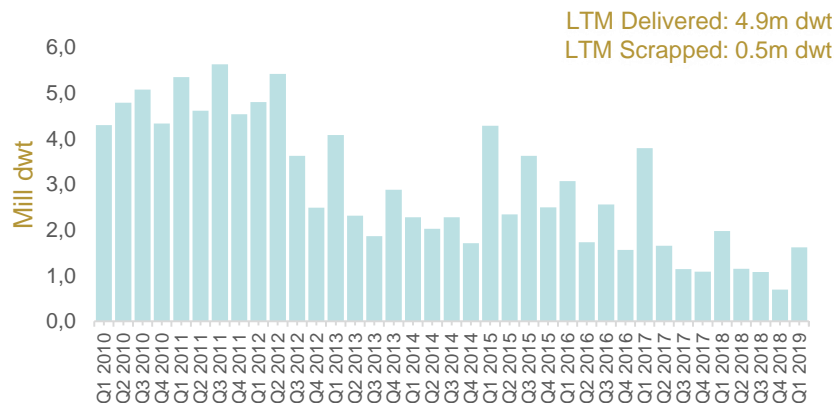
CAPE-SIZE



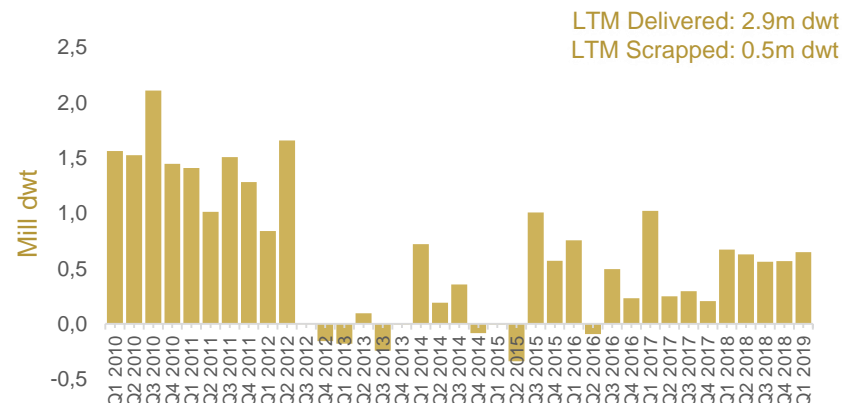
PANAMAX / POST-PANAMAX



HANDYMAX / SUPRAMAX



HANDYSIZE

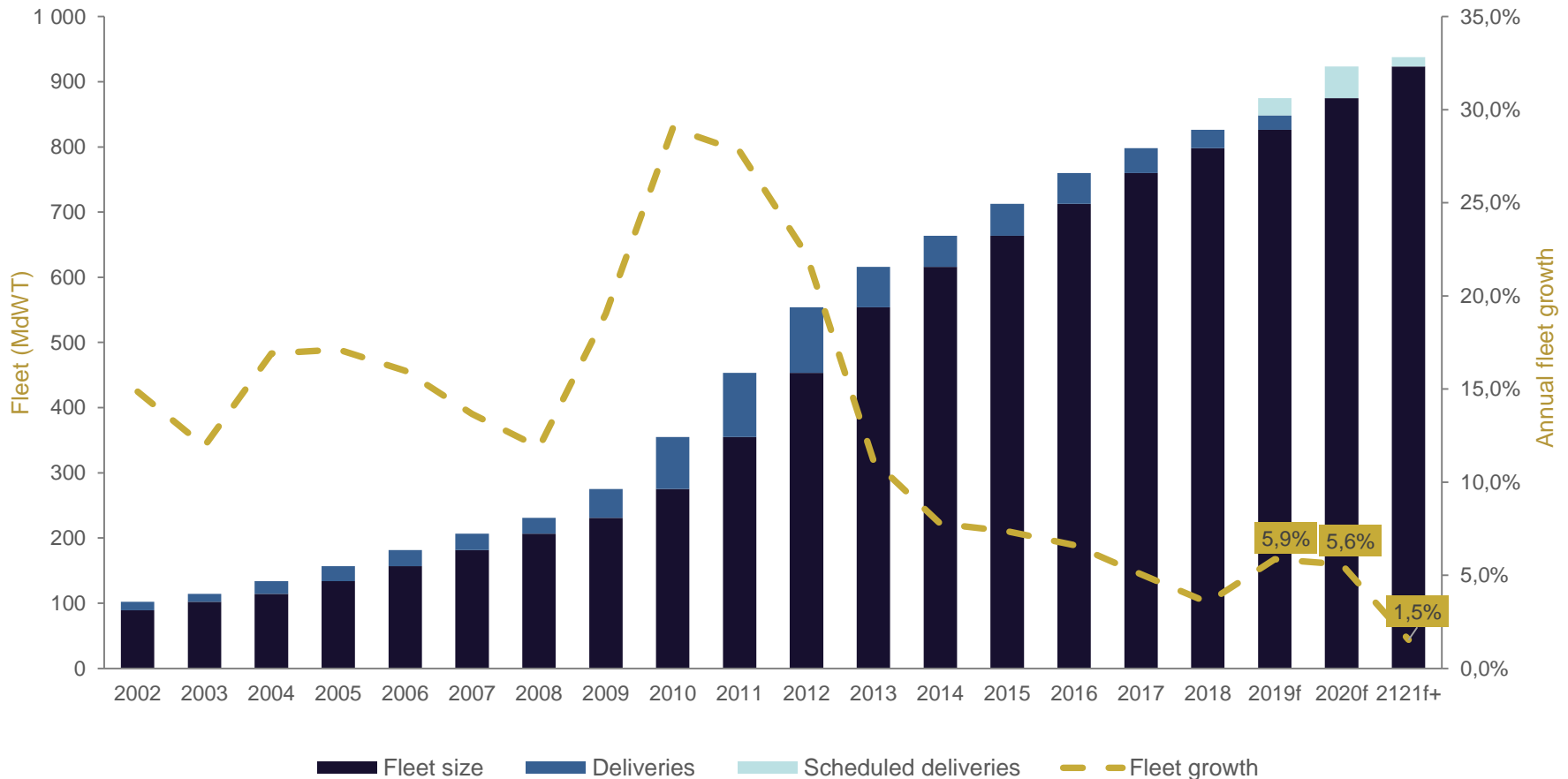


PROJECTED FLEET GROWTH IS MODERATE VERSUS HISTORICAL LEVELS



High likelihood that some 2019 deliveries are cancelled or pushed out to 2020; limited ordering and scrapping ahead of regulations is expected

FLEET GROWTH (ASSUMES NO SCRAPPING OR NEW ORDERING)

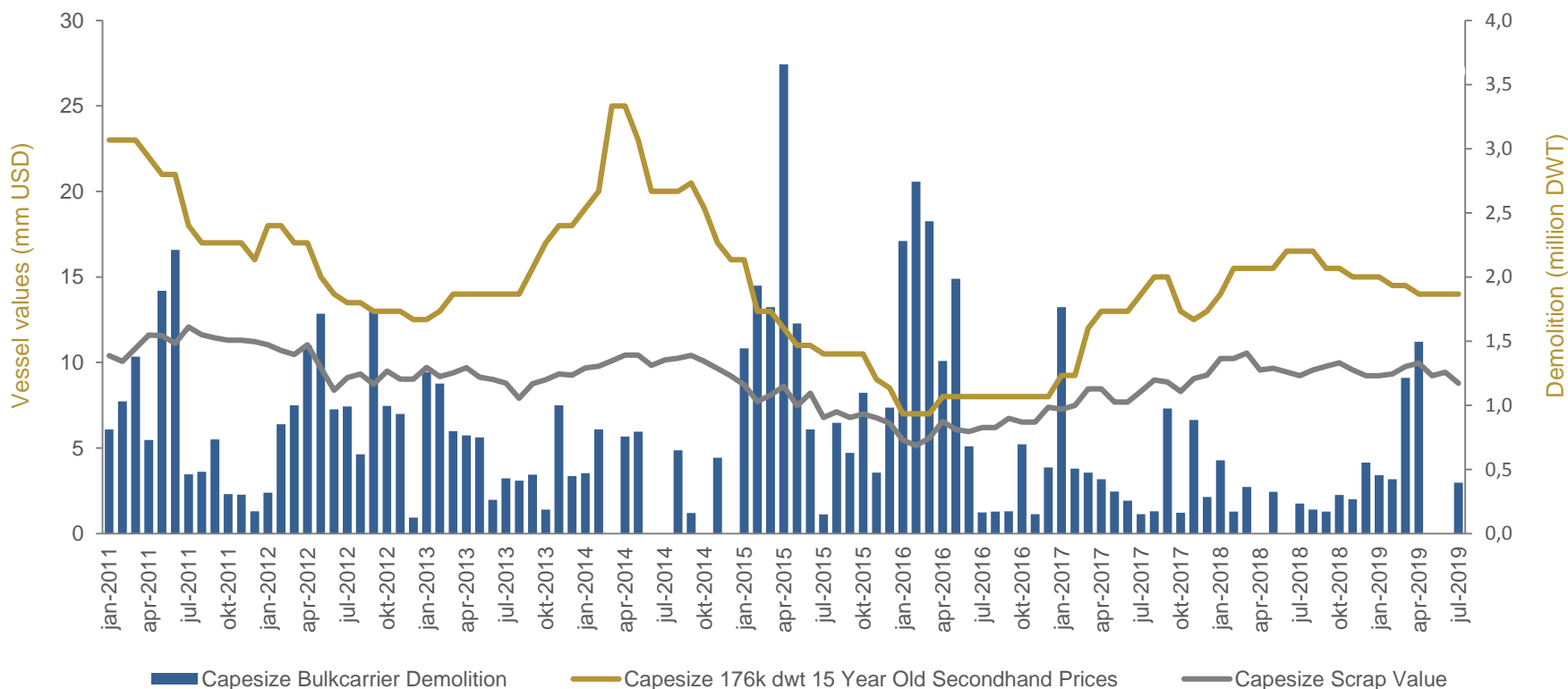


DEMOLITION ACTIVITY HAS INCREASED



Demolition has increased in first half of 2019 driven by weaker of freight rates and reduced differential between resale prices and scrap value

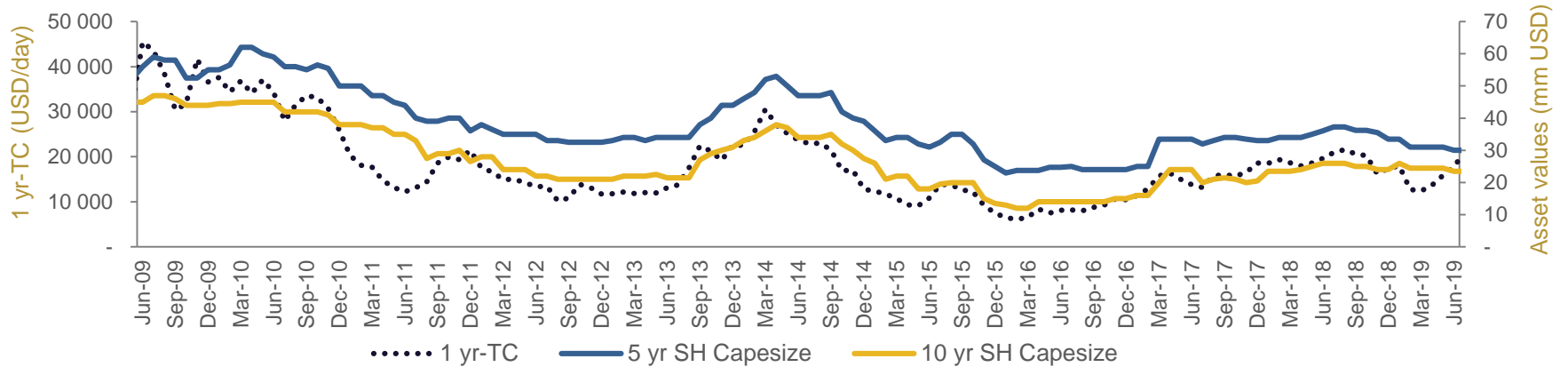
CAPE-SIZE DEMOLITION AND VESSEL VALUES



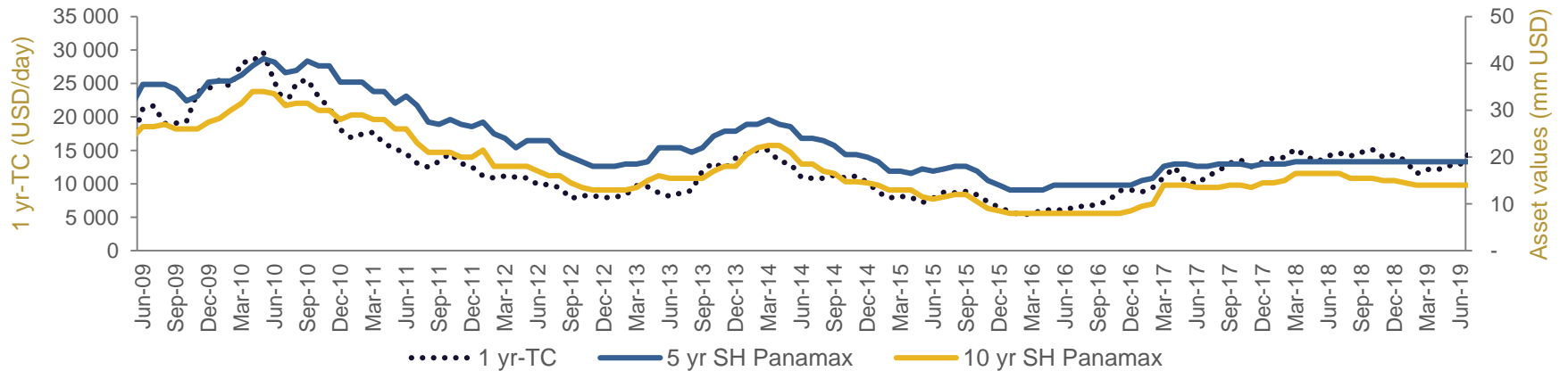
S&P PRICES STABLE; ACTIVITY PICKING UP FOCUSED ON OLDER, SMALLER TONNAGE



CAPE SIZE VALUES AND EARNINGS



PANAMAX VALUES AND EARNINGS

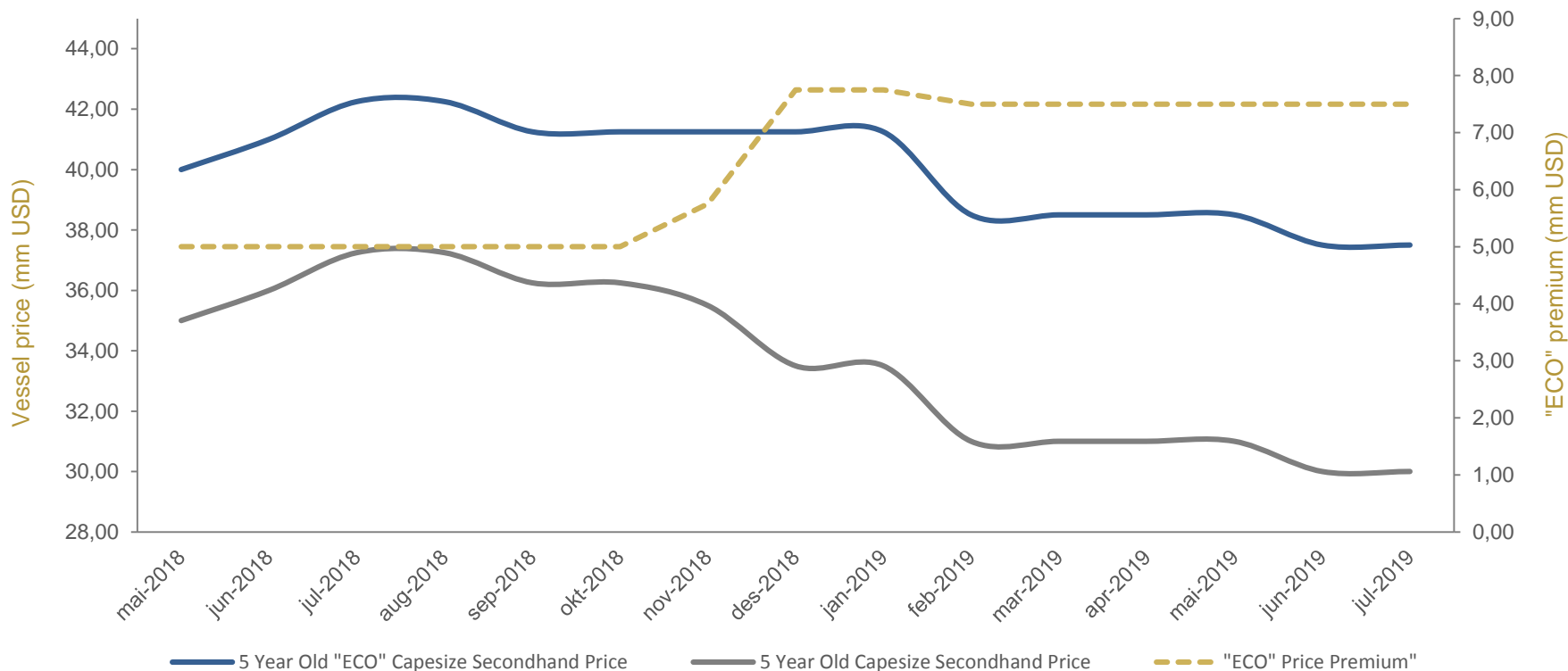


CONSISTENT PREMIUM FOR MODERN VESSELS



“ECO” vessel premium has remained consistent as fuel price is set to become an even more important factor in 2020

CAPE-SIZE DEMOLITION AND VESSEL VALUES





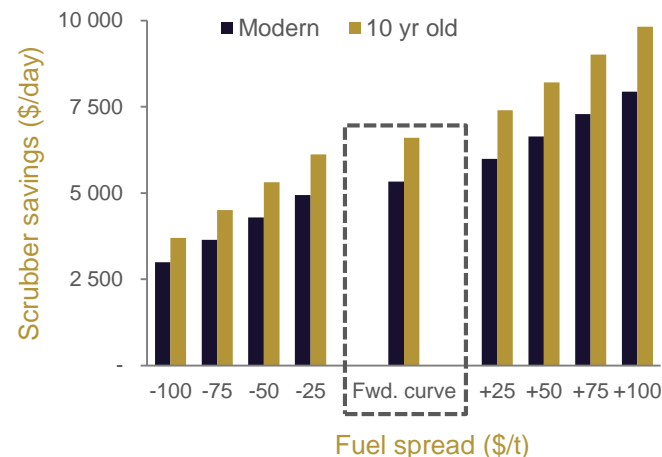
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OUTLOOK AND STRATEGY

WELL POSITIONED AS IMO 2020 APPROACHES

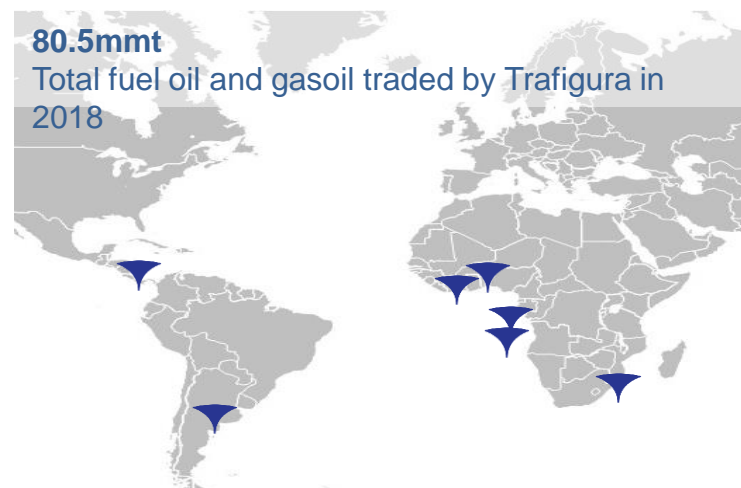
MAXIMIZING FLEET EFFICIENCY IN A HIGH FUEL PRICE ENVIRONMENT

- Modern, fuel-efficient fleet with average age of less than 6 years comprised primary of “ECO” vessels
- Thus far installing scrubbers on 50% of the Capesize fleet, or the equivalent of 2/3 of the Capesize fleet with economic exposure to fuel prices in the next years
- Scrubber present attractive investment decision that we believe will result in increased earnings



JOINT VENTURE WITH TRAFIGURA CREATES COMPETITIVE ADVANTAGE

- Joint venture with Trafigura Group and Frontline ensures availability of competitively priced fuel from a trusted supplier with a global network
- Golden Ocean to own 10% and Frontline 15%, respectively and Trafigura to contribute its existing bunkering operations into the JV
- JV expected to launch in the third quarter of 2019

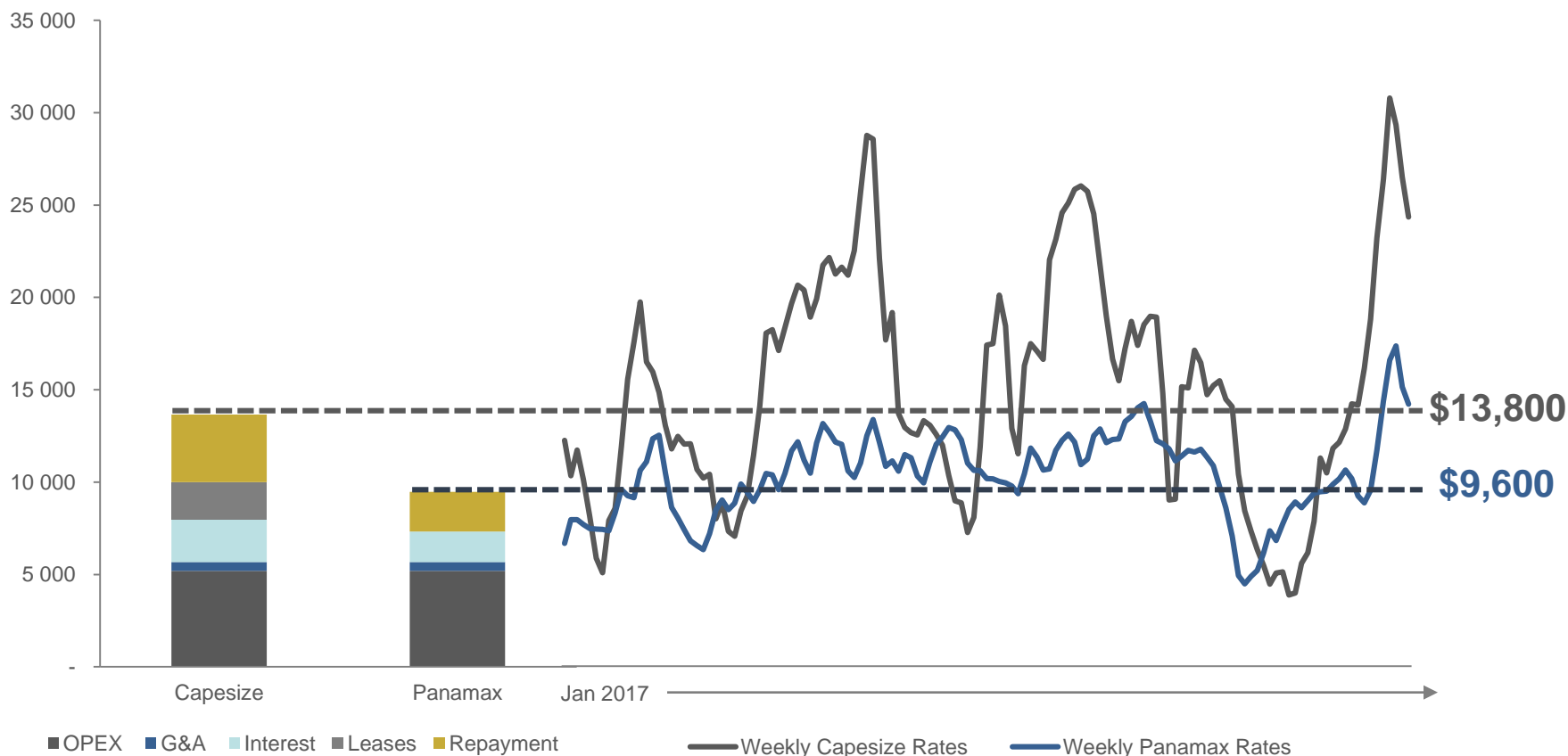


COMPETITIVE CASH COST DRIVE EARNINGS AND PROTECTS DOWNSIDE



- Fully-burdened Opex includes dry docking and management fees
- G&A net of management fees are estimated to be approximately \$450 per day on a fleet of 77 vessels
- Average margin on bank financing is competitive at LIBOR + 2.25% and the majority of bank debt has 19 years profile (adjusted for year of age)

CASH BREAKEVEN LEVELS VS. INDEXES⁽¹⁾



(1) ESTIMATED CASH BREAKEVEN LEVELS AT TODAY'S INTEREST LEVEL, EXCLUDING PROFITABLE CHARTERS WHICH WILL REDUCE THE CASH BREAKEVEN FROM THESE LEVELS



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QUESTIONS & ANSWERS

THANK YOU FOR YOUR ATTENTION!



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