



Lorentzen & Stemoco

Joint Shipping Service Morning Report



December 15, 2011

Dry Bulk Market

	Today	Previous	Change	Change YTD
Average TCEs				
Capesize (\$/day)	\$32 222	\$32 587	-1,1 %	72,3 %
Panamax (\$/day)	\$14 107	\$13 996	0,8 %	-1,4 %
Supramax (\$/day)	\$12 564	\$12 609	-0,4 %	-15,5 %
BDI	1 912	1 922	-0,5 %	12,9 %
Dry Commodities				
India Iron Ore China Landed 63% Fe (\$/ton)	\$144	\$144	0,0 %	-18,2 %
China Average HR Sheet (\$/ton)	\$663	\$663	0,0 %	-4,9 %
Amsterdam Coal API#2 (\$/ton)	\$110,75	\$110,75	0,0 %	-16,1 %
Red Hard Wheat KCBT (\$/bushel)	\$6,31	\$6,27	0,6 %	-19,4 %

China's ranking as the biggest energy consumer and the least reliant on natural gas for power generation among the world's leading economies is raising the prospect of an import boom as it seeks to cut pollution, writes Bloomberg. Demand in China may triple this decade, with consumption for electricity generation increasing more than fourfold, according to the International Energy Agency. Gas currently accounts for less than 1 percent of the nation's power generation, compared with 23 percent in the U.S., the only country with a larger economy, and 48 percent in Russia, according to Bloomberg rankings based on World Bank data. Efforts to cut reliance on coal, which produces about twice as much pollution as gas, are raising prospects for cleaner-burning fuels in China, fanning investments in gas-export terminals from Canada to Australia.

Tanker Market

	Today	Previous	Change	Change YTD
Average TCEs				
VLCC TD3 MEG-Japan (\$/day)	\$12 106	\$12 107	0,0 %	-25,3 %
Suez Average (\$/day)	\$19 393	\$19 575	-0,9 %	-9,0 %
Aframax Average (\$/day)	\$17 184	\$21 906	-21,6 %	82,1 %
MR Average (\$/day)	\$10 949	\$10 523	4,0 %	5,2 %
Oil Commodities				
Brent Front Month (\$/bbl)	\$106,22	\$105,02	1,1 %	12,0 %
WTI Front Month (\$/bbl)	\$94,95	\$100,14	-5,2 %	4,6 %
Brent Forward Spread, 2M-1M (\$/bbl)	-\$0,77	-\$0,77	0,0 %	-
NWE-USG Gasoline Arbitrage (\$/mt)	-\$24,12	\$15,93	-\$40,1	-

Widespread diesel shortages are hitting southern China, with many filling stations posting "no diesel" signs ahead of high seasonal demand, the China Review News reported on its website. The newspaper reported long queues at filling stations along the expressway linking Beijing and Hong Kong, while in the southeastern province of Zhejiang, a line of trucks awaiting fuel at a gas station stretched for 2 km.

Gas Market

	Today	Previous	Change	Change YTD
Freight Rates				
LPG Average (\$/ton)	53,38	54	-1,1 %	39,3 %
Gas Commodities				
Propane AG Spot (\$/ton)	783,00	776,50	0,8 %	-14,2 %
Butane AG Spot (\$/ton)	833,00	811,50	2,6 %	-7,2 %
Natural Gas (\$/MMBTU)	3,08	3,11	-1,0 %	-32,2 %
Bunkers				
380 cSt Fujairah	677,50	672,00	0,8 %	30,4 %
380 cSt Rotterdam	632,50	633,50	-0,2 %	28,3 %
380 cSt Houston	638,50	636,00	0,4 %	27,8 %

Qatargas, the world's largest LNG producer, said today that the maintenance of its Trains 5, 6 and 7 and Qatargas 3 and 4 inlet receiving facilities has been completed. Earlier this year, Qatargas said that it will shut down three of the world's biggest LNG producing plants at different times during a rolling maintenance program. Qatargas was established in 1984 and has an annual LNG production capacity of 42 million tonnes per annum.

Source: Bloomberg / Lorentzen & Stemoco AS

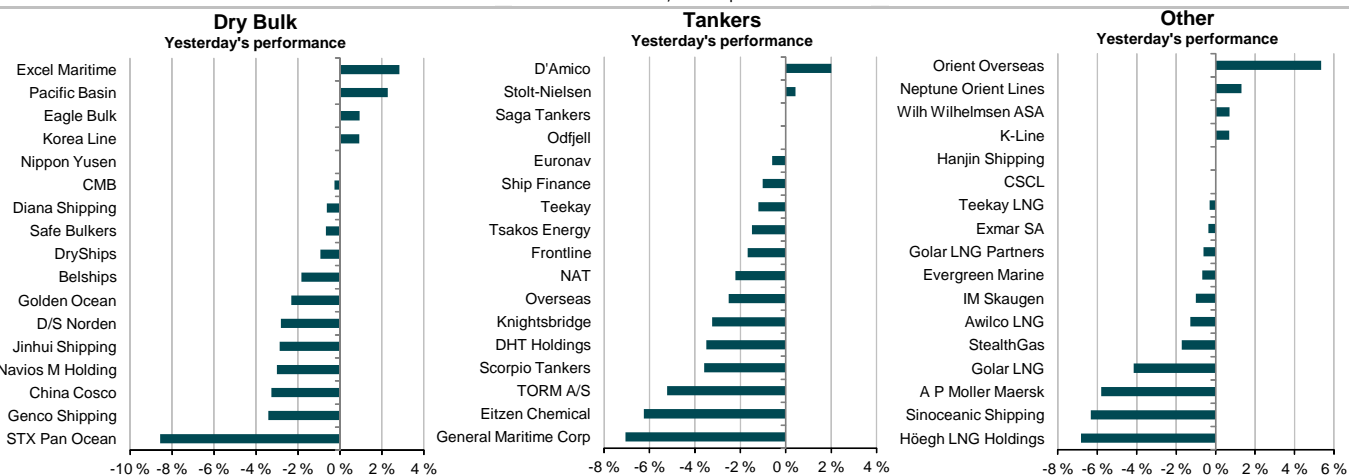
Shipping Equities

Selected news:

Navios Maritime Acquisition of Greece has turned to DVB Bank for the cash it needs to partially finance a pair of product tankers under construction in South Korea. The New York listed firm, expecting the two newbuilds to hit the water late 2012 and early 2013, says the German bank will back a loan facility of up to USD 51m.

More panamax bulkers have been sent for scrap in the year to date than were sent for demolition in the previous four years. Some sixty-six panamaxes have now been demolished in the first eleven months of 2011, according to data from Clarksons. But despite the higher levels of scrapping the panamax fleet has grown by 14% in the past twelve months to 2,012 ships.

Compagnie Maritime Belge (CMB) has returned to Samjin Shipbuilding with an order for six ECO-type handysize bulker following a four-year hiatus. The NYSE Euronext-listed parent of Belgian operator Bocimar says the contract, which is backed by affiliate Bohandymar, was sealed on "very competitive conditions" but pricing has not been made public.



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





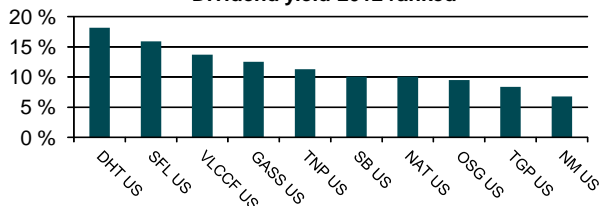
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Shipping Equities

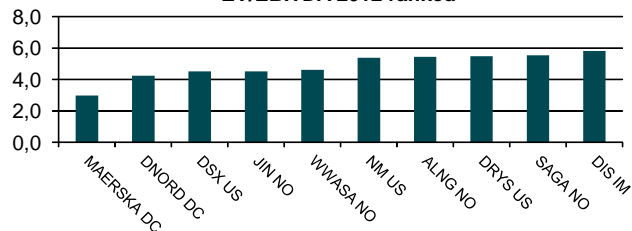


Dry bulk		(Local curr)	Performance				(mUSD)	P/E		EV/EBITDA		Yield		Gearing	
Company	Ticker	Last	1d	1w	1m	YTD	M cap	11	12	11	12	11	12	Net debt/EV	
Golden Ocean	GOGL NO	4,13	-2,3 %	1 %	-10 %	-49 %	315	4,7	4,5	6,9	6,5	9 %	6 %	63 %	
Jinhui Shipping	JIN NO	9,81	-2,9 %	-7 %	-18 %	-50 %	137	1,4	2,9	3,5	4,5	0 %	0 %	72 %	
CMB	CMB BB	15,46	-0,3 %	-3 %	-4 %	-33 %	701	7,0	7,7	7,5	7,5	6 %	6 %	54 %	
DryShips	DRYS US	2,13	-0,9 %	-9 %	-25 %	-60 %	872	4,8	3,2	8,1	5,5	0 %	0 %	81 %	
Diana Shipping	DSX US	8,02	-0,6 %	1 %	-6 %	-31 %	662	6,1	10,6	3,7	4,5	0 %	0 %	Neg.	
Genco Shipping	GNK US	7,06	-3,4 %	-5 %	-25 %	-51 %	254	9,7	na	6,9	8,7	0 %	0 %	85 %	
Navios M Holding	NM US	3,55	-3,0 %	-6 %	-5 %	-33 %	361	6,1	6,4	5,7	5,4	7 %	7 %	75 %	
Excel Maritime	EXM US	1,81	2,8 %	-2 %	-19 %	-68 %	155	na	na	7,7	10,9	0 %	0 %	86 %	
Eagle Bulk	EGLU US	1,08	0,9 %	3 %	-19 %	-78 %	68	na	na	11,2	9,2	0 %	0 %	94 %	
Safe Bulkers	SB US	5,96	-0,7 %	-3 %	-11 %	-33 %	423	4,0	4,0	6,4	5,9	10 %	10 %	51 %	
Korea Line	005880 KS	27 250	0,9 %	-9 %	-35 %	-81 %	312	na	na	na	na	na	na	na	
STX Pan Ocean	STX SP	6,40	-8,6 %	-11 %	-17 %	-51 %	1 006	na	na	na	na	0 %	0 %	72 %	
Nippon Yusen	9101 JP	196	0,0 %	3 %	12 %	-46 %	4 267	na	na	13,0	9,6	2 %	2 %	73 %	
Pacific Basin	2343 HK	3,15	2,3 %	-8 %	-11 %	-39 %	784	na	13,5	6,6	6,2	2 %	4 %	22 %	
Belships	BEL NO	5,35	-1,8 %	-3 %	-6 %	-26 %	22	na	na	na	na	na	na	na	
China Cosco	1919 HK	3,85	-3,3 %	-6 %	-5 %	-53 %	7 783	na	na	na	na	0 %	0 %	35 %	
D/S Nordco	DNORD DC	132	-2,8 %	-6 %	-12 %	-35 %	985	10,6	13,4	4,3	4,2	4 %	4 %	Neg.	
Market cap weighted average			-2,0 %	-4,1 %	-4,5 %	-48,4 %		6,7	8,6	9,1	7,5	2 %	1 %		
Tankers		(Local curr)	Performance				(mUSD)	P/E		EV/EBITDA		Yield		Gearing	
Company	Ticker	Last	1d	1w	1m	YTD	M cap	11	12	11	12	11	12	Net debt/EV	
Frontline	FRO NO	20	-1,7 %	4 %	-42 %	-87 %	258	na	na	12,2	15,8	4 %	0 %	90 %	
Ship Finance	SFL US	9,80	-1,0 %	-14 %	-34 %	-54 %	775	5,9	6,2	12,9	11,8	16 %	16 %	72 %	
Euronav	EURN BB	3,30	-0,6 %	-5 %	-10 %	-74 %	221	na	na	9,5	11,4	0 %	0 %	85 %	
General Maritime Corp	GMRRQ US	0,02	-7,1 %	-21 %	-91 %	-100 %	2	na	na	na	na	0 %	0 %	100 %	
Teekay	TK US	25,53	-1,2 %	-4 %	-8 %	-23 %	1 787	na	na	10,5	8,5	5 %	5 %	74 %	
Overseas	OSG US	9,29	-2,5 %	-3 %	-35 %	-74 %	283	na	na	na	15,5	14 %	9 %	88 %	
NAT	NAT US	11,93	-2,2 %	-6 %	-16 %	-54 %	564	na	na	na	17,2	10 %	10 %	25 %	
Tsakos Energy	TNP US	5,31	-1,5 %	4 %	-14 %	-47 %	245	na	na	15,2	12,7	11 %	11 %	84 %	
Saga Tankers	SAGA NO	1,55	0,0 %	0 %	3 %	-72 %	22	na	na	5,2	5,5	0 %	0 %	21 %	
Knightsbridge	VLCCF US	14,60	-3,2 %	-3 %	-19 %	-34 %	357	10,7	11,7	7,1	7,1	14 %	14 %	19 %	
DHT Holdings	DHT US	1	-3,5 %	-22 %	-42 %	-86 %	41	2,9	8,3	5,4	6,0	39 %	18 %	86 %	
Odffjell	ODF NO	37,00	0,0 %	1 %	6 %	-31 %	531	na	na	9,9	7,3	3 %	3 %	66 %	
TORM A/S	TORM DC	3,84	-5,2 %	-11 %	-23 %	-90 %	49	na	na	na	na	0 %	0 %	97 %	
Stolt-Nielsen	SNI NO	116,00	0,4 %	0 %	5 %	-19 %	1 240	12,2	9,7	8,3	7,1	5 %	5 %	54 %	
Eitzen Chemical	ECHEM NO	0,15	-6,2 %	0 %	-17 %	-92 %	28	na	na	na	na	0 %	0 %	97 %	
Scorpio Tankers	STNG US	4,56	-3,6 %	-9 %	-31 %	-55 %	82	na	na	16,1	14,4	0 %	0 %	57 %	
D'Amico	DIS IM	0,44	2,0 %	2 %	-20 %	-55 %	86	na	6,5	10,7	5,8	0 %	2 %	76 %	
Market cap weighted average			-1,1 %	-3,7 %	-12,4 %	-39,3 %		9,8	8,8	10,3	10,1	7 %	7 %		
Other		(Local curr)	Performance				(mUSD)	P/E		EV/EBITDA		Yield		Gearing	
Company	Ticker	Last	1d	1w	1m	YTD	M cap	11	12	11	12	11	12	Net debt/EV	
Golar LNG	GOL NO	242,50	-4,2 %	-5 %	2 %	172 %	3 226	na	19,2	na	13,4	3 %	3 %	23 %	
Golar LNG Partners	GMLP US	29,20	-0,6 %	-2 %	3 %	na	1 141	na	15,0	14,3	11,3	5 %	6 %	40 %	
Höegh LNG Holdings	HLNG NO	45,00	-6,8 %	-9 %	8 %	na	340	na	na	na	19,5	0 %	0 %	49 %	
IM Skaugen	IMSK NO	29,70	-1,0 %	-1 %	3 %	-20 %	134	na	16,0	18,7	9,8	0 %	0 %	51 %	
Exmar SA	EXM BB	5,40	-0,4 %	-1 %	-2 %	0 %	416	na	9,3	11,9	8,2	5 %	3 %	68 %	
Teekay LNG	TGP US	32	-0,3 %	0 %	-3 %	-15 %	2 089	18,0	14,9	13,3	11,6	8 %	8 %	42 %	
StealthGas	GASS US	3,99	-1,7 %	1 %	4 %	-50 %	84	6,0	4,5	7,4	6,6	0 %	13 %	na	
Awilco LNG	ALNG NO	23,00	-1,3 %	-4 %	14 %	na	260	na	7,6	na	5,4	0 %	0 %	Neg.	
A P Moller Maersk	MAERSKA DC	32 780,00	-5,8 %	-6 %	-3 %	-33 %	25 715	11,5	10,5	2,9	3,0	3 %	3 %	36 %	
Evergreen Marine	EVGZF US	14,55	-0,7 %	-2 %	-7 %	-47 %	1 669	na	na	na	13,0	0 %	0 %	33 %	
Sinoceanic Shipping	SINO NO	4	-6,3 %	-8 %	-41 %	-56 %	8	na	na	na	na	na	na	na	
Hanjin Shipping	000700 KS	7 720	0,0 %	-4 %	-3 %	-58 %	292	na	na	na	na	na	na	na	
K-Line	9107 JP	147,00	0,7 %	0 %	7 %	-59 %	1 440	na	na	na	13,5	0 %	0 %	80 %	
CSCG	2866 HK	1,63	0,0 %	-5 %	12 %	-53 %	5 258	na	na	na	na	0 %	0 %	22 %	
Orient Overseas	316 HK	41,40	5,3 %	6 %	14 %	-32 %	3 329	na	18,9	10,2	8,8	1 %	2 %	17 %	
Neptune Orient Lines	NOL SP	1,16	1,3 %	2 %	7 %	-47 %	2 280	na	na	na	13,7	0 %	0 %	38 %	
Wihl Wilhelmsen ASA	WWASA NO	28	0,7 %	-4 %	-13 %	-33 %	1 038	7,3	5,0	5,4	4,6	4 %	4 %	52 %	
Market cap weighted average			-3,0 %	-4,1 %	1,1 %	-22,3 %		11,8	12,2	4,9	6,4	2 %	3 %		

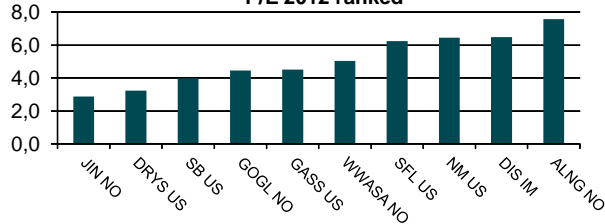
Dividend yield 2012 ranked



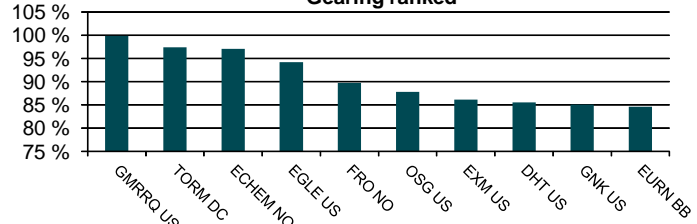
EV/EBITDA 2012 ranked



P/E 2012 ranked



Gearing ranked



Source: JCF FactSet / First Securities AS





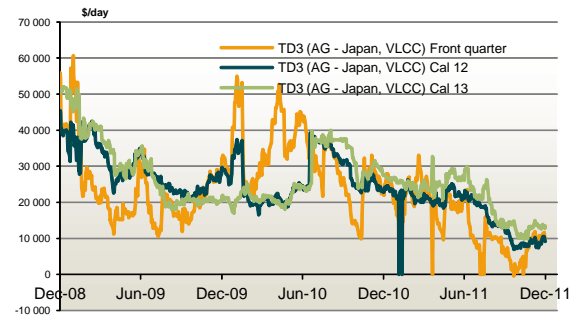
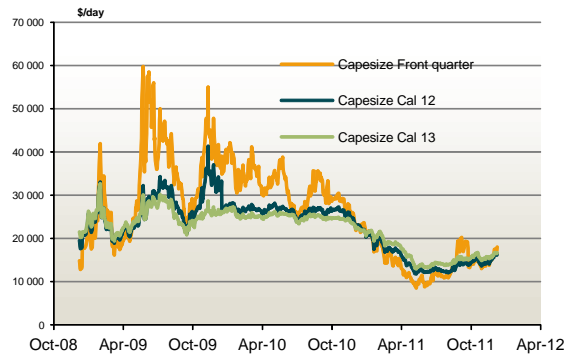
Currencies

	Today	Previous	Change
EURUSD	1,3026	1,2983	0,3 %
EURJPY	101,55	101,36	0,2 %
USDJPY	77,96	78,07	-0,1 %
USDKRW	1 162,9	1 156,2	0,6 %
USDCNY	6,3734	6,3713	0,0 %
USDNOK	5,9694	5,9819	-0,2 %



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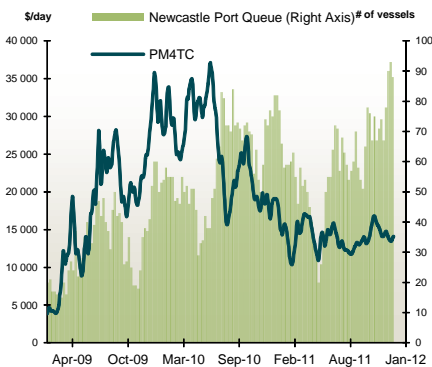
	Today	Previous	Change
Capesize Front quarter	18 008	17 192	4,7 %
Capesize Cal 12	16 542	16 142	2,5 %
Capesize Cal 13	16 700	16 567	0,8 %
	(\$/day)	(\$/day)	
Panamax Front quarter	12 114	11 693	3,6 %
Panamax Cal 12	11 591	11 321	2,4 %
Panamax Cal 13	11 779	11 696	0,7 %
Supramax Front quarter	11 721	11 310	3,6 %
PM4TC Cal 12	11 407	11 134	2,5 %
PM4TC Cal 13	11 467	11 310	1,4 %
TD3 (AG - Japan, VLCC) Front quarter	9 834	9 783	0,5 %
TD3 (AG - Japan, VLCC) Cal 12	9 163	9 499	-3,5 %
TD3 (AG - Japan, VLCC) Cal 13	13 400	12 814	4,6 %
TD5 (W. Afr. - US Gulf, Suezmax) Front quarter	15 733	15 472	1,7 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 12	12 814	12 671	1,1 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 13	15 154	14 829	2,2 %
TC2 (ARA - USEC, MR) Front quarter	9 838	9 467	3,9 %
TC2 (ARA - USEC, MR) Cal 12	9 280	9 207	0,8 %
TC2 (ARA - USEC, MR) Cal 13	10 116	9 908	2,1 %



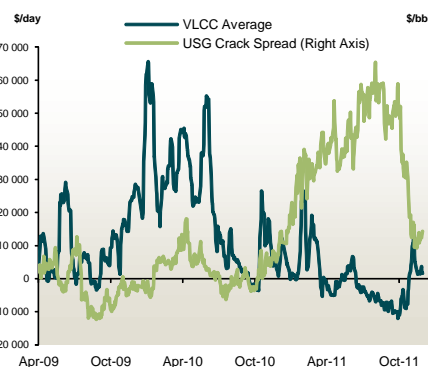
Source: Bloomberg / Baltic Exchange / Lorentzen & Stemoco AS

Selected Indicators

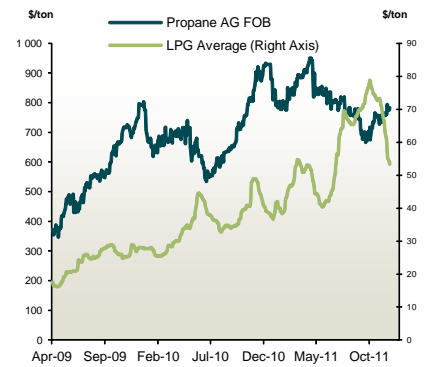
Dry Bulk



Tanker



Gas



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Contact Information

Lorentzen & Stemoco AS

Lilleakerveien 4
0238 OSLO
Norway

Dry Bulk

Nicolai Hansteen, Chief Economist
nicolai.hansteen@lorstem.no
+47 2252 7728

Tank

Thomas Zwick, Shipping Analyst
tz@lorstem.no
+47 2252 7735

Gas

Knut Stangebye Olsen, Shipping Analyst
knut.stangebye.olsen@lorstem.no
+47 2252 7703

First Securities AS

Filipstad Brygge 1
Postboks 1441 - Vika
N-0115 OSLO
Norway

Shipping Equity Research

Erik Folkeson, Financial Analyst
efo@first.no
+47 2323 8257

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