



Lorentzen & Stemoco

Joint Shipping Service Morning Report



December 7, 2011

Dry Bulk Market

	Today	Previous	Change	Change YTD
Average TCEs				
Capesize (\$/day)	\$29,274	\$29,250	0.1 %	56.6 %
Panamax (\$/day)	\$13,499	\$13,523	-0.2 %	-5.7 %
Supramax (\$/day)	\$13,594	\$13,827	-1.7 %	-8.5 %
BDI	1,848	1,856	-0.4 %	9.2 %
Dry Commodities				
India Iron Ore China Landed 63% Fe (\$/ton)	\$141	\$141	0.0 %	-19.9 %
China Average HR Sheet (\$/ton)	\$664	\$667	-0.4 %	-4.7 %
Amsterdam Coal API#2 (\$/ton)	\$112.00	\$112.00	0.0 %	-15.2 %
Red Hard Wheat KCBT (\$/bushel)	\$6.51	\$6.46	0.9 %	-15.7 %

According to Reuters, iron ore price offers in top consumer China were steady on Wednesday, reflecting slow steel demand which may continue to limit appetite for the raw material for the rest of the week. Offers for imported iron ore in China were unchanged, with Australian Pilbara fines quoted at USD 139 to USD 141 a tonne, cost and freight, and Newman fines at USD 141 to USD 143, Chinese consultancy Umetal said. Australian Yandi fines were also steady at USD 121 to USD 123 a tonne and Indian 63.5/63-grade ore remained at USD 149 to USD 151, said Umetal. Top iron ore miner Vale said its damaged mega vessel was towed on Tuesday from its berth in Brazil for repairs, allowing it to resume shipments. Traders have said the shipping incident would only have affected spot iron ore supply if the problem was not resolved soon.

Tanker Market

	Today	Previous	Change	Change YTD
Average TCEs				
VLCC TD3 MEG-Japan (\$/day)	\$13,003	\$12,899	0.8 %	-19.8 %
Suez Average (\$/day)	\$13,031	\$14,563	-10.5 %	-38.9 %
Aframax Average (\$/day)	\$3,713	\$3,374	10.0 %	-60.7 %
MR Average (\$/day)	\$10,008	\$9,996	0.1 %	-3.9 %
Oil Commodities				
Brent Front Month (\$/bbl)	\$111.40	\$110.81	0.5 %	17.5 %
WTI Front Month (\$/bbl)	\$101.28	\$100.99	0.3 %	11.2 %
Brent Forward Spread, 2M-1M (\$/bbl)	-\$0.35	-\$0.30	-16.7 %	-
NWE-USG Gasoline Arbitrage (\$/mt)	\$19.15	-\$0.34	\$19.5	-

Saudi Arabia, the world's biggest crude exporter, boosted output last month to the most in more than three decades, writes Bloomberg. "We produced 10 million and 40 barrels in November because that's what the customers wanted," Ali al-Naimi said in an interview in Durban, South Africa, where he is attending a climate conference. That's the highest level since at least 1980, according to data from the U.S. Energy Department. The desert nation pumped 9.4 million barrels a day in October, al-Naimi said on Nov. 20. Saudi Arabia, the largest and most influential member of the OPEC Countries, will meet with other members of the group on Dec. 14 in Vienna to set output targets.

Gas Market

	Today	Previous	Change	Change YTD
Freight Rates				
LPG Average (\$/ton)	59.69	61.06	-2.2 %	55.8 %
Gas Commodities				
Propane AG Spot (\$/ton)	763.50	760.00	0.5 %	-16.4 %
Butane AG Spot (\$/ton)	813.50	810.00	0.4 %	-9.4 %
Natural Gas (\$/MMBTU)	3.43	3.37	1.8 %	-24.4 %
Bunkers				
380 cSt Fujairah	693.50	695.50	-0.3 %	33.5 %
380 cSt Rotterdam	642.00	638.00	0.6 %	30.2 %
380 cSt Houston	645.00	645.50	-0.1 %	29.1 %

Taiwan's CPC Corporation signed a long-term agreement with Qatar's RasGas to purchase 1.5 million tonnes of LNG a year, CPC said in a statement. The agreement was signed on the sidelines of the 20th World Petroleum Congress held in Doha. LNG deliveries under the long-term deal will start in 2013. Qatar, with an annual production capacity of 77 million tonnes is the world's leading LNG exporter and in 2010 the country accounted for 25.5% of overall global LNG exports.

Source: Bloomberg / Lorentzen & Stemoco AS

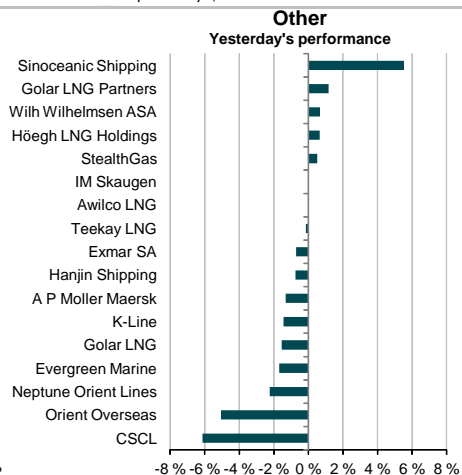
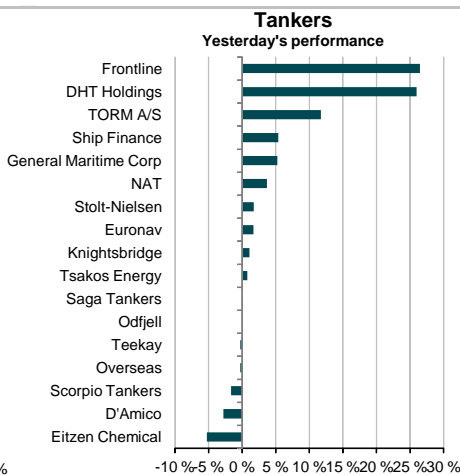
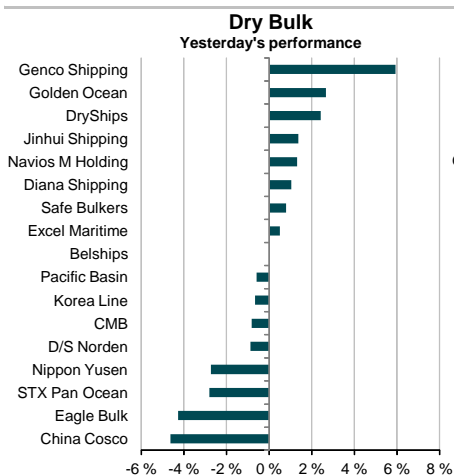
Shipping Equities

Selected news:

Frontline rocketed 26.5% in Oslo yesterday following the announcement of its restructuring plan. The company will sell its modern assets and VLCC newbuildings to Frontline 2012, a new vehicle intended to work as a tanker market consolidation vehicle. Frontline renegotiated its lease obligations from its counterparties, resulting in a positive impact on its NAV which we calculate to be NOK 10/share.

Navios Maritime Acquisition Corp yesterday announced the extension of the time charter out agreements of the chemical tankers Nave Cosmos (25,130 dwt) and Nave Polaris (25,145 dwt) for another six months. The charterer has agreed to a rate of \$11,700/day with 40% profit sharing of earnings above this level. Navios Acquisition has chartered out 100% and 79% of its capacity for 2011 and 2012 respectively. The company has a fleet of 14 tankers and an orderbook of 11 product tankers.

According to a Bloomberg-article as of yesterday, Eagle Bulk has turned Jeffries Group Inc. to discuss restructuring options. EGLB is said to be considering to raise new financing to overhaul borrowings. The company has \$1.13bn of long-term debt maturing in 2014, Bloomberg writes. EGLB closed down 4.3% yesterday to \$1.12/share, resulting in a market cap of only \$73m.



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	4.16	2.7 %	0 %	-3 %	-49 %	329	5.0	4.7	7.1	6.6	8 %	6 %	62 %	
Jinhui Shipping	JIN NO	11.15	1.4 %	7 %	-6 %	-43 %	162	1.6	3.4	3.7	4.8	0 %	0 %	69 %	
CMB	CMB BB	15.88	-0.8 %	0 %	-1 %	-31 %	744	7.2	7.9	7.6	7.6	6 %	6 %	53 %	
DryShips	DRYS US	2.54	2.4 %	13 %	-8 %	-52 %	1,040	5.8	3.8	8.5	5.7	0 %	0 %	78 %	
Diana Shipping	DSX US	7.80	1.0 %	4 %	-6 %	-33 %	644	6.0	10.3	3.6	4.4	0 %	0 %	Neg.	
Genco Shipping	GNK US	8.03	5.9 %	6 %	-7 %	-44 %	289	11.1	na	7.1	8.9	0 %	0 %	83 %	
Navios M Holding	NM US	3.86	1.3 %	11 %	3 %	-27 %	393	6.7	7.0	5.9	5.5	6 %	6 %	74 %	
Excel Maritime	EXM US	1.99	0.5 %	5 %	-19 %	-65 %	170	na	na	7.8	11.0	0 %	0 %	85 %	
Eagle Bulk	EGLE US	1.12	-4.3 %	1 %	-23 %	-78 %	70	na	na	11.2	9.2	0 %	0 %	94 %	
Safe Bulkers	SB US	6.32	0.8 %	2 %	-6 %	-29 %	448	4.2	4.2	6.6	6.1	9 %	9 %	49 %	
Korea Line	005880 KS	30,100	-0.7 %	-7 %	-28 %	-79 %	352	na	na	na	na	na	na	na	
STX Pan Ocean	STX SP	6.95	-2.8 %	7 %	-14 %	-47 %	1,115	na	na	na	na	0 %	0 %	70 %	
Nippon Yusen	9101 JP	178	-2.7 %	5 %	-6 %	-51 %	3,893	na	na	12.6	9.1	2 %	2 %	75 %	
Pacific Basin	2343 HK	3.35	-0.6 %	0 %	-7 %	-35 %	835	na	14.4	7.2	6.5	2 %	3 %	21 %	
Belships	BEL NO	5.51	0.0 %	0 %	-8 %	-24 %	24	na	na	na	na	na	na	na	
China Cosco	1919 HK	3.50	-4.6 %	6 %	-15 %	-58 %	7,819	na	na	na	na	0 %	0 %	35 %	
D/S Nordco	DNORD DC	147	-0.9 %	0 %	-3 %	-27 %	1,137	12.2	15.5	5.2	5.2	4 %	3 %	Neg.	
Market cap weighted average			-2.3 %	5.2 %	-10.2 %	-49.4 %		7.5	9.2	8.9	7.3	2 %	1 %		

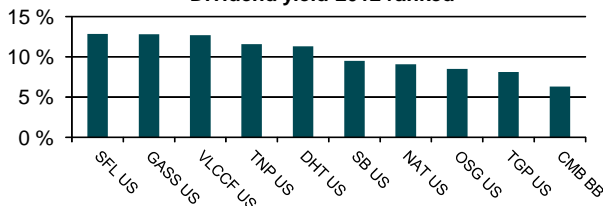
Tankers

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	26	26.5 %	49 %	-4 %	-83 %	344	na	na	12.8	15.7	3 %	0 %	87 %	
Ship Finance	SFL US	12.14	5.4 %	21 %	-16 %	-44 %	961	7.4	7.4	13.8	12.4	13 %	13 %	67 %	
Euronav	EURN BB	3.64	1.7 %	8 %	12 %	-71 %	252	na	na	9.8	11.6	0 %	0 %	83 %	
General Maritime Corp	GMRRQ US	0.02	5.3 %	3 %	-89 %	-99 %	2	na	na	na	na	0 %	0 %	100 %	
Teekay	TK US	27.73	-0.3 %	0 %	6 %	-16 %	1,941	na	na	10.7	8.7	5 %	5 %	72 %	
Overseas	OSG US	10.37	-0.3 %	-2 %	-18 %	-71 %	316	na	na	na	15.7	13 %	8 %	87 %	
NAT	NAT US	13.22	3.7 %	6 %	-7 %	-49 %	625	na	na	na	18.6	9 %	9 %	23 %	
Tsakos Energy	TNP US	5.19	0.8 %	4 %	-13 %	-48 %	240	na	na	15.2	12.7	12 %	12 %	85 %	
Saga Tankers	SAGA NO	1.50	0.0 %	-8 %	15 %	-73 %	23	na	na	5.0	5.4	0 %	0 %	22 %	
Knightsbridge	VLCCF US	15.74	1.1 %	1 %	-9 %	-29 %	384	11.5	12.6	7.5	7.5	13 %	13 %	18 %	
DHT Holdings	DHT US	1	26.0 %	29 %	-22 %	-77 %	66	4.4	13.3	5.9	6.6	25 %	11 %	79 %	
Odfjell	ODF NO	35.50	0.0 %	1 %	0 %	-34 %	527	na	na	9.8	7.3	3 %	3 %	66 %	
TORM A/S	TORM DC	4.28	11.7 %	32 %	-28 %	-89 %	56	na	na	na	na	0 %	0 %	97 %	
Stolt-Nielsen	SNI NO	117.00	1.7 %	2 %	16 %	-18 %	1,300	12.9	9.0	8.6	7.3	5 %	5 %	53 %	
Eitzen Chemical	ECHEM NO	0.18	-5.3 %	13 %	-22 %	-90 %	35	na	na	na	na	0 %	0 %	96 %	
Scorpio Tankers	STNG US	5.31	-1.7 %	-20 %	-14 %	-47 %	96	na	na	17.2	14.9	0 %	0 %	53 %	
D'Amico	DIS IM	0.44	-2.8 %	0 %	-22 %	-55 %	88	na	6.6	10.7	5.8	0 %	2 %	75 %	
Market cap weighted average			2.9 %	6.7 %	-0.6 %	-36.1 %		10.5	9.0	10.8	10.5	7 %	6 %		

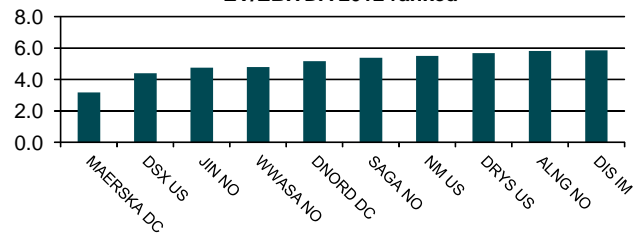
Other

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	253.00	-1.6 %	0 %	11 %	183 %	3,497	na	na	na	14.3	3 %	3 %	21 %	
Golar LNG Partners	GLMP US	29.35	1.2 %	1 %	3 %	na	1,147	na	15.1	14.3	11.3	5 %	6 %	40 %	
Höegh LNG Holdings	HLNG NO	46.80	0.6 %	4 %	16 %	na	367	na	na	na	19.9	0 %	0 %	48 %	
IM Skaugen	IMSK NO	30.00	0.0 %	0 %	6 %	-19 %	141	na	16.8	19.2	10.0	0 %	0 %	50 %	
Exmar SA	EXM BB	5.51	-0.7 %	0 %	3 %	2 %	439	na	10.6	10.9	8.1	5 %	3 %	67 %	
Teekay LNG	TGP US	33	-0.2 %	3 %	0 %	-12 %	2,157	18.6	15.4	13.6	11.8	8 %	8 %	42 %	
StealthGas	GASS US	3.90	0.5 %	1 %	-5 %	-51 %	82	5.9	4.4	7.4	6.6	0 %	13 %	na	
Awilco LNG	ALNG NO	24.50	0.0 %	11 %	11 %	na	288	na	8.1	na	5.8	0 %	0 %	Neg.	
A P Moller Maersk	MAERSKA DC	36,020.00	-1.3 %	0 %	8 %	-27 %	29,219	12.7	11.6	3.1	3.2	3 %	3 %	35 %	
Evergreen Marine	EVGFZ US	14.55	-1.7 %	0 %	-14 %	-47 %	1,673	na	na	na	12.7	0 %	0 %	32 %	
Sinoceanic Shipping	SINO NO	4	5.5 %	-19 %	-38 %	-53 %	9	na	na	na	na	na	na	na	
Hanjin Shipping	000700 KS	7,940	-0.7 %	6 %	-5 %	-57 %	307	na	na	na	na	na	na	na	
K-Line	9107 JP	137.00	-1.4 %	5 %	-9 %	-62 %	1,348	na	na	na	17.2	0 %	0 %	81 %	
CSC	2866 HK	1.53	-6.1 %	7 %	1 %	-56 %	5,079	na	na	na	na	0 %	0 %	23 %	
Orient Overseas	316 HK	35.65	-5.1 %	4 %	0 %	-41 %	2,870	19.4	15.2	8.5	7.4	2 %	2 %	19 %	
Neptune Orient Lines	NOL SP	1.10	-2.2 %	6 %	0 %	-50 %	2,206	na	na	na	12.5	0 %	0 %	37 %	
With Wilhelmsen ASA	WWASA NO	30	0.7 %	5 %	-2 %	-28 %	1,159	7.8	5.4	5.6	4.8	3 %	4 %	50 %	
Market cap weighted average			-1.9 %	1.9 %	5.0 %	-17.8 %		13.5	11.9	4.7	6.3	2 %	2 %		

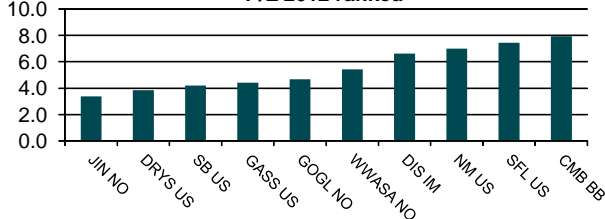
Dividend yield 2012 ranked



EV/EBITDA 2012 ranked



P/E 2012 ranked



Gearing ranked



Source: JCF FactSet / First Securities AS



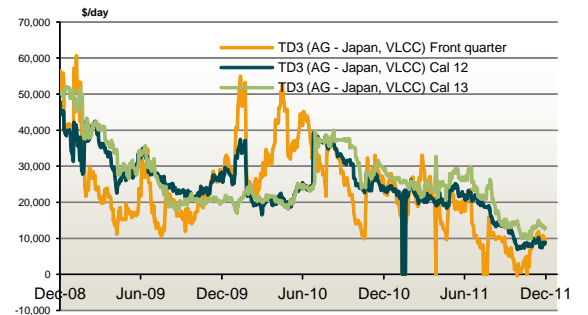
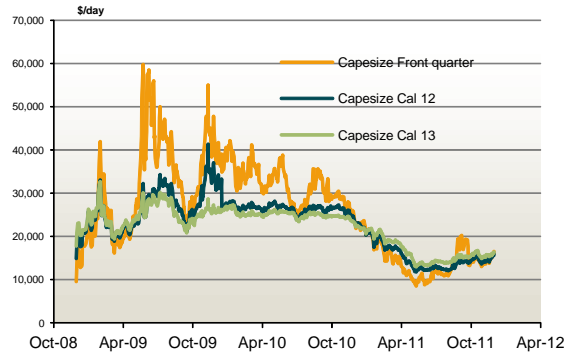
Currencies

	Today	Previous	Change
EURUSD	1.3445	1.3402	0.3 %
EURJPY	104.43	104.16	0.3 %
USDJPY	77.67	77.73	-0.1 %
USDKRW	1,126.0	1,131.4	-0.5 %
USDCNY	6.3651	6.3647	0.0 %
USDNOK	5.7311	5.7556	-0.4 %



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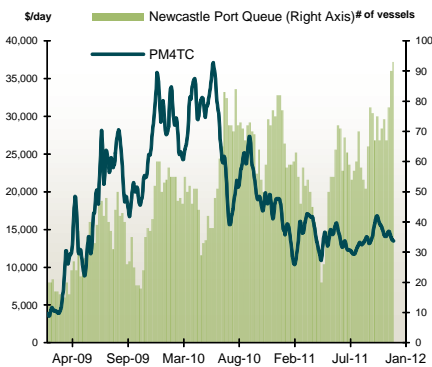
	Today	Previous	Change
Capesize Front quarter	16,579	15,842	4.7 %
Capesize Cal 12	15,980	15,570	2.6 %
Capesize Cal 13	16,408	16,092	2.0 %
	(\$/day)	(\$/day)	
Panamax Front quarter	11,436	11,236	1.8 %
Panamax Cal 12	11,267	11,136	1.2 %
Panamax Cal 13	11,636	11,600	0.3 %
Supramax Front quarter	11,415	11,392	0.2 %
PM4TC Cal 12	11,170	11,136	0.3 %
PM4TC Cal 13	11,297	11,267	0.3 %
TD3 (AG - Japan, VLCC) Front quarter	9,881	9,478	4.3 %
TD3 (AG - Japan, VLCC) Cal 12	8,866	8,454	4.9 %
TD3 (AG - Japan, VLCC) Cal 13	13,012	12,588	3.4 %
TD5 (W. Afr. - US Gulf, Suezmax) Front quarter	15,143	14,888	1.7 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 12	12,414	12,175	2.0 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 13	15,594	15,357	1.5 %
TC2 (ARA - USEC, MR) Front quarter	9,754	9,542	2.2 %
TC2 (ARA - USEC, MR) Cal 12	9,401	9,181	2.4 %
TC2 (ARA - USEC, MR) Cal 13	9,928	9,799	1.3 %



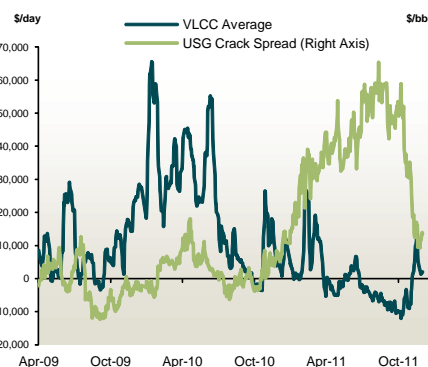
Source: Bloomberg / Baltic Exchange / Lorentzen & Stemoco AS

Selected Indicators

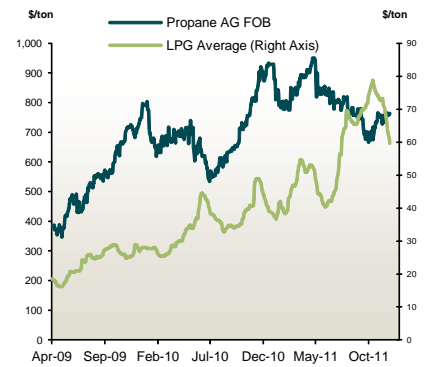
Dry Bulk



Tanker



Gas



Source: Bloomberg / Lorentzen & Stemoco AS





Lorentzen & Stemoco

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