



Lorentzen & Stemoco

Joint Shipping Service Morning Report



December 5, 2011

Dry Bulk Market

	Today	Previous	Change	Change YTD
Average TCEs				
Capesize (\$/day)	\$29,359	\$29,010	1.2 %	57.0 %
Panamax (\$/day)	\$13,586	\$13,657	-0.5 %	-5.1 %
Supramax (\$/day)	\$13,956	\$14,089	-0.9 %	-6.1 %
BDI	1,866	1,862	0.2 %	10.2 %
Dry Commodities				
India Iron Ore China Landed 63% Fe (\$/ton)	\$143	\$143	0.0 %	-18.8 %
China Average HR Sheet (\$/ton)	\$664	\$666	-0.3 %	-4.7 %
Amsterdam Coal API#2 (\$/ton)	\$112.40	\$112.40	0.0 %	-14.8 %
Red Hard Wheat KCBT (\$/bushel)	\$6.55	\$6.33	3.4 %	-14.8 %

An upsurge in fixing activity has pushed up the freight rates for Capesize bulk carriers, particularly in the Pacific basin. The spread between Pacific and Atlantic freight rates is closing in, limiting the interest of Owners in ballasting to the Atlantic. That would appear to indicate a firming tendency in the Atlantic, with the position list getting increasingly narrower. The Baltic Exchange reported on Friday that Capesize bulk carriers were earning USD 29,359 per day on a timecharter equivalent basis. If continued, the Baltic Exchange could well be reporting today that Capesizes are exceeding the threshold of USD 30,000 per day

Tanker Market

	Today	Previous	Change	Change YTD
Average TCEs				
VLCC TD3 MEG-Japan (\$/day)	\$12,710	\$13,179	-3.6 %	-21.6 %
Suez Average (\$/day)	\$14,103	\$15,758	-10.5 %	-33.8 %
Aframax Average (\$/day)	\$2,890	\$3,325	-13.1 %	-69.4 %
MR Average (\$/day)	\$9,644	\$9,724	-0.8 %	-7.3 %
Oil Commodities				
Brent Front Month (\$/bbl)	\$110.73	\$109.94	0.7 %	16.8 %
WTI Front Month (\$/bbl)	\$100.96	\$100.20	0.8 %	10.8 %
Brent Forward Spread, 2M-1M (\$/bbl)	-\$0.39	-\$0.26	-50.0 %	-
NWE-USG Gasoline Arbitrage (\$/mt)	\$12.13	-\$1.94	\$14.1	-

Qatar Petroleum and Royal Dutch Shell Plc signed a heads of agreement to develop a petrochemicals plant in the Gulf country for an estimated cost of \$6.4 billion, writes Bloomberg. State-run Qatar Petroleum will have an 80 percent stake in the project and Shell the remainder. They plan to sign a final joint-venture agreement by the end of next year or early in 2013, and the project would be completed in 2017. The Shell venture would not replace one that Exxon Mobil Corp. proposed two year ago, and the country plans more petrochemicals projects, said Qatari Oil Minister, al-Sada.

Gas Market

	Today	Previous	Change	Change YTD
Freight Rates				
LPG Average (\$/ton)	62.19	62.66	-0.8 %	62.3 %
Gas Commodities				
Propane AG Spot (\$/ton)	760.00	757.00	0.4 %	-16.8 %
Butane AG Spot (\$/ton)	810.00	807.00	0.4 %	-9.8 %
Natural Gas (\$/MMBTU)	3.36	3.49	-3.7 %	-26.0 %
Bunkers				
380 cSt Fujairah	691.50	690.50	0.1 %	33.1 %
380 cSt Rotterdam	639.50	626.50	2.1 %	29.7 %
380 cSt Houston	645.50	642.00	0.5 %	29.2 %

The Zeebrugge LNG terminal, regasified and sent out 277,988 million tonnes of LNG equivalent in November, down 21.3% from 353,121 mt a year earlier, according to Belgium's Fluxys. Last year, a total of 71 tankers unloaded LNG at the terminal, compared with 78 in 2009, bringing in some 4.58 million tonnes of LNG. It is operated by Fluxys LNG and has an annual throughput capacity of nine billion cubic meters (bcm) of natural gas.

Source: Bloomberg / Lorentzen & Stemoco AS

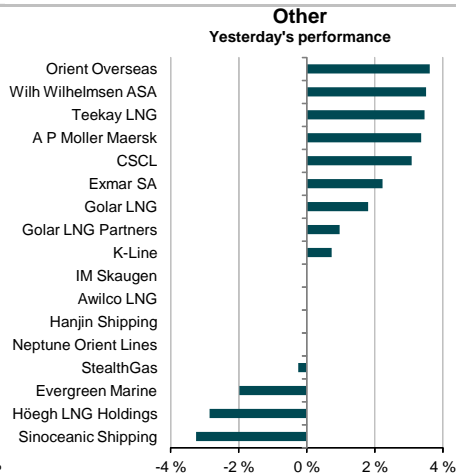
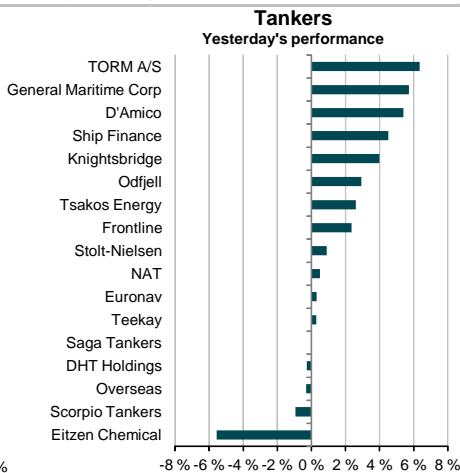
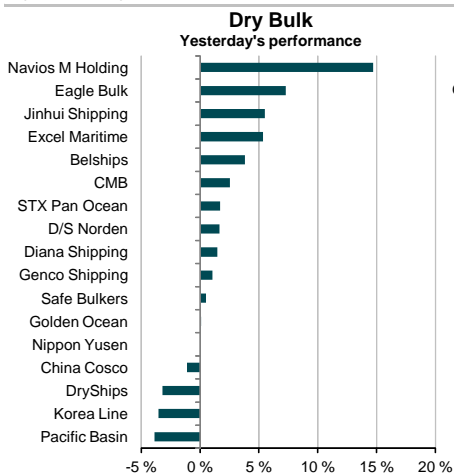
Shipping Equities

Selected news:

Höegh LNG has entered into an agreement with Daewoo Shipbuilding to initiate a project specific design of an LNG FPSO solution for the Tamar gas field offshore Israel. The agreement states that Höegh LNG with selected partners shall be the owner and operator of the LNG FPSO. HLNG reported an operating profit of \$4m for the third quarter and announced it has secured financing for \$288m, or half of its newbuilding program at Hyundai Heavy Industries.

Precious Shipping has cancelled one of its Supramax newbuildings, Tradewinds reports. The cancellation comes as a result of late delivery. Precious bought a trio of Supramax resales from Taizhou Sanfu Shipbuilding in September and has already taken delivery of the first two vessels. The Bangkok-listed owner paid \$53m for the first two ships. The vessels were originally ordered by Oscar Wehr.

Neptune Orient Lines today denies making a bid for Hapag-Lloyd, Reuters reports today. The statement came after a German newspaper reported that NOL had resumed talks about buying Hapag-Lloyd, without identifying its sources. In 2008, NOL broke off acquisition talks after failing to agree on a price for the German liner giant. Trading of NOL shares was halted this morning while awaiting the announcement from the company that it did not making a bid for Hapag-Lloyd.



Source: First Securities AS / JCT FactSet / Bloomberg / Tradewinds / Lloyd's List / Fairplay



Lorentzen & Stemoco

Shipping Equities



Dry bulk

Company	Ticker	(Local curr) Last	Performance				(mUSD) M cap	P/E		EV/EBITDA		Yield		Gearing	
			1d	1w	1m	YTD		11	12	11	12	11	12	Net debt/EV	
Golden Ocean	GOGL NO	4.14	0.1 %	7 %	1 %	-49 %	327	4.9	4.6	7.0	6.6	8 %	6 %	62 %	
Jinhui Shipping	JIN NO	11.50	5.5 %	10 %	-4 %	-41 %	167	1.6	3.5	3.7	4.8	0 %	0 %	68 %	
CMB	CMB BB	15.73	2.5 %	1 %	-4 %	-32 %	739	7.1	7.9	7.5	7.6	6 %	6 %	53 %	
DryShips	DRYS US	2.42	-3.2 %	7 %	-10 %	-54 %	991	5.5	3.7	8.4	5.6	0 %	0 %	79 %	
Diana Shipping	DSX US	7.60	1.5 %	3 %	-9 %	-34 %	628	5.8	10.0	3.5	4.3	0 %	0 %	Neg.	
Genco Shipping	GNK US	7.60	1.1 %	1 %	-11 %	-47 %	273	10.5	na	7.0	8.9	0 %	0 %	84 %	
Navios M Holding	NM US	3.90	14.7 %	18 %	5 %	-26 %	397	6.7	7.0	5.9	5.5	6 %	6 %	74 %	
Excel Maritime	EXM US	1.97	5.3 %	10 %	-21 %	-65 %	169	na	na	7.8	11.0	0 %	0 %	85 %	
Eagle Bulk	EGLE US	1.18	7.3 %	1 %	-18 %	-76 %	74	na	na	11.3	9.3	0 %	0 %	94 %	
Safe Bulkers	SB US	6.10	0.5 %	1 %	-8 %	-31 %	432	4.1	4.1	6.5	6.0	10 %	10 %	50 %	
Korea Line	005880 KS	31,400	-3.5 %	18 %	-25 %	-79 %	367	na	na	na	na	na	na	na	
STX Pan Ocean	STX SP	7.15	1.7 %	11 %	-13 %	-46 %	1,147	na	na	na	na	0 %	0 %	69 %	
Nippon Yusen	9101 JP	181	0.0 %	8 %	-4 %	-50 %	3,949	na	na	11.8	9.1	2 %	2 %	75 %	
Pacific Basin	2343 HK	3.48	-3.9 %	6 %	-3 %	-33 %	868	na	14.9	7.4	6.7	2 %	3 %	20 %	
Belships	BEL NO	5.70	3.8 %	0 %	-5 %	-21 %	25	na	na	na	na	na	na	na	
China Cosco	1919 HK	3.60	-1.1 %	5 %	-11 %	-56 %	8,256	na	na	na	na	0 %	0 %	34 %	
D/S Nordco	DNORD DC	147	1.7 %	4 %	-2 %	-27 %	1,145	12.3	15.6	5.2	5.2	4 %	3 %	Neg.	
Market cap weighted average			-0.1 %	6.4 %	-8.2 %	-49.0 %		7.4	9.3	8.6	7.3	1 %	1 %		

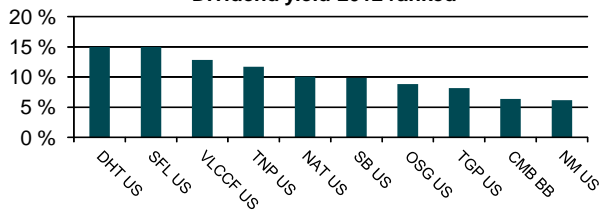
Tankers

Company	Ticker	(Local curr) Last	Performance				(mUSD) M cap	P/E		EV/EBITDA		Yield		Gearing	
			1d	1w	1m	YTD		11	12	11	12	11	12	Net debt/EV	
Frontline	FRO NO	18	2.4 %	3 %	-32 %	-88 %	240	na	na	12.3	13.7	4 %	0 %	90 %	
Ship Finance	SFL US	10.42	4.5 %	-5 %	-26 %	-52 %	824	6.3	6.4	13.1	11.2	15 %	15 %	70 %	
Euronav	EURN BB	3.27	0.3 %	0 %	3 %	-74 %	227	na	na	9.6	11.4	0 %	0 %	84 %	
General Maritime Corp	GMRRQ US	0.02	5.7 %	-33 %	-91 %	-99 %	3	na	na	na	na	0 %	0 %	100 %	
Teekay	TK US	27.46	0.3 %	1 %	9 %	-17 %	1,922	na	na	10.7	8.7	5 %	5 %	73 %	
Overseas	OSG US	9.98	-0.3 %	-4 %	-23 %	-72 %	304	na	na	na	15.6	13 %	9 %	87 %	
NAT	NAT US	11.95	0.5 %	-3 %	-16 %	-54 %	565	na	na	na	17.2	10 %	10 %	25 %	
Tsakos Energy	TNP US	5.13	2.6 %	4 %	-13 %	-49 %	237	na	na	15.1	12.7	12 %	12 %	85 %	
Saga Tankers	SAGA NO	1.63	0.0 %	0 %	21 %	-71 %	24	na	na	5.4	5.8	0 %	0 %	20 %	
Knightsbridge	VLCFF US	15.60	4.0 %	2 %	-10 %	-30 %	381	11.4	12.5	7.5	7.5	13 %	13 %	18 %	
DHT Holdings	DHT US	1	-0.3 %	-16 %	-48 %	-83 %	50	3.3	10.0	5.6	6.2	33 %	15 %	83 %	
Odfjell	ODF NO	35.10	2.9 %	15 %	-1 %	-35 %	522	na	na	10.1	7.9	3 %	3 %	67 %	
TORM A/S	TORM DC	3.55	6.4 %	3 %	-41 %	-91 %	47	na	na	na	na	0 %	0 %	98 %	
Stolt-Nielsen	SNI NO	113.00	0.9 %	12 %	9 %	-21 %	1,254	12.5	8.7	8.5	7.2	5 %	5 %	53 %	
Eitzen Chemical	ECHEM NO	0.17	-5.6 %	21 %	-19 %	-91 %	33	na	na	na	na	0 %	0 %	97 %	
Scorpio Tankers	STNG US	5.30	-0.9 %	-16 %	-13 %	-48 %	96	na	na	19.1	16.6	0 %	0 %	58 %	
D'Amico	DIS IM	0.45	5.4 %	7 %	-20 %	-54 %	91	na	6.8	10.8	5.9	0 %	1 %	75 %	
Market cap weighted average			1.5 %	2.9 %	-4.6 %	-37.5 %		10.1	8.5	10.6	10.1	7 %	7 %		

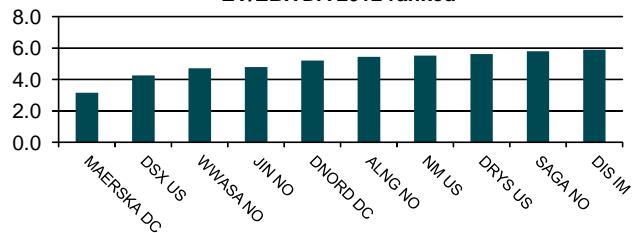
Other

Company	Ticker	(Local curr) Last	Performance				(mUSD) M cap	P/E		EV/EBITDA		Yield		Gearing	
			1d	1w	1m	YTD		11	12	11	12	11	12	Net debt/EV	
Golar LNG	GOL NO	254.00	1.8 %	3 %	13 %	185 %	3,509	na	na	na	14.3	3 %	3 %	21 %	
Golar LNG Partners	GMLP US	29.39	1.0 %	3 %	2 %	na	1,148	na	15.1	14.3	11.3	5 %	6 %	40 %	
Høegh LNG Holdings	HLNG NO	44.20	-2.9 %	-2 %	12 %	na	347	na	na	na	19.4	0 %	0 %	50 %	
IM Skaugen	IMSK NO	30.00	0.0 %	6 %	3 %	-19 %	141	na	16.8	19.1	10.0	0 %	0 %	50 %	
Exmar SA	EXM BB	5.52	2.2 %	3 %	6 %	3 %	441	na	10.6	10.9	8.1	5 %	3 %	67 %	
Teekay LNG	TGP US	33	3.5 %	5 %	-4 %	-13 %	2,153	18.5	15.4	13.6	11.8	8 %	8 %	42 %	
StealthGas	GASS US	3.96	-0.3 %	6 %	-4 %	-50 %	84	7.8	5.1	na	na	na	na	na	
Awilco LNG	ALNG NO	23.00	0.0 %	10 %	10 %	na	270	na	7.6	na	5.4	0 %	0 %	Neg.	
A P Moller Maersk	MAERSKA DC	36,300.00	3.4 %	11 %	11 %	-26 %	29,492	12.9	11.7	3.1	3.2	3 %	3 %	34 %	
Evergreen Marine	EVGZF US	14.80	-2.0 %	1 %	-11 %	-46 %	1,705	na	na	na	12.2	0 %	0 %	32 %	
Sinoceanic Shipping	SINO NO	5	-3.3 %	-5 %	-25 %	-44 %	11	na	na	na	na	na	na	na	
Hanjin Shipping	000700 KS	8,000	0.0 %	13 %	-1 %	-57 %	310	na	na	na	na	na	na	na	
K-Line	9107 JP	138.00	0.7 %	6 %	-7 %	-61 %	1,355	na	na	na	17.2	0 %	0 %	81 %	
CSC	2866 HK	1.67	3.1 %	21 %	11 %	-51 %	5,452	na	na	na	na	0 %	0 %	21 %	
Orient Overseas	316 HK	37.30	3.6 %	9 %	3 %	-39 %	3,005	18.6	15.0	8.2	7.1	1 %	2 %	17 %	
Neptune Orient Lines	NOL SP	1.09	0.0 %	4 %	-3 %	-50 %	2,196	na	na	na	12.0	0 %	0 %	36 %	
Wilhelmsen ASA	WWASA NO	30	3.5 %	4 %	0 %	-31 %	1,123	7.6	5.3	5.5	4.7	3 %	4 %	51 %	
Market cap weighted average			2.7 %	10.3 %	7.7 %	-17.2 %		13.5	12.0	4.7	6.2	2 %	2 %		

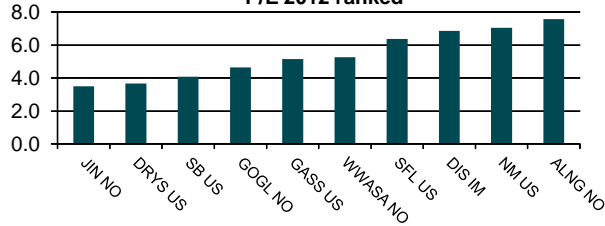
Dividend yield 2012 ranked



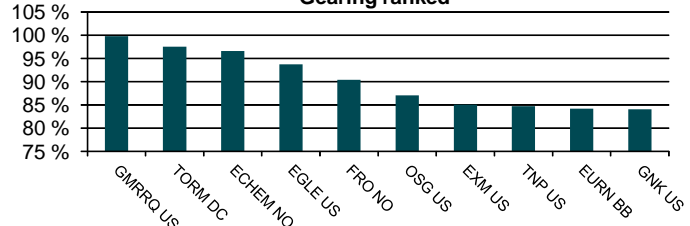
EV/EBITDA 2012 ranked



P/E 2012 ranked



Gearing ranked

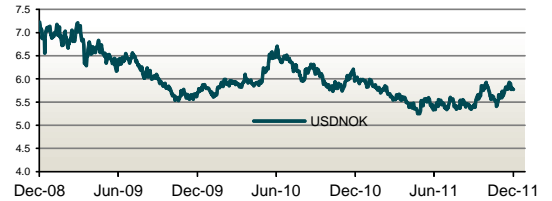


Source: JCF FactSet / First Securities AS



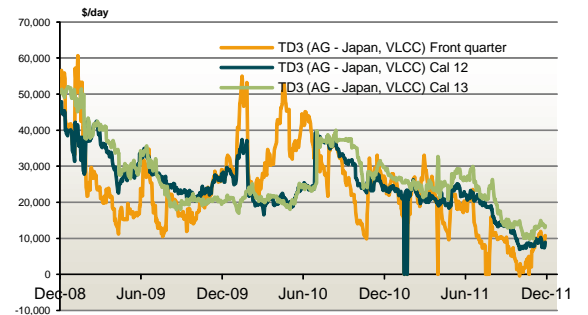
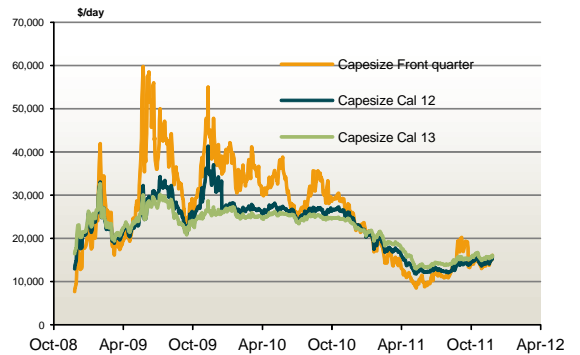
Currencies

	Today	Previous	Change
EURUSD	1.3431	1.3391	0.3 %
EURJPY	104.69	104.43	0.2 %
USDJPY	77.95	77.99	-0.1 %
USDKRW	1,129.8	1,131.3	-0.1 %
USDCNY	6.3636	6.3601	0.1 %
USDNOK	5.773	5.7901	-0.3 %



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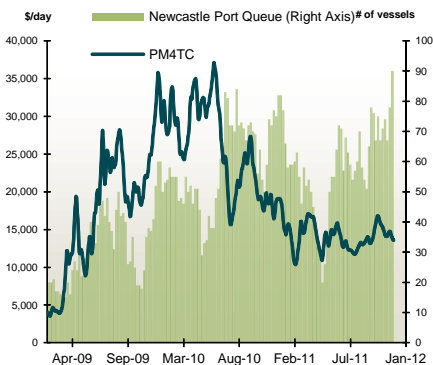
	Today	Previous	Change
Capesize Front quarter	16,129	15,608	3.3 %
Capesize Cal 12	15,707	15,396	2.0 %
Capesize Cal 13	16,117	15,842	1.7 %
	(\$/day)	(\$/day)	
Panamax Front quarter	11,038	11,058	-0.2 %
Panamax Cal 12	11,032	11,081	-0.4 %
Panamax Cal 13	11,583	11,620	-0.3 %
Supramax Front quarter	11,342	11,321	0.2 %
PM4TC Cal 12	11,124	11,173	-0.4 %
PM4TC Cal 13	11,297	11,349	-0.5 %
TD3 (AG - Japan, VLCC) Front quarter	10,752	9,902	8.6 %
TD3 (AG - Japan, VLCC) Cal 12	8,848	7,905	11.9 %
TD3 (AG - Japan, VLCC) Cal 13	13,518	12,975	4.2 %
TD5 (W. Afr. - US Gulf, Suezmax) Front quarter	15,480	14,862	4.2 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 12	12,744	12,264	3.9 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 13	15,954	15,641	2.0 %
TC2 (ARA - USEC, MR) Front quarter	9,084	8,766	3.6 %
TC2 (ARA - USEC, MR) Cal 12	9,010	8,855	1.8 %
TC2 (ARA - USEC, MR) Cal 13	10,141	9,967	1.7 %



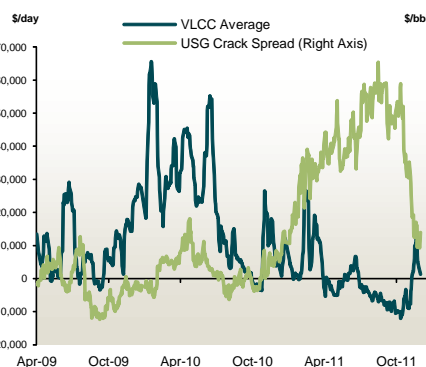
Source: Bloomberg / Baltic Exchange / Lorentzen & Stemoco AS

Selected Indicators

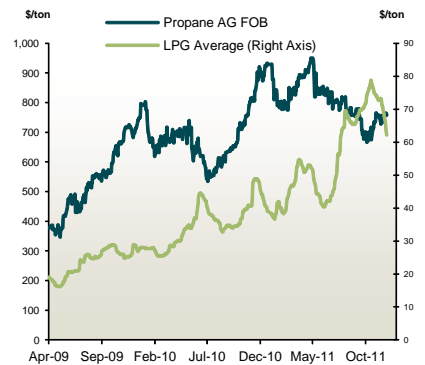
Dry Bulk



Tanker



Gas



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