



Lorentzen & Stemoco

Joint Shipping Service Morning Report



October 5, 2011

Dry Bulk Market

| | Today | Previous | Change | Change YTD |
|---|----------|----------|--------|------------|
| Average TCEs | | | | |
| Capesize (\$/day) | \$25,467 | \$25,856 | -1.5 % | 36.2 % |
| Panamax (\$/day) | \$14,181 | \$13,946 | 1.7 % | -0.9 % |
| Supramax (\$/day) | \$15,717 | \$15,691 | 0.2 % | 5.8 % |
| BDI | 1,885 | 1,886 | -0.1 % | 11.3 % |
| Dry Commodities | | | | |
| India Iron Ore China Landed 63% Fe (\$/ton) | \$179 | \$179 | 0.0 % | 1.9 % |
| China Average HR Sheet (\$/ton) | \$723 | \$723 | 0.0 % | 3.7 % |
| Amsterdam Coal API#2 (\$/ton) | \$117.65 | \$121.55 | -3.2 % | -6.6 % |
| Red Hard Wheat KCBT (\$/bushel) | \$6.52 | \$6.67 | -2.2 % | -18.0 % |

As the Chinese are taking a week off for well-deserved holidays, the dry bulk shipping market is becoming noticeably slower. Yesterday, just a handful of Capesize bulk carriers were fixed, leading to a softening in the tonnage balance. The Baltic Exchange reported that Capesizes were subject to a drop in the order of 1.5 percent to USD 25,467 per day on a timecharter equivalent basis. Panamax, which have hovered in the range of USD 10-17,000 per day throughout the year, yesterday were reported to be earning USD 14,181 per day on a TCE basis. Supramaxes, attracting a premium on Supramaxes, were said to be earning USD 15,717 per day on a TCE basis.

Tanker Market

| | Today | Previous | Change | Change YTD |
|--------------------------------------|----------|----------|--------|------------|
| Average TCEs | | | | |
| VLCC TD3 MEG-Japan (\$/day) | -\$5,746 | -\$5,977 | 3.9 % | -135.5 % |
| Suez Average (\$/day) | \$15,633 | \$13,384 | 16.8 % | -26.6 % |
| Aframax Average (\$/day) | \$4,838 | \$3,100 | 56.1 % | -48.7 % |
| MR Average (\$/day) | \$10,910 | \$10,997 | -0.8 % | 4.8 % |
| Oil Commodities | | | | |
| Brent Front Month (\$/bbl) | \$101.87 | \$99.79 | 2.1 % | 7.4 % |
| WTI Front Month (\$/bbl) | \$75.67 | \$77.61 | -2.5 % | -14.7 % |
| Brent Forward Spread, 2M-1M (\$/bbl) | -\$1.83 | -\$1.81 | -1.1 % | - |
| NWE-USG Gasoline Arbitrage (\$/mt) | \$14.66 | \$7.15 | \$7.5 | - |

U.S. retail gasoline demand fell last week from a year earlier as motorists drove less due to economic uncertainty and elevated pump prices, MasterCard said in its SpendingPulse report on Tuesday. Demand dropped 2.9 percent year-on-year as a gallon of gasoline cost 28.6 percent more than a year earlier, the data showed

Gas Market

| | Today | Previous | Change | Change YTD |
|--------------------------|--------|----------|--------|------------|
| Freight Rates | | | | |
| LPG Average (\$/ton) | 72.75 | 71.84 | 1.3 % | 89.9 % |
| Gas Commodities | | | | |
| Propane AG Spot (\$/ton) | 698.00 | 698.00 | 0.0 % | -23.5 % |
| Butane AG Spot (\$/ton) | 768.00 | 768.00 | 0.0 % | -14.5 % |
| Natural Gas (\$/MMBTU) | 3.55 | 3.57 | -0.6 % | -21.8 % |
| Bunkers | | | | |
| 380 cSt Fujairah | 625.50 | 635.50 | -1.6 % | 20.4 % |
| 380 cSt Rotterdam | 603.00 | 620.00 | -2.7 % | 22.3 % |
| 380 cSt Houston | 608.50 | 624.00 | -2.5 % | 21.8 % |

Pipeline operator Enbridge Inc is in talks to export liquefied natural gas from Canada to Asia, joining a lengthening list of companies looking to tap into a more lucrative market. Enbridge would be interested in LNG projects being developed on British Columbia's northern Pacific coast, executive vice president Al Monaco said on Tuesday, as ample supply pushed North American natural gas prices to 11-month lows

Source: Bloomberg / Lorentzen & Stemoco AS

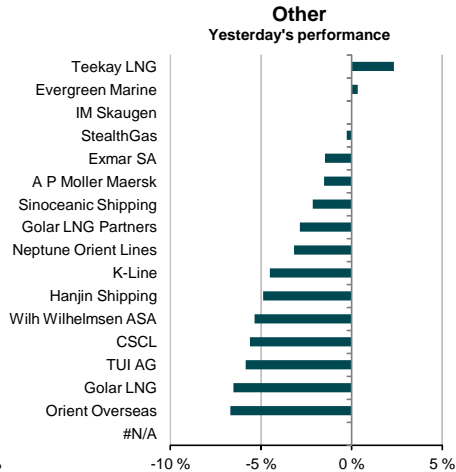
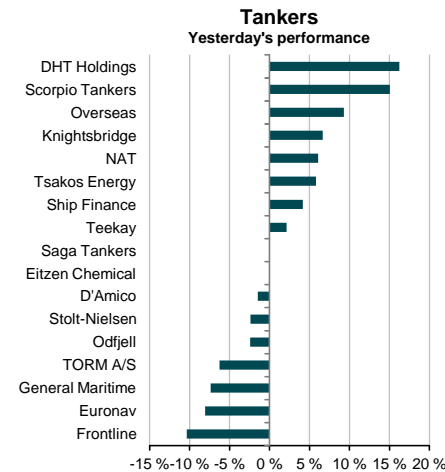
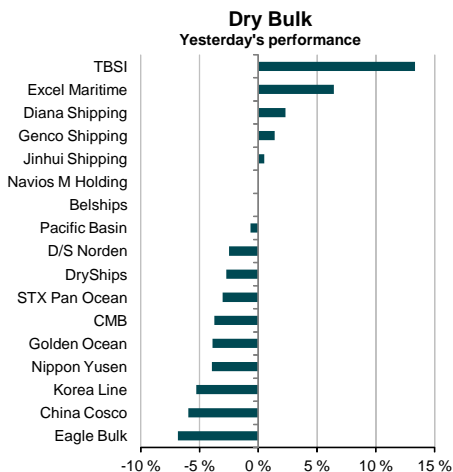
Shipping Equities

Selected news:

Diana Shipping has fixed one of its Panamax bulk carriers to Louis Dreyfus Commodities. The 2005-built 74,000-dwt Calipso has been taken for 22 to 26 months at a rate of \$12,250/day less a 5% broker commission, Tradewinds reports. The New York-listed bulk owner controls a fleet of 26 units including eight capes, sixteen panamaxes and a pair of VLCC newbuildings.

Golden Ocean Group (Buy, tp NOK 6.5/share) continues to repurchase shares. Yesterday, the company bought back 550,000 of its own stock at an average price of NOK 3.75/share. In total, GOGL has now repurchased 2,189,646 own shares, but may purchase up to 10% of its shares, or 45m shares, at a maximum price of NOK 6/share. The buy-back program was initiated on 5 September and will end on 31 December 2011.

Wilh. Wilhelmsen ASA (Buy, tp NOK 45/share) yesterday closed at NOK 23/share after a 5.35% decline from Monday. The company's Glovis shares are worth NOK 21/share, slightly below the current trading price, hence the shipping and logistics operation comes almost for nothing given yesterday's close. At current levels, we find the valuation of WWASA attractive with an EV/EBITDA of 5.4x (2012) and 4.3x (2013), a P/E'12 of 7.3x and P/E'13 of 5.9x and a P/target of 0.5x.



Source: First Securities AS / JLT FactSet / Bloomberg / TradeWinds / Lloyd's List / Fairplay



Lorentzen & Stemoco

Shipping Equities



Dry bulk

| Company | Ticker | (Local curr) Last | Performance | | | |
|------------------|-----------|----------------------|-------------|-------|-------|-------|
| | | | 1d | 1w | 1m | YTD |
| Golden Ocean | GOTL NO | 3.71 | -3.9 % | -8 % | -17 % | -54 % |
| Jinhui Shipping | JIN NO | 9.70 | 0.5 % | -3 % | -22 % | -50 % |
| CMB | CMB BB | 16.22 | -3.7 % | -5 % | -9 % | -30 % |
| DryShips | DRYS US | 1.97 | -2.7 % | -23 % | -31 % | -63 % |
| Diana Shipping | DSX US | 7.09 | 2.3 % | -10 % | -20 % | -39 % |
| Genco Shipping | GNK US | 6.59 | 1.4 % | -14 % | -1 % | -54 % |
| Navios M Holding | NM US | 2.98 | 0.0 % | -11 % | -17 % | -44 % |
| Excel Maritime | EXM US | 1.99 | 6.4 % | -8 % | 6 % | -65 % |
| Eagle Bulk | EGLU US | 1.36 | -6.8 % | -20 % | -24 % | -73 % |
| TBSI | TBSI US | 0.85 | 13.3 % | 27 % | -3 % | -71 % |
| Korea Line | 005880 KS | 8,430 | -5.3 % | 6 % | -14 % | -68 % |
| STX Pan Ocean | STX SP | 8.32 | -3.0 % | 1 % | -8 % | -37 % |
| Nippon Yusen | 9101 JP | 194 | -4.0 % | -8 % | -15 % | -46 % |
| Pacific Basin | 2343 HK | 2.98 | -0.7 % | -2 % | -22 % | -42 % |
| Belships | BEL NO | 6.00 | 0.0 % | 0 % | 6 % | -17 % |
| China Cosco | 1919 HK | 2.84 | -6.0 % | -15 % | -33 % | -66 % |
| D/S Nordco | DNORD DC | 149 | -2.5 % | -3 % | -3 % | -26 % |

Market cap weighted average

-4.0 % -10.1 % -21.7 % -52.7 %

Tankers

| Company | Ticker | (Local curr) Last | Performance | | | |
|------------------|----------|----------------------|-------------|-------|-------|-------|
| | | | 1d | 1w | 1m | YTD |
| Frontline | FRO NO | 25 | -10.4 % | -18 % | -34 % | -84 % |
| Ship Finance | SFL US | 12.51 | 4.2 % | -4 % | -18 % | -42 % |
| Euronav | EURN BB | 3.89 | -8.0 % | -12 % | -35 % | -69 % |
| General Maritime | GMR US | 0.19 | -7.4 % | -34 % | -51 % | -94 % |
| Teekay | TK US | 21.89 | 2.1 % | -7 % | -16 % | -34 % |
| Overseas | OSG US | 13.53 | 9.3 % | -10 % | -17 % | -62 % |
| NAT | NAT US | 13.04 | 6.1 % | -13 % | -24 % | -50 % |
| Tsakos Energy | TNP US | 5.62 | 5.8 % | -3 % | -8 % | -44 % |
| Saga Tankers | SAGA NO | 1.90 | 0.0 % | -5 % | -10 % | -66 % |
| Knightsbridge | VLCFF US | 16.61 | 6.7 % | 1 % | -3 % | -25 % |
| DHT Holdings | DHT US | 2 | 16.3 % | -8 % | -33 % | -60 % |
| Odfjell | ODF NO | 32.20 | -2.4 % | -6 % | -12 % | -40 % |
| TORM A/S | TORM DC | 6.75 | -6.3 % | -10 % | -32 % | -83 % |
| Stolt-Nielsen | SNI NO | 103.00 | -2.4 % | -3 % | -12 % | -28 % |
| Eitzen Chemical | ECEM NO | 0.17 | 0.0 % | -6 % | -37 % | -91 % |
| Scorpio Tankers | STNG US | 5.73 | 15.1 % | 15 % | -8 % | -43 % |
| D'Amico | DIS IM | 0.60 | -1.5 % | 1 % | -11 % | -38 % |

Market cap weighted average

1.8 % -6.3 % -17.1 % -42.9 %

Other

| Company | Ticker | (Local curr) Last | Performance | | | |
|----------------------|------------|----------------------|-------------|-------|-------|-------|
| | | | 1d | 1w | 1m | YTD |
| Golar LNG | GOL NO | 172.00 | -6.5 % | -9 % | -3 % | 93 % |
| Golar LNG Partners | GMLP US | 23.77 | -2.9 % | -7 % | -7 % | na |
| Høegh LNG Holdings | HLNG NO | 36.50 | -9.9 % | -12 % | -6 % | na |
| IM Skaugen | IMSK NO | 28.80 | 0.0 % | 0 % | 1 % | -22 % |
| Exmar SA | EXM BB | 4.00 | -1.5 % | -4 % | -8 % | -26 % |
| Teekay LNG | TGP US | 31 | 2.3 % | -3 % | -6 % | -19 % |
| StealthGas | GASS US | 3.60 | -0.3 % | -11 % | -15 % | -55 % |
| A P Moller Maersk | MAERSKA DC | 30,960.00 | -1.5 % | -2 % | -6 % | -37 % |
| TUI AG | TUI GR | 3.59 | -5.8 % | -11 % | -19 % | -66 % |
| Evergreen Marine | EVGZF US | 15.05 | 0.3 % | -3 % | -8 % | -45 % |
| Sinoceanic Shipping | SINO NO | 7 | -2.1 % | -7 % | 1 % | -19 % |
| Hanjin Shipping | 000700 KS | 7,210 | -4.9 % | -5 % | -35 % | -61 % |
| K-Line | 9107 JP | 148.00 | -4.5 % | -13 % | -24 % | -59 % |
| CSC | 2866 HK | 1.01 | -5.6 % | -21 % | -45 % | -71 % |
| Orient Overseas | 316 HK | 28.55 | -6.7 % | -13 % | -25 % | -53 % |
| Neptune Orient Lines | NOL SP | 1.07 | -3.2 % | -2 % | -7 % | -51 % |
| With Wilhelmsen ASA | WWASA NO | 23 | -5.3 % | -12 % | -23 % | -46 % |

Market cap weighted average

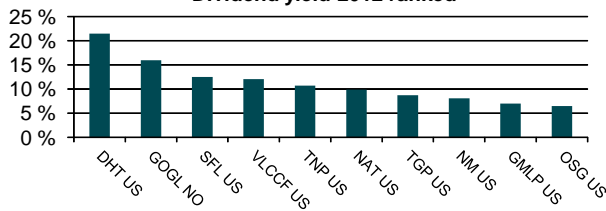
-2.7 % -5.9 % -12.5 % -36.5 %

| (mUSD) | P/E | | EV/EBITDA | | Yield | | Gearing | |
|--------|------------|-------------|------------|-------------|------------|------------|---------|------|
| | 11 | 12 | 11 | 12 | 11 | 12 | 11 | 12 |
| M cap | 286 | 4.6 | 4.5 | 7.1 | 6.7 | 16 % | 16 % | 67 % |
| | 138 | 1.4 | 2.9 | 3.2 | 4.3 | 0 % | 0 % | 71 % |
| | 754 | 7.7 | 8.5 | 8.0 | 7.4 | 6 % | 6 % | 54 % |
| | 802 | 4.0 | 2.6 | 7.1 | 5.2 | 0 % | 0 % | 81 % |
| | 581 | 5.4 | 8.9 | 3.4 | 3.7 | 0 % | 0 % | Neg. |
| | 237 | 12.4 | na | 7.1 | 8.7 | 0 % | 0 % | 86 % |
| | 303 | 5.1 | 5.1 | 5.3 | 4.6 | 8 % | 8 % | 77 % |
| | 170 | na | na | 7.5 | 10.3 | 0 % | 0 % | 85 % |
| | 85 | na | na | 11.1 | 9.5 | 0 % | 0 % | 93 % |
| | 27 | na | na | na | na | 0 % | 0 % | na |
| | 115 | na | na | na | na | na | na | na |
| | 1,302 | na | na | na | 17.9 | 0 % | 0 % | 65 % |
| | 4,301 | na | 11.4 | 9.6 | 7.5 | 2 % | 2 % | 72 % |
| | 741 | na | 12.8 | 6.3 | 6.1 | 3 % | 3 % | 23 % |
| | 25 | na | na | na | na | na | na | na |
| | 7,880 | na | 14.8 | na | 13.9 | 0 % | 0 % | 34 % |
| | 1,144 | 11.5 | 14.5 | 4.8 | 4.5 | 5 % | 5 % | Neg. |
| | 7.4 | 12.3 | 7.7 | 10.4 | 2 % | 1 % | | |

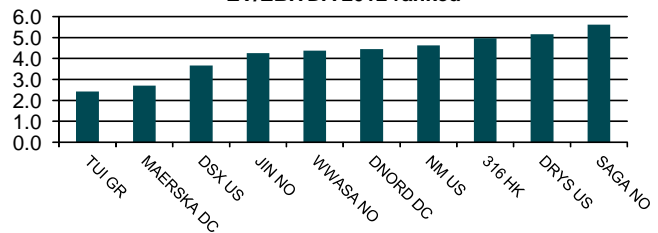
| (mUSD) | P/E | | EV/EBITDA | | Yield | | Gearing | |
|--------|------------|------------|-------------|------------|------------|------------|---------|------|
| | 11 | 12 | 11 | 12 | 11 | 12 | 11 | 12 |
| M cap | 324 | na | na | 10.8 | 9.9 | 4 % | 2 % | 88 % |
| | 990 | 7.6 | 7.6 | 13.2 | 11.5 | 12 % | 12 % | 67 % |
| | 267 | na | na | 9.4 | 8.8 | 0 % | 0 % | 83 % |
| | 23 | na | na | na | 15.4 | 0 % | 0 % | 98 % |
| | 1,583 | na | na | 9.8 | 7.5 | 6 % | 6 % | 76 % |
| | 412 | na | na | na | 10.9 | 10 % | 7 % | 83 % |
| | 616 | na | na | na | 13.5 | 9 % | 10 % | 18 % |
| | 259 | na | na | 12.5 | 8.4 | 11 % | 11 % | 84 % |
| | 28 | na | na | 5.2 | 5.6 | 0 % | 0 % | 69 % |
| | 406 | 11.2 | 10.3 | 7.7 | 7.4 | 12 % | 12 % | 17 % |
| | 116 | 7.1 | na | 6.5 | 5.8 | 22 % | 22 % | 68 % |
| | 469 | na | 15.3 | 8.7 | 6.9 | 0 % | 6 % | 71 % |
| | 88 | na | na | na | 12.0 | 0 % | 0 % | 95 % |
| | 1,116 | 11.2 | 7.0 | 8.1 | 6.3 | 6 % | 6 % | 56 % |
| | 32 | na | na | na | 16.8 | 0 % | 0 % | 97 % |
| | 104 | na | na | 12.4 | 11.0 | 0 % | 0 % | 55 % |
| | 120 | na | 9.0 | 12.3 | 6.8 | 0 % | 1 % | 71 % |
| | 9.7 | 9.0 | 10.0 | 8.9 | 7 % | 7 % | | |

| (mUSD) | P/E | | EV/EBITDA | | Yield | | Gearing | |
|--------|------------|------------|------------|------------|------------|------------|---------|------|
| | 11 | 12 | 11 | 12 | 11 | 12 | 11 | 12 |
| M cap | 2,319 | na | 14.8 | 16.9 | 11.7 | 4 % | 4 % | 28 % |
| | 929 | 17.1 | 13.2 | 10.5 | 9.7 | 5 % | 7 % | 29 % |
| | 279 | na | na | na | 19.4 | 0 % | 0 % | na |
| | 132 | na | na | na | 13.4 | 0 % | 0 % | 52 % |
| | 316 | na | 8.2 | 8.2 | 6.6 | 6 % | 5 % | 73 % |
| | 1,809 | 17.0 | 14.8 | 12.3 | 10.9 | 8 % | 9 % | 46 % |
| | 76 | 5.5 | 4.3 | na | na | na | na | na |
| | 24,906 | 8.9 | 7.7 | 2.6 | 2.7 | 3 % | 3 % | 36 % |
| | 1,200 | 8.8 | 5.4 | 2.8 | 2.4 | 0 % | 0 % | 67 % |
| | 1,704 | na | 10.5 | 13.7 | 8.2 | 1 % | 1 % | 32 % |
| | 16 | na | na | na | na | na | na | 40 % |
| | 264 | na | na | na | na | na | na | 50 % |
| | 1,477 | na | 15.2 | 17.9 | 8.1 | 0 % | 1 % | 79 % |
| | 4,625 | na | 15.6 | na | 17.6 | 0 % | 1 % | 20 % |
| | 2,295 | 8.8 | 7.3 | 5.6 | 5.0 | 2 % | 4 % | 20 % |
| | 2,093 | na | na | 13.9 | 7.2 | 0 % | 1 % | 33 % |
| | 855 | 5.8 | 4.3 | 5.4 | 4.4 | 4 % | 5 % | 57 % |
| | 9.5 | 9.6 | 6.0 | 6.1 | 3 % | 3 % | | |

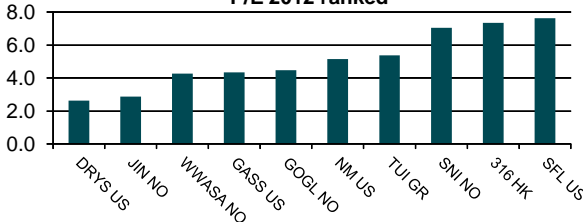
Dividend yield 2012 ranked



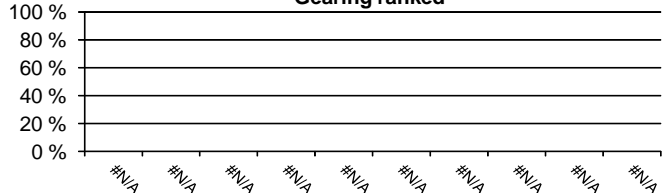
EV/EBITDA 2012 ranked



P/E 2012 ranked



Gearing ranked



Source: JCF FactSet / First Securities AS



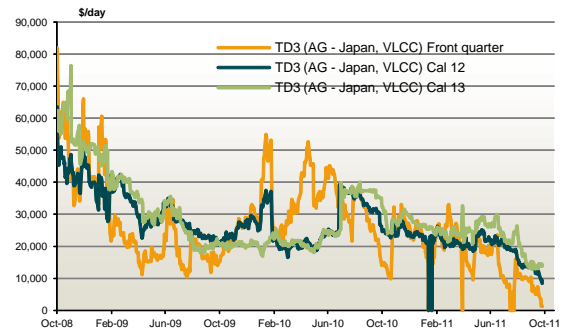
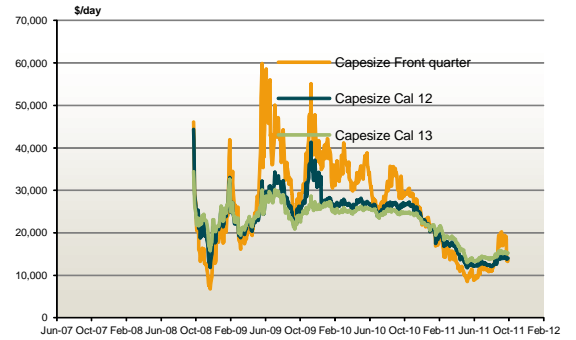
Currencies

| | Today | Previous | Change |
|--------|---------|----------|--------|
| EURUSD | 1.3317 | 1.3349 | -0.2 % |
| EURJPY | 102.16 | 102.54 | -0.4 % |
| USDJPY | 76.71 | 76.81 | -0.1 % |
| USDKRW | 1,190.2 | 1,194.2 | -0.3 % |
| USDCNY | 6.361 | 6.364 | 0.0 % |
| USDNOK | 5.878 | 5.8669 | 0.2 % |



FFAs

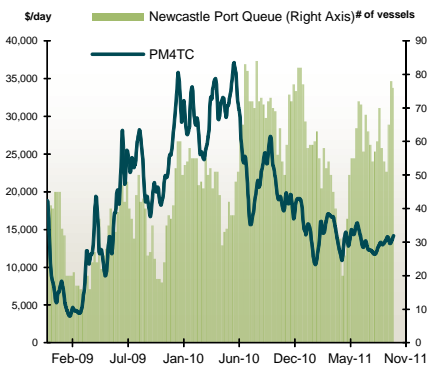
| | Today | Previous | Change |
|--|-----------------|-----------------|---------|
| Capesize Front quarter | 13,542 | 13,300 | 1.8 % |
| Capesize Cal 12 | 14,025 | 13,921 | 0.7 % |
| Capesize Cal 13 | 15,258 | 15,200 | 0.4 % |
| | (\$/day) | (\$/day) | |
| Panamax Front quarter | 11,743 | 11,589 | 1.3 % |
| Panamax Cal 12 | 11,818 | 11,746 | 0.6 % |
| Panamax Cal 13 | 12,436 | 12,368 | 0.5 % |
| Supramax Front quarter | 12,596 | 12,488 | 0.9 % |
| PM4TC Cal 12 | 12,358 | 12,254 | 0.8 % |
| PM4TC Cal 13 | 12,475 | 12,438 | 0.3 % |
| TD3 (AG - Japan, VLCC) Front quarter | 1,329 | 1,417 | -6.2 % |
| TD3 (AG - Japan, VLCC) Cal 12 | 8,512 | 9,598 | -11.3 % |
| TD3 (AG - Japan, VLCC) Cal 13 | 13,819 | 14,416 | -4.1 % |
| TD5 (W. Afr. - US Gulf, Suezmax) Front quarter | 10,871 | 11,192 | -2.9 % |
| TD5 (W. Afr. - US Gulf, Suezmax) Cal 12 | 11,797 | 11,986 | -1.6 % |
| TD5 (W. Afr. - US Gulf, Suezmax) Cal 13 | 18,291 | 18,907 | -3.3 % |
| TC2 (ARA - USEC, MR) Front quarter | 7,721 | 7,461 | 3.5 % |
| TC2 (ARA - USEC, MR) Cal 12 | 9,875 | 9,563 | 3.3 % |
| TC2 (ARA - USEC, MR) Cal 13 | 11,491 | 11,274 | 1.9 % |



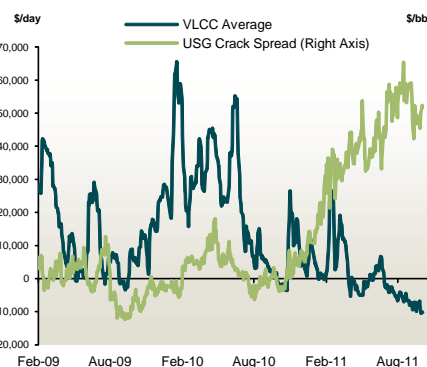
Source: Bloomberg / Baltic Exchange / Lorentzen & Stemoco AS

Selected Indicators

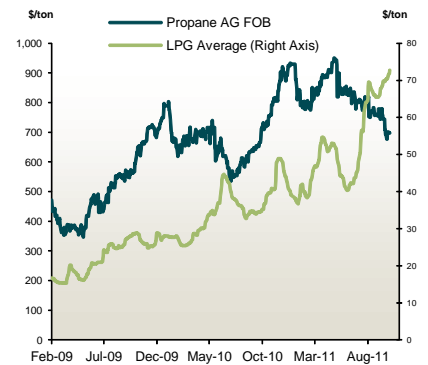
Dry Bulk



Tanker



Gas



Source: Bloomberg / Lorentzen & Stemoco AS





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General Disclaimer



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