

Q4 2004 results,  
February 14, 2005



# The VLCC's approximate details

Vessel	Dwt	Built	Employment
Camden	298,000	1995	5 years t/c MISC
Chelsea	298,000	1995	Spot
Mayfair	298,000	1995	Spot
Kensington	298,000	1995	3 years t/c TIL
Hampstead	298,000	1996	3 years t/c TIL

# Profit & Loss

2003 Oct-Dec	2004 Oct-Dec	INCOME STATEMENT <i>(in thousands of \$)</i>	2004 Jan-Dec	2003 Jan-Dec <i>(audited)</i>
22,626	42,564	<b>Total operating revenues</b>	135,695	75,246
		<b>Operating expenses</b>		
-	4,152	Voyage expenses	14,240	-
-	3,113	Ship operating expenses	9,868	-
218	218	Administrative expenses	1,114	864
4,398	4,304	Depreciation	17,219	17,593
<b>4,616</b>	<b>11,787</b>	<b>Total operating expenses</b>	<b>42,441</b>	<b>18,457</b>
		<b>Other income/(expenses)</b>		
26	185	Interest income	449	55
(2,628)	(1,042)	Interest expense	(7,877)	(9,332)
266	(4)	Other financial items	13	(50)
<b>(2,336)</b>	<b>(861)</b>	<b>Net other income/(expenses)</b>	<b>(7,415)</b>	<b>(9,327)</b>
15,674	29,916	<b>Net income</b>	85,839	47,462
17,100	17,100	<b>Average number of ordinary shares outstanding</b>	17,100	17,100
\$ 0.92	\$ 1.75	<b>Earnings per Share (\$)</b>	\$ 5.02	\$ 2.78

# Income on time charter basis



	2004	2004
	Q4	Jan-Dec.
Time Charter Equivalent earnings (\$ per day per vessel)	84 300	68 700

# Balance sheet

<b>BALANCE SHEET</b> <i>(in thousands of \$)</i>	<b>2004</b> <b>Dec 31</b>	<b>2003</b> <b>Dec 31</b>
<b>ASSETS</b>		
<i>Short term</i>		
Cash and cash equivalents	41,653	6,312
Other current assets	22,008	22,665
<i>Long term</i>		
Vessels and equipment, net	301,500	-
Vessels under capital lease, net	-	319,408
Deferred charges and other long-term assets	392	58
<b>Total assets</b>	<b>365,553</b>	<b>348,443</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<i>Short term</i>		
Short term interest bearing debt	11,309	125,397
Other current liabilities	4,974	7,519
<i>Long term</i>		
Long term interest bearing debt	120,400	-
Stockholders' equity	228,870	215,527
<b>Total liabilities and stockholders' equity</b>	<b>365,553</b>	<b>348,443</b>

# Breakeven rates (USD / day / vessel)

**Cash breakeven**  
**15 780**

**P/L Breakeven**  
**18 698**



# The market

- The strong VLCC market that we experienced in the third quarter of 2004 continued into the fourth quarter at even higher levels. Except for the very beginning of the quarter and the very end, the market from the Middle East to the Far East stayed above \$90,000 per day in time charter equivalents for the whole quarter. The average time charter equivalent for the Arabian Gulf to East was approximately US\$160,000 per day, as compared to US\$67,000 per day in the third quarter. The continued strong market was a result of:
  - the high world oil demand especially into China and the USA, and
  - improving world economic activity in general.

Most of the additional demand was met by increased production in the Middle East, resulting in increased ton miles.

# Supply VLCC's

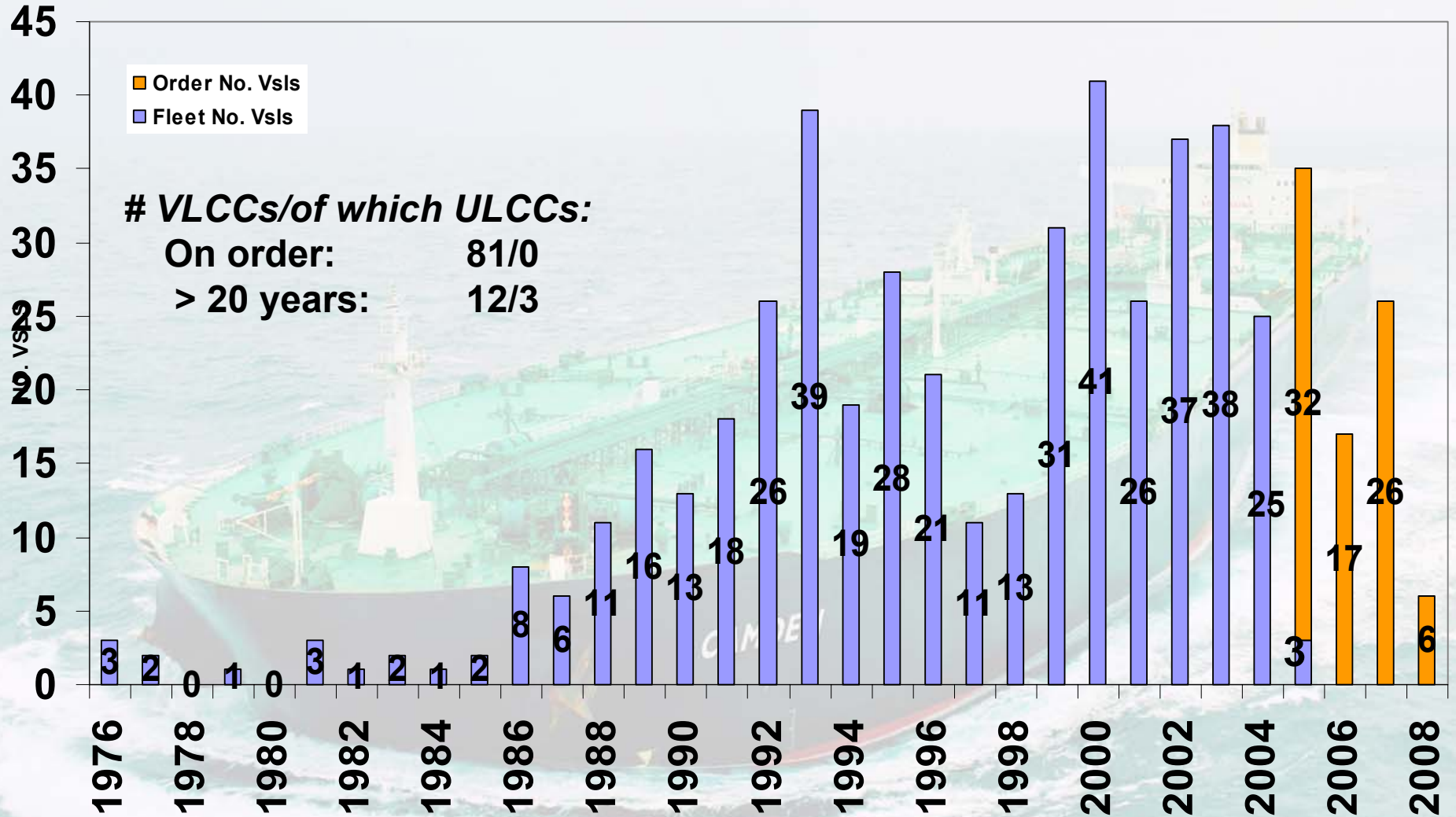
(No. of vessels)

<u>Building year</u>	Of which	
	VLCC's 200,000+ dwt	ULCC's*) 320,000 + dwt
1976-77	5	0
1978-80	1	1
1981 or later	439	6
Fleet as at February 15, 2005	<b>445</b>	<b>7</b>
<u>On order</u>		
2005	32	
2006	17	
2007+	32	
Total on order 2005-2007+	<b>81</b>	<b>0</b>

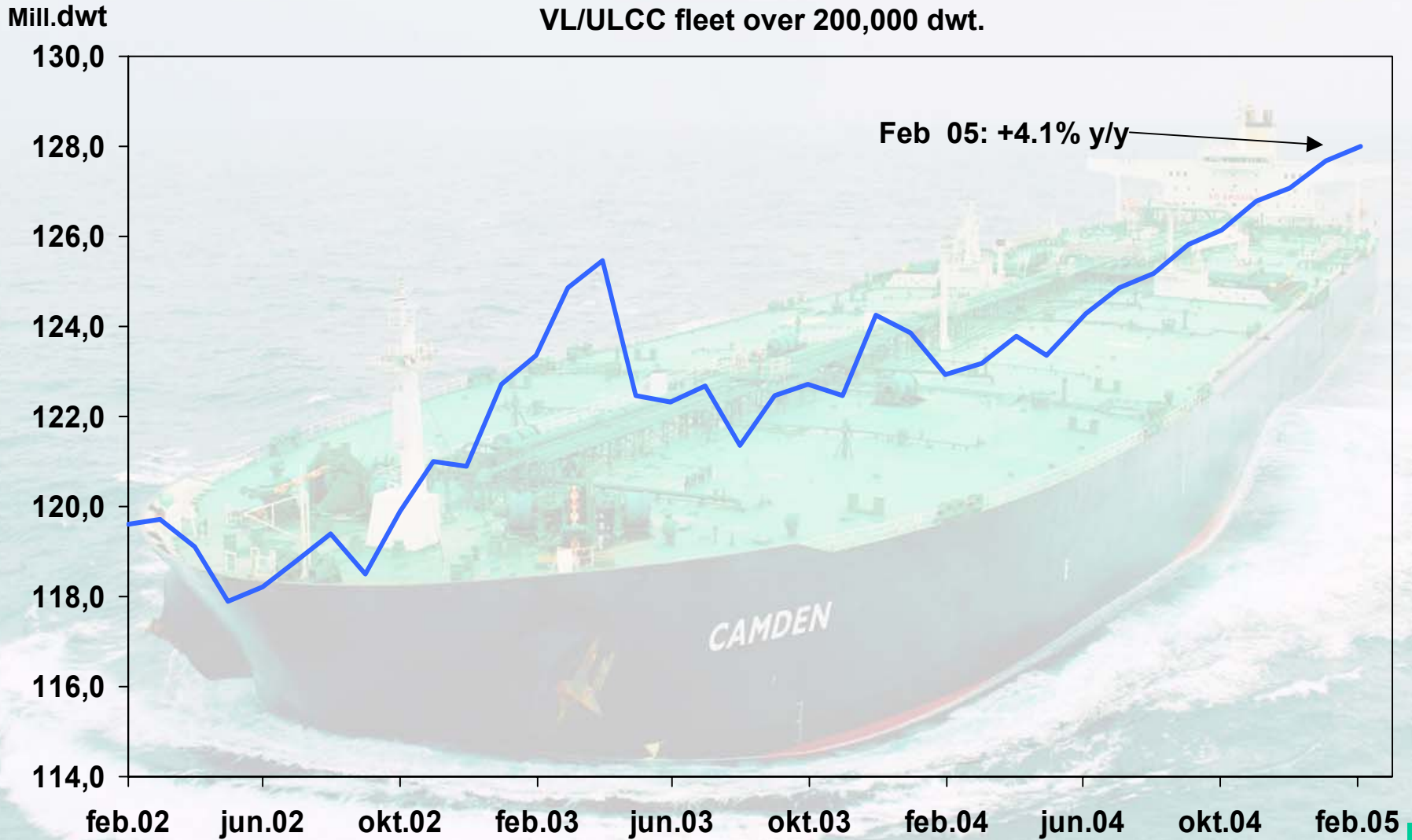
\*) Each ULCC representing an average of approx. 400,000 Dwt

Source: P.F.Bassøe

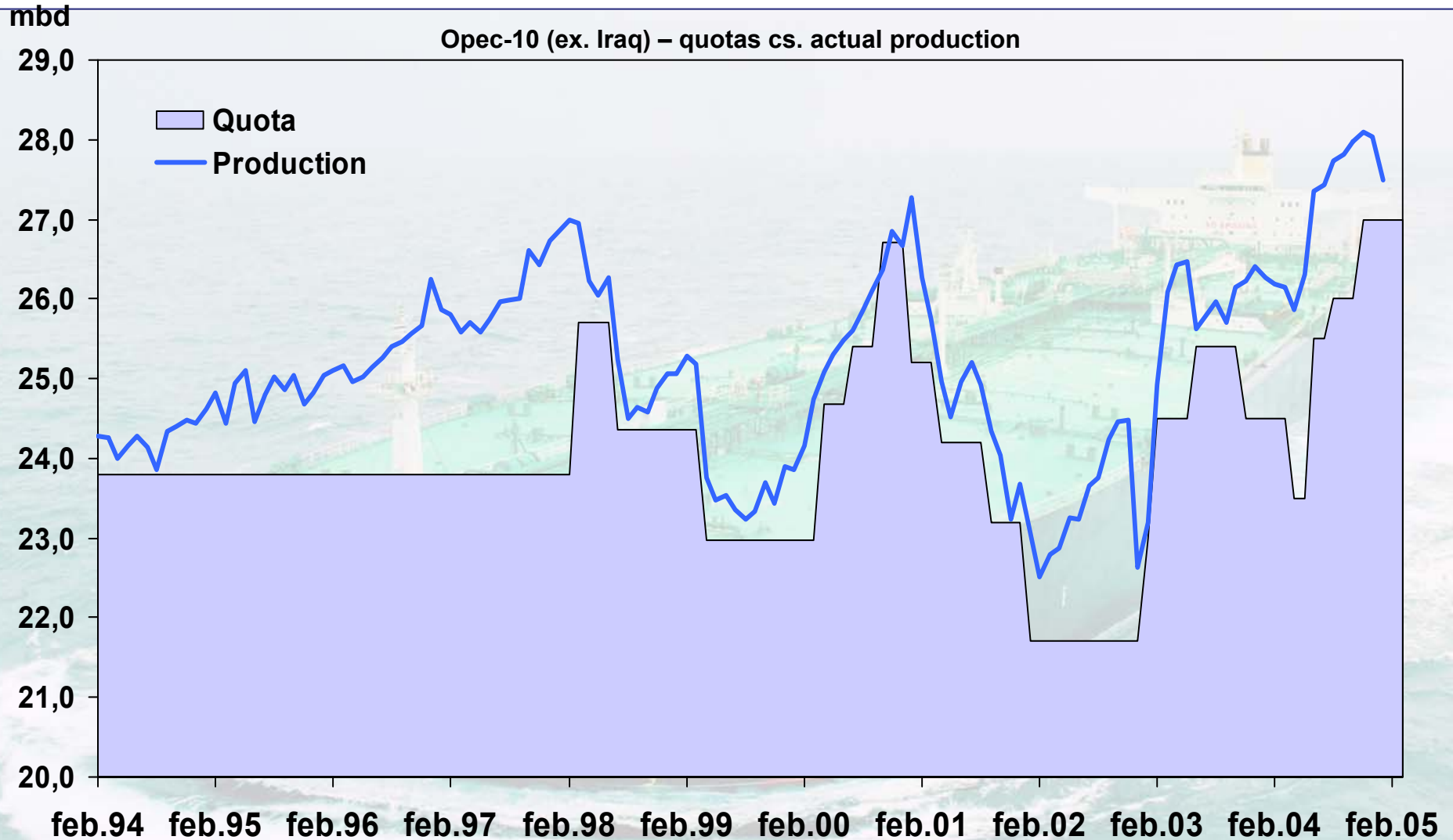
# VL/ULCC fleet - age profile



# Fleet development - VLCC/ULCC



# OPEC-10: Production vs. quotas

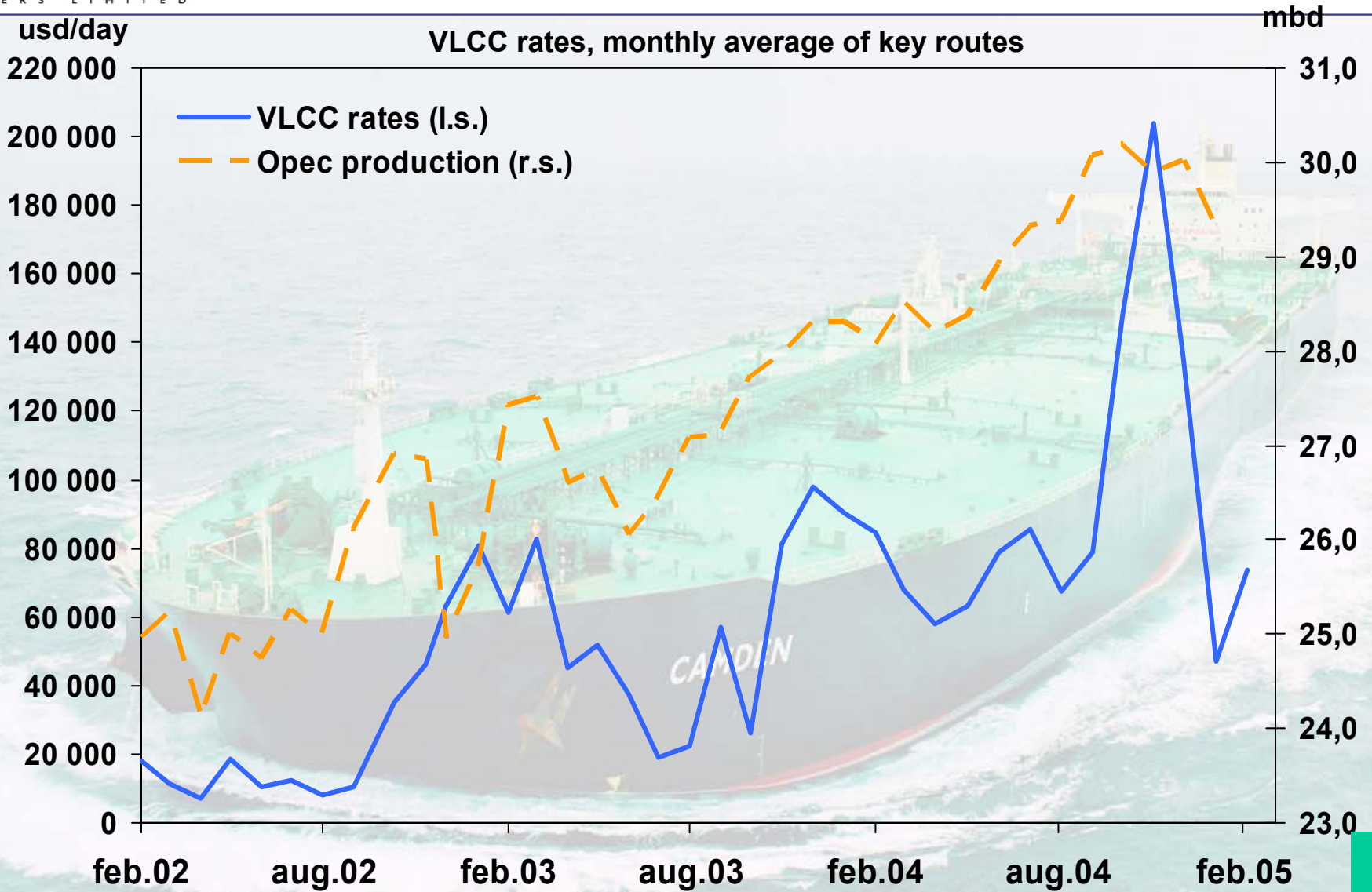


# Estimated call on OPEC 2005

	Avg.04	Q105	Q205	Q305	Q405	Avg. 05
<b>IEA</b>	<b>28,2</b>	<b>29,1</b>	<b>27,0</b>	<b>27,7</b>	<b>29,5</b>	<b>28,3</b>
<b>US DOE</b>	<b>28,6</b>	<b>29,4</b>	<b>27,7</b>	<b>28,8</b>	<b>30,0</b>	<b>29,1</b>
<b>*</b>						
<b>Barclays Capital</b>	<b>28,9</b>	<b>30,4</b>	<b>28,7</b>	<b>30,0</b>	<b>32,1</b>	<b>30,3</b>
<b>Stockbuild</b>	<b>0,2</b>	<b>-0,9</b>	<b>1,4</b>	<b>0,1</b>	<b>-1,9</b>	<b>-0,3</b>
<b>Opec crude</b>	<b>29,1</b>	<b>29,5</b>	<b>30,1</b>	<b>30,1</b>	<b>30,1</b>	<b>30,0</b>

Source: Barclays Capital estimates as of February 9, 2005. IEA and DOE as of February, 2005.

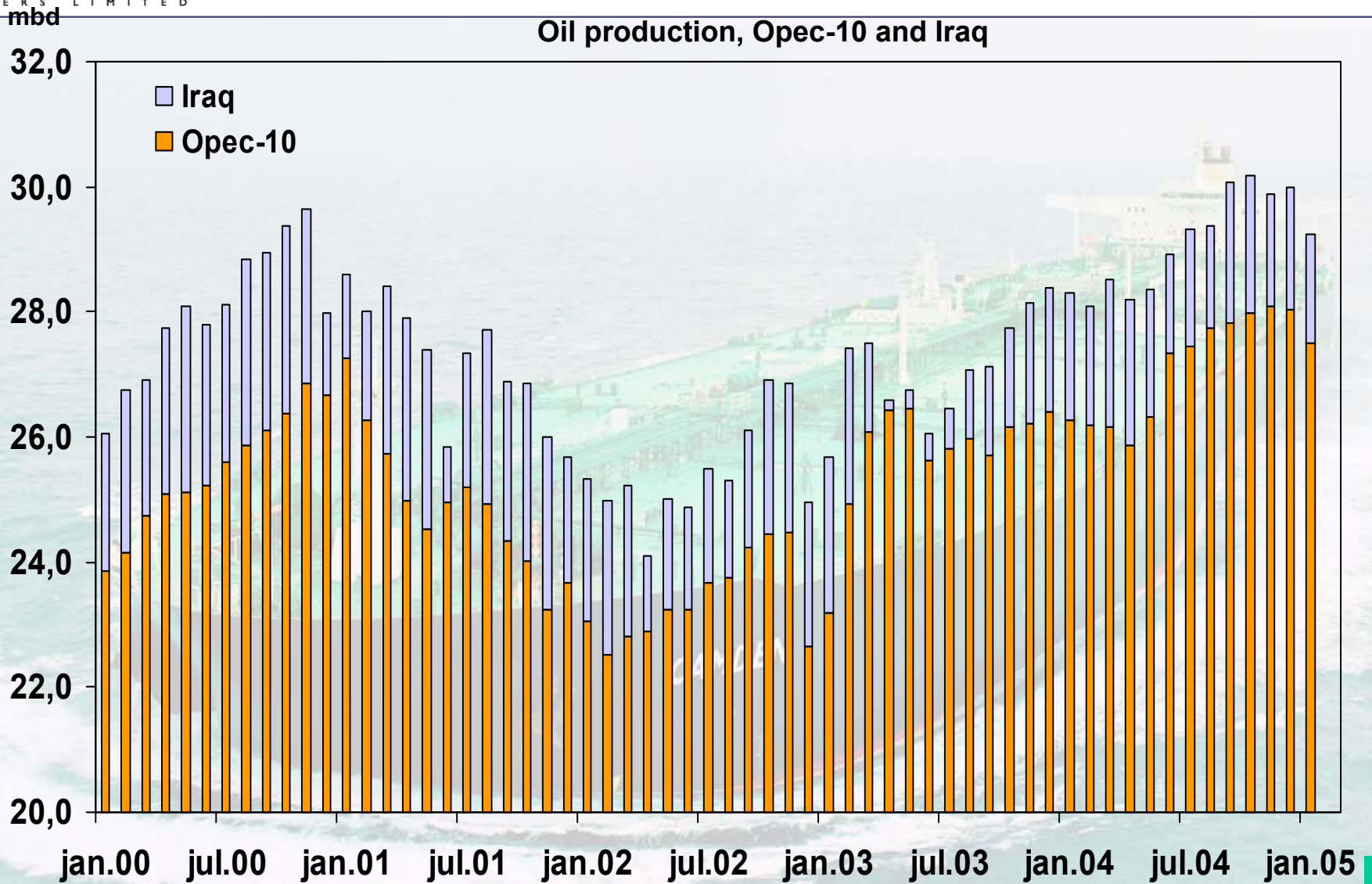
# Opec production vs. VLCC rates



# Appendixes

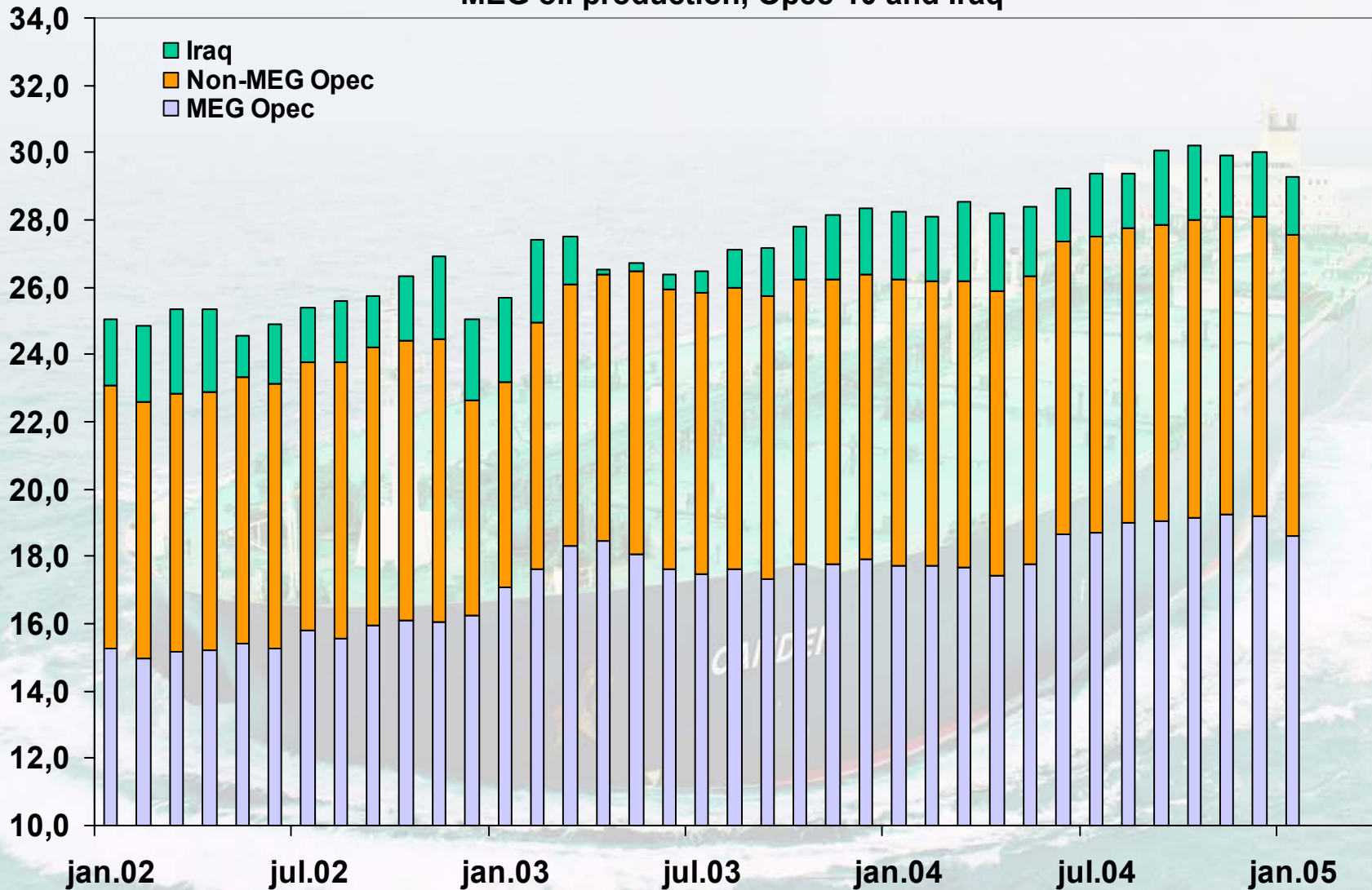


# Opec production



# MEG Opec vs. Non-MEG Opec and Iraq

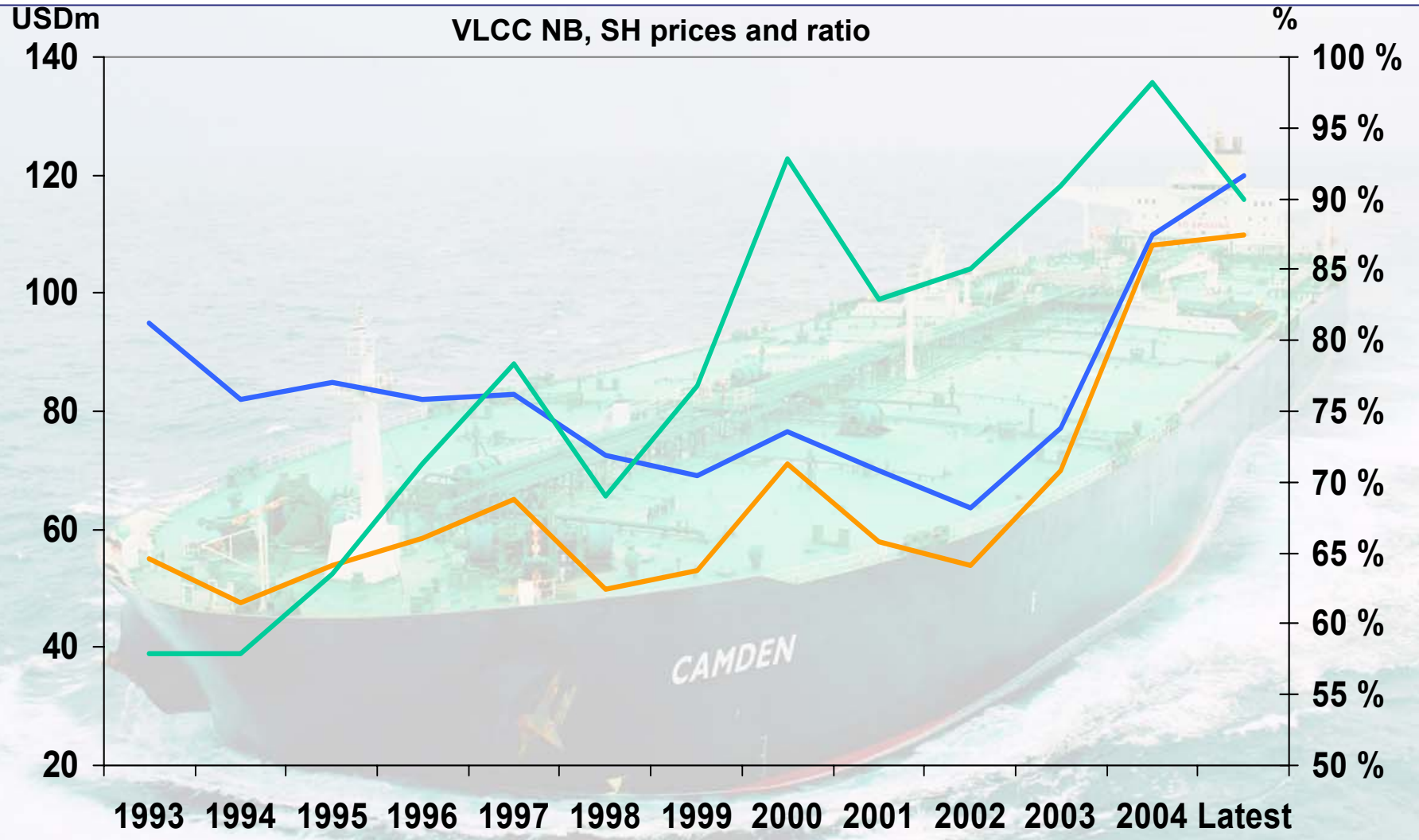
MEG oil production, Opec-10 and Iraq



MEG-Opec; Saudi Arabia, Iran, Kuwait, UAE, Qatar, Neutral Zone

Source: IEA

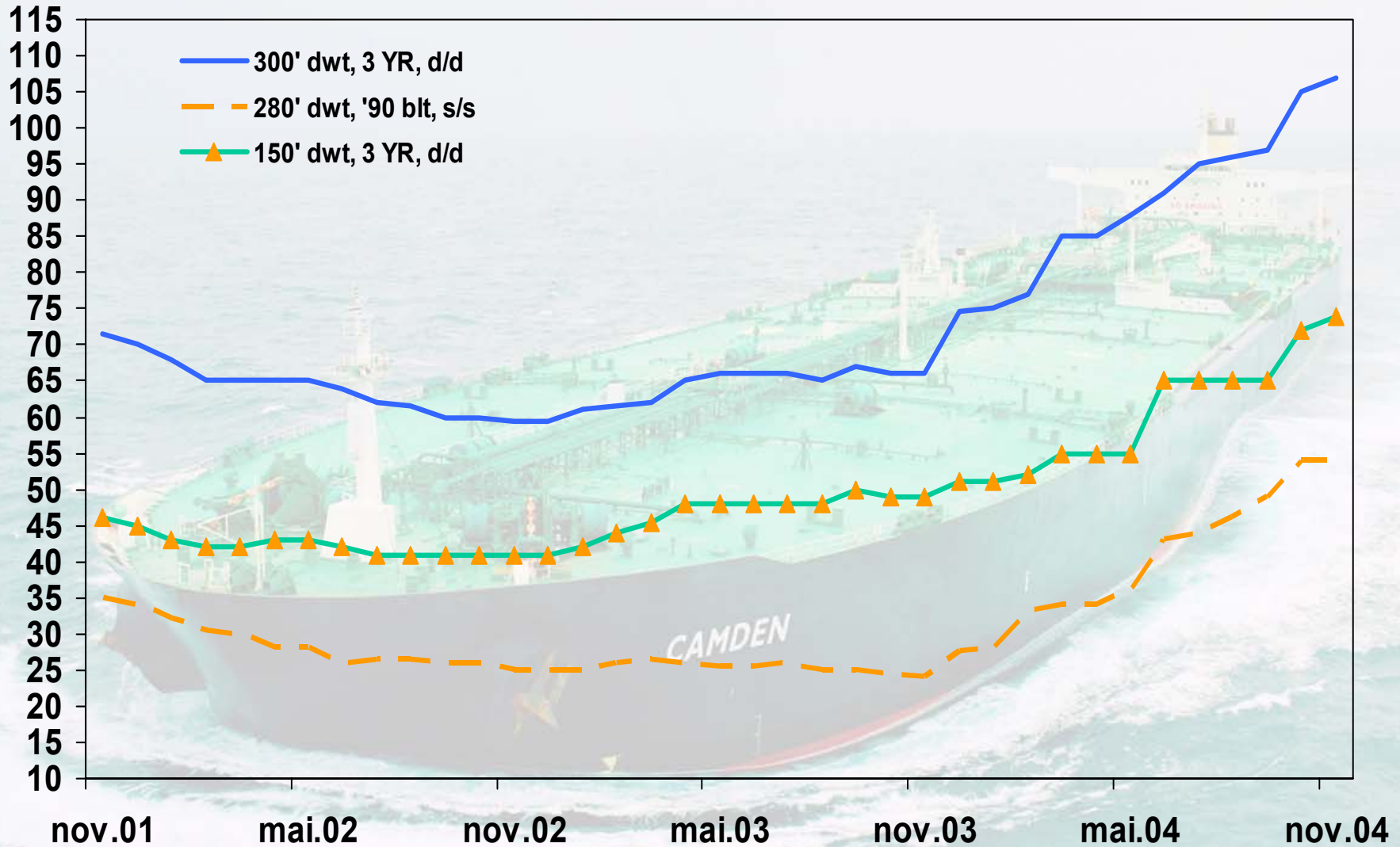
# Trends in tanker values



— Newbuilding (l.s.) — 5 year old (l.s.) — SH/NB ratio (r.s.)

# Tanker price trends

TANKER USDm M I T E D



Source: Bassøe, monthly report

Values based on Buyers' assumed highest cash price dependent on spec. and condition