



Lorentzen & Stemoco

Joint Shipping Service Morning Report



December 13, 2011

Dry Bulk Market

	Today	Previous	Change	Change YTD
Average TCEs				
Capesize (\$/day)	\$32,889	\$32,617	0.8 %	75.9 %
Panamax (\$/day)	\$13,850	\$13,682	1.2 %	-3.2 %
Supramax (\$/day)	\$12,737	\$12,857	-0.9 %	-14.3 %
BDI	1,930	1,922	0.4 %	14.0 %
Dry Commodities				
India Iron Ore China Landed 63% Fe (\$/ton)	\$141	\$141	0.0 %	-19.9 %
China Average HR Sheet (\$/ton)	\$664	\$665	-0.2 %	-4.7 %
Amsterdam Coal API#2 (\$/ton)	\$112.45	\$112.40	0.0 %	-10.7 %
Red Hard Wheat KCBT (\$/bushel)	\$6.37	\$6.34	0.5 %	-17.6 %

Australia nudged up on Tuesday its forecast for iron ore exports in 2011/12 by 2.4 percent to 460 million tons from its previous forecast as the world's top producers in China continue to expand, betting strong industrial growth in China will continue, writes Reuters. But a forecast for metallurgical coal exports was revised down, with the Bureau of Resources and Energy Economics (BREE) now predicting exports will be 150 million tonnes versus 156 million in its forecast on Sept. 20, after a series of floods and strikes cut output.

Tanker Market

	Today	Previous	Change	Change YTD
Average TCEs				
VLCC TD3 MEG-Japan (\$/day)	\$14,457	\$12,424	16.4 %	-10.8 %
Suez Average (\$/day)	\$18,777	\$16,797	11.8 %	-11.9 %
Aframax Average (\$/day)	\$20,208	\$16,023	26.1 %	114.2 %
MR Average (\$/day)	\$10,535	\$10,101	4.3 %	1.2 %
Oil Commodities				
Brent Front Month (\$/bbl)	\$107.52	\$107.26	0.2 %	13.4 %
WTI Front Month (\$/bbl)	\$97.77	\$99.41	-1.6 %	7.0 %
Brent Forward Spread, 2M-1M (\$/bbl)	-\$0.17	-\$0.18	5.6 %	-
NWE-USG Gasoline Arbitrage (\$/mt)	\$0.16	\$17.12	-\$17.0	-

According to the Baltic Exchange weekly assessment of ship values, for 5 year old vessels, Capesize bulkers had the steepest decline in value last week. The decline brought the value down to USD 36.3m, down from USD 36.8m one week ago. A VLCC is assessed at USD 56.2m, a tad lower again from last week. MR tankers and Aframax tankers showed marginal increases in value. Major routes in the chartering market for both crude and product tankers posted gains yesterday. Aframax vessels in the Baltic/North Sea stands out on the positive side and rates moved from USD 27,000pd on Friday to USD 34,500 yesterday

Gas Market

	Today	Previous	Change	Change YTD
Freight Rates				
LPG Average (\$/ton)	54.25	54.93	-1.2 %	41.6 %
Gas Commodities				
Propane AG Spot (\$/ton)	775.50	775.50	0.0 %	-15.1 %
Butane AG Spot (\$/ton)	805.50	805.50	0.0 %	-10.3 %
Natural Gas (\$/MMBTU)	3.12	3.29	-5.2 %	-31.3 %
Bunkers				
380 cSt Fujairah	672.00	674.50	-0.4 %	29.4 %
380 cSt Rotterdam	634.00	638.00	-0.6 %	28.6 %
380 cSt Houston	636.00	640.00	-0.6 %	27.3 %

Shipping rates of liquefied natural gas for a period of 12-months or more rose to a record, Bloomberg reported, citing an analyst at Morgan Stanley. A.P. Moller-Maersk, hired out LNG tanker Maersk Methane for three years at \$140,000 a day, Ole Storer, a Morgan Stanley analyst said. Morgan Stanley said one-year hire rates for 150,000 cubic meter LNG tankers rose 8.3 percent last week to \$130,000 daily. Recently, Drewry Maritime Services said that daily freight rates for spot LNG vessels rose to \$112,000 in October from \$42,000 a year before.

Source: Bloomberg / Lorentzen & Stemoco AS

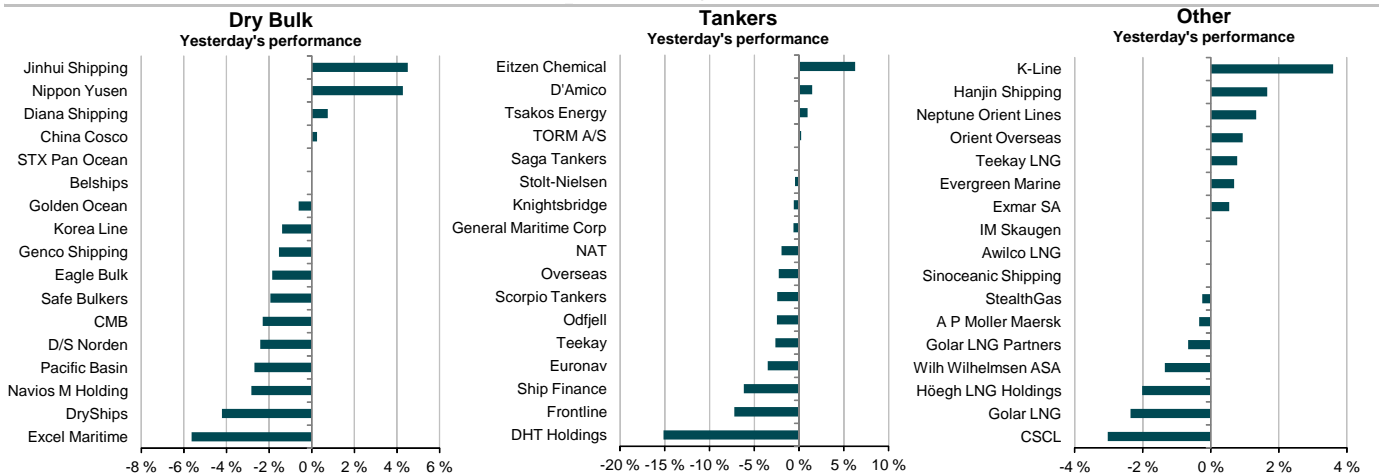
Shipping Equities

Selected news:

Frontline just announced the sale of its 1992-built Suezmax tanker Front Beta. The company expects to book a loss of approximately \$0.1m and a cash outflow of \$0.2m after repayment of bank debt. After the sale of the Front Beta and the 15 modern units and newbuildings to be sold to Frontline 2012, Frontline will own a fleet of one owned Suezmax tanker, a pair of Suezmax newbuilding contracts. In addition, the company will lease 28 units from Ship Finance as well as 8 from KGs and other owners.

Safe Bulkers has ordered another Panamax dry bulk carrier. The company says the price is attractive and that the ship will be launched in 2014 from a Japanese shipyard. Safe Bulkers now has a newbuilding program of five Panamax, three Kamsarmax vessels as well as two Capesize/Post Panamax vessels. After delivery, the company's fleet will consist of 28 units, or 2.6 million deadweight tons.

Bergen-based Hansa Tankers is close to buying a 2011-built chemical tanker from Sanko Steamship, Tradewinds reports today. According to brokers, the 20,000-dwt stainless steel tanker Sanko Nature will change hands for \$26m. Sanko has sold a series of ships lately and is currently left with a pair of 2011-built chemical tankers as well as a range of other tankers, containerships, bulk carriers, LPG carriers and offshore vessels.



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



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Shipping Equities



Dry bulk

Company	Ticker	(Local curr)	Performance				(mUSD)	P/E			EV/EBITDA			Yield		Gearing	
			Last	1d	1w	1m		YTD	M cap	11	12	11	12	11	12	Net debt/EV	
Golden Ocean	GOGL NO	4.20	-0.6 %	1 %	-5 %	-48 %	330	5.0	4.7	7.1	6.6	8 %	6 %	62 %			
Jinhui Shipping	JIN NO	10.45	4.5 %	-6 %	-7 %	-46 %	151	1.5	3.1	3.6	4.6	0 %	0 %	70 %			
CMB	CMB BB	15.34	-2.3 %	-3 %	-5 %	-33 %	710	6.9	7.7	7.5	7.5	7 %	7 %	54 %			
DryShips	DRYS US	2.27	-4.2 %	-11 %	-21 %	-57 %	929	5.2	3.4	8.3	5.5	0 %	0 %	80 %			
Diana Shipping	DSX US	8.03	0.8 %	3 %	-5 %	-31 %	663	6.1	10.7	3.7	4.5	0 %	0 %	Neg.			
Genco Shipping	GNK US	7.70	-1.5 %	-4 %	-20 %	-47 %	277	10.6	na	7.0	8.9	0 %	0 %	84 %			
Navios M Holding	NM US	3.78	-2.8 %	-2 %	4 %	-28 %	384	6.5	6.9	5.8	5.5	6 %	6 %	74 %			
Excel Maritime	EXM US	1.84	-5.6 %	-8 %	-22 %	-67 %	158	na	na	7.7	10.9	0 %	0 %	86 %			
Eagle Bulk	EGLE US	1.06	-2.8 %	-5 %	-25 %	-79 %	66	na	na	11.2	9.2	0 %	0 %	94 %			
Safe Bulkers	SB US	6.08	-1.9 %	-4 %	-9 %	-31 %	431	4.1	4.1	6.5	6.0	10 %	10 %	50 %			
Korea Line	005880 KS	28,200	-1.4 %	-6 %	-33 %	-81 %	325	na	na	na	na	na	na	na			
STX Pan Ocean	STX SP	7.00	0.0 %	1 %	-10 %	-47 %	1,108	na	na	na	na	0 %	0 %	70 %			
Nippon Yusen	9101 JP	195	4.3 %	10 %	11 %	-46 %	4,262	na	na	12.9	9.6	2 %	2 %	73 %			
Pacific Basin	2343 HK	3.26	-2.7 %	-3 %	-5 %	-37 %	811	na	14.0	6.8	6.4	2 %	3 %	21 %			
Belships	BEL NO	5.45	0.0 %	-1 %	-4 %	-25 %	23	na	na	na	na	na	na	na			
China Cosco	1919 HK	4.00	0.3 %	14 %	3 %	-51 %	8,252	na	na	na	na	0 %	0 %	34 %			
D/S Nordco	DNORD DC	138	-2.4 %	-6 %	-9 %	-32 %	1,051	11.3	14.3	4.7	4.6	4 %	3 %	Neg.			
Market cap weighted average			0.4 %	6.6 %	-0.4 %	-46.9 %		7.0	8.9	9.1	7.5	1 %	1 %				

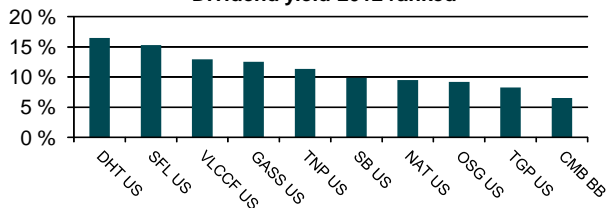
Tankers

Company	Ticker	(Local curr)	Performance				(mUSD)	P/E			EV/EBITDA			Yield		Gearing	
			Last	1d	1w	1m		YTD	M cap	11	12	11	12	11	12	Net debt/EV	
Frontline	FRO NO	20	-7.2 %	-23 %	-46 %	-87 %	262	na	na	12.2	15.5	4 %	0 %	90 %			
Ship Finance	SFL US	10.20	-6.2 %	-16 %	-32 %	-53 %	807	6.2	6.5	13.1	11.9	15 %	15 %	71 %			
Euronav	EURN BB	3.32	-3.5 %	-9 %	-3 %	-74 %	227	na	na	9.6	11.4	0 %	0 %	84 %			
General Maritime Corp	GMRRQ US	0.02	-0.6 %	-20 %	-91 %	-100 %	na	na	na	na	na	0 %	0 %	na			
Teekay	TK US	26.17	-2.6 %	-6 %	-5 %	-21 %	1,832	na	na	10.6	8.6	5 %	5 %	74 %			
Overseas	OSG US	9.56	-2.2 %	-8 %	-33 %	-73 %	291	na	na	na	15.5	14 %	9 %	88 %			
NAT	NAT US	12.62	-1.9 %	-5 %	-13 %	-51 %	597	na	na	na	17.9	10 %	10 %	24 %			
Tsakos Energy	TNP US	5.29	1.0 %	2 %	-15 %	-47 %	244	na	na	15.2	12.7	11 %	11 %	84 %			
Saga Tankers	SAGA NO	1.55	0.0 %	3 %	-3 %	-72 %	23	na	na	5.2	5.6	0 %	0 %	21 %			
Knightsbridge	VLCFF US	15.46	-0.6 %	-2 %	-13 %	-31 %	378	11.3	12.4	7.4	7.4	13 %	13 %	18 %			
DHT Holdings	DHT US	1	-15.1 %	-31 %	-42 %	-84 %	46	3.1	9.1	5.5	6.1	36 %	16 %	84 %			
Odfjell	ODF NO	35.60	-2.5 %	0 %	-2 %	-34 %	525	na	na	9.8	7.3	3 %	3 %	66 %			
TORM A/S	TORM DC	4.17	0.2 %	-3 %	-18 %	-89 %	54	na	na	na	na	0 %	0 %	97 %			
Stolt-Nielsen	SNI NO	112.00	-0.4 %	-4 %	2 %	-21 %	1,233	12.2	9.6	8.3	7.1	5 %	5 %	54 %			
Eitzen Chemical	EICHEM NO	0.17	6.3 %	-6 %	-6 %	-91 %	33	na	na	na	na	0 %	0 %	97 %			
Scorpio Tankers	STNG US	4.83	-2.4 %	-9 %	-29 %	-52 %	87	na	na	16.5	14.6	0 %	0 %	55 %			
D'Amico	DIS IM	0.44	1.5 %	1 %	-21 %	-55 %	88	na	6.6	10.7	5.8	0 %	2 %	75 %			
Market cap weighted average			#VALUE!	#VALUE!	#VALUE!	#VALUE!		9.9	8.9	10.4	10.2	###	###				

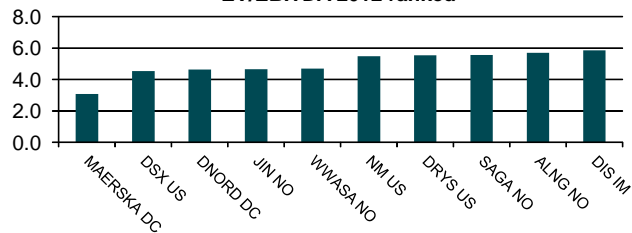
Other

Company	Ticker	(Local curr)	Performance				(mUSD)	P/E			EV/EBITDA			Yield		Gearing	
			Last	1d	1w	1m		YTD	M cap	11	12	11	12	11	12	Net debt/EV	
Golar LNG	GOL NO	248.00	-2.4 %	-2 %	9 %	178 %	3,398	na	na	na	14.0	3 %	3 %	22 %			
Golar LNG Partners	GMLP US	29.60	-0.7 %	1 %	4 %	na	1,157	na	15.2	14.4	11.3	5 %	6 %	39 %			
Höegh LNG Holdings	HLNG NO	48.50	-2.0 %	4 %	19 %	na	377	na	na	na	na	0 %	0 %	48 %			
IM Skaugen	IMSK NO	30.00	0.0 %	0 %	12 %	-19 %	140	na	16.6	19.1	10.0	0 %	0 %	50 %			
Exmar SA	EXM BB	5.55	0.5 %	1 %	2 %	3 %	436	na	9.8	12.1	8.3	5 %	3 %	67 %			
Teekay LNG	TGP US	33	0.8 %	-2 %	1 %	-14 %	2,118	18.2	15.2	13.5	11.7	8 %	8 %	42 %			
StealthGas	GASS US	3.99	-0.3 %	2 %	1 %	-50 %	84	6.0	4.5	7.4	6.6	0 %	13 %	na			
Awilco LNG	ALNG NO	24.00	0.0 %	-2 %	14 %	na	279	na	7.9	na	5.7	0 %	0 %	Neg.			
A P Moller Maersk	MAERSKA DC	34,720.00	-0.3 %	-4 %	5 %	-29 %	27,833	12.2	11.1	3.0	3.1	3 %	3 %	35 %			
Evergreen Marine	EVGFZ US	14.70	0.7 %	1 %	-5 %	-47 %	1,690	na	na	na	13.1	0 %	0 %	32 %			
Sinoceanic Shipping	SINO NO	4	0.0 %	0 %	-37 %	-53 %	9	na	na	na	na	na	na	na			
Hanjin Shipping	000700 KS	7,980	1.7 %	1 %	6 %	-57 %	305	na	na	na	na	na	na	na			
K-Line	9107 JP	144.00	3.6 %	5 %	7 %	-60 %	1,416	na	na	na	14.6	0 %	0 %	80 %			
CSC	2866 HK	1.60	-3.0 %	5 %	16 %	-53 %	5,244	na	na	na	na	0 %	0 %	22 %			
Orient Overseas	316 HK	37.80	0.9 %	6 %	7 %	-38 %	3,039	na	17.2	9.5	8.2	1 %	2 %	18 %			
Neptune Orient Lines	NOL SP	1.14	1.3 %	4 %	9 %	-48 %	2,265	na	na	na	12.7	0 %	0 %	36 %			
Wilhelmsen ASA	WWASA NO	29	-1.4 %	-4 %	-7 %	-31 %	1,103	7.5	5.2	5.5	4.7	4 %	4 %	51 %			
Market cap weighted average			-0.4 %	-1.0 %	5.9 %	-19.7 %		12.4	11.8	4.8	6.2	2 %	3 %				

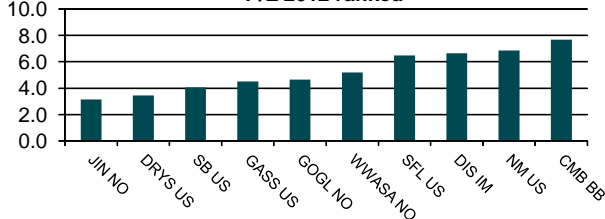
Dividend yield 2012 ranked



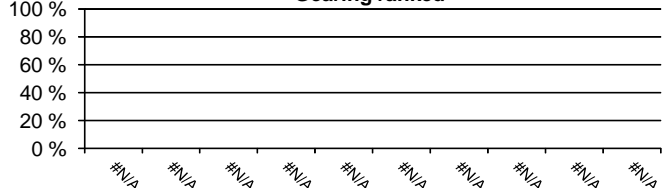
EV/EBITDA 2012 ranked



P/E 2012 ranked



Gearing ranked



Source: JCF FactSet / First Securities AS



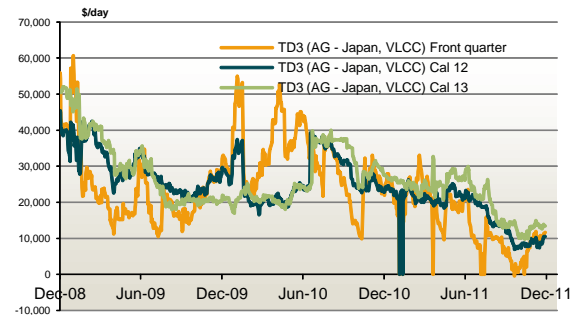
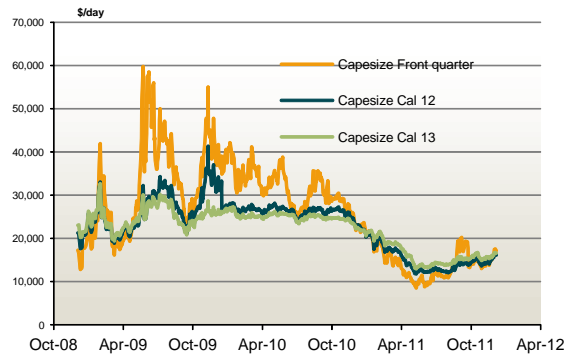
Currencies

	Today	Previous	Change
EURUSD	1.321	1.3187	0.2 %
EURJPY	102.66	102.76	-0.1 %
USDJPY	77.71	77.94	-0.3 %
USDKRW	1,154.0	1,147.0	0.6 %
USDCNY	6.3664	6.3608	0.1 %
USDNOK	5.8323	5.8368	-0.1 %



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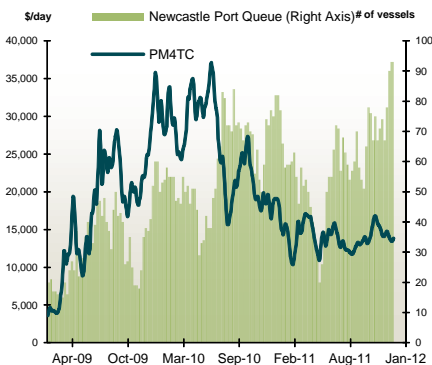
	Today	Previous	Change
Capesize Front quarter	17,217	17,571	-2.0 %
Capesize Cal 12	16,160	16,435	-1.7 %
Capesize Cal 13	16,604	16,792	-1.1 %
	(\$/day)	(\$/day)	
Panamax Front quarter	11,776	11,807	-0.3 %
Panamax Cal 12	11,394	11,485	-0.8 %
Panamax Cal 13	11,743	11,751	-0.1 %
Supramax Front quarter	11,183	11,213	-0.3 %
PM4TC Cal 12	11,078	11,091	-0.1 %
PM4TC Cal 13	11,328	11,357	-0.3 %
TD3 (AG - Japan, VLCC) Front quarter	11,688	11,360	2.9 %
TD3 (AG - Japan, VLCC) Cal 12	10,500	10,450	0.5 %
TD3 (AG - Japan, VLCC) Cal 13	13,420	13,454	-0.3 %
TD5 (W. Afr. - US Gulf, Suezmax) Front quarter	15,881	15,856	0.2 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 12	13,030	13,054	-0.2 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 13	15,109	15,216	-0.7 %
TC2 (ARA - USEC, MR) Front quarter	9,528	9,499	0.3 %
TC2 (ARA - USEC, MR) Cal 12	9,186	9,184	0.0 %
TC2 (ARA - USEC, MR) Cal 13	10,062	10,105	-0.4 %



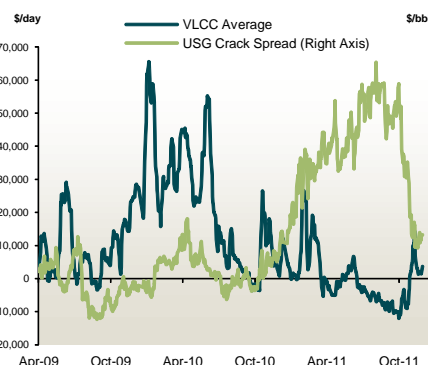
Source: Bloomberg / Baltic Exchange / Lorentzen & Stemoco AS

Selected Indicators

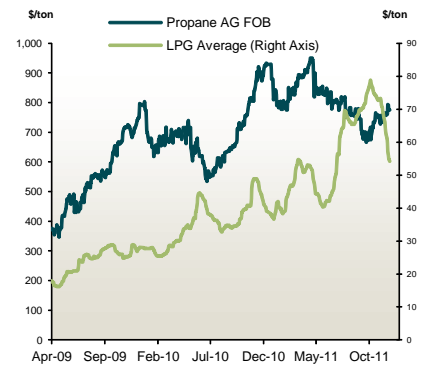
Dry Bulk



Tanker



Gas



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