

3rd Quarter 2010 Result

Webcast November 18, 2010





AGENDA

- Highlights 3Q2010
- Result 3rd quarter 2010
- Financials year to date
- Development 2010
- Market Update
- Prospects



HIGHLIGHTS 3Q2010

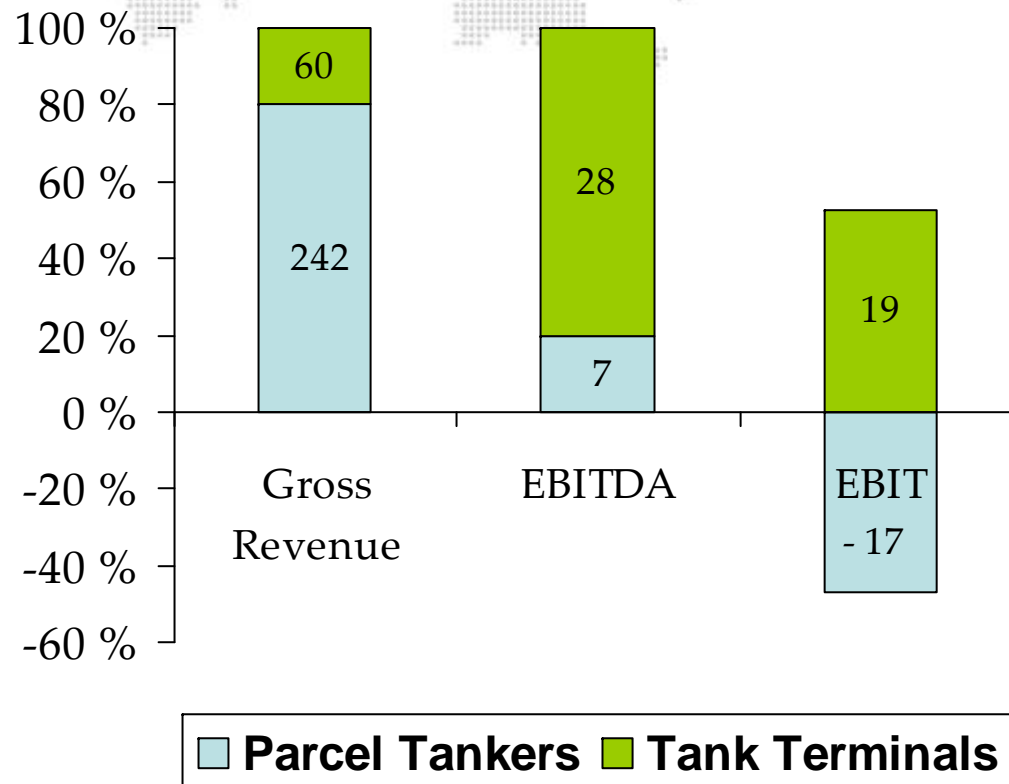
- Time – charter results decreased 3% compared to second quarter
- Continued solid results from tank terminals
- EBITDA first nine months 2010 USD 123 million
- Gain of USD 3,9 million from termination of three out of six shipbuilding contracts
- Net liquidity of USD 43 million from new USD 225 million loan facility
- Net liquidity of USD 46 million from sale of two vessels with capital gain of USD 26 million in Q1 2011

RESULT 3RD QUARTER 2010

(USD million)	3Q2010	2Q2010	Change
Gross Revenue	301	308	(7)
Voyage Expenses	(112)	(116)	4
TC Expenses	(50)	(49)	(1)
Operating Expenses	(77)	(77)	0
General and Administrative Expenses	(26)	(27)	1
Operating Result before Depr. (EBITDA)	35	38	(3)
Depreciation	(36)	(35)	(1)
Capital Gain/Loss on Fixed Assets	3	(4)	7
Operating Result (EBIT)	3	(1)	4
Net finance	(10)	(17)	7
Taxes	(4)	(46)	42
Net Result	(11)	(64)	53

GROSS REVENUE AND EBIT PER SEGMENT

Per 3Q2010

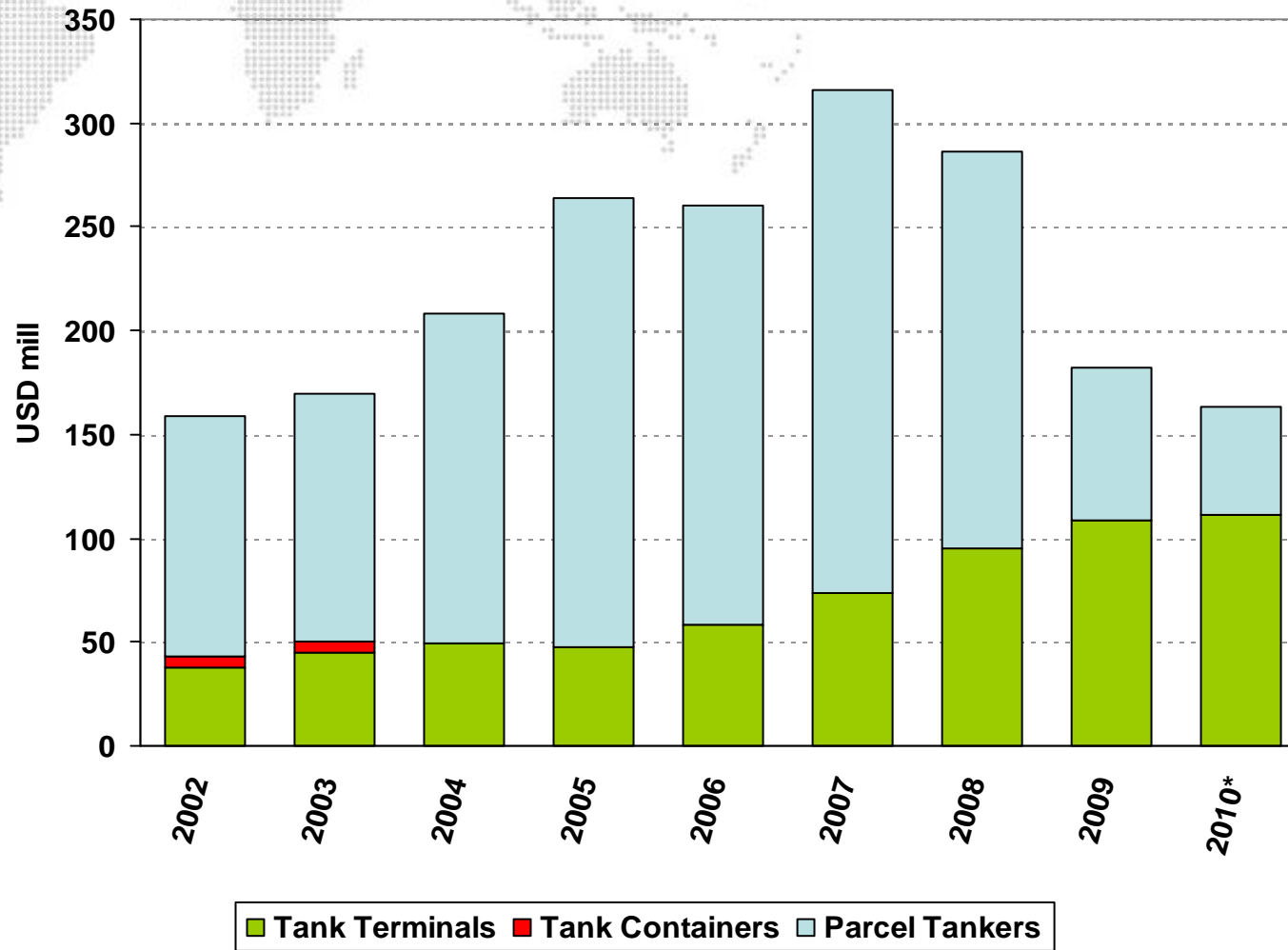




EBITDA 3Q2010 VERSUS 2Q2010

- Parcel Tankers EBITDA
 - Net revenue USD 5 mill. lower
 - TC expenses USD 1 mill. higher
 - Operating expenses Unchanged
 - G&A USD 2 mill. lower
- Tank Terminals EBITDA
 - Net revenue USD 1 mill. higher
 - Operating expenses Unchanged
 - G&A Unchanged

EBITDA



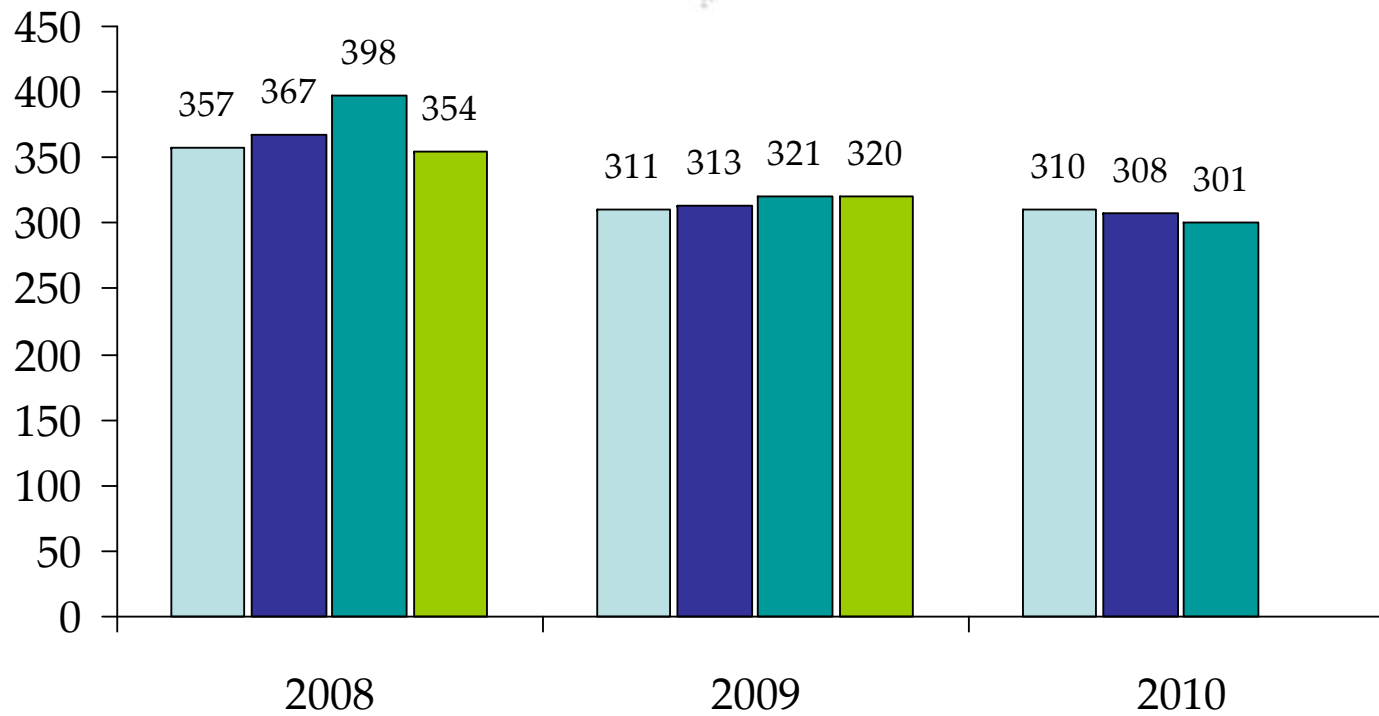
*Annualised

YEAR TO DATE

(USD million)	1.1-30.9.10	1.1-30.9.09	Change
Gross Revenue	918	945	(27)
Voyage Expenses	(338)	(325)	(13)
TC Expenses	(147)	(145)	(2)
Operating Expenses	(229)	(241)	12
General and Administrative Expenses	(81)	(84)	3
Operating Result before Depr. (EBITDA)	123	149	(26)
Depreciation	(109)	(109)	0
Capital Gain/Loss on Fixed Assets	(2)	1	(3)
Operating Result (EBIT)	12	41	(29)
Net finance	(35)	(30)	(5)
Taxes	(55)	(15)	(40)
Net Result	(79)	(3)	(76)

GROSS REVENUE

Per Quarter (in USD million)



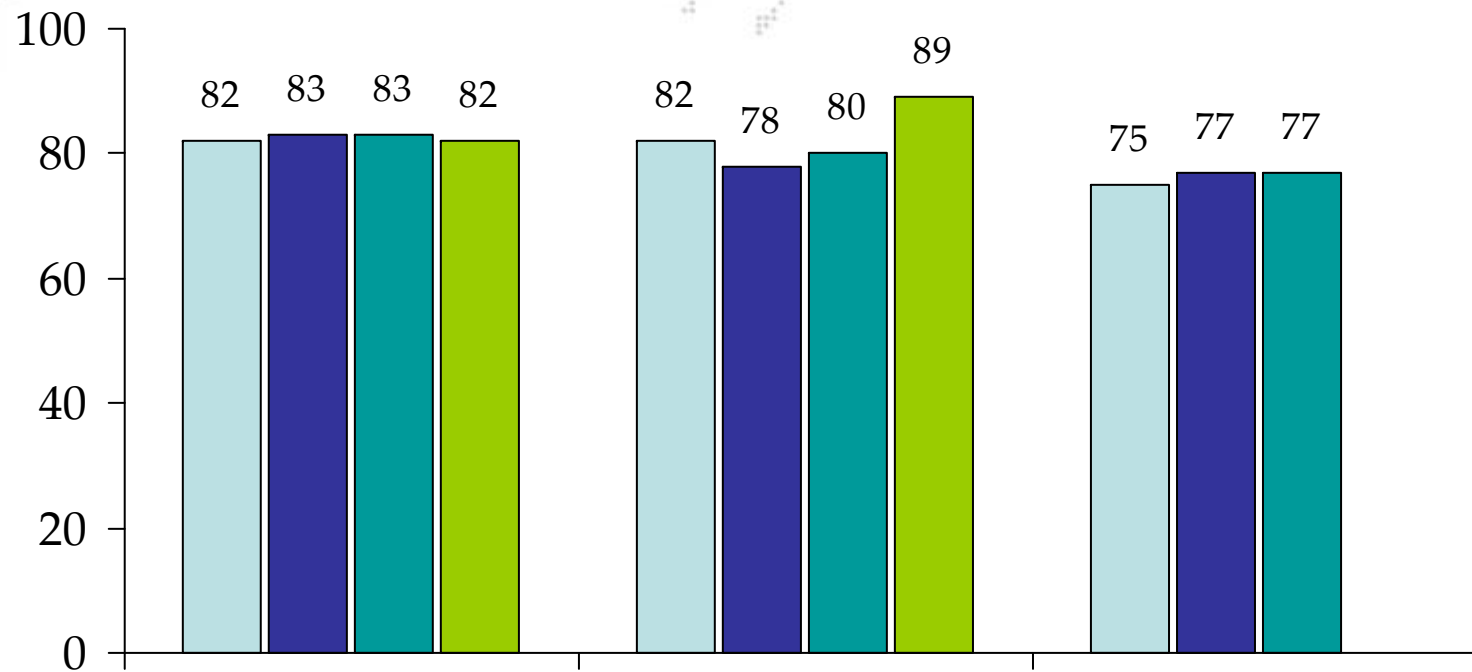
Accumulated	2008	2009	2010
	1,476	1,265	1,225*



*Annualised

OPERATING EXPENSES

Per Quarter (in USD million)



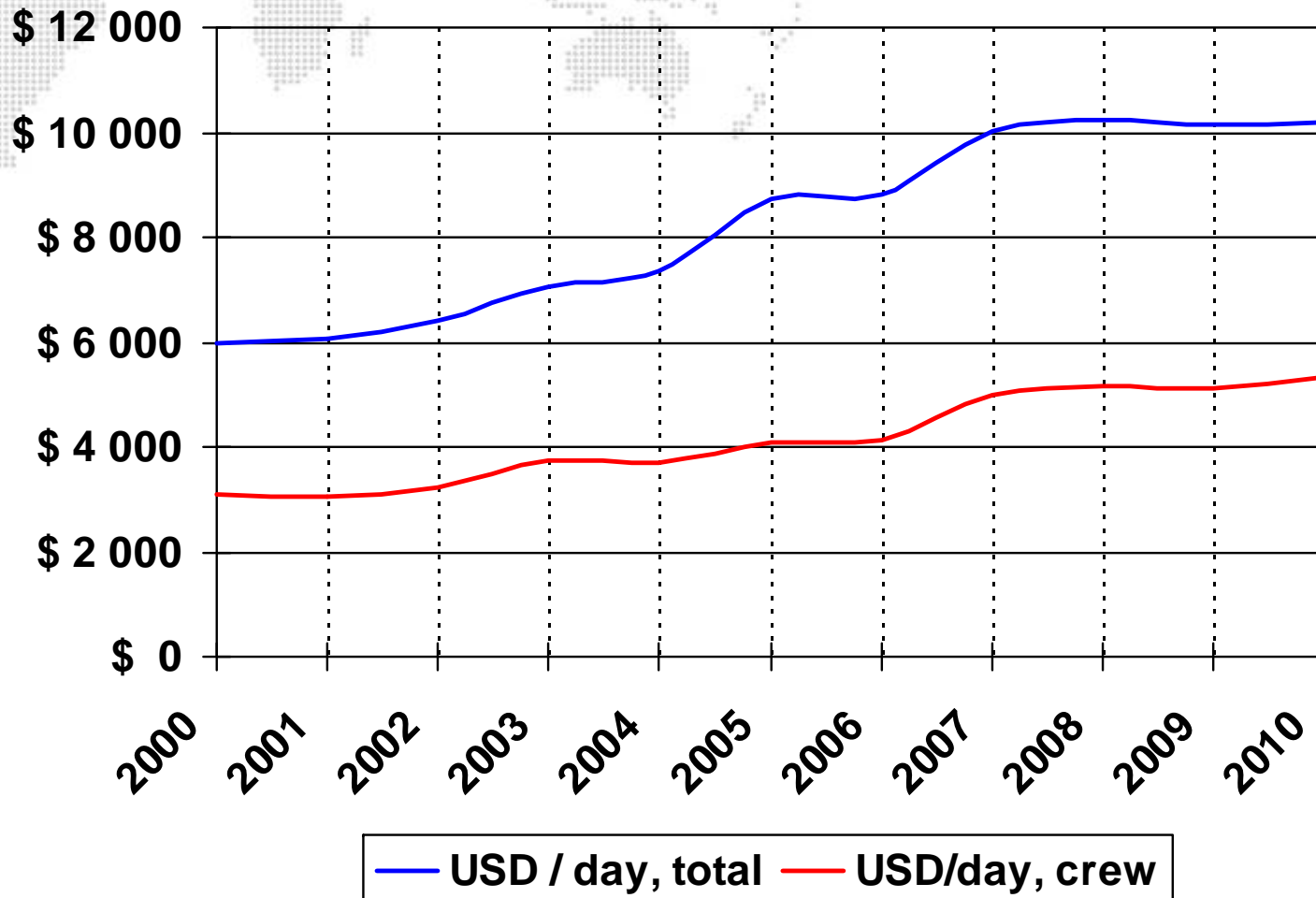
Year	Accumulated
2008	330
2009	329
2010	305*



*Annualised

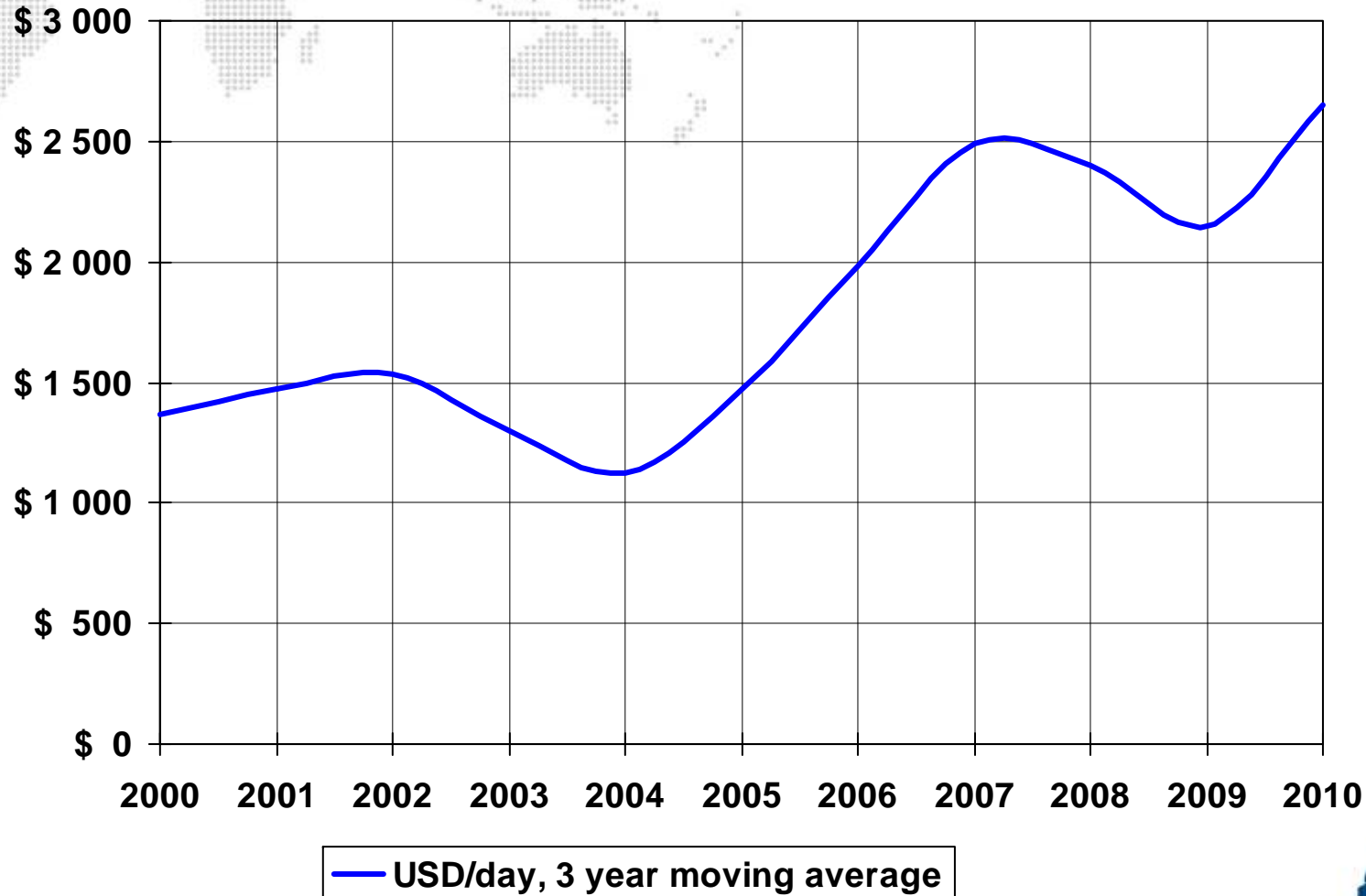
VESSEL OPERATING EXPENSES

(Large Parcel Tankers)



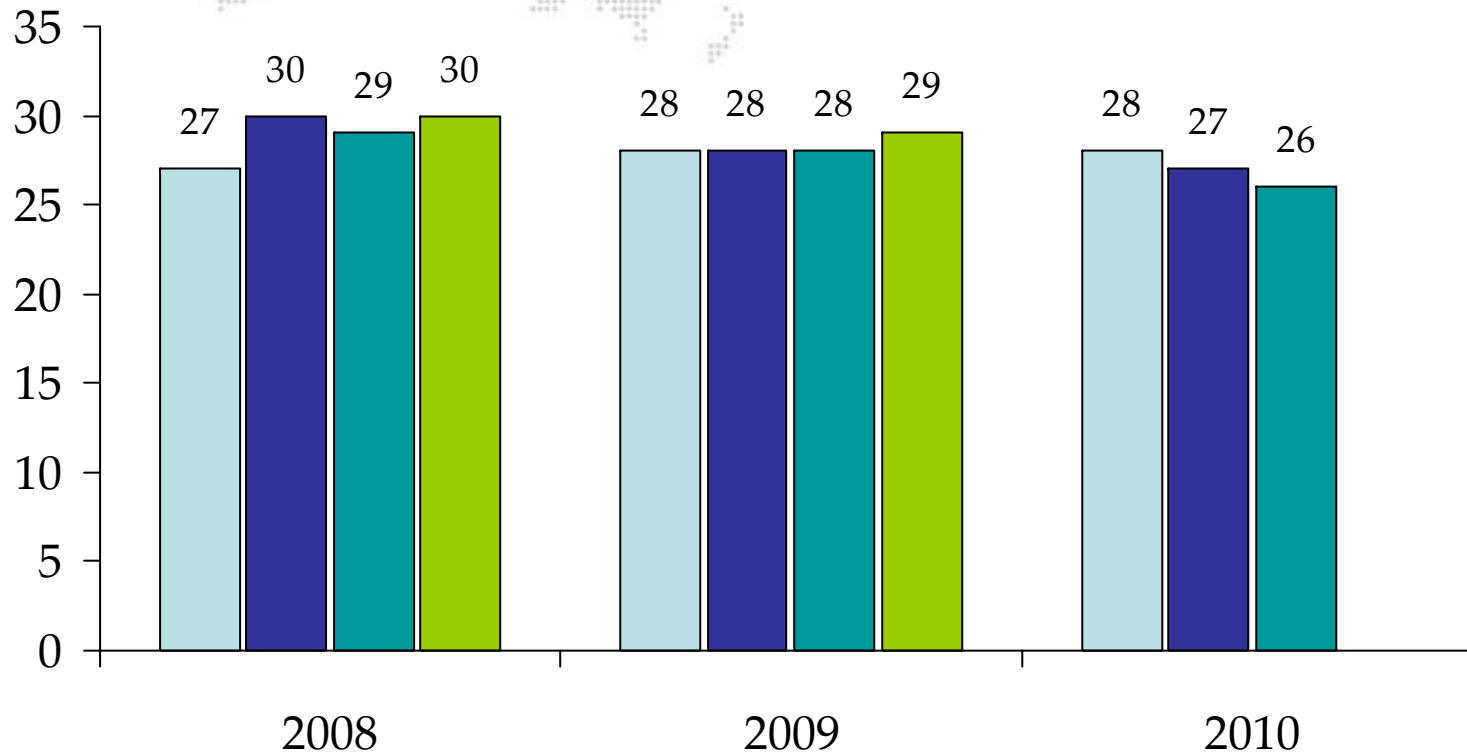
DRY-DOCKING COST

(Large Parcel Tankers)



ADMINISTRATIVE EXPENSES

Per Quarter (in USD million)



Accumulated

116

113

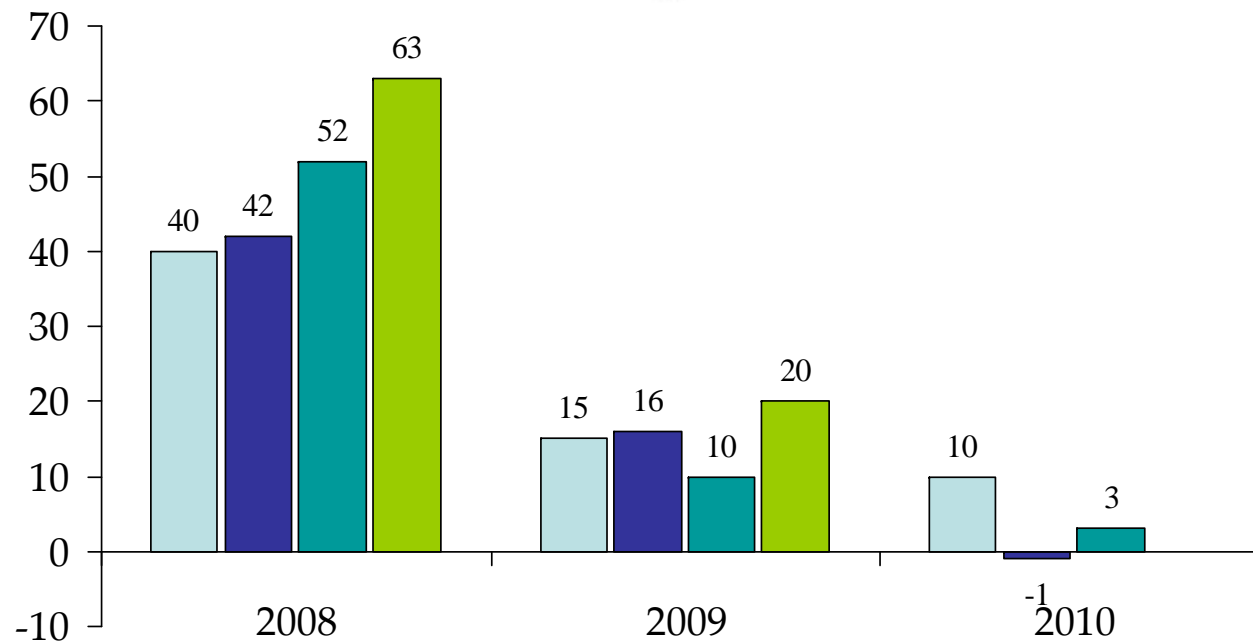
108*



*Annualised

OPERATING RESULT (EBIT)

Per Quarter (in USD million)



Accumulated

197

61

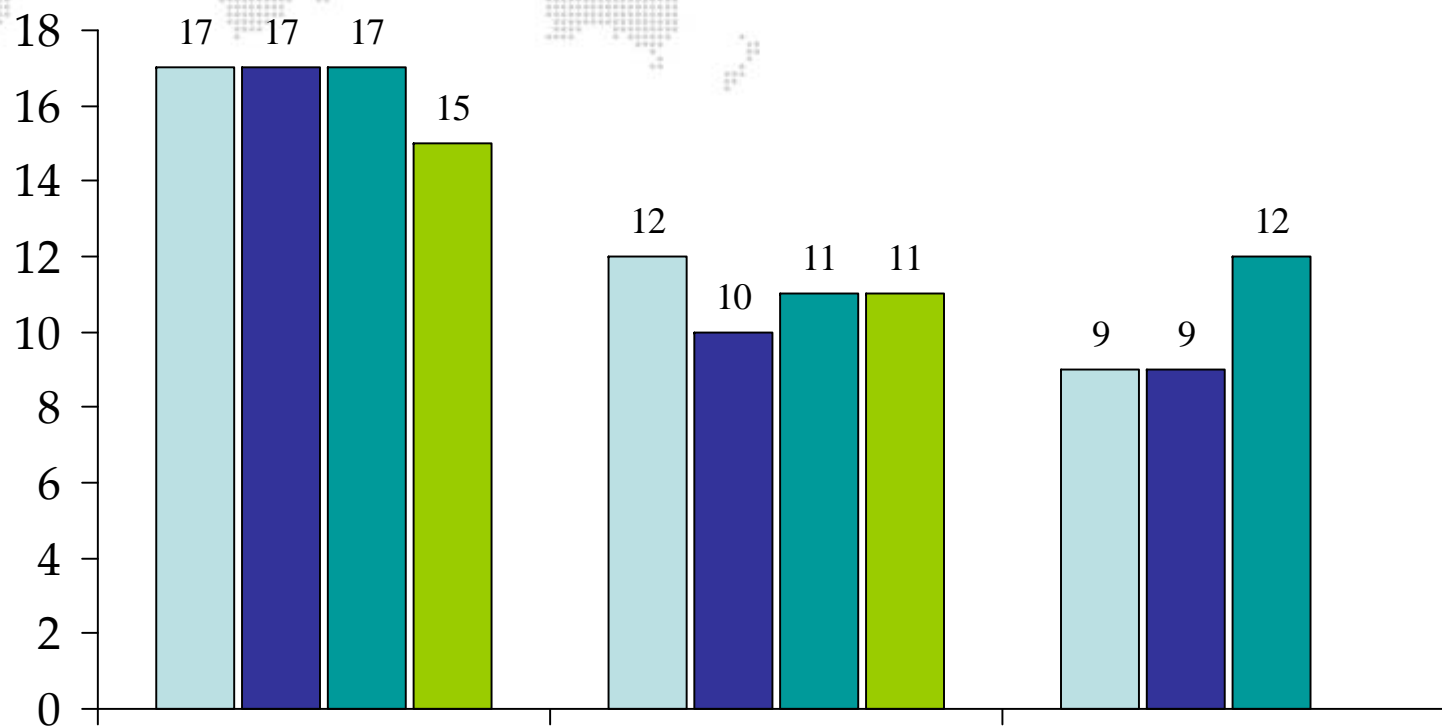
16*



*Annualised

NET INTEREST EXPENSES

Per Quarter (in USD million)



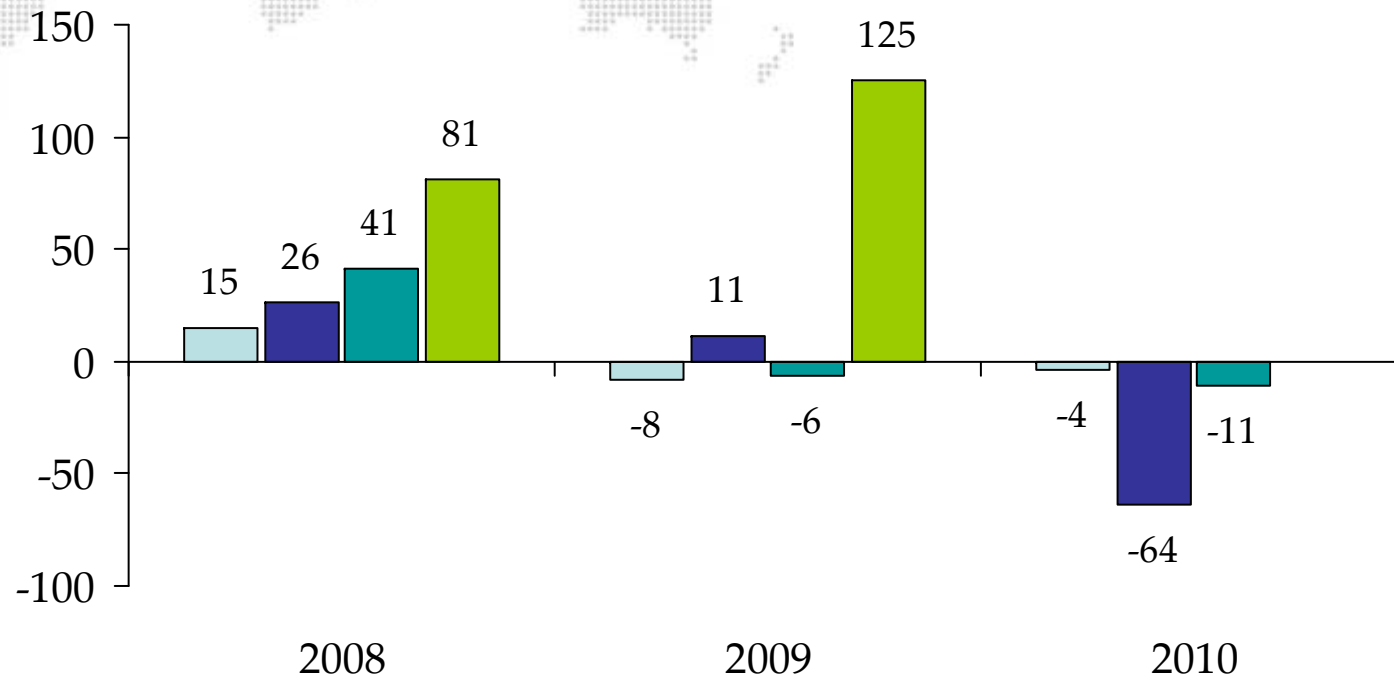
Year	Accumulated
2008	66
2009	44
2010	40*



*Annualised

NET RESULT

Per Quarter (in USD million)



Accumulated

163

11

(91)*

*Annualised



OPERATING RESULT PER SEGMENT

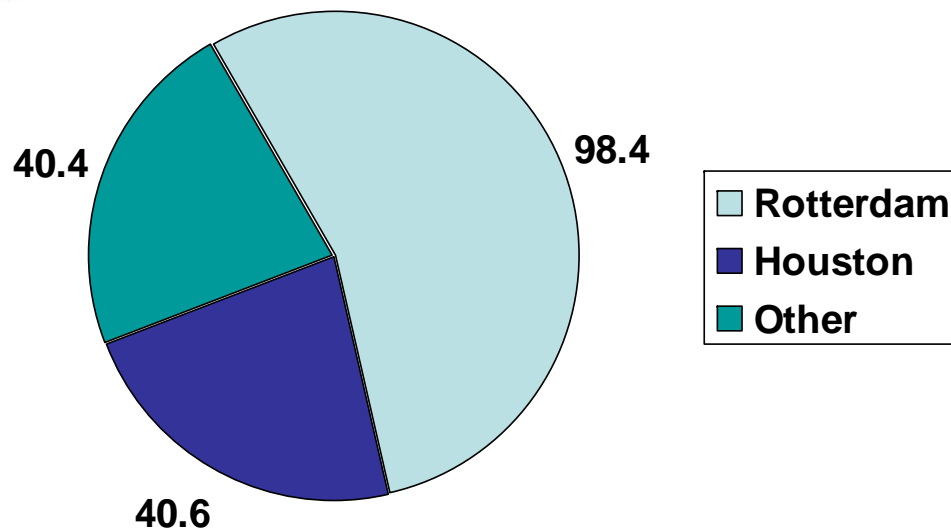
USD million	3Q09	4Q09	1Q10	2Q10	3Q10
Parcel Tankers	18	6	19	13	7
Tank Terminals	29	27	30	25	28
Sum EBITDA	47	32	49	38	36

USD million	3Q09	4Q09	1Q10	2Q10	3Q10
Parcel Tankers	(11)	14	(11)	(19)	(17)
Tank Terminals	21	6	21	18	19
Sum EBIT	10	20	10	(1)	3

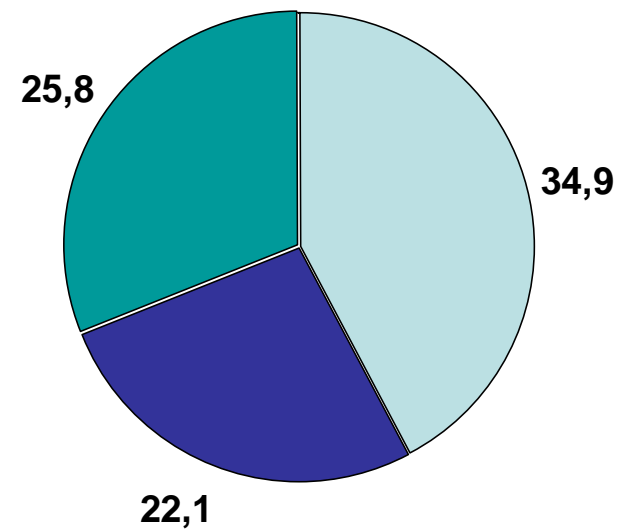
TANK TERMINALS GROSS REVENUE

Per 30.09.10

Gross Revenue



EBITDA

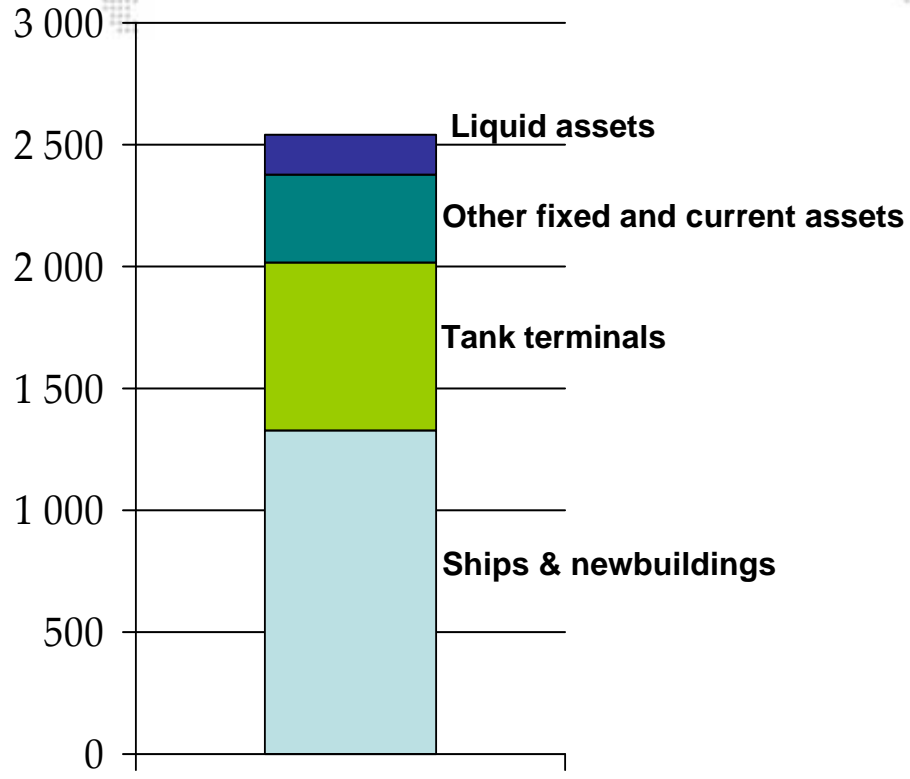


BALANCE SHEET

Per 30.09.10

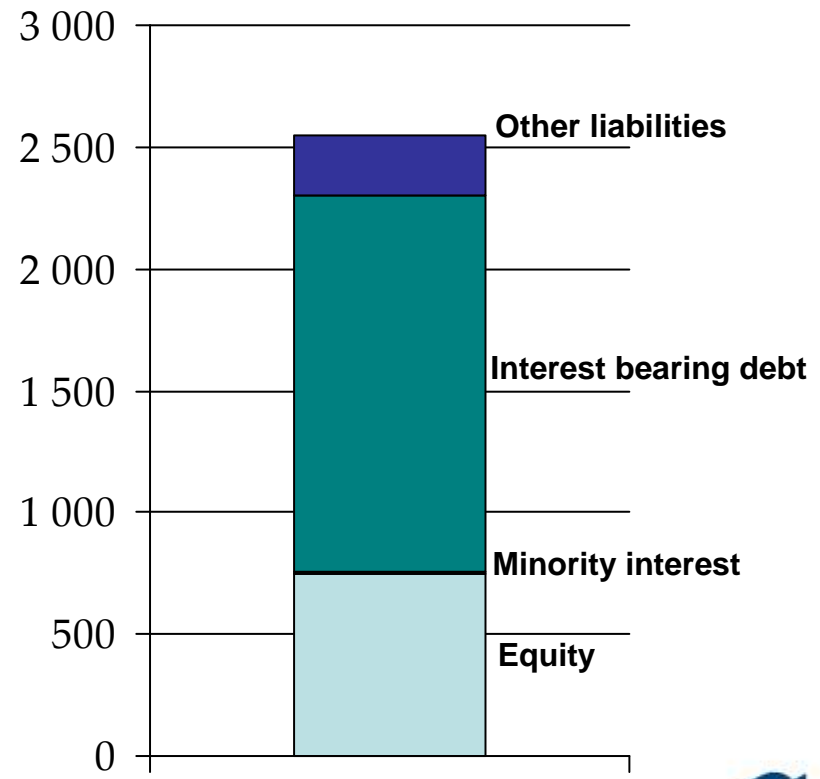
USD
mill

ASSETS



USD
mill

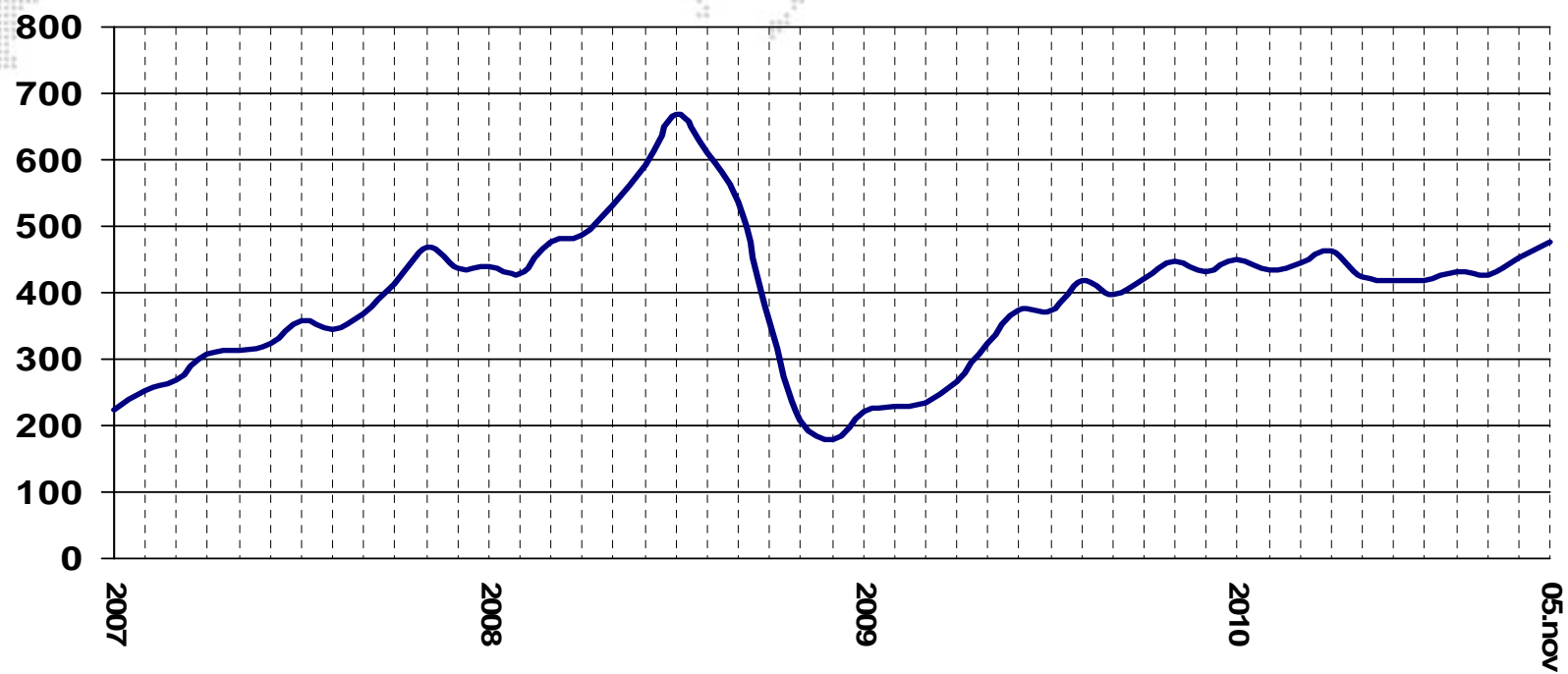
LIABILITIES & EQUITY



BUNKERS

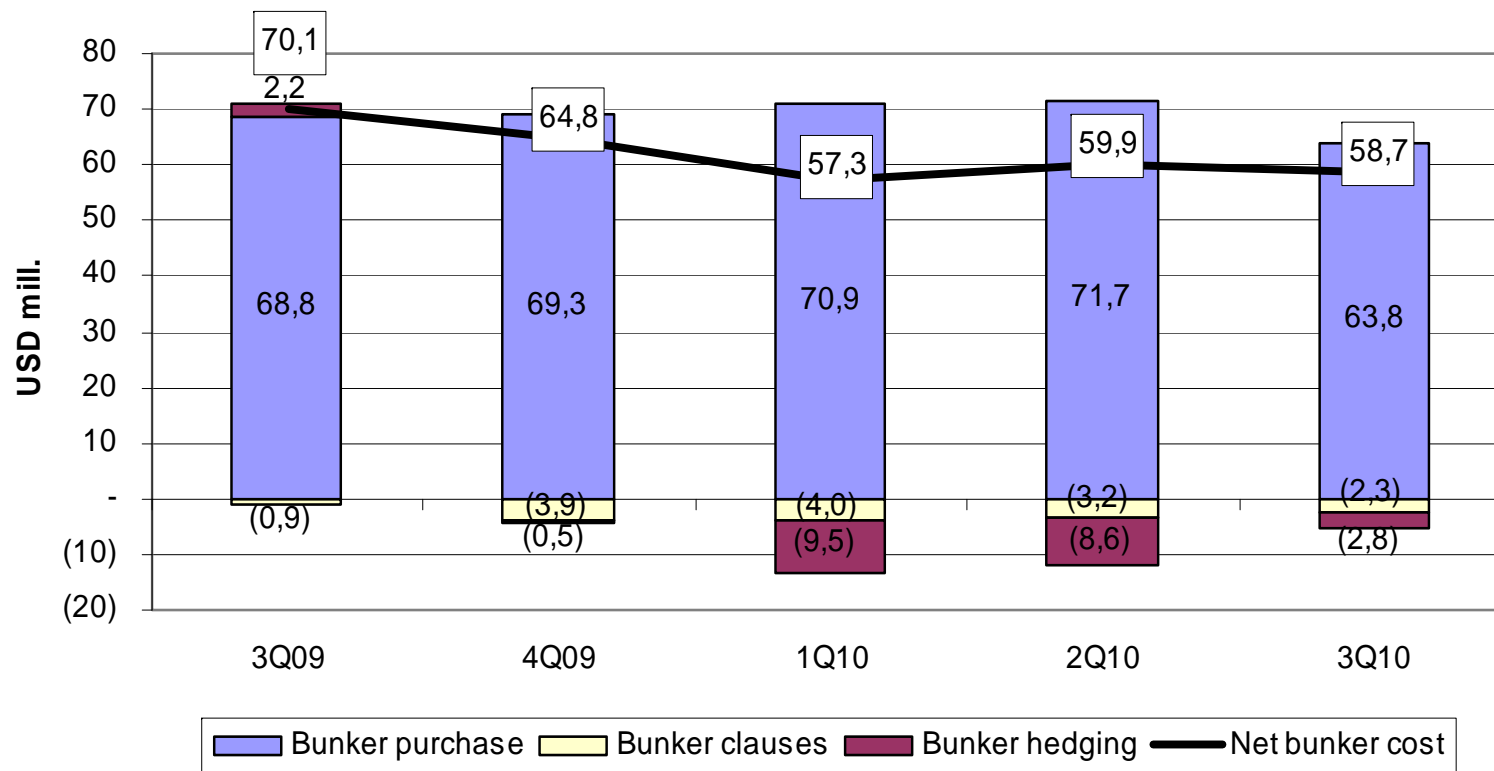
3.5% FOB Rotterdam

USD/mt

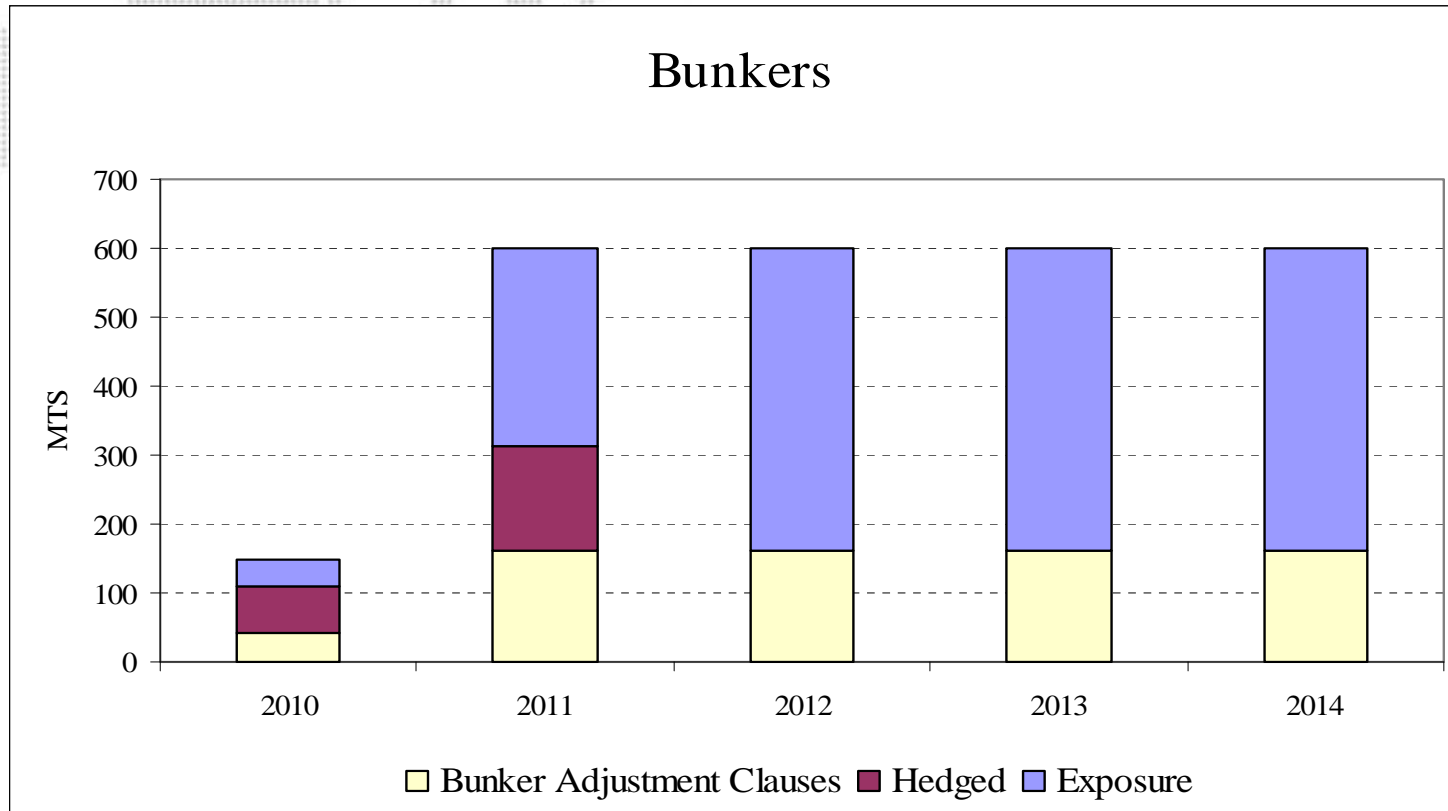


NET BUNKER COST

Per 30.09.10



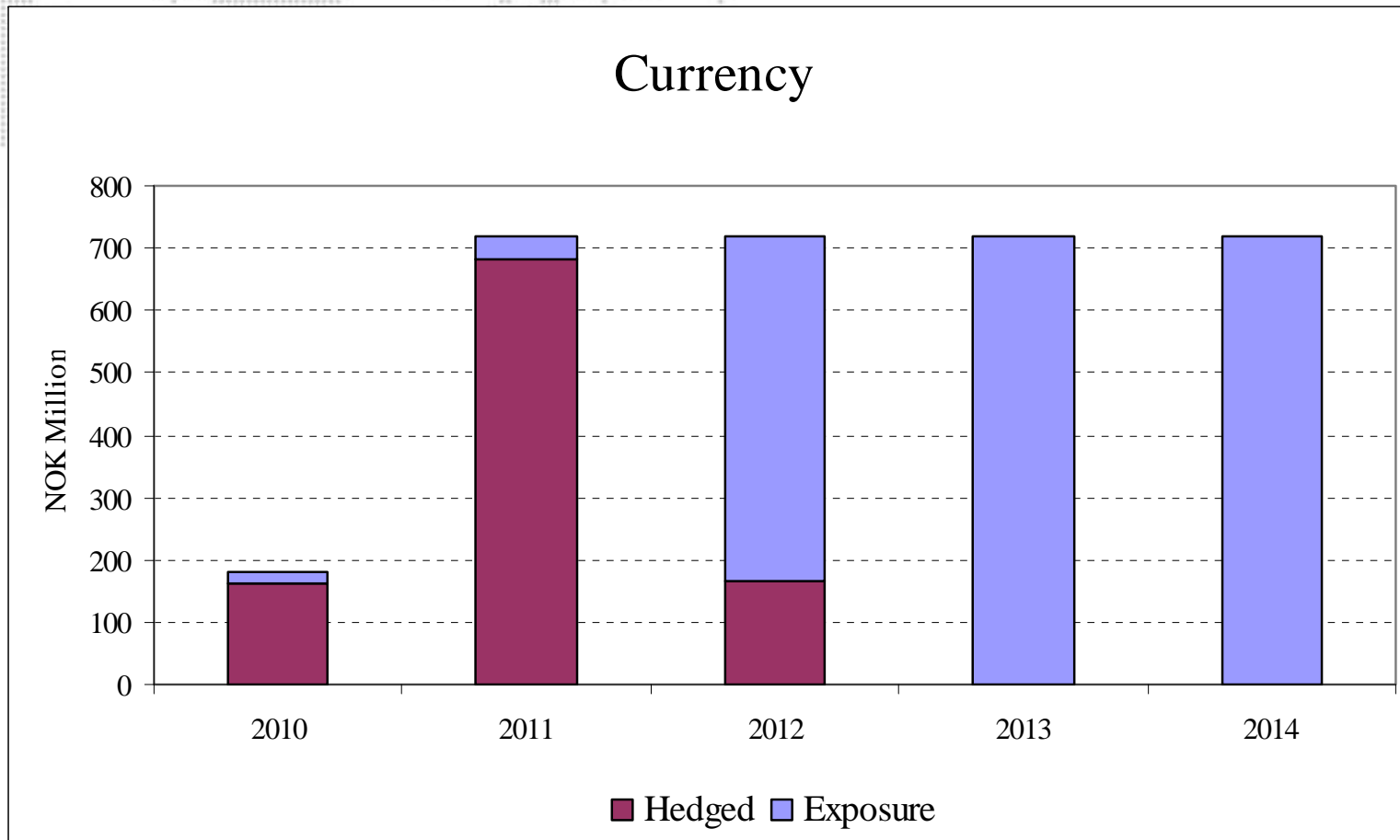
HEDGING - BUNKERS



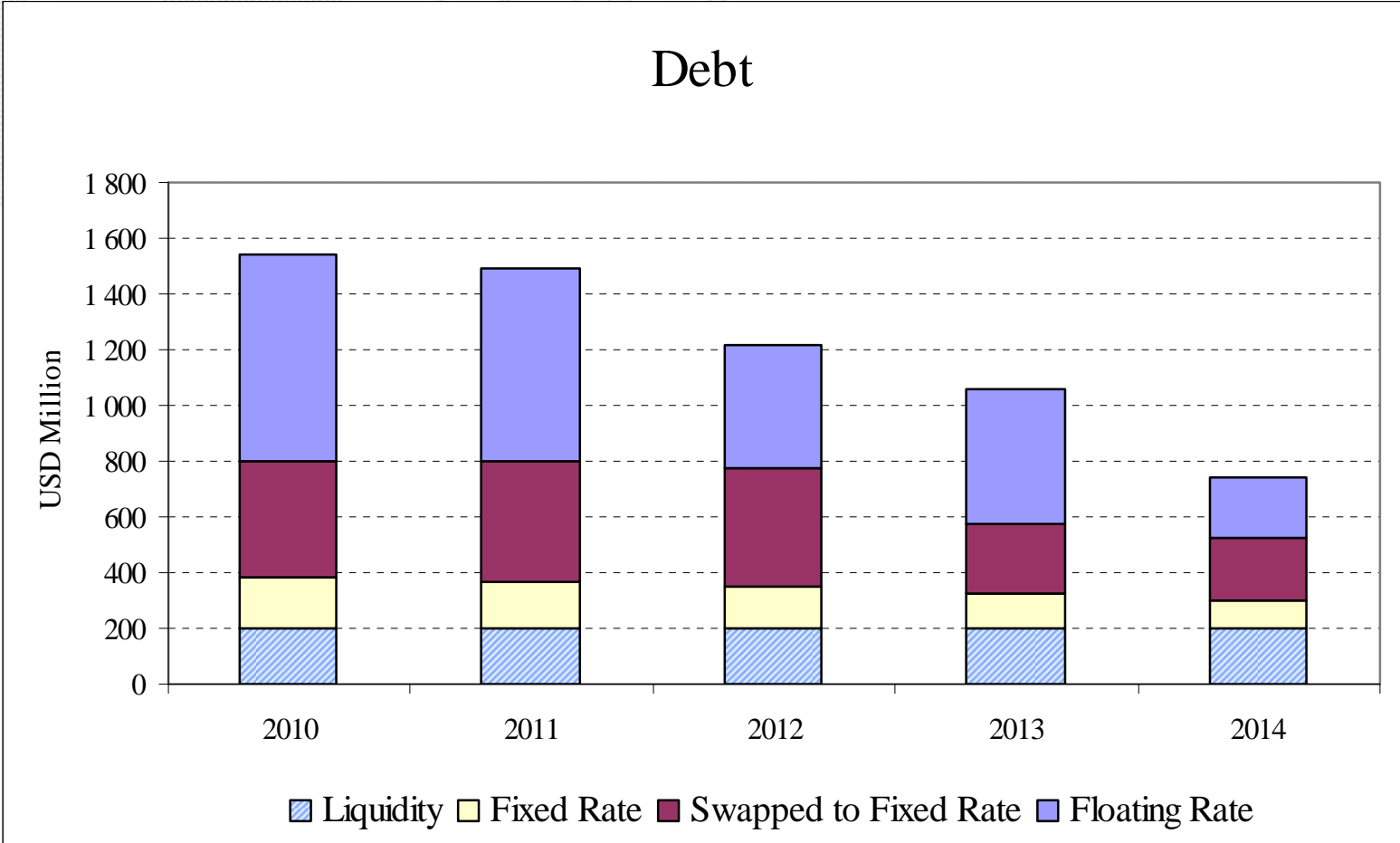
Estimated result from bunkers hedging based on current prices (USD 460 PMT);

(in USD mill)	4Q10	1Q11	2Q11	3Q/4Q11
Volume (MTS)	70 000	45 000	30 000	75 000
Bunker hedge Gain/(Loss)	5,0	4,1	3,1	2,8

HEDGING – CURRENCY



HEDGING – DEBT

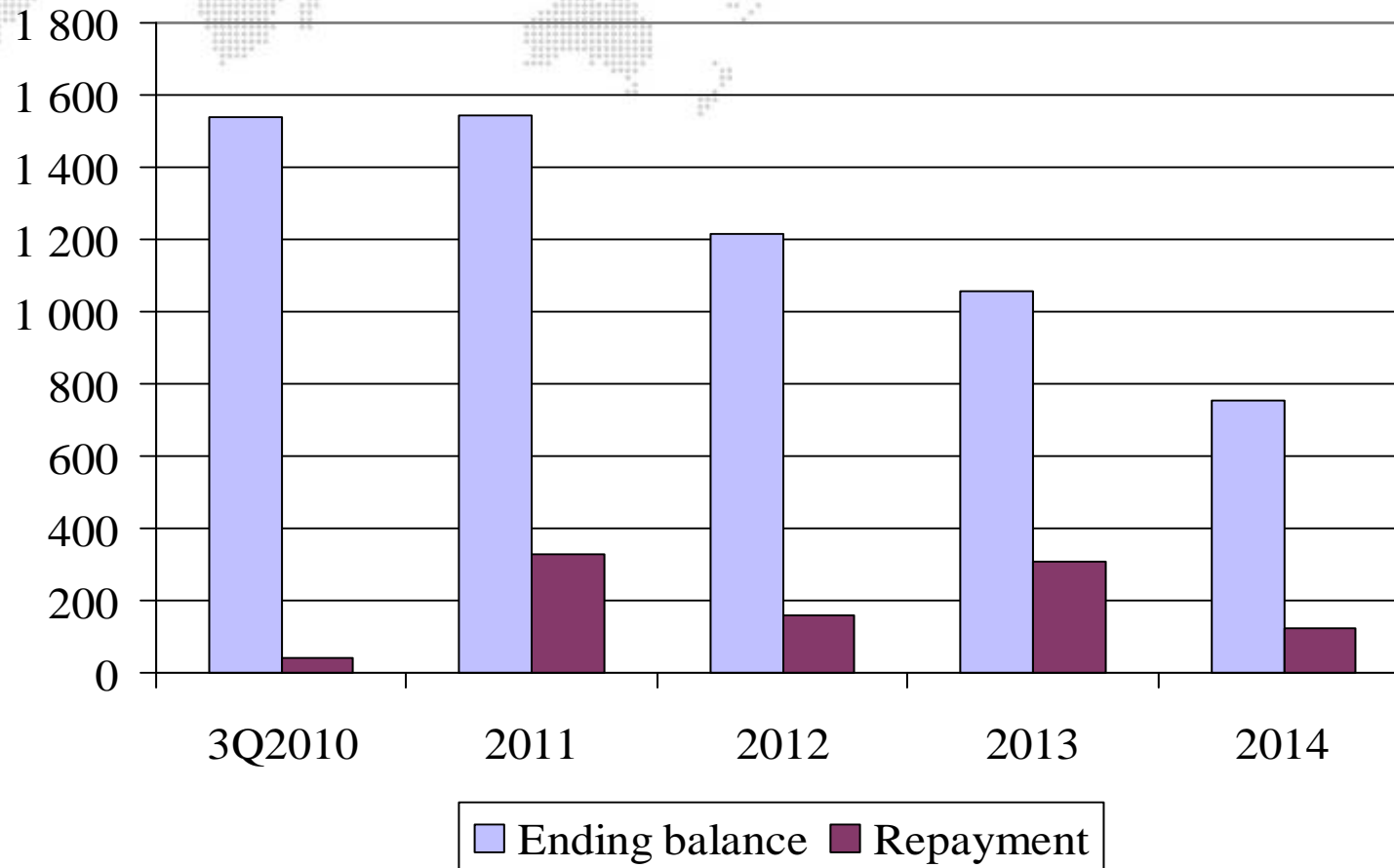


CAPITAL EXPENDITURES

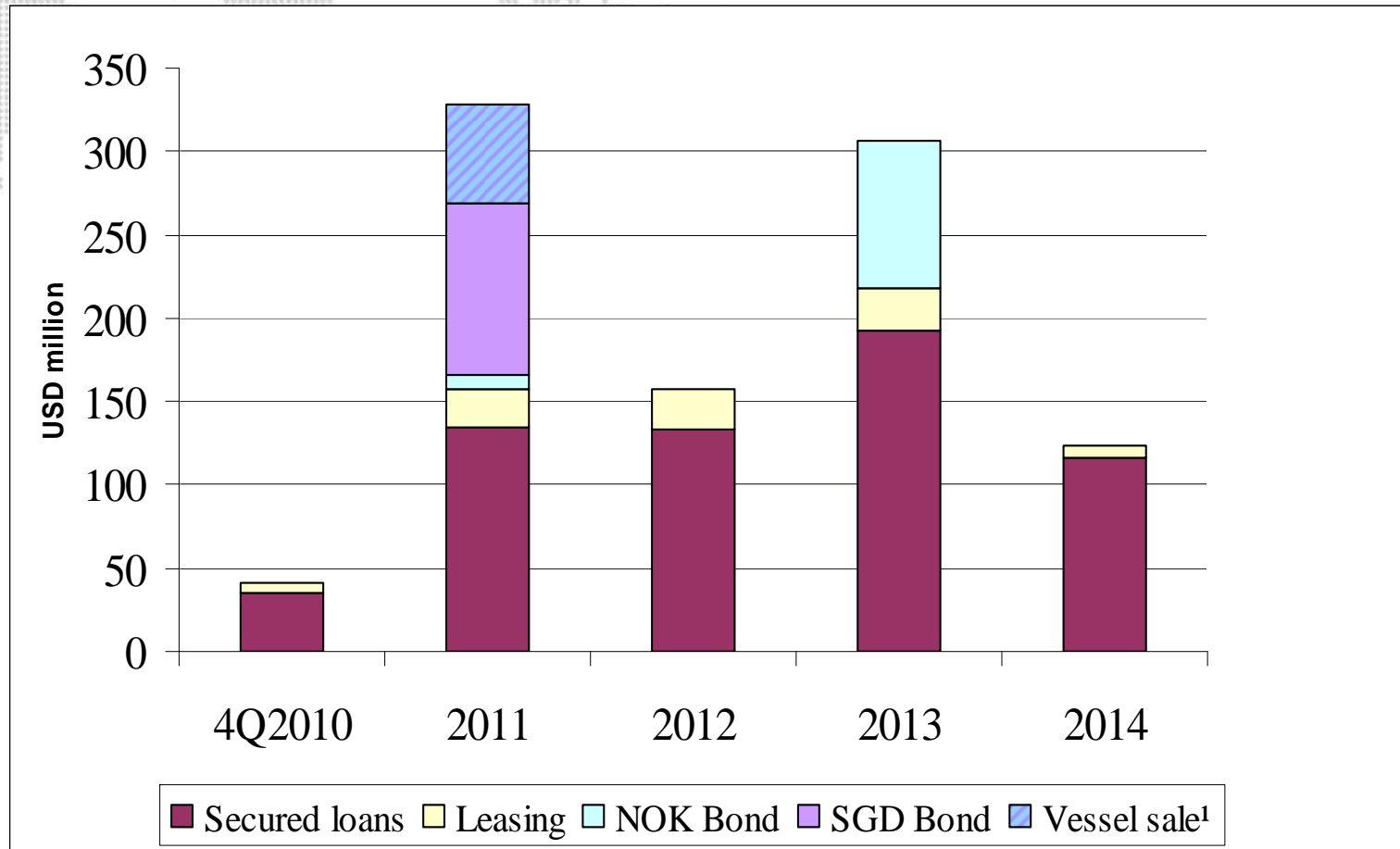
(per 30.09.10 - our share)

(In USD million)	4Q2010	2011	2012	2013
Korea Daewoo		13	26	13
China 3 x 9 000 dwt		6	3	
Docking	19	30	30	30
Terminals	23	61	45	45
Total	42	110	104	88

DEBT PORTFOLIO



DEBT REPAYMENTS



¹Repayment of debt at a total of MUS\$ 59, associated sale of Bow Favour and Bow Century during Q1 2011. No liquidity effect.



FLEET DEVELOPMENT 2010

Time chartered vessels:

- In February Odfjell Tankers took MT Southern Jaguar (19,997 DWT/2009) on two years time charter for worldwide trading.
- Redelivery of the vessels Bow Pioneer, Bow West and Bow Hunter to owners.

Owned vessels:

- Late April, Odfjell took delivery of one 51,000 DWT IMO 3 product tanker from SLS Shipbuilding Co Ltd, Korea.
- Five ships have been sold for recycling, Bow Maasslot, Bow Maasstroom, Bow Power, Bow Fighter and Bow Prima.
- Bow Favour and Bow Century sold to Stolt-Nielsen with delivery Q1 2011.

Commercial management:

- Nine vessels on commercial management.

Newbuildings:

Yard	Number	DWT	Delivery
• Chuan Dong	3	9,000	2011/2012
• Daewoo	1	75,000	2013

TANK TERMINAL DEVELOPMENT 2010

- Expansion construction of 15 tanks with a total of 63,120 cbm initiated at Odfjell Terminals (Korea).
- Shell connectivity project at OTR
 - Upgrade of existing pipeline between Shell Pernis (largest refinery in Europe) and OTR
 - Extra tankage for upstream naphtha feedstock
 - Upgrade of pipeline and pump facilities
 - Scheduled completion early Q1-2011



Expanding in Oman



New manifold for OTR pipeline project

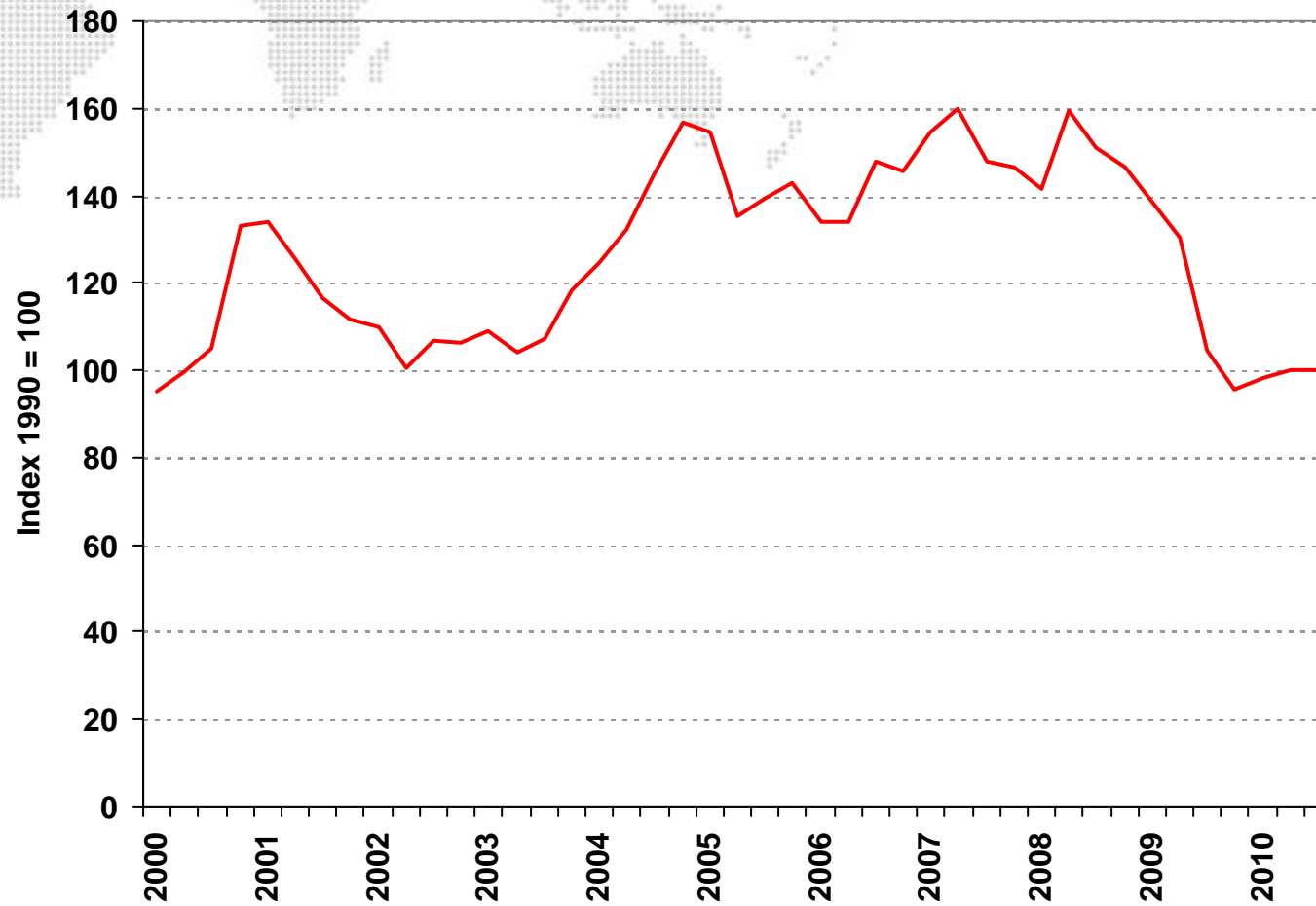
Location	CBM Expansion	New total	Completion
Houston	10 700	331 300	Q4 2010
Oman	425 000	1 267 500	Q2 2011
Korea	63 120	313 710	Q4 2011



MARKET UPDATE - HIGHLIGHTS

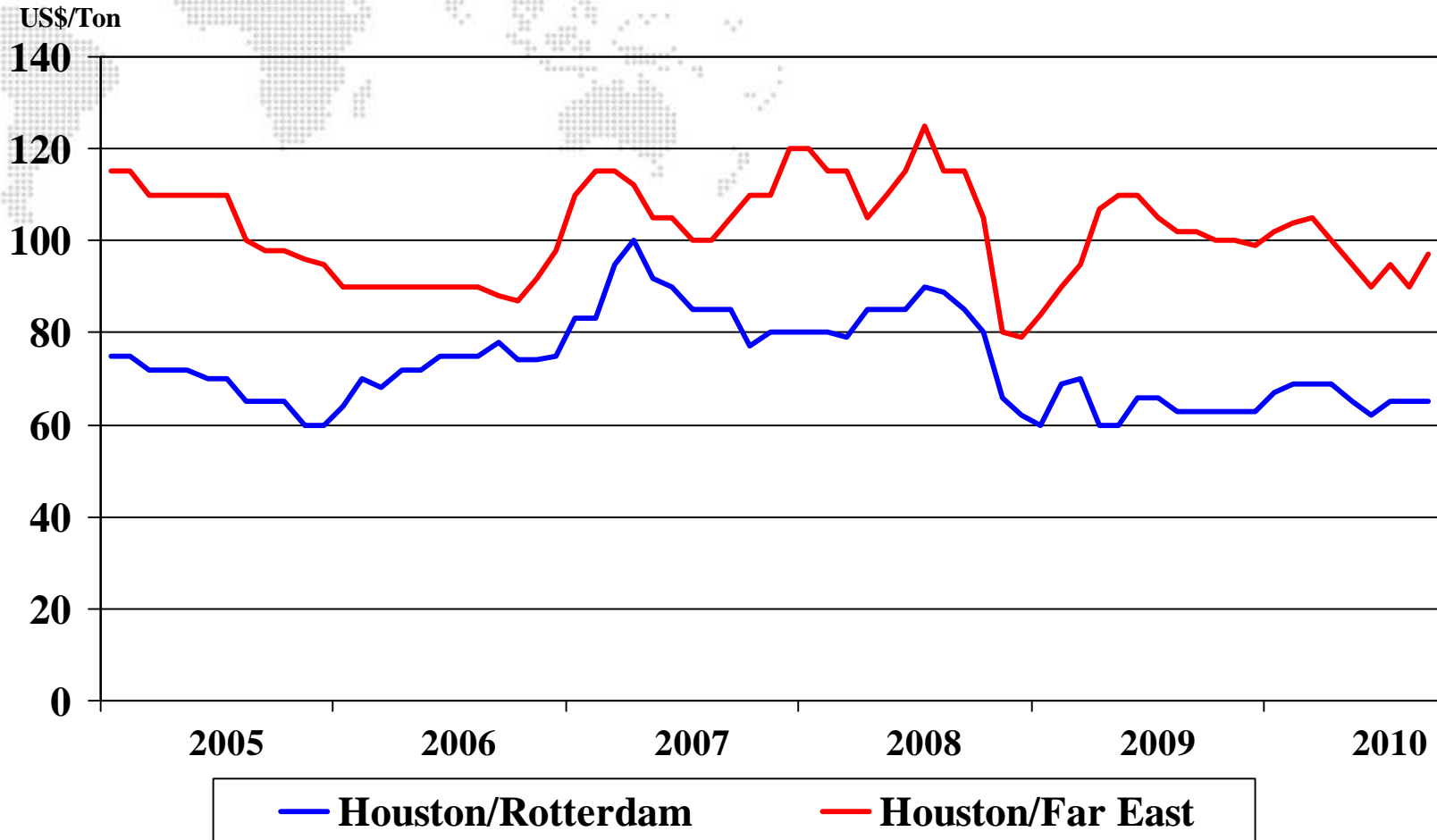
- 3Q10 started on a very slow note with slight improvements towards the end, thus still disappointingly lower than 2Q10. Overall activity is picking up into 4Q10 and results should improve
- The CoA coverage at 55% for volume and 58% for freight income
- Exports out of US Gulf strong, especially to Asia
- Good volume out of Middle East
- CCP very weak in all tradings
- Stable out of Europe

ODFIX



FREIGHT RATE DEVELOPMENT

1,000 mts stainless steel grade chemicals

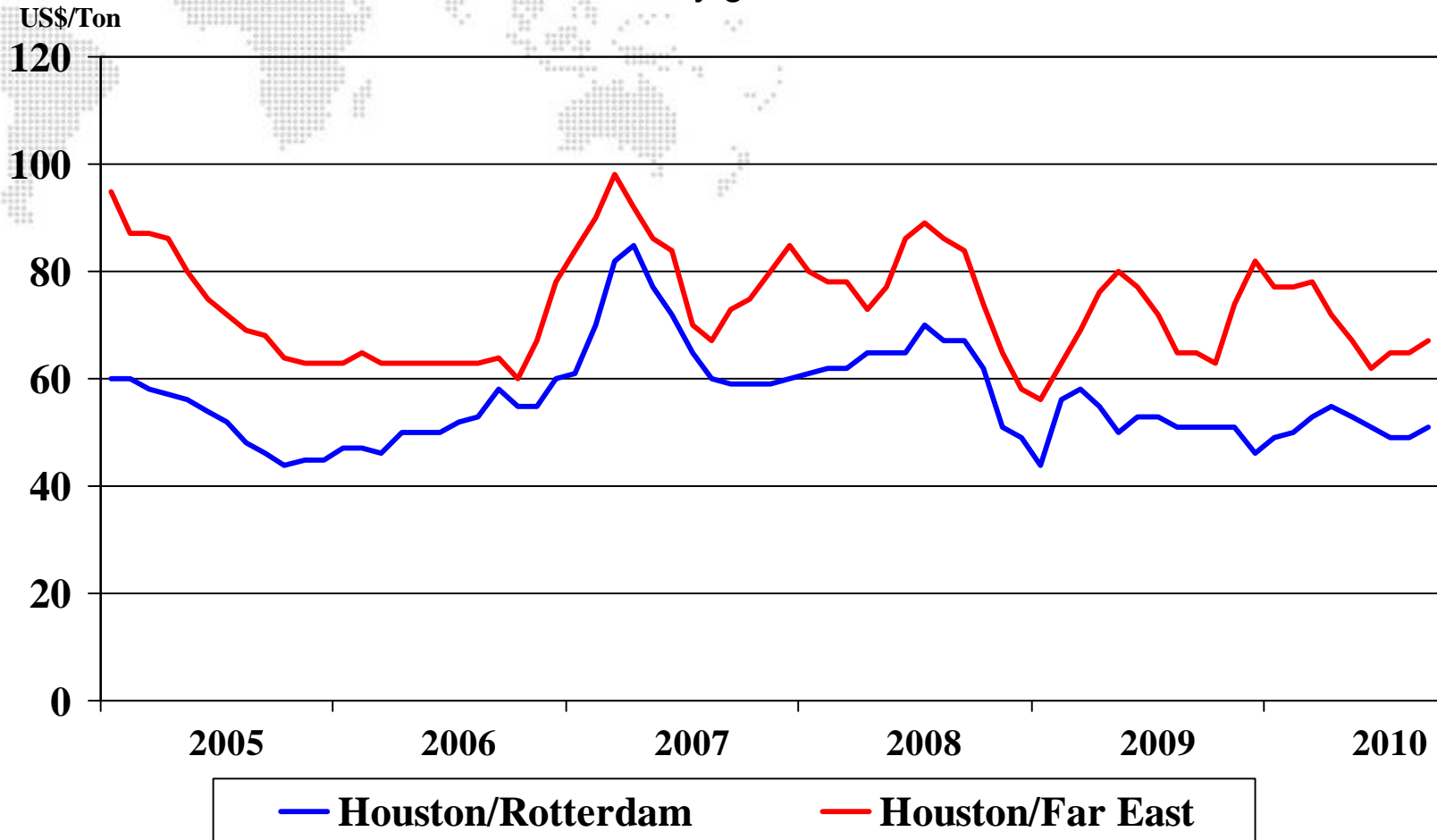


Source: Quincannon Associates, Inc.



FREIGHT RATE DEVELOPMENT

3,000 mts easy grade chemicals

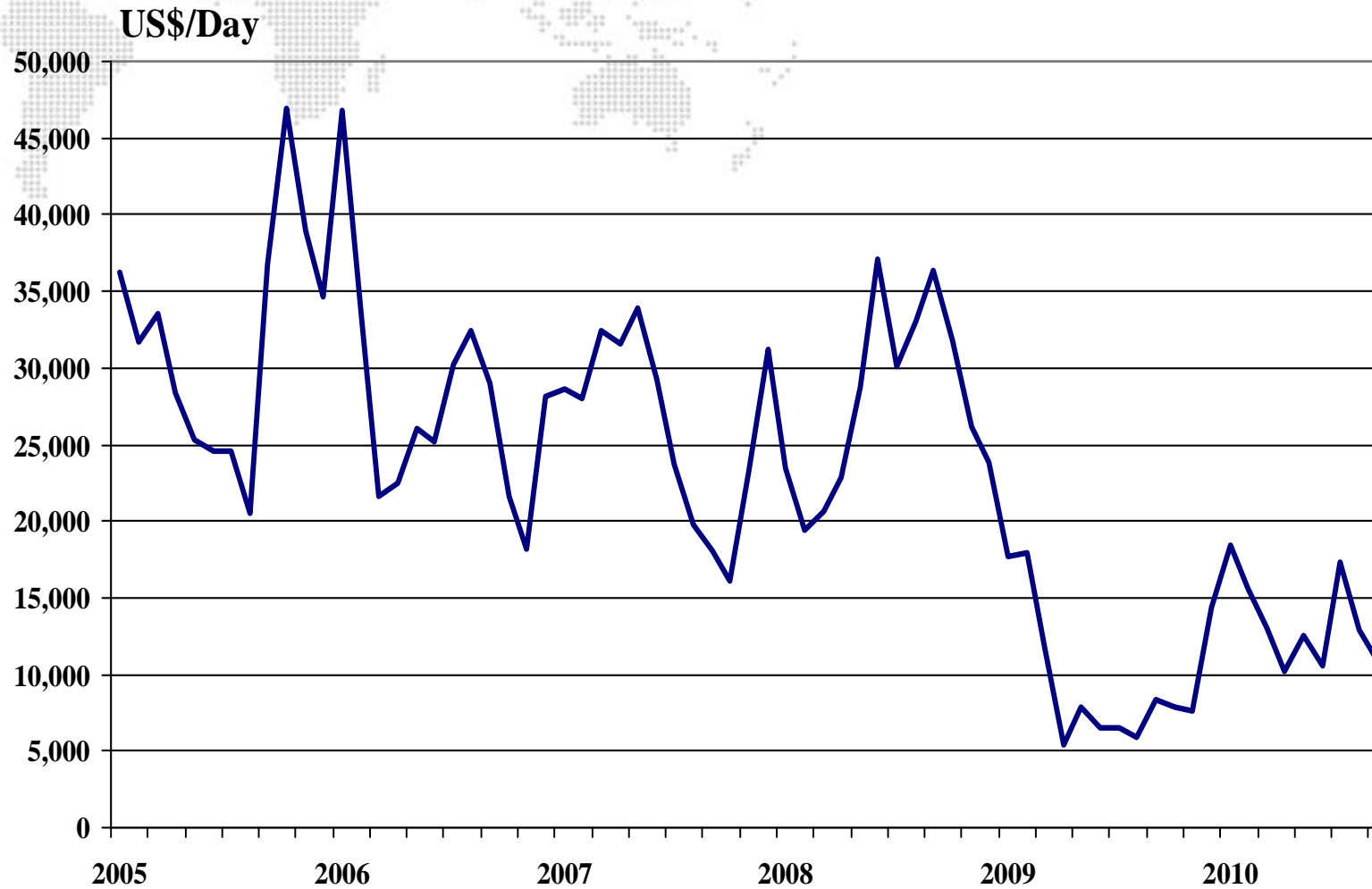


Source: Quincannon Associates, Inc.



MARKET DEVELOPMENT CPP

Monthly averages

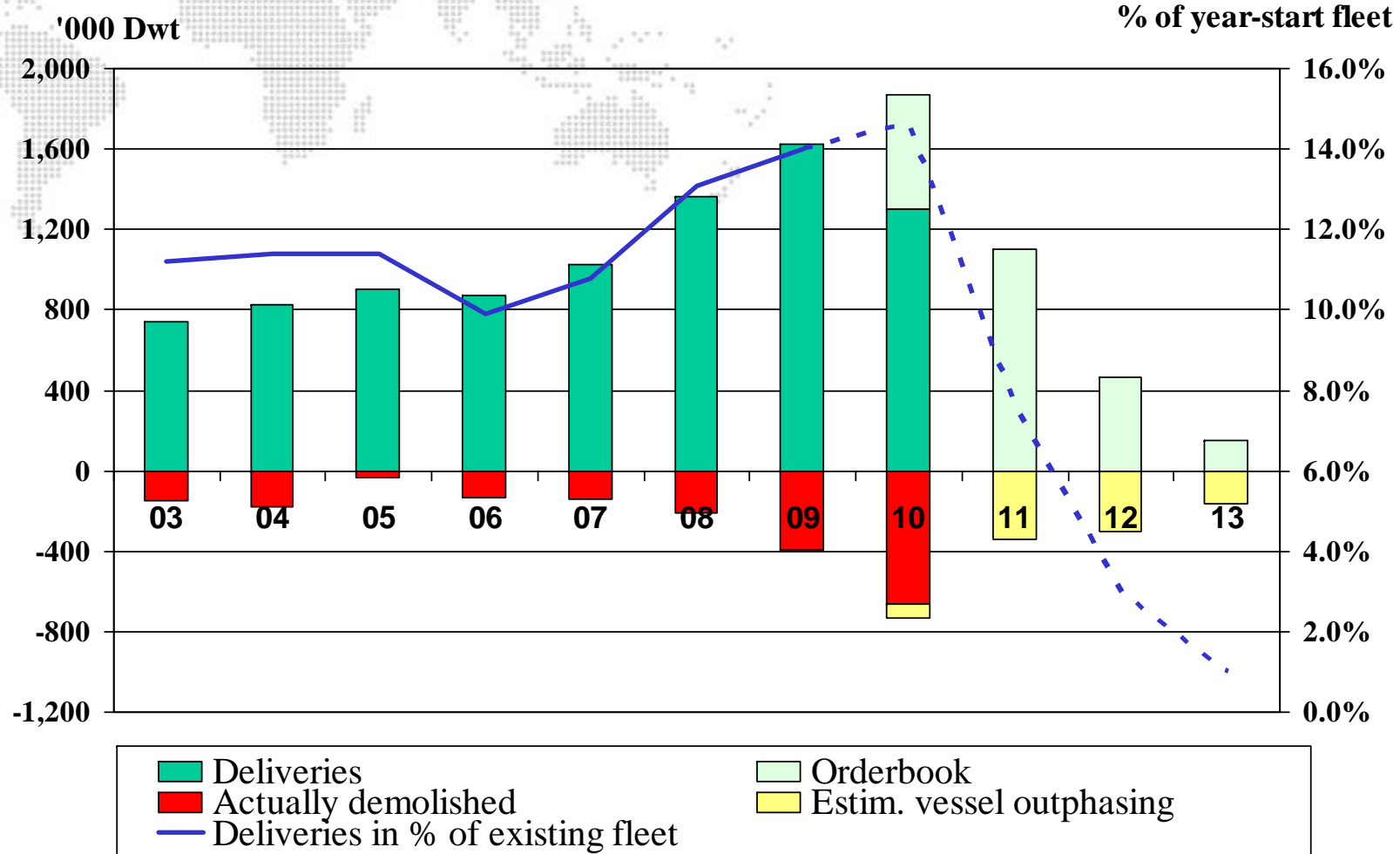


Source: Clarkson



Core Chemical Deep-sea Fleet 2003-2013

Orderbook and estimated demolition per 01.10.10



Source: Odfjell

* Outphasing 30 years (Europe built) and 25 years (Asian built)





PROSPECTS

- The parcel tankers market is still challenging
- Deliveries of newbuildings continue in 2010
- We expect a decrease in deliveries of newbuildings in 2011
- Overall trading activity has increased going into fourth quarter 2010
- Competition remains fierce
- Rising bunker prices is at concern
- We expect tank terminals results to remain stable

Thank you for listening. Questions?

