



Lorentzen & Stemoco

Joint Shipping Service Morning Report



December 16, 2011

Dry Bulk Market

	Today	Previous	Change	Change YTD
Average TCEs				
Capesize (\$/day)	\$31,457	\$32,222	-2.4 %	68.2 %
Panamax (\$/day)	\$14,160	\$14,107	0.4 %	-1.1 %
Supramax (\$/day)	\$12,501	\$12,564	-0.5 %	-15.9 %
BDI	1,889	1,912	-1.2 %	11.6 %
Dry Commodities				
India Iron Ore China Landed 63% Fe (\$/ton)	\$144	\$144	0.0 %	-18.2 %
China Average HR Sheet (\$/ton)	\$665	\$663	0.3 %	-4.6 %
Amsterdam Coal API#2 (\$/ton)	\$111.05	\$111.05	0.0 %	-11.8 %
Red Hard Wheat KCBT (\$/bushel)	\$6.11	\$6.31	-3.2 %	-22.3 %

On Friday, 16 December 2011 at 11.30 am CET (= Norwegian time), DNB will hold a conference call about developments in the international shipping markets and the possible effects on the bank's loan portfolio. Participants from DNB will be Leif Teksum, group executive vice president and head of Large Corporates and International, Harald Serck-Hanssen, head of Shipping, Offshore and Logistics, and Trygve Young, chief risk officer. The participants will start by providing background information about the Shipping Division's strategy and portfolio and move on to discussing relevant topics relating to rate developments, newbuilding activity and second-hand ship prices. Examples of how doubtful commitments are handled will also be given.

Tanker Market

	Today	Previous	Change	Change YTD
Average TCEs				
VLCC TD3 MEG-Japan (\$/day)	\$11,810	\$12,106	-2.4 %	-27.1 %
Suez Average (\$/day)	\$21,549	\$19,393	11.1 %	1.1 %
Aframax Average (\$/day)	\$15,546	\$17,184	-9.5 %	64.8 %
MR Average (\$/day)	\$12,084	\$10,949	10.4 %	16.1 %
Oil Commodities				
Brent Front Month (\$/bbl)	\$103.87	\$105.09	-1.2 %	9.5 %
WTI Front Month (\$/bbl)	\$93.87	\$94.95	-1.1 %	2.6 %
Brent Forward Spread, 2M-1M (\$/bbl)	-\$0.45	-\$1.49	69.8 %	-
NWE-USG Gasoline Arbitrage (\$/mt)	-\$12.77	-\$24.12	\$11.3	-

Despite good fixing activity for VLCC's out of the MEG, time charter equivalent earnings have continued to soften throughout the week. There were about 130 spot fixtures completed in November and December is set to top this number by about 10 fixtures. Suezmax vessels out of WAF heading to USEC, however have taken a firming trend as rates last Friday were quoted by the Baltic Exchange at USD 16,000pd and were yesterday up to USD 22,000pd

Gas Market

	Today	Previous	Change	Change YTD
Freight Rates				
LPG Average (\$/ton)	52.63	53.38	-1.4 %	37.4 %
Gas Commodities				
Propane AG Spot (\$/ton)	770.00	783.00	-1.7 %	-15.7 %
Butane AG Spot (\$/ton)	825.00	833.00	-1.0 %	-8.1 %
Natural Gas (\$/MMBTU)	3.05	3.08	-1.0 %	-32.8 %
Bunkers				
380 cSt Fujairah	664.50	677.50	-1.9 %	27.9 %
380 cSt Rotterdam	634.50	632.50	0.3 %	28.7 %
380 cSt Houston	631.50	633.50	-0.3 %	26.4 %

China's LNG imports will climb 30% in 2012 to meet demand for power generation, according to Mirae Asset Securities report. Mirae also said that it expects the country to sign more long-term liquefied natural gas deals with Australia, Indonesia, Qatar and Malaysia. The country will consume 31 million metric tons a year of LNG by 2015, Wood Mackenzie Ltd. recently said in a report. China imported 9.41 million tons of LNG over the first 10 months this year, according to customs data

Source: Bloomberg / Lorentzen & Stemoco AS

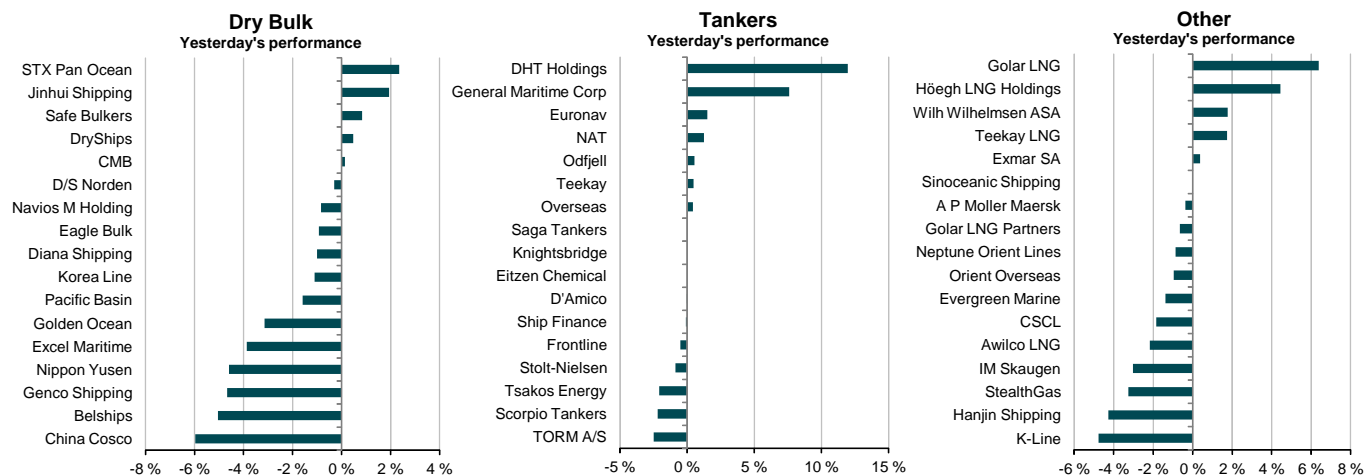
Shipping Equities

Selected news:

Hedge fund MMI reduces its stake in DHT Holdings, Tradewinds reported yesterday. According to a SEC filing, the hedge fund has cashed in over 1.5 million shares during the past month. MMI now owns 4.4m shares, or 6.8% of outstanding shares, bought for a total of \$19m (\$4.3/share on average). In the middle of 2010, MMI held 10% of DHT shares and at that time the fund was in a dispute with the shipping company in order to get its representative elected to the board.

Gabriel Panayotides-led Excel Maritime Carriers yesterday announced the time charter of three of its vessels. The Capesize Iron Miner has been fixed for 12-18 months at \$17,000/day, the Kamsarmax Iron Fuzeyya has been fixed for 22-24 months at an index-linked charter while the Kamsarmax Iron Lindrew has been fixed at an index-linked charter for 22-25 months.

In a stock exchange release as of this morning, SinOceanic says that its major shareholder, HNA Group Co of China, has refinanced a \$25, loan with a new \$29.5m loan facility from a US bank as lender and China Exim Bank as guarantor. The facility has a tenor of 8 years, a 15 year repayment profile and no loan-to-value clauses. The loan refinances the YM Portland, a 2003-built 4,414-teu container vessel.



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

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Shipping Equities



Dry bulk

Company	Ticker	(Local curr) Last	Performance			
			1d	1w	1m	YTD
Golden Ocean	GOGL NO	4.00	-3.1 %	-5 %	-12 %	-51 %
Jinhui Shipping	JIN NO	10.00	1.9 %	0 %	-17 %	-49 %
CMB	CMB BB	15.48	0.1 %	-1 %	-3 %	-33 %
DryShips	DRYS US	2.14	0.5 %	-10 %	-24 %	-60 %
Diana Shipping	DSX US	7.94	-1.0 %	0 %	-4 %	-31 %
Genco Shipping	GNK US	6.73	-4.7 %	-14 %	-28 %	-53 %
Navios M Holding	NM US	3.52	-0.8 %	-10 %	-5 %	-33 %
Excel Maritime	EXM US	1.74	-3.9 %	-11 %	-24 %	-69 %
Eagle Bulk	EGLE US	1.07	-0.9 %	-1 %	-22 %	-79 %
Safe Bulkers	SB US	6.01	0.8 %	-3 %	-11 %	-32 %
Korea Line	005880 KS	26,950	-1.1 %	-6 %	-36 %	-82 %
STX Pan Ocean	STX SP	6.55	2.3 %	-6 %	-14 %	-50 %
Nippon Yusen	9101 JP	187	-4.6 %	0 %	7 %	-48 %
Pacific Basin	2343 HK	3.10	-1.6 %	-7 %	-11 %	-40 %
Belships	BEL NO	5.08	-5.0 %	-7 %	-11 %	-30 %
China Cosco	1919 HK	3.62	-6.0 %	-9 %	-9 %	-56 %
D/S Nordco	DNORD DC	131	-0.3 %	-7 %	-15 %	-35 %
Market cap weighted average			-3.5 %	-6.0 %	-7.2 %	-50.0 %

Tankers

Company	Ticker	(Local curr) Last	Performance			
			1d	1w	1m	YTD
Frontline	FRO NO	20	-0.5 %	-6 %	-41 %	-87 %
Ship Finance	SFL US	9.79	-0.1 %	-10 %	-34 %	-55 %
Euronav	EURN BB	3.35	1.5 %	-3 %	-1 %	-74 %
General Maritime Corp	GMRRQ US	0.02	7.6 %	5 %	-91 %	-99 %
Teekay	TK US	25.65	0.5 %	-5 %	-9 %	-22 %
Overseas	OSG US	9.33	0.4 %	-5 %	-35 %	-74 %
NAT	NAT US	12.08	1.3 %	-6 %	-17 %	-54 %
Tsakos Energy	TNP US	5.20	-2.1 %	-1 %	-15 %	-48 %
Saga Tankers	SAGA NO	1.55	0.0 %	0 %	-7 %	-72 %
Knightsbridge	VLCCF US	14.60	0.0 %	-6 %	-18 %	-34 %
DHT Holdings	DHT US	1	12.0 %	-14 %	-35 %	-84 %
Odfjell	ODF NO	37.20	0.5 %	2 %	12 %	-31 %
TORM A/S	TORM DC	3.75	-2.5 %	-10 %	-23 %	-90 %
Stolt-Nielsen	SNI NO	115.00	-0.9 %	2 %	3 %	-19 %
Eitzen Chemical	EICHEM NO	0.15	0.0 %	-6 %	-6 %	-92 %
Scorpio Tankers	STNG US	4.46	-2.2 %	-10 %	-35 %	-56 %
D'Amico	DIS IM	0.44	0.0 %	1 %	-19 %	-55 %
Market cap weighted average			0.1 %	-3.6 %	-12.2 %	-39.3 %

Other

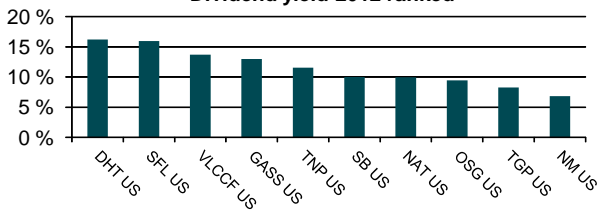
Company	Ticker	(Local curr) Last	Performance			
			1d	1w	1m	YTD
Golar LNG	GOL NO	258.00	6.4 %	2 %	6 %	189 %
Golar LNG Partners	GLMP US	29.01	-0.7 %	-3 %	1 %	na
Höegh LNG Holdings	HLNG NO	47.00	4.4 %	-5 %	13 %	na
IM Skaugen	IMSK NO	28.80	-3.0 %	-4 %	0 %	-22 %
Exmar SA	EXM BB	5.42	0.4 %	-2 %	-1 %	1 %
Teekay LNG	TGP US	33	1.7 %	1 %	-1 %	-14 %
StealthGas	GASS US	3.86	-3.3 %	-4 %	-3 %	-51 %
Awilco LNG	ALNG NO	22.50	-2.2 %	-6 %	10 %	na
A P Moller Maersk	MAERSKA DC	32,660.00	-0.4 %	-6 %	-4 %	-34 %
Evergreen Marine	EVGZF US	14.35	-1.4 %	-2 %	-10 %	-48 %
Sinoceanic Shipping	SINO NO	4	0.0 %	-8 %	-41 %	-56 %
Hanjin Shipping	000700 KS	7,390	-4.3 %	-6 %	-6 %	-60 %
K-Line	9107 JP	140.00	-4.8 %	1 %	2 %	-61 %
CSC	2866 HK	1.60	-1.8 %	-3 %	12 %	-53 %
Orient Overseas	316 HK	41.00	-1.0 %	9 %	15 %	-32 %
Neptune Orient Lines	NOL SP	1.15	-0.9 %	2 %	8 %	-47 %
With Wilhelmsen ASA	WWASA NO	29	1.8 %	-3 %	-12 %	-32 %
Market cap weighted average			-0.1 %	-3.0 %	0.4 %	-20.3 %

(mUSD) M cap	P/E		EV/EBITDA		Yield		Gearing
	11	12	11	12	11	12	Net debt/EV
305	4.6	4.3	6.9	6.4	9 %	6 %	64 %
140	1.4	2.9	3.5	4.5	0 %	0 %	72 %
704	7.1	7.7	7.5	7.6	6 %	6 %	54 %
876	4.9	3.2	8.1	5.5	0 %	0 %	81 %
656	6.1	10.4	3.7	4.5	0 %	0 %	Neg.
242	9.3	na	6.9	8.7	0 %	0 %	86 %
358	6.1	6.4	5.7	5.4	7 %	7 %	76 %
149	na	na	7.7	10.8	0 %	0 %	87 %
67	na	na	11.2	9.2	0 %	0 %	94 %
426	4.0	4.0	6.4	5.9	10 %	10 %	50 %
307	na	na	na	na	na	na	na
1,030	na	na	na	na	0 %	0 %	72 %
4,079	na	na	12.8	9.5	2 %	2 %	74 %
771	na	13.3	6.5	6.1	3 %	4 %	22 %
21	na	na	na	na	na	na	na
7,317	na	na	na	na	0 %	0 %	36 %
986	10.6	13.4	4.3	4.2	4 %	4 %	Neg.
6.7	8.5	9.0	7.4	2 %	2 %		

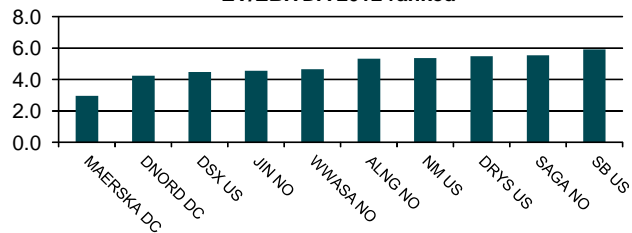
(mUSD) M cap	P/E		EV/EBITDA		Yield		Gearing
	11	12	11	12	11	12	Net debt/EV
257	na	na	12.2	15.7	4 %	0 %	90 %
775	5.9	6.2	12.9	11.7	16 %	16 %	72 %
225	na	na	9.6	11.4	0 %	0 %	84 %
2	na	na	na	na	0 %	0 %	100 %
1,795	na	na	10.5	8.5	5 %	5 %	74 %
284	na	na	na	15.5	14 %	9 %	88 %
571	na	na	na	17.4	10 %	10 %	24 %
240	na	na	15.2	12.7	12 %	12 %	85 %
22	na	na	5.2	5.5	0 %	0 %	21 %
357	10.7	11.7	7.1	7.1	14 %	14 %	19 %
46	3.2	9.3	5.5	6.1	35 %	16 %	84 %
534	na	na	9.9	7.3	3 %	3 %	66 %
48	na	na	na	na	0 %	0 %	97 %
1,230	12.1	9.6	8.3	7.1	5 %	5 %	54 %
28	na	na	na	na	0 %	0 %	97 %
81	na	na	15.9	14.3	0 %	0 %	57 %
86	na	na	11.8	6.0	0 %	3 %	74 %
9.8	8.8	10.3	10.1	7 %	7 %		

(mUSD) M cap	P/E		EV/EBITDA		Yield		Gearing
	11	12	11	12	11	12	Net debt/EV
3,434	na	na	na	14.0	3 %	3 %	22 %
1,134	na	14.9	14.2	11.2	5 %	6 %	40 %
355	na	na	na	19.9	0 %	0 %	48 %
130	na	15.5	18.4	9.6	0 %	0 %	51 %
419	na	9.4	11.9	8.2	5 %	3 %	68 %
2,125	18.3	15.2	13.5	11.7	8 %	8 %	42 %
81	5.8	4.4	7.4	6.6	0 %	13 %	na
254	na	7.4	na	5.3	0 %	0 %	Neg.
25,712	11.4	10.3	2.9	3.0	3 %	3 %	36 %
1,642	na	na	na	12.9	0 %	0 %	33 %
8	na	na	na	na	na	na	na
278	na	na	na	na	na	na	na
1,374	na	na	na	13.3	0 %	0 %	81 %
5,161	na	na	na	na	0 %	0 %	22 %
3,296	na	18.7	10.1	8.8	1 %	2 %	17 %
2,262	na	na	na	13.7	0 %	0 %	38 %
1,057	7.4	5.1	5.4	4.7	4 %	4 %	52 %
11.8	11.4	4.9	6.5	2 %	3 %		

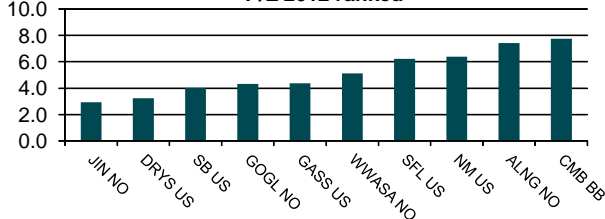
Dividend yield 2012 ranked



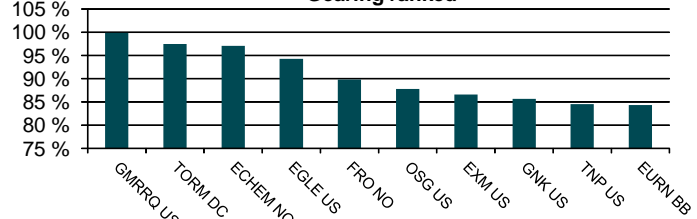
EV/EBITDA 2012 ranked



P/E 2012 ranked



Gearing ranked



Source: JCF FactSet / First Securities AS



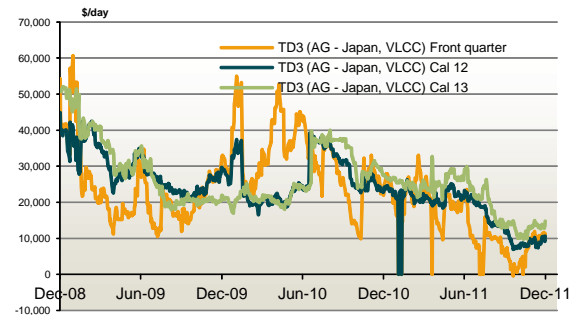
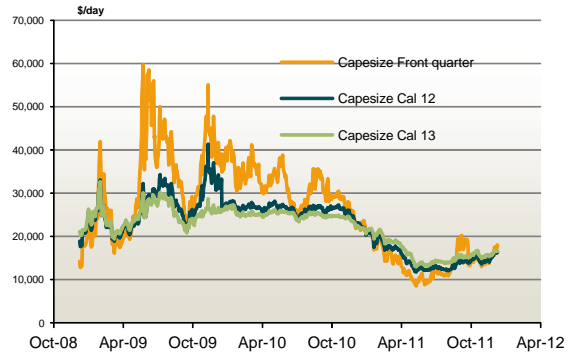
Currencies

	Today	Previous	Change
EURUSD	1.3015	1.3016	0.0 %
EURJPY	101.46	101.34	0.1 %
USDJPY	77.96	77.86	0.1 %
USDKRW	1,158.7	1,162.9	-0.4 %
USDCNY	6.3509	6.3734	-0.4 %
USDNOK	5.9865	5.996	-0.2 %



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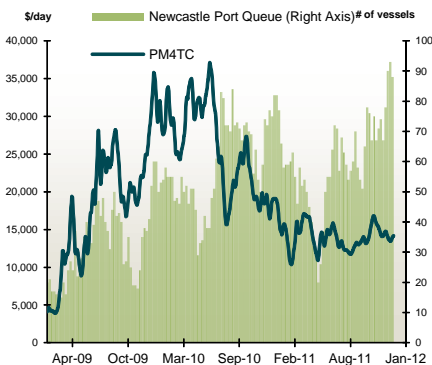
	Today	Previous	Change
Capesize Front quarter	17,875	18,008	-0.7 %
Capesize Cal 12	16,459	16,542	-0.5 %
Capesize Cal 13	16,617	16,700	-0.5 %
	(\$/day)	(\$/day)	
Panamax Front quarter	12,171	12,114	0.5 %
Panamax Cal 12	11,630	11,591	0.3 %
Panamax Cal 13	11,793	11,779	0.1 %
Supramax Front quarter	11,788	11,721	0.6 %
PM4TC Cal 12	11,403	11,407	0.0 %
PM4TC Cal 13	11,429	11,467	-0.3 %
TD3 (AG - Japan, VLCC) Front quarter	11,246	9,834	14.4 %
TD3 (AG - Japan, VLCC) Cal 12	10,549	9,163	15.1 %
TD3 (AG - Japan, VLCC) Cal 13	14,728	13,400	9.9 %
TD5 (W. Afr. - US Gulf, Suezmax) Front quarter	16,716	15,733	6.2 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 12	13,729	12,814	7.1 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 13	16,045	15,154	5.9 %
TC2 (ARA - USEC, MR) Front quarter	10,344	9,838	5.1 %
TC2 (ARA - USEC, MR) Cal 12	9,632	9,280	3.8 %
TC2 (ARA - USEC, MR) Cal 13	10,640	10,116	5.2 %



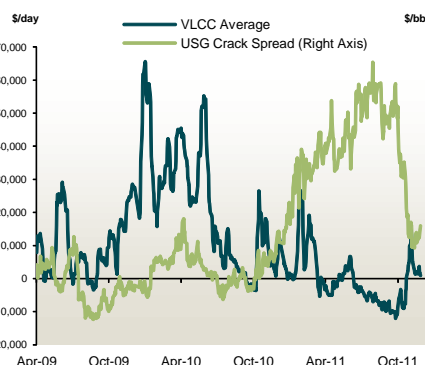
Source: Bloomberg / Baltic Exchange / Lorentzen & Stemoco AS

Selected Indicators

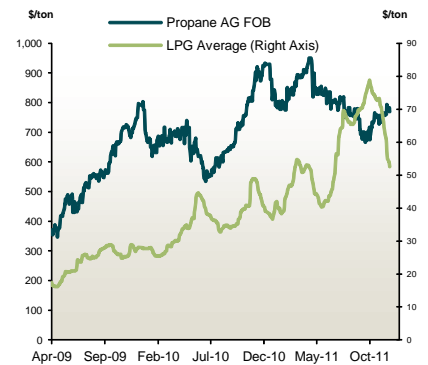
Dry Bulk



Tanker



Gas



Source: Bloomberg / Lorentzen & Stemoco AS





Lorentzen & Stemoco

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