



Lorentzen & Stemoco

Joint Shipping Service Morning Report



December 8, 2011

Dry Bulk Market

	Today	Previous	Change	Change YTD
Average TCEs				
Capesize (\$/day)	\$29 627	\$29 274	1,2 %	58,5 %
Panamax (\$/day)	\$13 472	\$13 499	-0,2 %	-5,9 %
Supramax (\$/day)	\$13 366	\$13 594	-1,7 %	-10,1 %
BDI	1 849	1 848	0,1 %	9,2 %
Dry Commodities				
India Iron Ore China Landed 63% Fe (\$/ton)	\$141	\$141	0,0 %	-19,9 %
China Average HR Sheet (\$/ton)	\$665	\$664	0,2 %	-4,6 %
Amsterdam Coal API#2 (\$/ton)	\$112,10	\$112,30	-0,2 %	-11,0 %
Red Hard Wheat KCBT (\$/bushel)	\$6,36	\$6,51	-2,3 %	-17,7 %

According to Bloomberg, Vale, the world's largest iron-ore producer, said it's in talks with customers including ArcelorMittal and China Steel Corp. to cut contract prices after clients pressured the company to revise its pricing system. Almost 80 percent of the company's iron-ore sales are based on the current quarter's price, compared with a previous system that used the period ending a month before the onset of a new quarter, Jose Carlos Martins, head of iron-ore and strategy for Vale, said today in London. Iron-ore prices for immediate delivery to China, fell about 18 percent during 2011 and reached their lowest level in almost two years on October 28th, prompting steelmakers to seek discounts. Chinese and European customers are moving toward the new contract system while Japan and Korean customers want to keep the previous one, Martins said.

Tanker Market

	Today	Previous	Change	Change YTD
Average TCEs				
VLCC TD3 MEG-Japan (\$/day)	\$12 614	\$13 003	-3,0 %	-22,2 %
Suez Average (\$/day)	\$13 509	\$13 031	3,7 %	-36,6 %
Aframax Average (\$/day)	\$4 803	\$3 713	29,4 %	-49,1 %
MR Average (\$/day)	\$10 384	\$10 008	3,8 %	-0,2 %
Oil Commodities				
Brent Front Month (\$/bbl)	\$110,16	\$109,53	0,6 %	16,2 %
WTI Front Month (\$/bbl)	\$100,49	\$101,28	-0,8 %	10,2 %
Brent Forward Spread, 2M-1M (\$/bbl)	-\$0,18	-\$0,25	28,0 %	-
NWE-USG Gasoline Arbitrage (\$/mt)	-\$1,85	\$19,15	-\$21,0	-

A planned reversal in the direction of oil flowing through the Seaway pipeline will begin carrying barrels of crude out of the oversupplied Midwest to the U.S. Gulf Coast refineries by April 1, 2012, according to a filing with regulators, writes Reuters. If all goes according to plan, the Seaway reversal will allow the first pipeline access from the brimming storage tanks of Cushing to the Gulf Coast and alleviate the glut of crude built up from Canada and Bakken shale crude flows. Increased flows of North American crude to the refinery hub on the US Gulf Coast could partly replace crude import demand from the Far East in a long term perspective.

Gas Market

	Today	Previous	Change	Change YTD
Freight Rates				
LPG Average (\$/ton)	57,25	59,69	-4,1 %	49,4 %
Gas Commodities				
Propane AG Spot (\$/ton)	794,00	763,50	4,0 %	-13,0 %
Butane AG Spot (\$/ton)	834,00	813,50	2,5 %	-7,1 %
Natural Gas (\$/MMBTU)	3,44	3,43	0,3 %	-24,2 %
Bunkers				
380 cSt Fujairah	694,50	693,50	0,1 %	33,7 %
380 cSt Rotterdam	639,00	642,00	-0,5 %	29,6 %
380 cSt Houston	643,00	641,00	0,3 %	28,1 %

Brazil's Petrobras plans to make a decision in first quarter of 2012 on its FLNG development, Petrobras chief executive Jose Sergio Gabrielli said today at the World Petroleum Congress in Doha. "Two proposals submitted by engineering groups are good both technically and commercially", he said. Petrobras and UK's BG Group signed an agreement in 2009 to develop a Floating Liquefied Natural Gas (FLNG) project as an additional option to commercialise the material associate natural gas reserves in the Santos Basin pre-salt, offshore Brazil. The FLNG processing capacity is anticipated to be up to 14 million cubic metres per day of associated gas.

Source: Bloomberg / Lorentzen & Stemoco AS

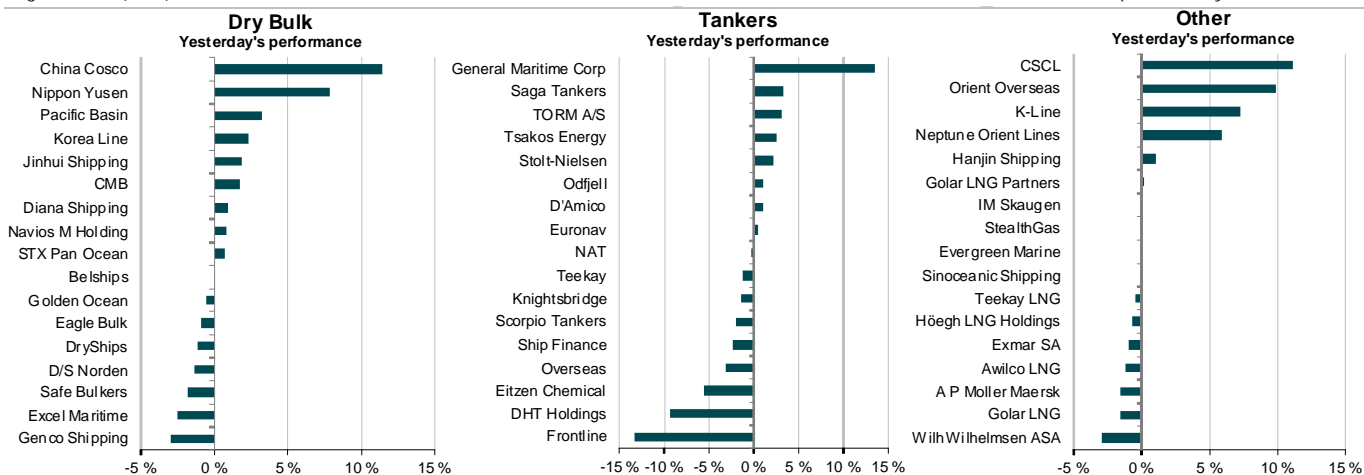
Shipping Equities

Selected news:

Hoegh LNG (HLNG) yesterday announced it had entered into a binding agreement with PGN for the provision of a FSRU offshore Belawan in North Sumatra, Indonesia. HLNG first announced in June that it was selected as a preferred bidder for the project and the company's first FSRU newbuilding, currently under construction at Hyundai Heavy Industries, will be used for the project. The agreement is based on a 20 year charter, the first of this length in the FSRU market, the company writes in its announcement. Hoegh LNG operates a fleet of five LNG carriers and two shuttle and regas vessels (SRVs).

Mitsui OSK Lines teams up with AP Møller-Maersk, Samco Shipping and Ocean Tankers of Singapore and forms the world's largest VLCC pool, consisting of 50 units with an average age of only three years. The VLCC pool will be up and running by 1 February.

Knutsen NYK Offshore Tankers (KNOT) has booked a shuttle tanker at HHI in South Korea, Tradewinds reported yesterday. The 112,000-dwt vessel is scheduled for delivery in the start of 2014. A Norwegian subsidiary of ExxonMobil has chartered the newbuilding on a long-term contract. KNOT, the world's largest owner of shuttle tankers, has ordered four units since NYK became a 50% partner last year.



Source: First Securities AS / JUF Factsheet / Bloomberg / Tradewinds / Lloyd's List / Fairplay



Lorentzen & Stemoco

Shipping Equities



Dry bulk

Company	Ticker	Last	Performance				(mUSD)	P/E		EV/EBITDA		Yield		Gearing
			1d	1w	1m	YTD		M cap	11	12	11	12	11	
Golden Ocean	GOGL NO	4,14	-0,5 %	0 %	-4 %	-49 %	328	5,0	4,7	7,1	6,6	8 %	6 %	62 %
Jinhui Shipping	JIN NO	11,35	1,8 %	4 %	-5 %	-42 %	166	1,6	3,5	3,7	4,8	0 %	0 %	68 %
CMB	CMB BB	16,15	1,7 %	5 %	1 %	-30 %	757	7,3	8,1	7,6	7,7	6 %	6 %	53 %
DryShips	DRYS US	2,51	-1,2 %	0 %	-8 %	-53 %	1 028	5,7	3,8	8,5	5,7	0 %	0 %	78 %
Diana Shipping	DSX US	7,87	0,9 %	5 %	-4 %	-32 %	650	6,0	10,4	3,7	4,4	0 %	0 %	Neg.
Genco Shipping	GNK US	7,79	-3,0 %	4 %	-10 %	-46 %	280	10,7	na	7,0	8,9	0 %	0 %	84 %
Navios M Holding	NM US	3,89	0,8 %	14 %	6 %	-26 %	396	6,7	7,1	5,9	5,5	6 %	6 %	74 %
Excel Maritime	EXM US	1,94	-2,5 %	4 %	-17 %	-66 %	166	na	na	7,8	11,0	0 %	0 %	85 %
Eagle Bulk	EGLE US	1,11	-0,9 %	1 %	-21 %	-78 %	70	na	na	11,2	9,2	0 %	0 %	94 %
Safe Bulkers	SB US	6,20	-1,9 %	2 %	-8 %	-30 %	440	4,1	4,1	6,5	6,0	10 %	10 %	50 %
Korea Line	005880 K.S	30 800	2,3 %	-5 %	-27 %	-79 %	362	na	na	na	na	na	na	na
STX Pan Ocean	STX SP	7,00	0,7 %	0 %	-13 %	-47 %	1 120	na	na	na	na	0 %	0 %	70 %
Nippon Yusen	9101 JP	192	7,9 %	6 %	1 %	-47 %	4 201	na	na	12,8	9,3	2 %	2 %	73 %
Pacific Basin	2343 HK	3,46	3,3 %	-4 %	-2 %	-33 %	862	na	14,8	7,4	6,7	2 %	3 %	20 %
Belships	BEL NO	5,51	0,0 %	0 %	-8 %	-24 %	24	na	na	na	na	na	na	na
China Cosco	1919 HK	3,90	11,4 %	7 %	-5 %	-53 %	8 712	na	na	na	na	0 %	0 %	33 %
D/S Norden	DNORD DC	145	-1,4 %	0 %	-4 %	-28 %	1 121	12,1	15,3	5,1	5,1	4 %	3 %	Neg.
Market cap weighted average			6,5 %	4,7 %	-4,3 %	-46,9 %		7,4	9,3	9,1	7,4	1 %	1 %	

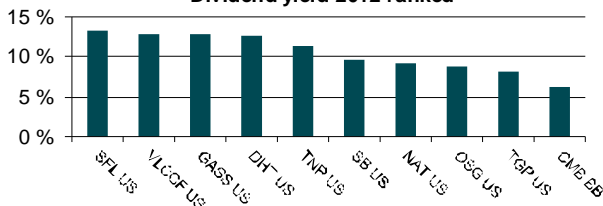
Tankers

Company	Ticker	Last	Performance				(mUSD)	P/E		EV/EBITDA		Yield		Gearing
			1d	1w	1m	YTD		M cap	11	12	11	12	11	
Frontline	FRO NO	22	-13,4 %	27 %	-15 %	-85 %	299	na	na	12,4	15,0	3 %	0 %	88 %
Ship Finance	SFL US	11,85	-2,4 %	19 %	-18 %	-45 %	938	7,2	7,5	13,7	12,5	13 %	13 %	68 %
Euronav	EURN BB	3,66	0,5 %	12 %	15 %	-71 %	254	na	na	9,8	11,6	0 %	0 %	83 %
General Maritime Corp	GMRCO US	0,02	13,5 %	8 %	-88 %	-99 %	3	na	na	na	na	0 %	0 %	100 %
Teekay	TK US	27,40	-1,2 %	0 %	5 %	-17 %	1 918	na	na	10,7	8,7	5 %	5 %	73 %
Overseas	OSG US	10,05	-3,1 %	0 %	-17 %	-72 %	306	na	na	na	15,6	13 %	9 %	87 %
NAT	NAT US	13,18	-0,3 %	11 %	-4 %	-49 %	623	na	na	na	18,5	9 %	9 %	23 %
Tsakos Energy	TNP US	5,32	2,5 %	6 %	-12 %	-47 %	246	na	na	15,2	12,7	11 %	11 %	84 %
Saga Tankers	SAGA NO	1,55	3,3 %	-5 %	7 %	-72 %	23	na	na	5,2	5,6	0 %	0 %	21 %
Knightsbridge	NLCGF US	15,52	-1,4 %	3 %	-9 %	-30 %	379	11,3	12,5	7,5	7,5	13 %	13 %	18 %
DHT Holdings	DHT US	1	-9,4 %	20 %	-25 %	-79 %	60	4,0	12,0	5,8	6,4	27 %	13 %	80 %
Odfjell	ODF NO	35,90	1,1 %	5 %	-2 %	-34 %	535	na	na	9,9	7,4	3 %	3 %	66 %
TORM A/S	TORM DC	4,41	3,1 %	32 %	-21 %	-89 %	58	na	na	na	na	0 %	0 %	97 %
Stolt-Nielsen	SNI NO	119,50	2,1 %	7 %	14 %	-16 %	1 331	13,3	10,4	8,6	7,3	5 %	5 %	52 %
Eitzen Chemical	EICHEM NO	0,17	-5,6 %	-6 %	-6 %	-91 %	33	na	na	na	na	0 %	0 %	97 %
Scorpio Tankers	STNG US	5,20	-2,1 %	-3 %	-13 %	-49 %	94	na	na	17,1	14,9	0 %	0 %	53 %
D'Amico	DIS IM	0,44	1,0 %	4 %	-20 %	-55 %	89	na	6,7	10,7	5,9	0 %	2 %	75 %
Market cap weighted average			-0,9 %	7,4 %	-1,4 %	-35,9 %		10,7	9,6	10,7	10,5	7 %	6 %	

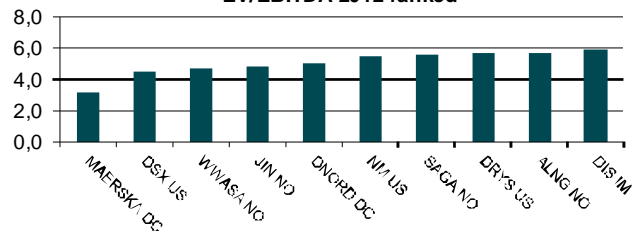
Other

Company	Ticker	Last	Performance				(mUSD)	P/E		EV/EBITDA		Yield		Gearing
			1d	1w	1m	YTD		M cap	11	12	11	12	11	
Golar LNG	GOL NO	249,00	-1,6 %	0 %	10 %	179 %	3 451	na	na	na	14,1	3 %	3 %	22 %
Golar LNG Partners	GLMP US	29,39	0,1 %	1 %	3 %	na	1 148	na	15,1	14,3	11,3	5 %	6 %	40 %
Hoegh LNG Holdings	HLNG NO	46,50	-0,6 %	2 %	15 %	na	366	na	na	na	19,8	0 %	0 %	49 %
IM Skaugen	IMSK NO	30,00	0,0 %	0 %	6 %	-19 %	141	na	16,8	19,2	10,0	0 %	0 %	49 %
Exmar SA	EXM BB	5,46	-0,9 %	1 %	0 %	1 %	435	na	10,5	10,9	8,0	5 %	4 %	67 %
Teekay LNG	TGP US	33	-0,4 %	3 %	0 %	-13 %	2 148	18,5	15,4	13,6	11,7	8 %	8 %	42 %
StealthGas	GASS US	3,90	0,0 %	-2 %	-5 %	-51 %	82	5,9	4,4	7,4	6,6	0 %	13 %	na
Avilco LNG	ALNG NO	24,20	-1,2 %	5 %	16 %	na	285	na	8,0	na	5,7	0 %	0 %	Neg.
A.P. Moller Maersk	MAERSKA DC	35 460,00	-1,6 %	1 %	9 %	-28 %	28 778	12,5	11,4	3,1	3,1	3 %	3 %	35 %
Evergreen Marine	EVGZF US	14,55	0,0 %	-4 %	-12 %	-47 %	1 676	na	na	na	13,0	0 %	0 %	33 %
Sinocear Shipping	SINO NO	4	0,0 %	-19 %	-35 %	-53 %	9	na	na	na	na	na	na	na
Hanjin Shipping	000700 K.S	8 020	1,0 %	0 %	-4 %	-57 %	312	na	na	na	na	na	na	na
K-Line	9107 JP	147,00	7,3 %	7 %	-1 %	-59 %	1 447	na	na	na	17,4	0 %	0 %	80 %
CSC	2866 HK	1,70	11,1 %	5 %	13 %	-51 %	5 643	na	na	na	na	0 %	0 %	21 %
Orient Overseas	316 HK	39,15	9,8 %	9 %	7 %	-36 %	3 152	na	16,7	9,1	8,0	1 %	2 %	17 %
Neptune Orient Lines	NOL SP	1,16	5,9 %	6 %	5 %	-47 %	2 331	na	na	na	12,9	0 %	0 %	36 %
Wihl Wilhelmsen ASA	WWASA NO	30	-3,0 %	4 %	-3 %	-31 %	1 127	7,6	5,3	5,5	4,7	3 %	4 %	51 %
Market cap weighted average			1,2 %	2,2 %	7,5 %	-18,5 %		12,8	12,0	4,8	6,4	2 %	2 %	

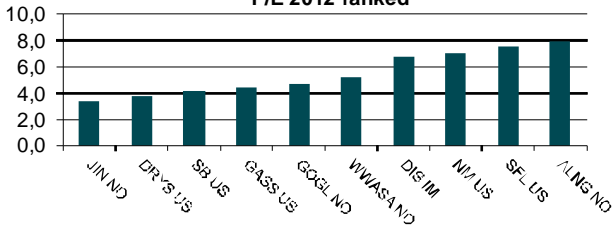
Dividend yield 2012 ranked



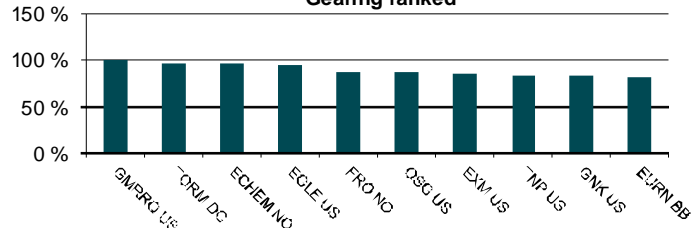
EV/EBITDA 2012 ranked



P/E 2012 ranked



Gearing ranked

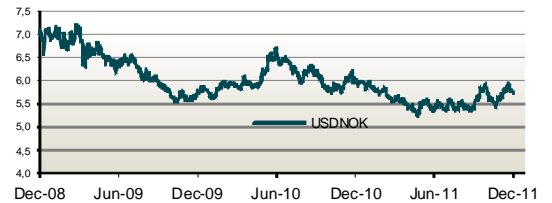


Source: JCF FactSet / First Securities AS



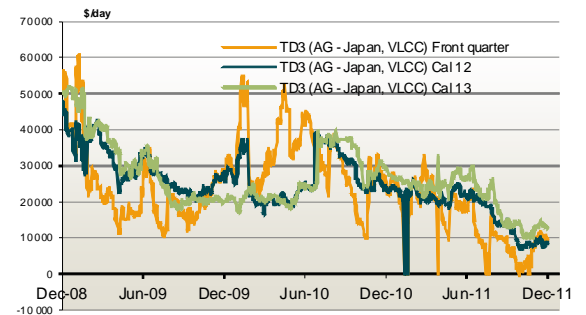
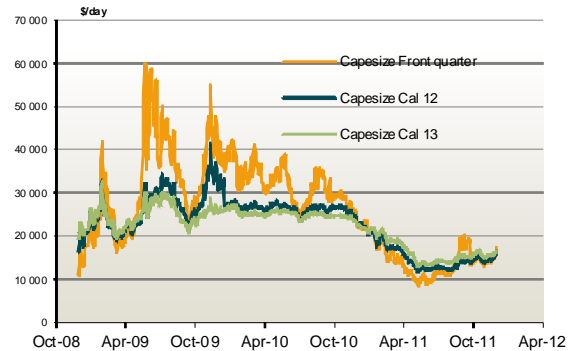
Currencies

	Today	Previous	Change
EURUSD	1,3415	1,3412	0,0 %
EURJPY	104,09	104,18	-0,1 %
USDJPY	77,59	77,68	-0,1 %
USDKRW	1 131,4	1 126,0	0,5 %
USDCNY	6,3629	6,3651	0,0 %
USDNOK	5,7347	5,7426	-0,1 %



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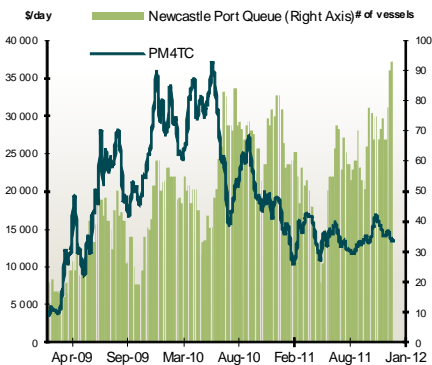
	Today	Previous	Change
Capesize Front quarter	17 450	16 579	5,3 %
Capesize Cal 12	16 364	15 980	2,4 %
Capesize Cal 13	16 692	16 408	1,7 %
	(\$/day)	(\$/day)	
Panamax Front quarter	11 675	11 436	2,1 %
Panamax Cal 12	11 421	11 267	1,4 %
Panamax Cal 13	11 750	11 636	1,0 %
Supramax Front quarter	11 333	11 415	-0,7 %
PM4TC Cal 12	11 148	11 170	-0,2 %
PM4TC Cal 13	11 338	11 297	0,4 %
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 %



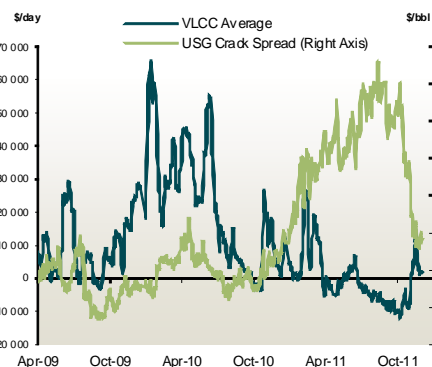
Source: Bloomberg / Baltic Exchange / Lorentzen & Stemoco AS

Selected Indicators

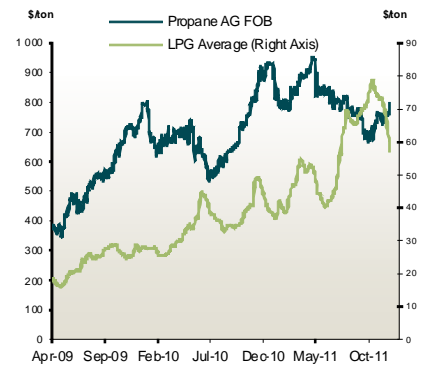
Dry Bulk



Tanker



Gas



Source: Bloomberg / Lorentzen & Stemoco AS





Lorentzen & Stemoco

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