

1st Quarter 2011 Results

Webcast - 4 May 2011





AGENDA

- Highlights
- Financials 1Q2011
- Development 2011
- Market Update
- Prospects



HIGHLIGHTS

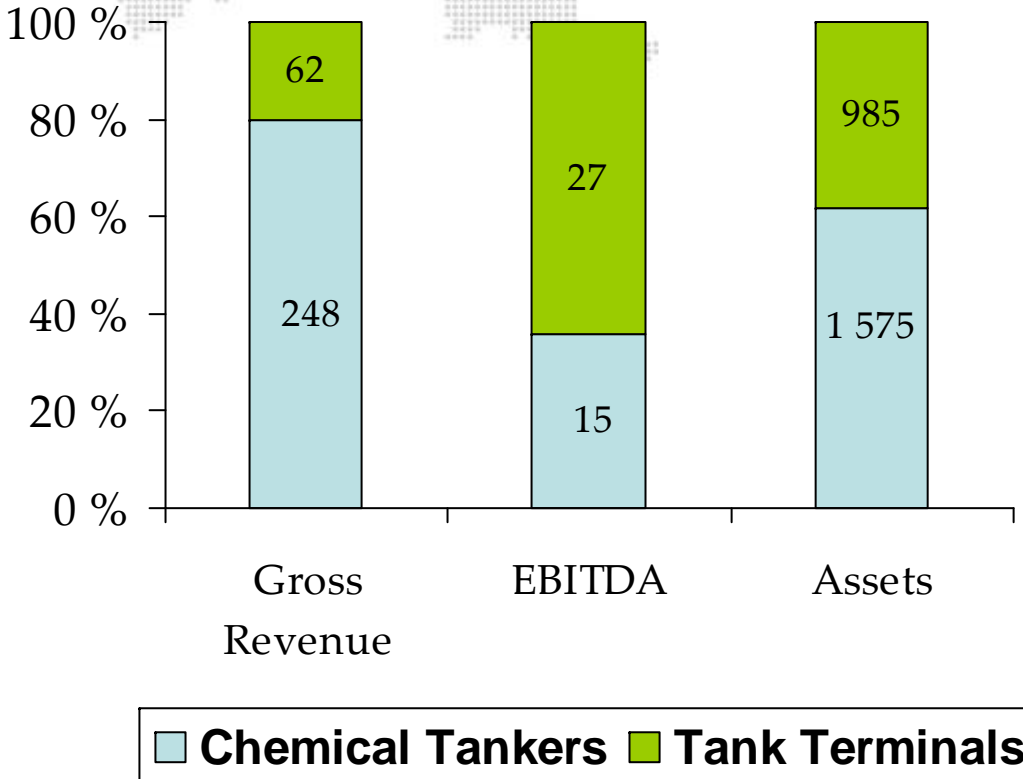
- Net result USD 11 million, EBITDA USD 42 million and EBIT USD 24 million
- Continued strong results from tank terminals
- Time-charter results down 2.5% compared to fourth quarter 2010, but up 7.5% compared to first quarter 2010
- Rising bunker prices have negatively impacted the time-charter results
- Delivery of one newbuilding
- Two ships sold, one for recycling, at a combined gain of USD 18 million

RESULT 1st QUARTER 2011

(USD million)	1Q2011	4Q2010	Change
Gross Revenue	309	321	(12)
Voyage Expenses	(117)	(112)	(5)
TC Expenses	(44)	(51)	7
Operating Expenses	(76)	(82)	6
General and Administrative Expenses	(31)	(30)	(1)
Operating Result before Depr. (EBITDA)	42	46	(4)
Depreciation	(35)	(37)	2
Capital Gain/Loss on Fixed Assets	18	(4)	22
Operating Result (EBIT)	24	5	19
Net finance	(9)	(1)	(8)
Taxes	(4)	(5)	1
Net Result	11	0	11

GROSS REVENUE, EBITDA AND ASSETS PER SEGMENT

1Q2011





EBITDA 1Q2011 VERSUS 4Q2010

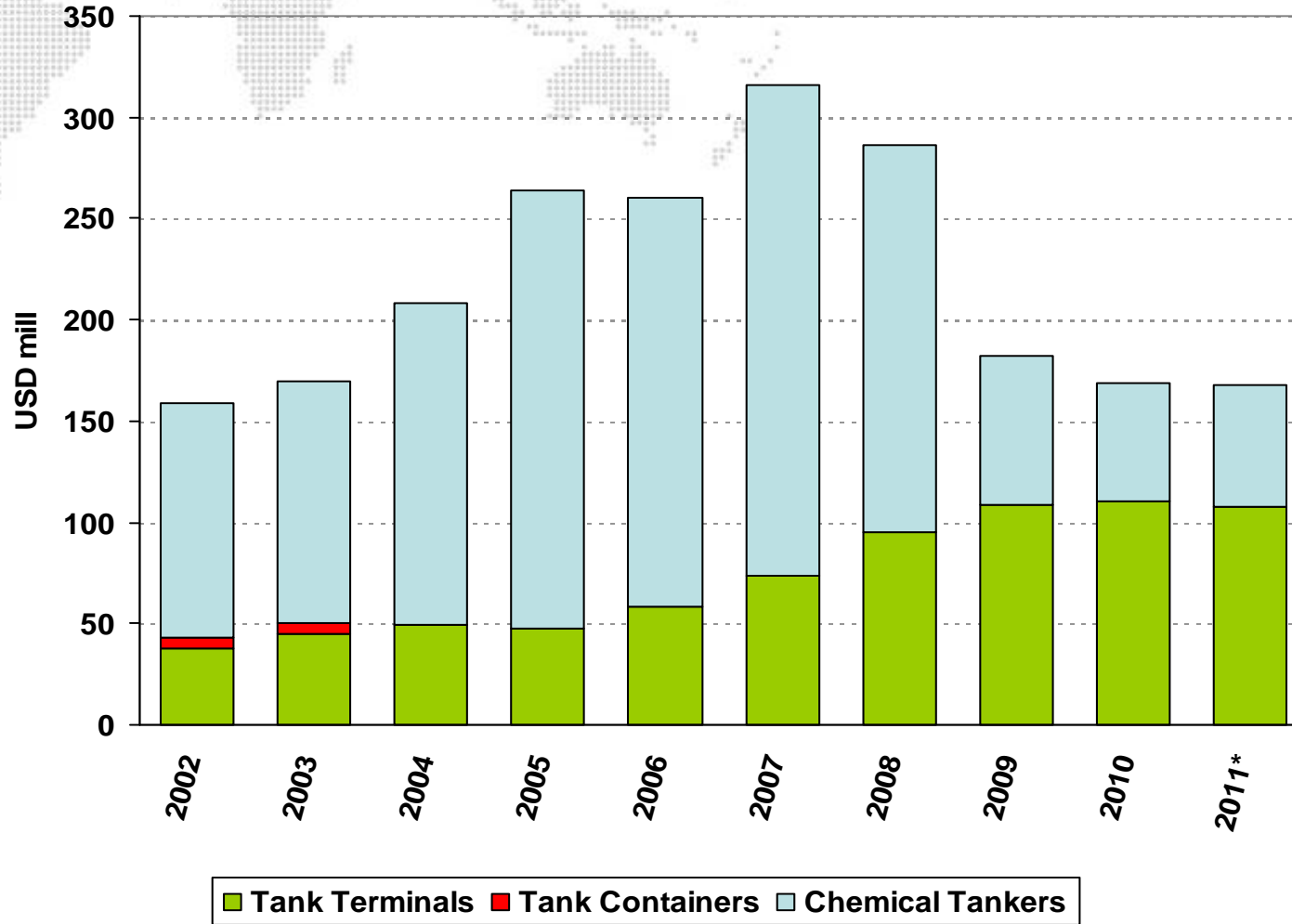
Chemical Tankers;

- EBITDA USD 5 mill. lower
 - Gross revenue USD 9 mill. lower
 - Voyage expenses USD 4 mill. higher
 - TC expenses USD 7 mill. lower
 - Operating expenses USD 4 mill. lower
 - G&A USD 2 mill. higher

Tank Terminals;

- EBITDA Unchanged
 - Gross revenue USD 3 mill. lower
 - Operating expenses USD 2 mill. lower
 - G&A USD 1 mill. lower

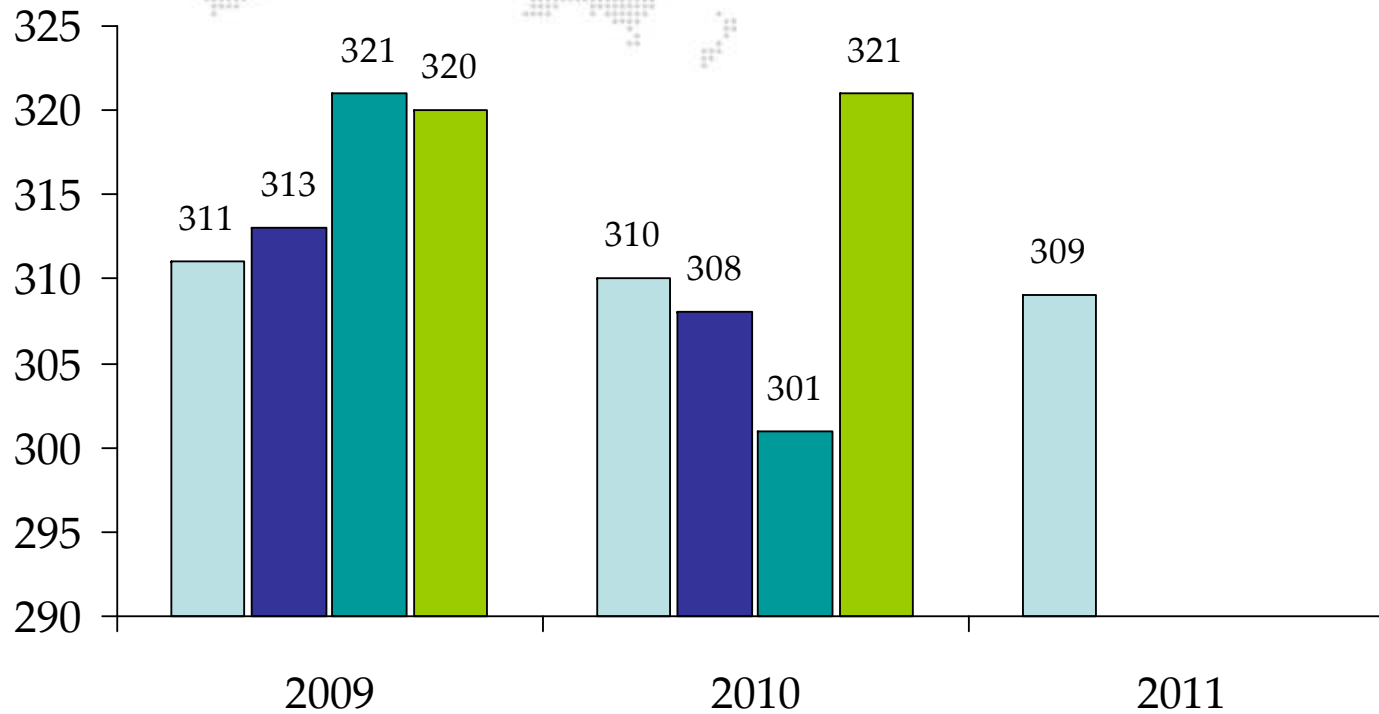
EBITDA



* Annualised

GROSS REVENUE

Per Quarter (in USD million)



Accumulated

1,264

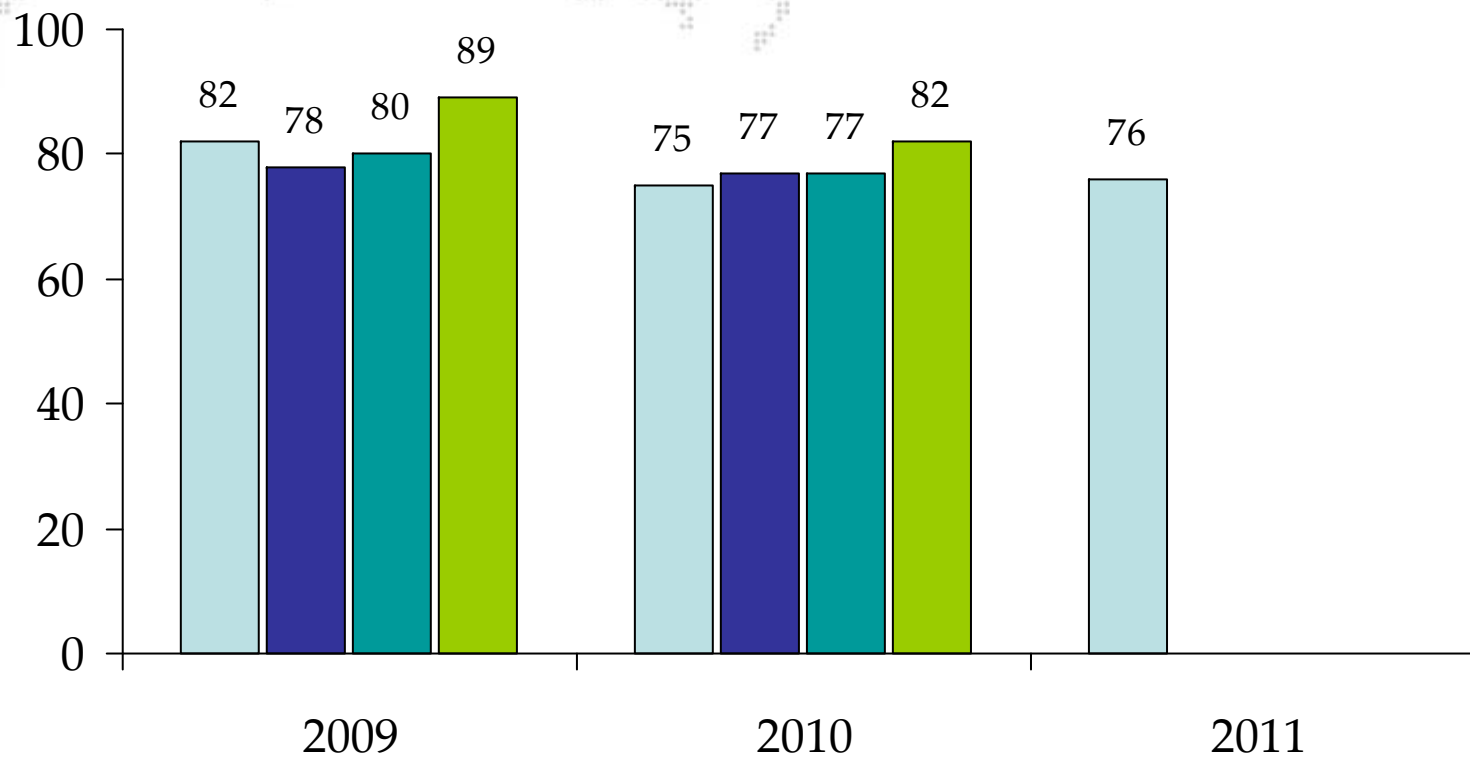
1,239

1,236



OPERATING EXPENSES

Per Quarter (in USD million)

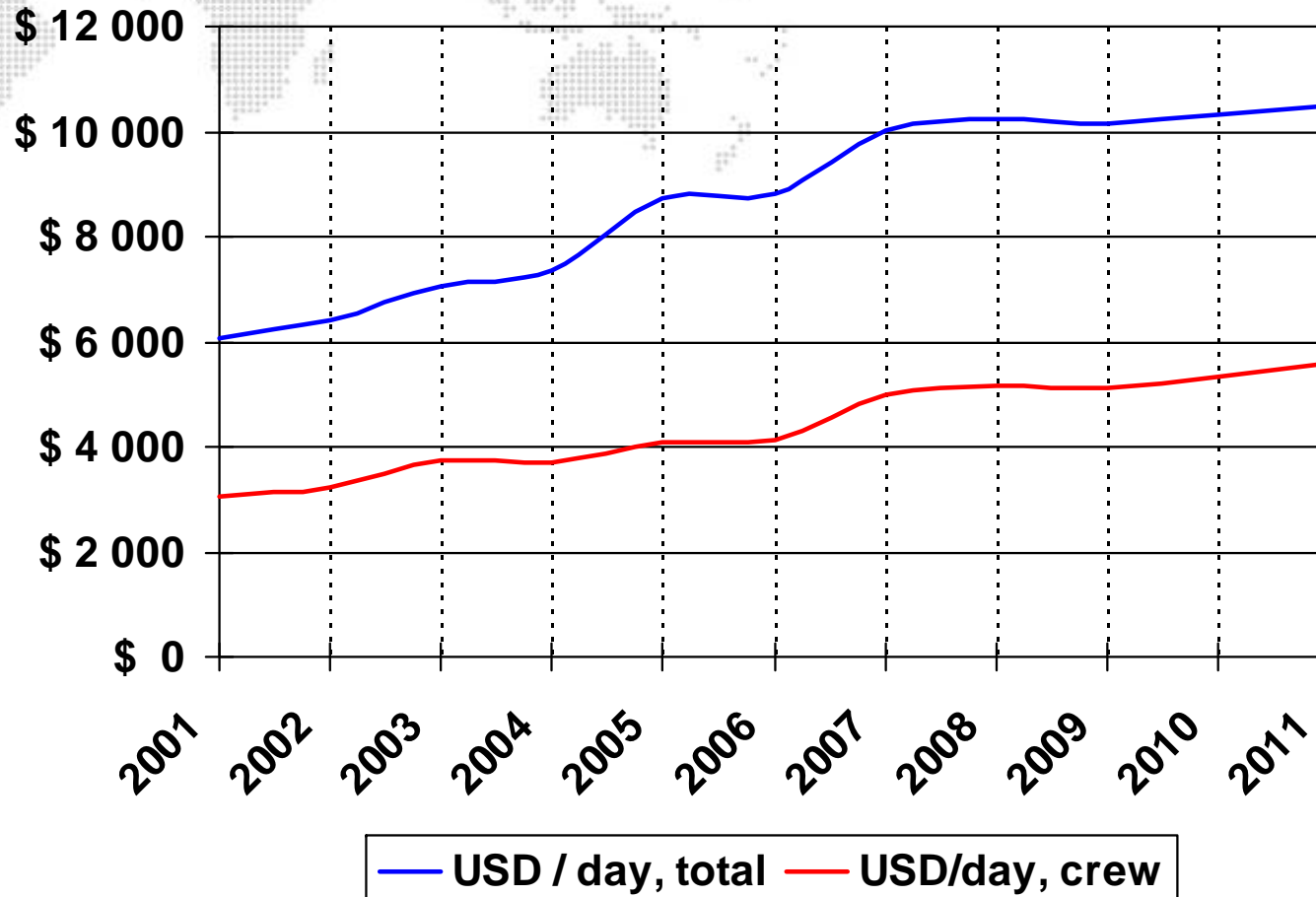


Accumulated
329
312
304



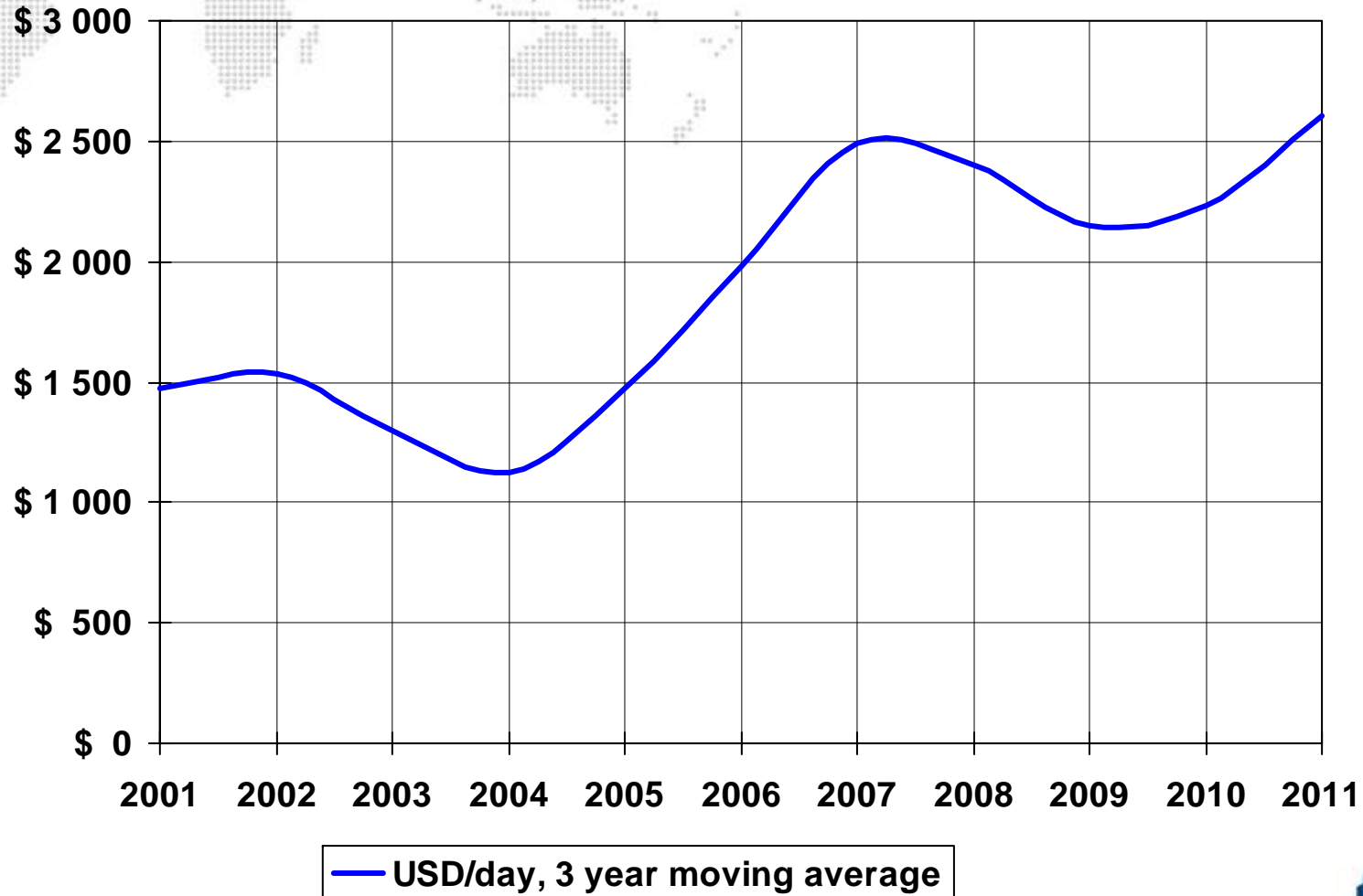
VESSEL OPERATING EXPENSES

(Large Parcel Tankers)



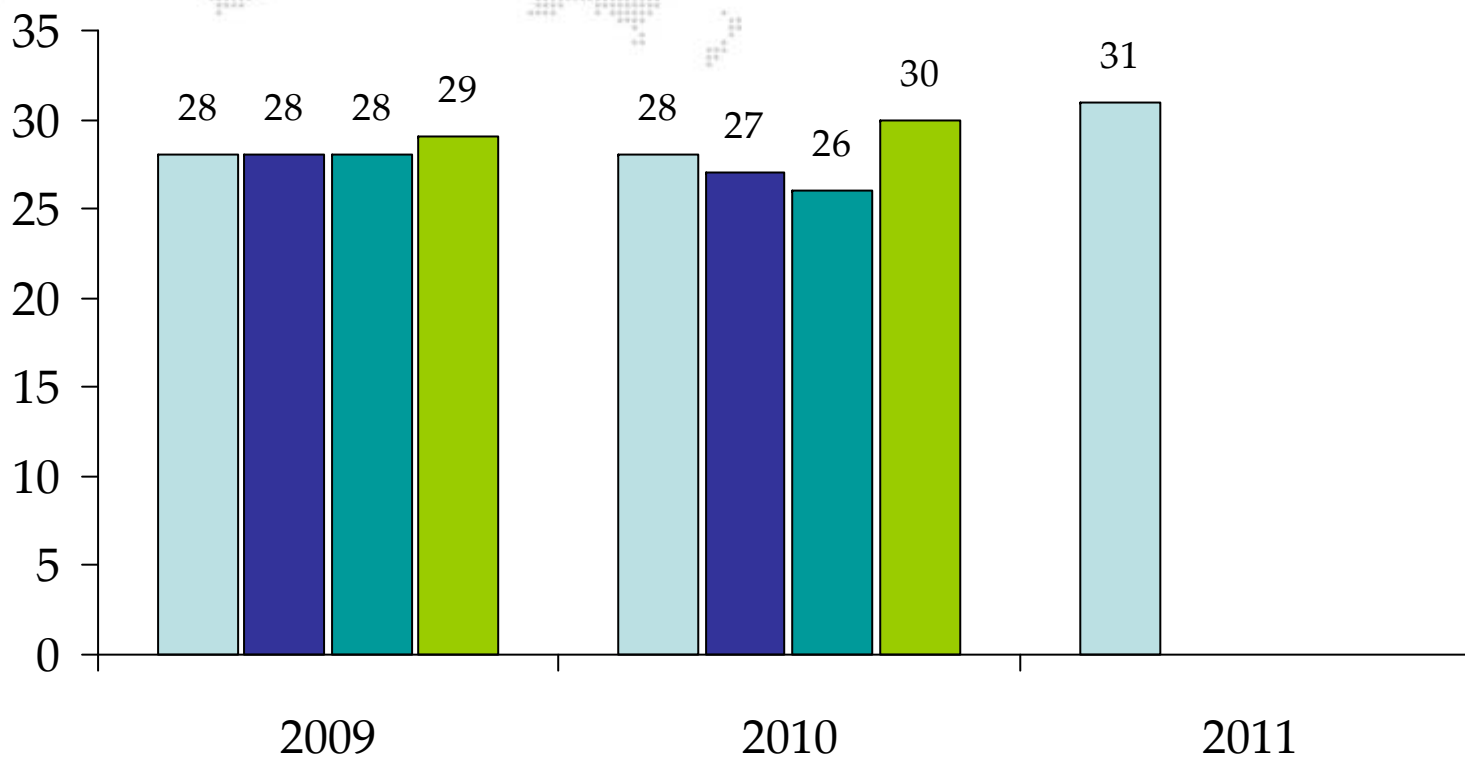
DRY-DOCKING COST

(Large Parcel Tankers)



ADMINISTRATIVE EXPENSES

Per Quarter (in USD million)



Accumulated

113

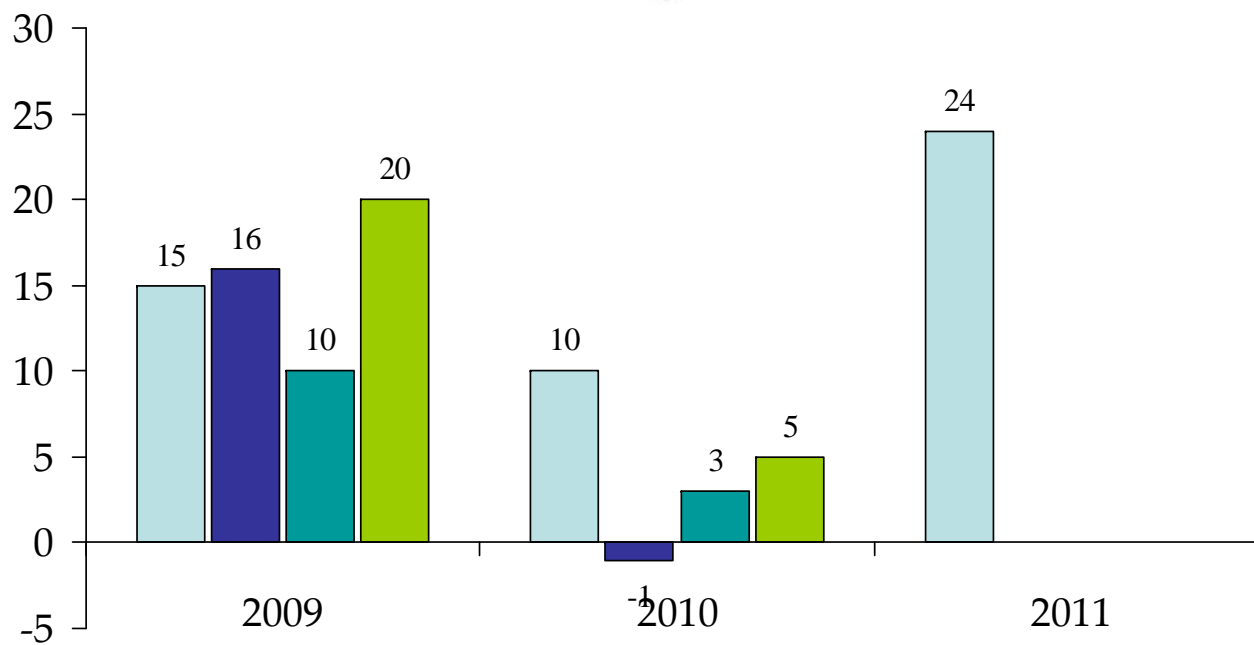
110

124



OPERATING RESULT (EBIT)

Per Quarter (in USD million)



Accumulated

61

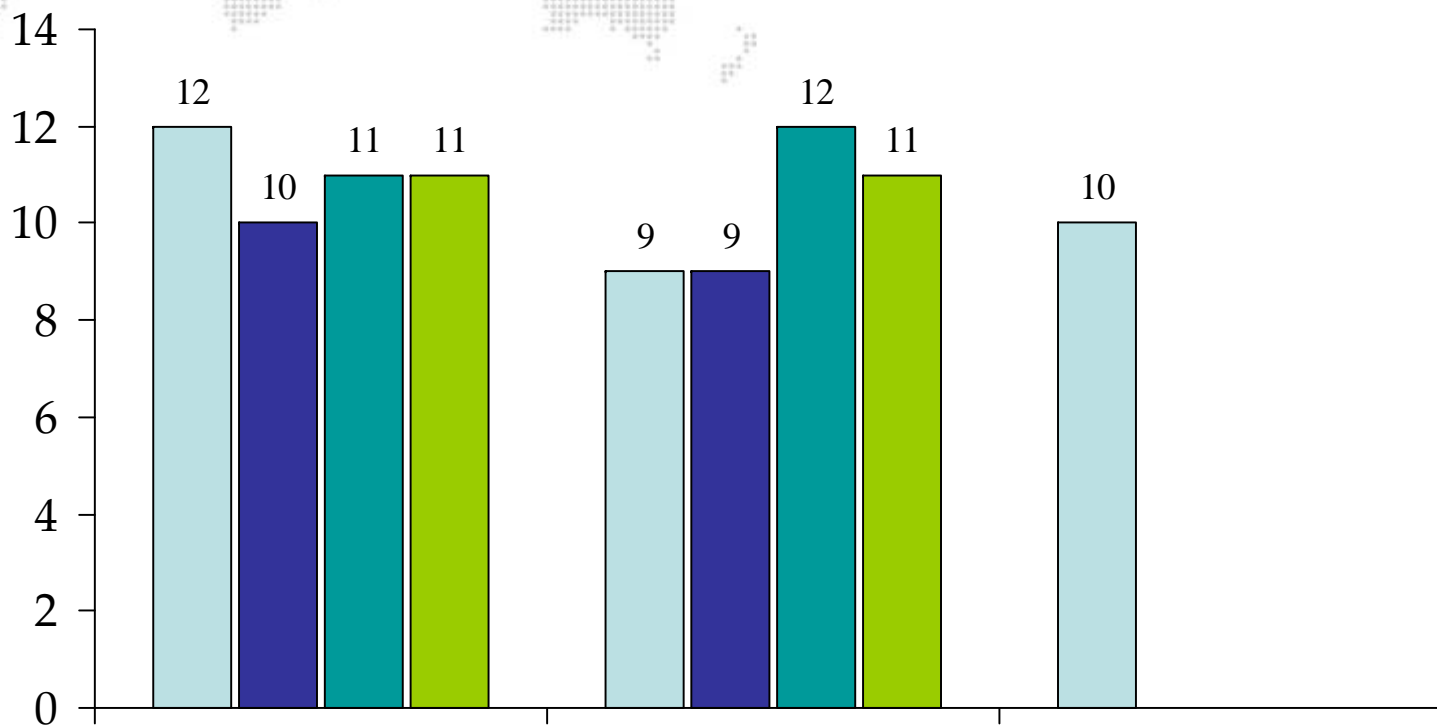
17

42



NET INTEREST EXPENSES

Per Quarter (in USD million)

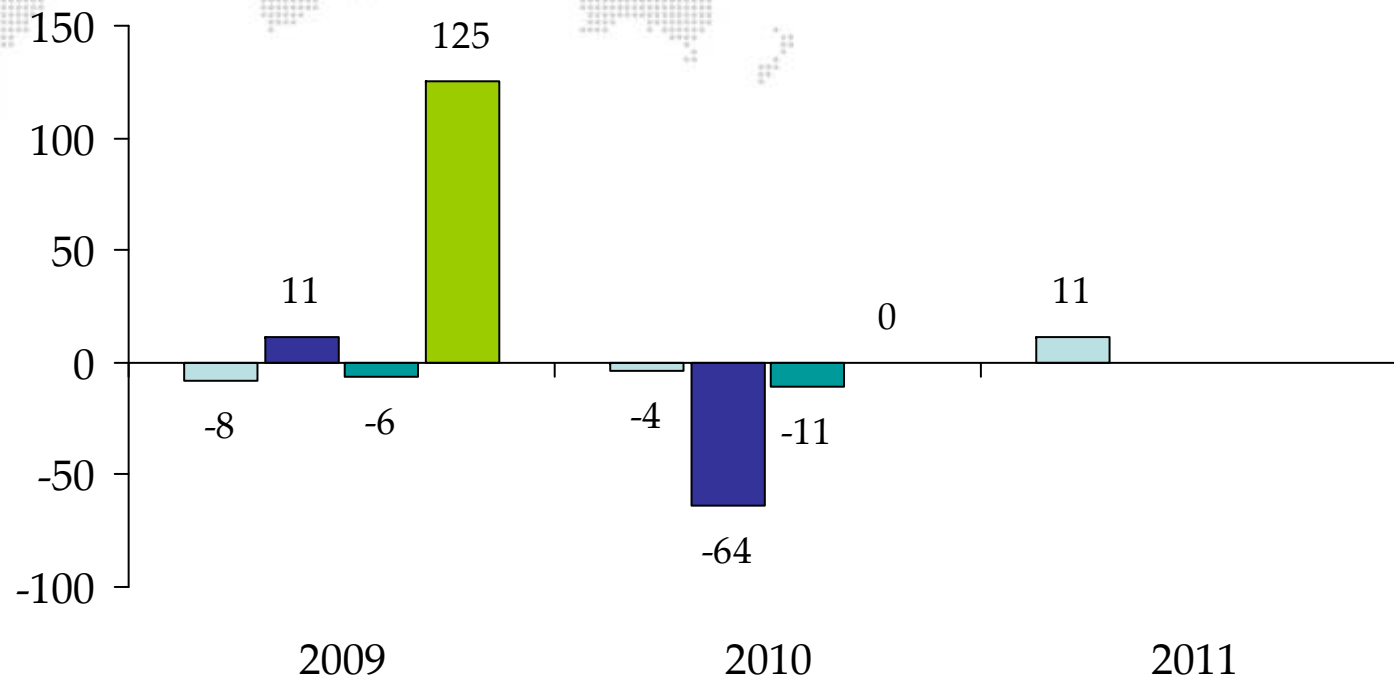


Year	Accumulated
2009	44
2010	41
2011	40



NET RESULT

Per Quarter (in USD million)



Accumulated

121

(79)

(10)



OPERATING RESULT PER SEGMENT

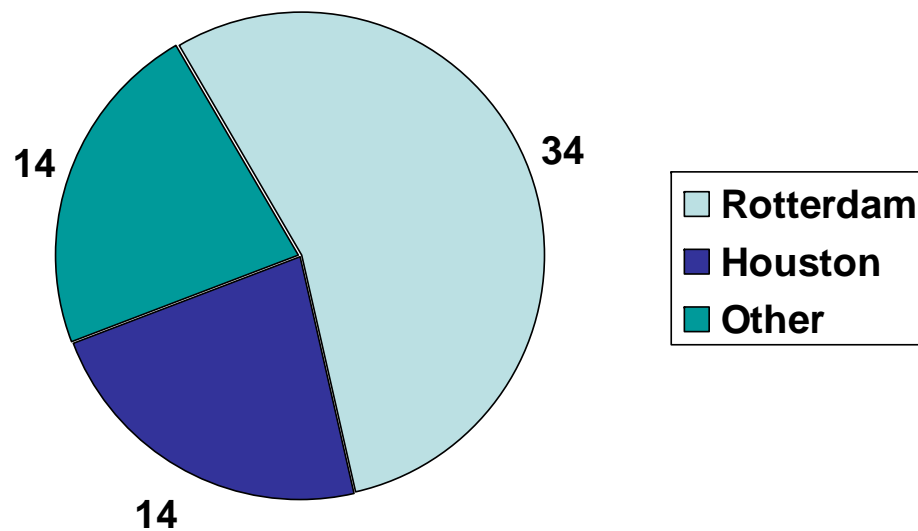
USD million	1Q10	2Q10	3Q10	4Q10	1Q11
Chemical Tankers	19	13	7	20	15
Tank Terminals	30	25	28	27	27
Sum EBITDA	49	38	35	46	42

USD million	1Q10	2Q10	3Q10	4Q10	1Q11
Chemical Tankers	(11)	(19)	(17)	(12)	6
Tank Terminals	21	18	19	17	19
Sum EBIT	10	(1)	3	5	24

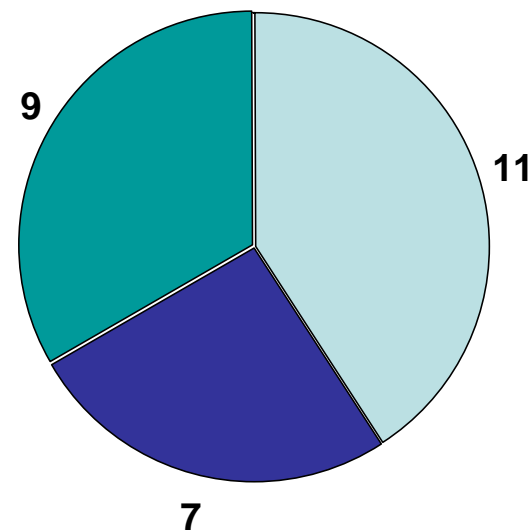
TANK TERMINALS GROSS REVENUE

Per 31.03.11

Gross Revenue

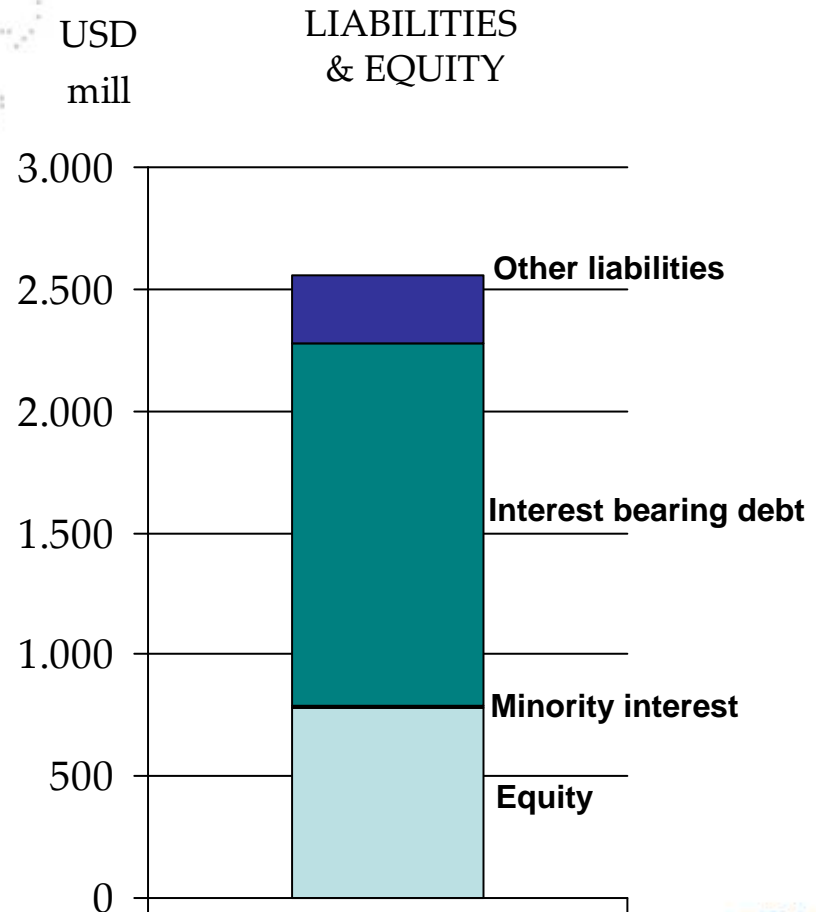
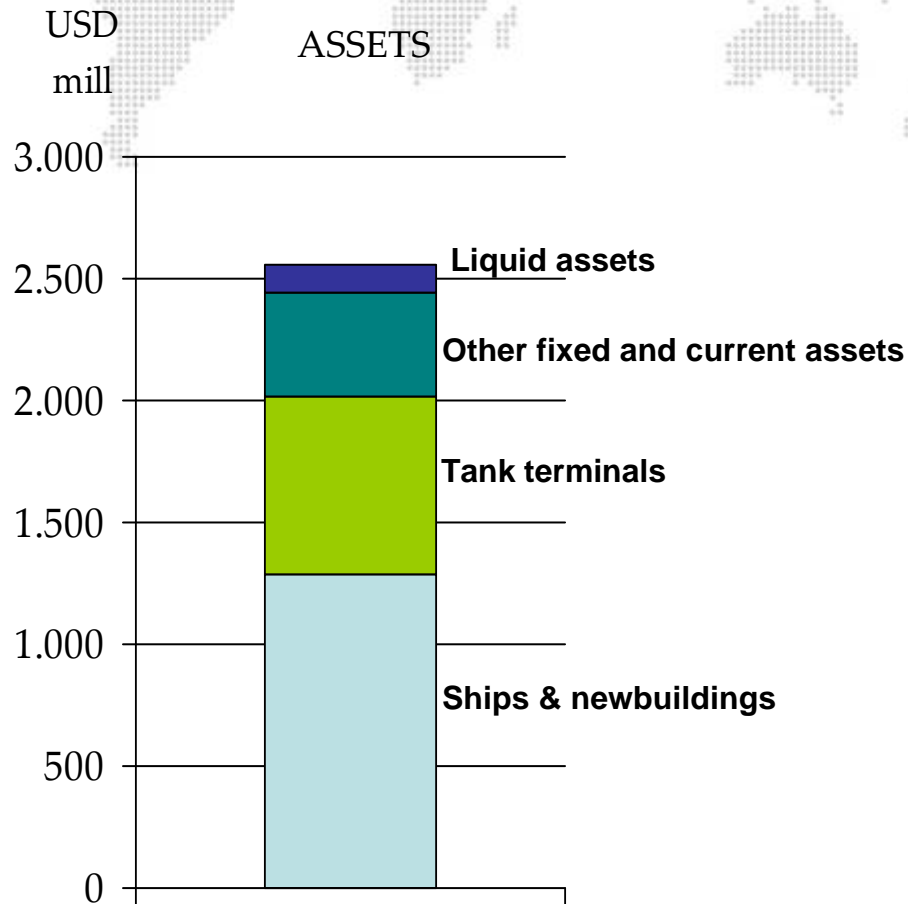


EBITDA



BALANCE SHEET

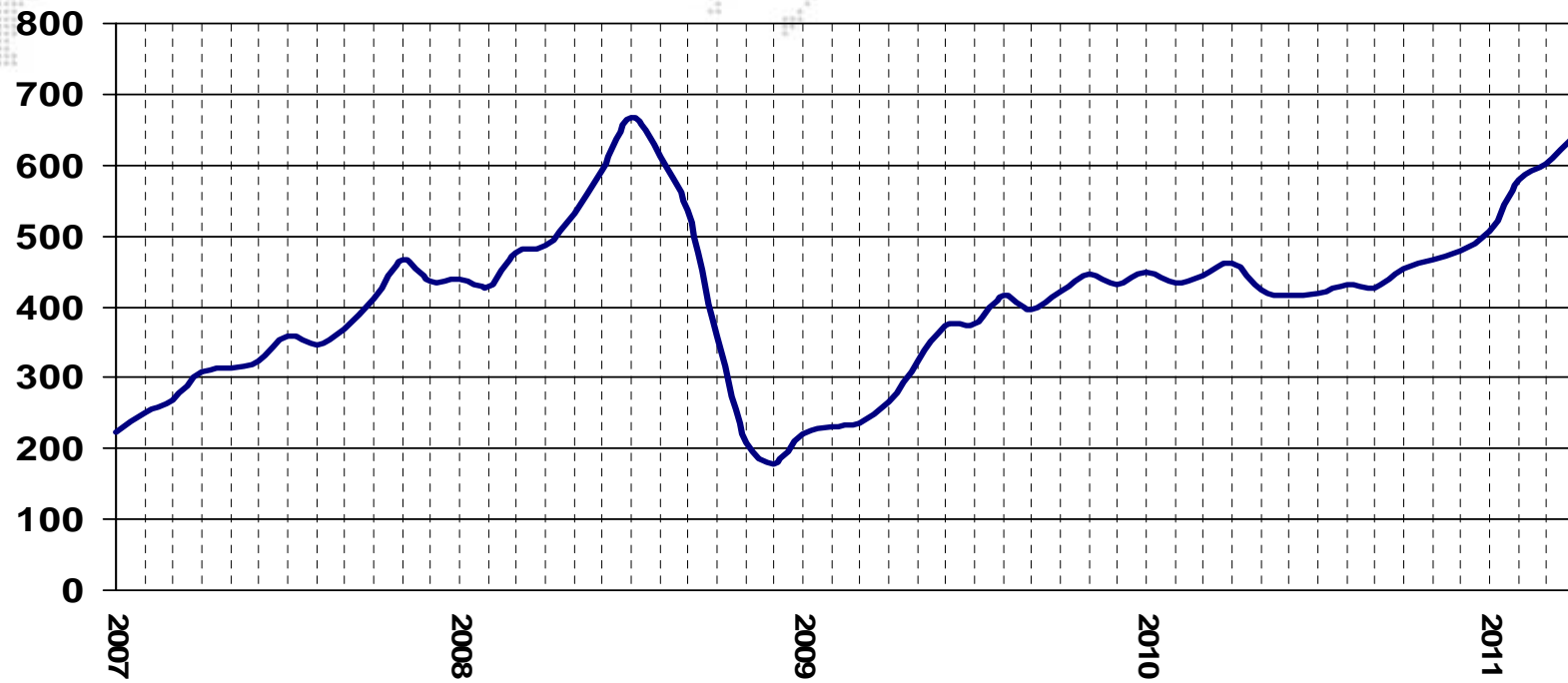
Per 31.03.11



BUNKERS

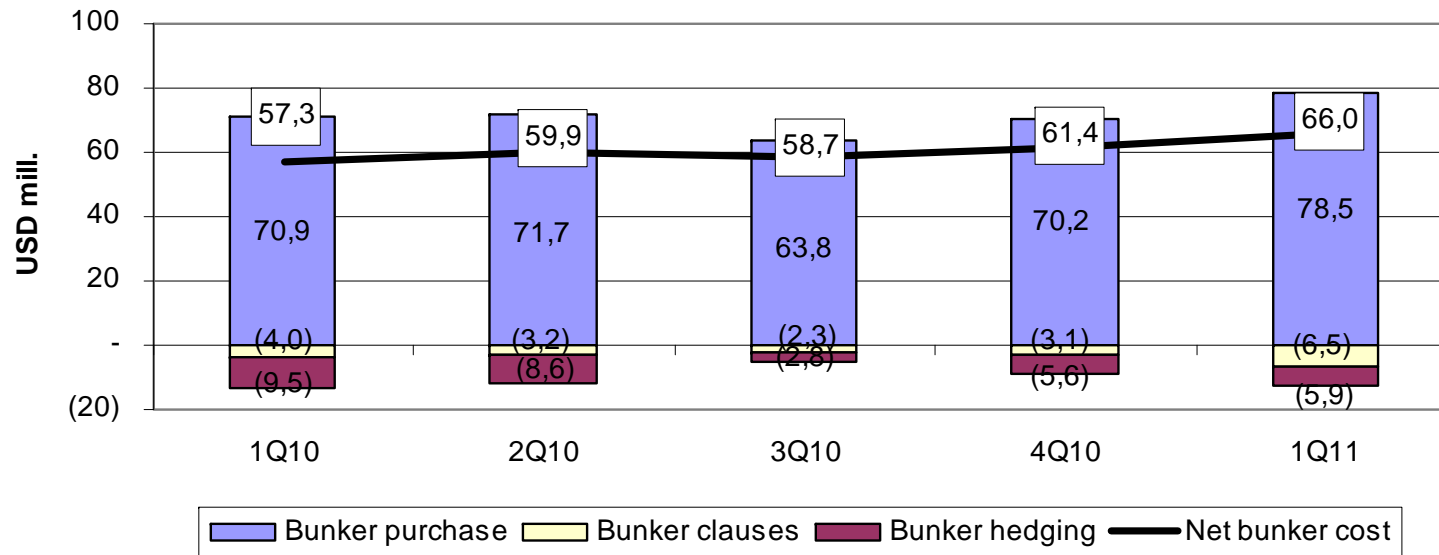
3.5% FOB Rotterdam

USD/mt

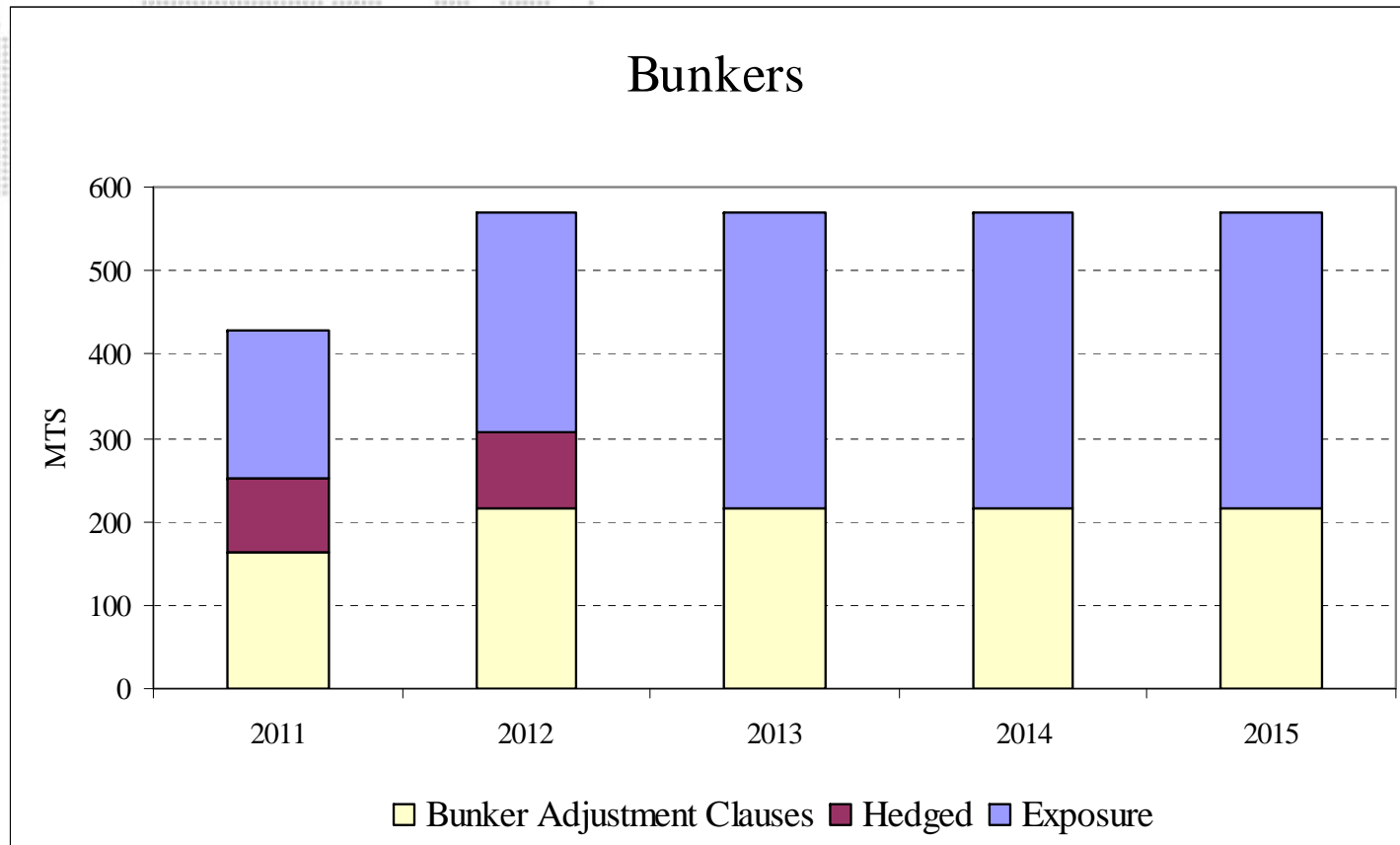


NET BUNKER COST

Per 31.03.11



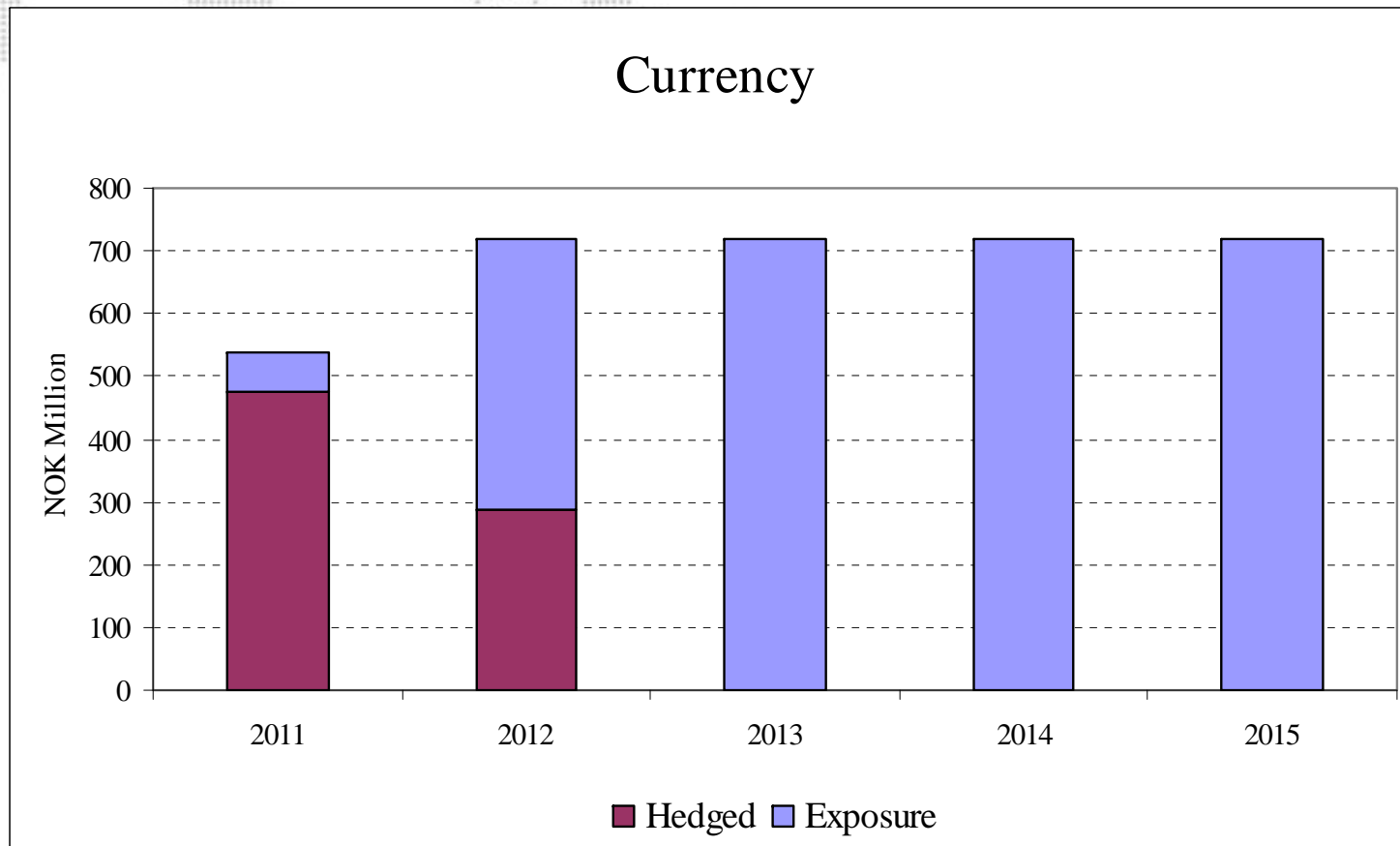
HEDGING – BUNKERS



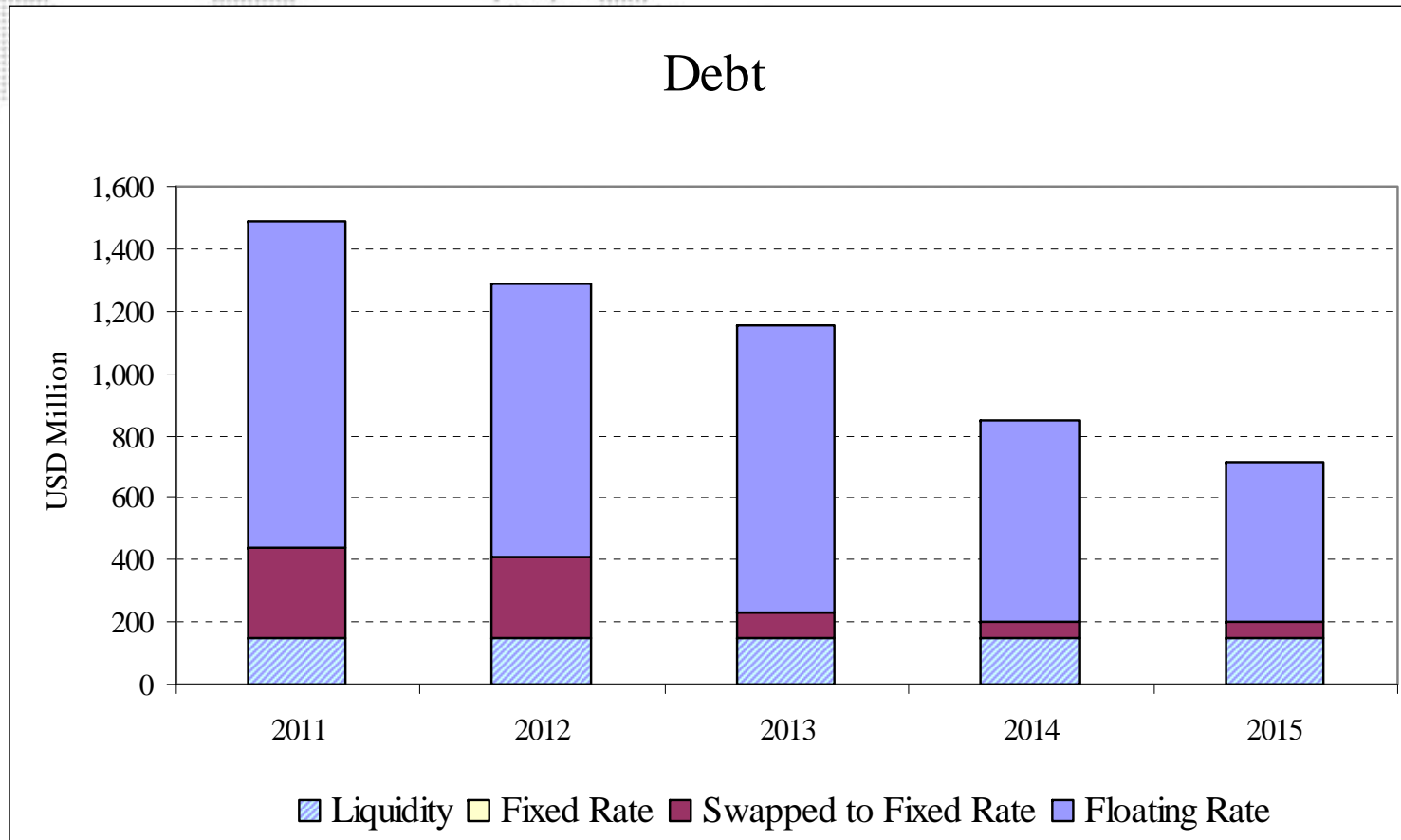
Estimated result from bunkers hedging based on current prices (USD 618 PMT);

(in USD mill)	2Q11	3Q11	4Q11	Thereafter
Volume	30.000	30.000	30.000	89.850
Bunker hedge Gain/(Loss)	2,8	2,8	2,8	8,4

HEDGING – CURRENCY



HEDGING – DEBT

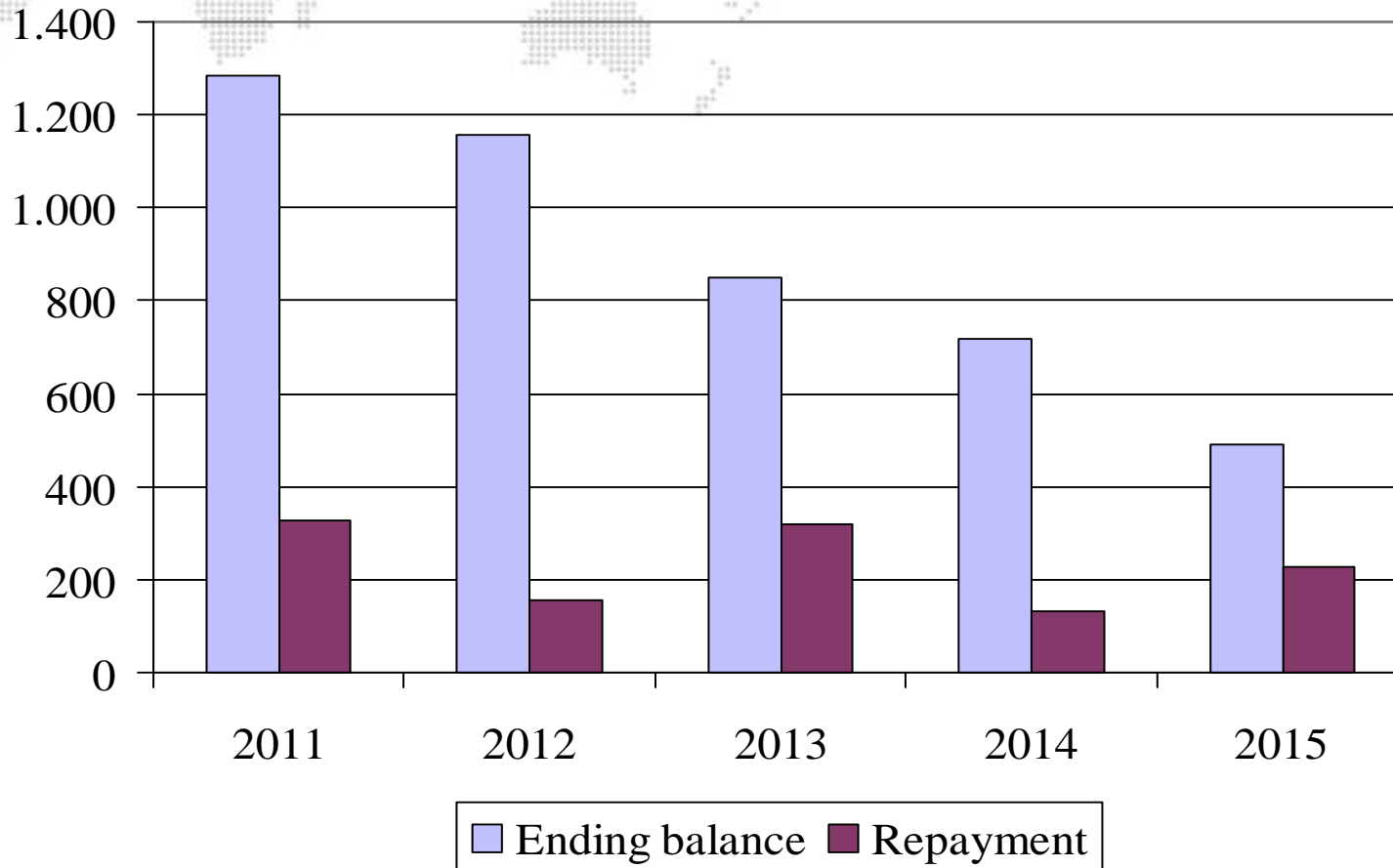


CAPITAL EXPENSES

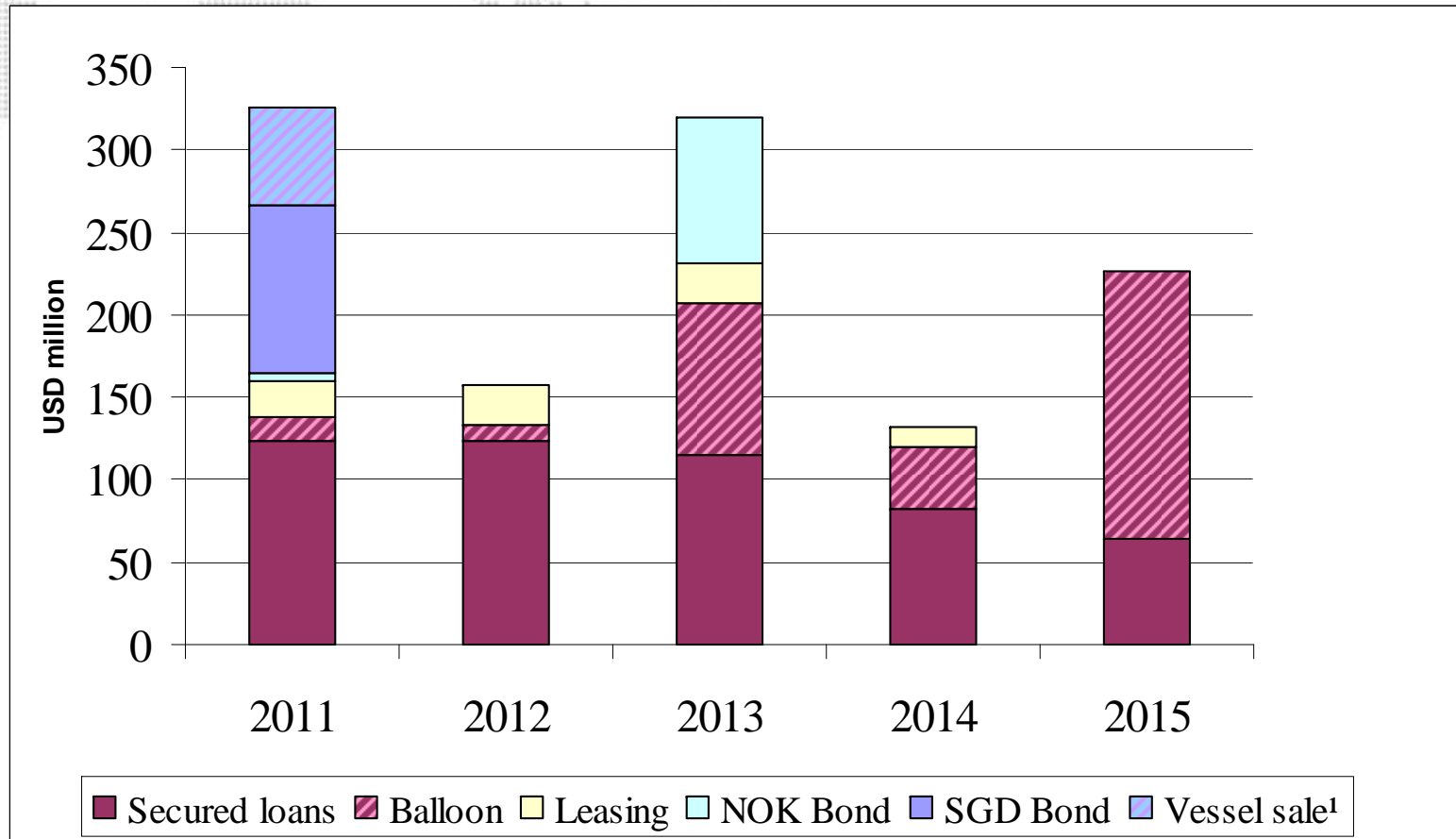
(per 31.03.11 – our share)

(In USD million)	2011	2012	2013	2014	2015
SLS (2 x 44 000 dwt)	42				
Daewoo (1 x 75 000 dwt)		26	13		
Chuangdong (3 x 9 000 dwt)	6	3			
Docking	30	35	35	35	35
Terminals	85	62	33	28	20
Total	163	126	81	63	55

DEBT PORTFOLIO



DEBT REPAYMENTS



¹Repayment of debt at a total of MUS\$ 59, associated sale of Bow Favour and Bow Century during first half 2011.



FLEET DEVELOPMENT 2010 – 2011

Time chartered vessels:

- In February 2010 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, Bow Hunter, Bow Octavia, Bow Omaria, Bow Orelia, Bow Orania, Bow Olivia, Bow De Jin and Bow Ophelia to owners.

Owned vessels:

- Late April 2010, Odfjell took delivery of one 51,000 DWT IMO III product tanker, Flumar Brasil, from SLS Shipbuilding Co Ltd, Korea.
- Seven ships have been sold for recycling, Bow Maasslot, Bow Maasstroom, Bow Power, Bow Fighter, Bow Prima, Bow Panther and Bow Puma (with delivery early May 2011).
- Bow Favour and Bow Century delivered to new owners Q1/Q2 2011.
- Odfjell took delivery of Bow Elm in February 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
• SLS	1	44,000	May 2011

TANK TERMINAL DEVELOPMENT 2011 – 2012

- Expansion at OOT, Oman (mineral oil)
 - 305.000 cbm already operational
 - 120.000 cbm commissioning; expected to be operational week 19-2011
- New project at OOT, Oman (chemical)
 - Expanding by 12 tanks, totalling 27.300 cbm, estimated completion by Q3-2012



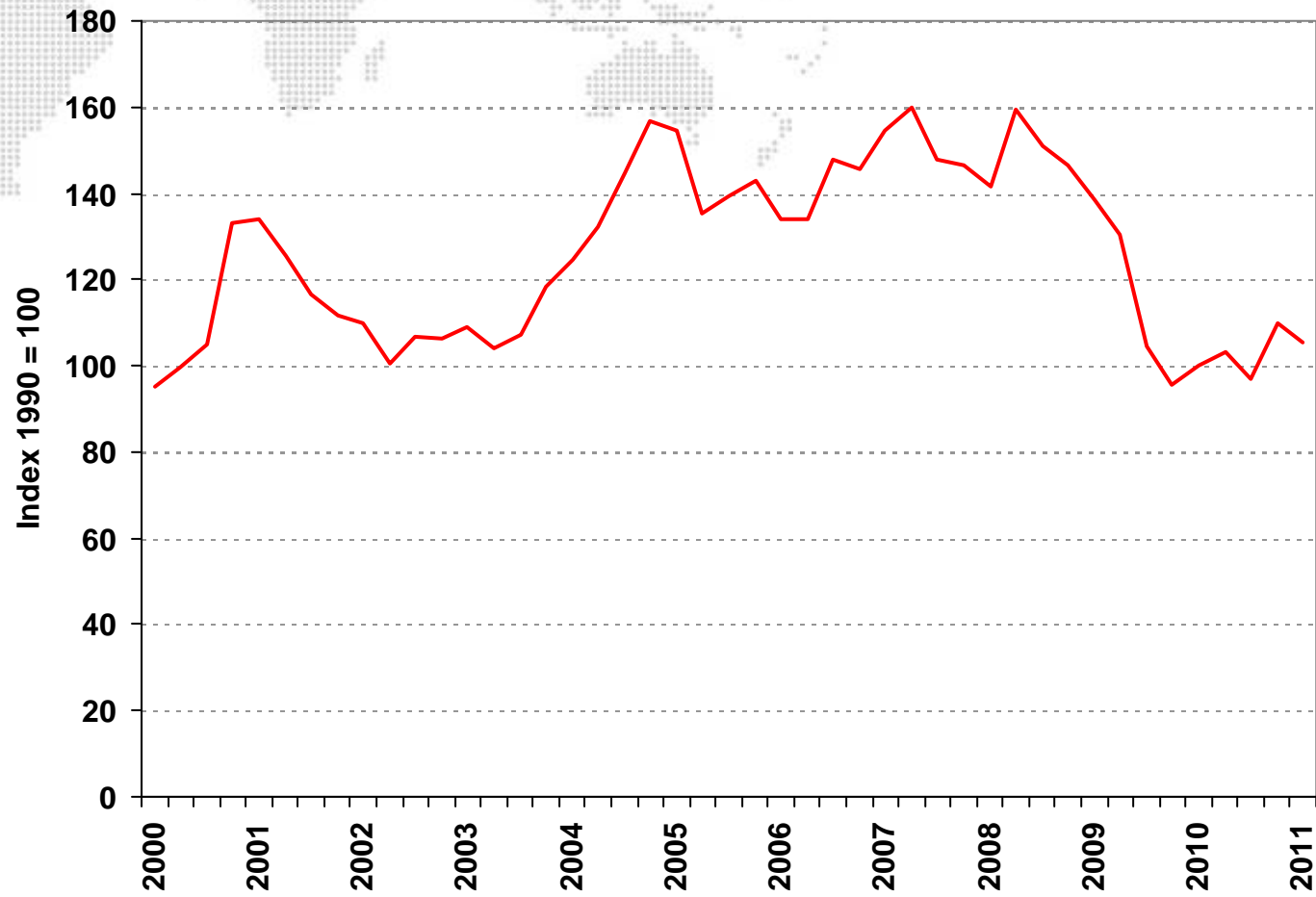
The expansion area for chemical storage at OOT

Location	CBM Expansion	New total	Completion
Oman	425 000	1 267 500	Q2 2011
Oman	27 300	1 294 800	Q3 2012
Korea	63 120	313 710	Q3 2011
Charleston	56 000	56 000	Q1 2013

MARKET UPDATE – HIGHLIGHTS

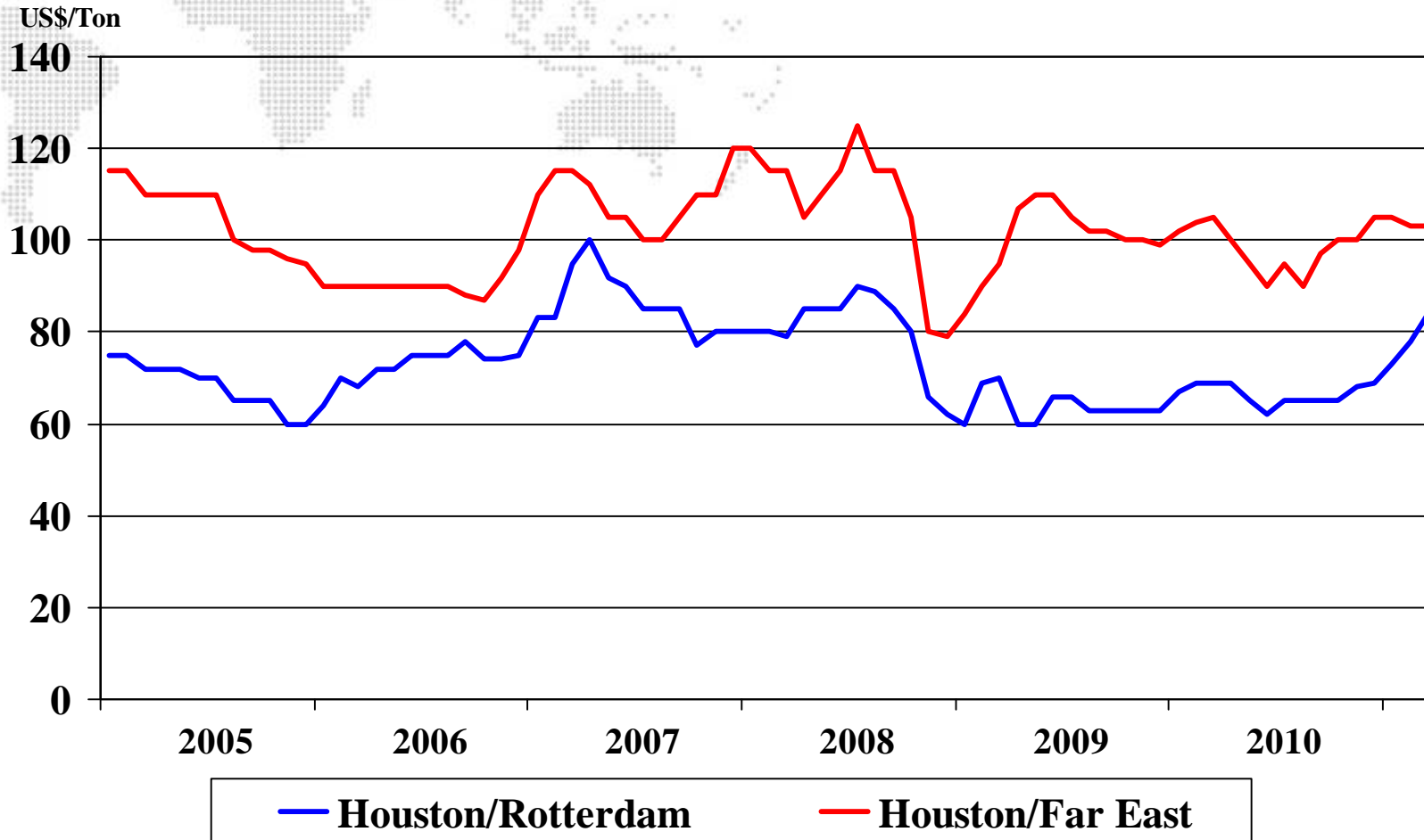
- Activity slowed in the middle of the Quarter, but picked up and gained momentum after the Chinese new-year
- Bunker prices climbed during Q1 2011, ending at USD 602 PMT, approximately USD 125 PMT higher (in Rotterdam) compared to end of Q4 2010.
- Seasonal delays (weather) in the US Gulf and China and continuous delays in South America affected negatively performance/efficiency.
- The CoA coverage (volume) dropped to 51% (vs 53 % in Q3), reflecting the increased spot activity during the period, especially out of the Middle East Gulf.
- Strong exports from Middle East, in all directions.
- CPP was better, especially at the end of the quarter
- Exports from Asia was also stronger, with fewer ships available for vegoil
- Benzene and Sulphuric acid exports halted, following the devastating earthquake and tsunami in Japan.

ODFIX



FREIGHT RATE DEVELOPMENT

1,000 mts stainless steel grade chemicals

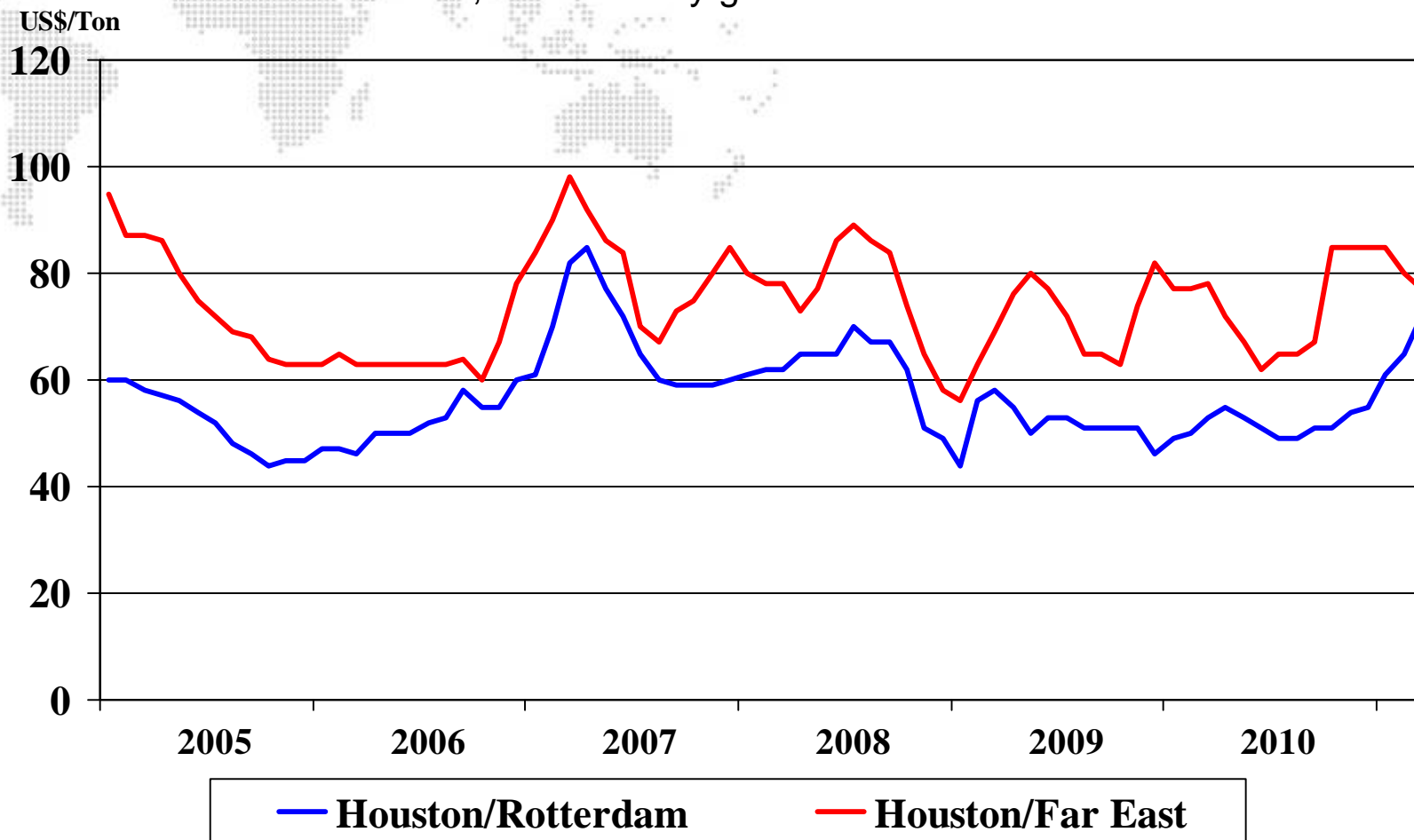


Source: Quincannon Associates, Inc.



FREIGHT RATE DEVELOPMENT

3,000 mts easy grade chemicals

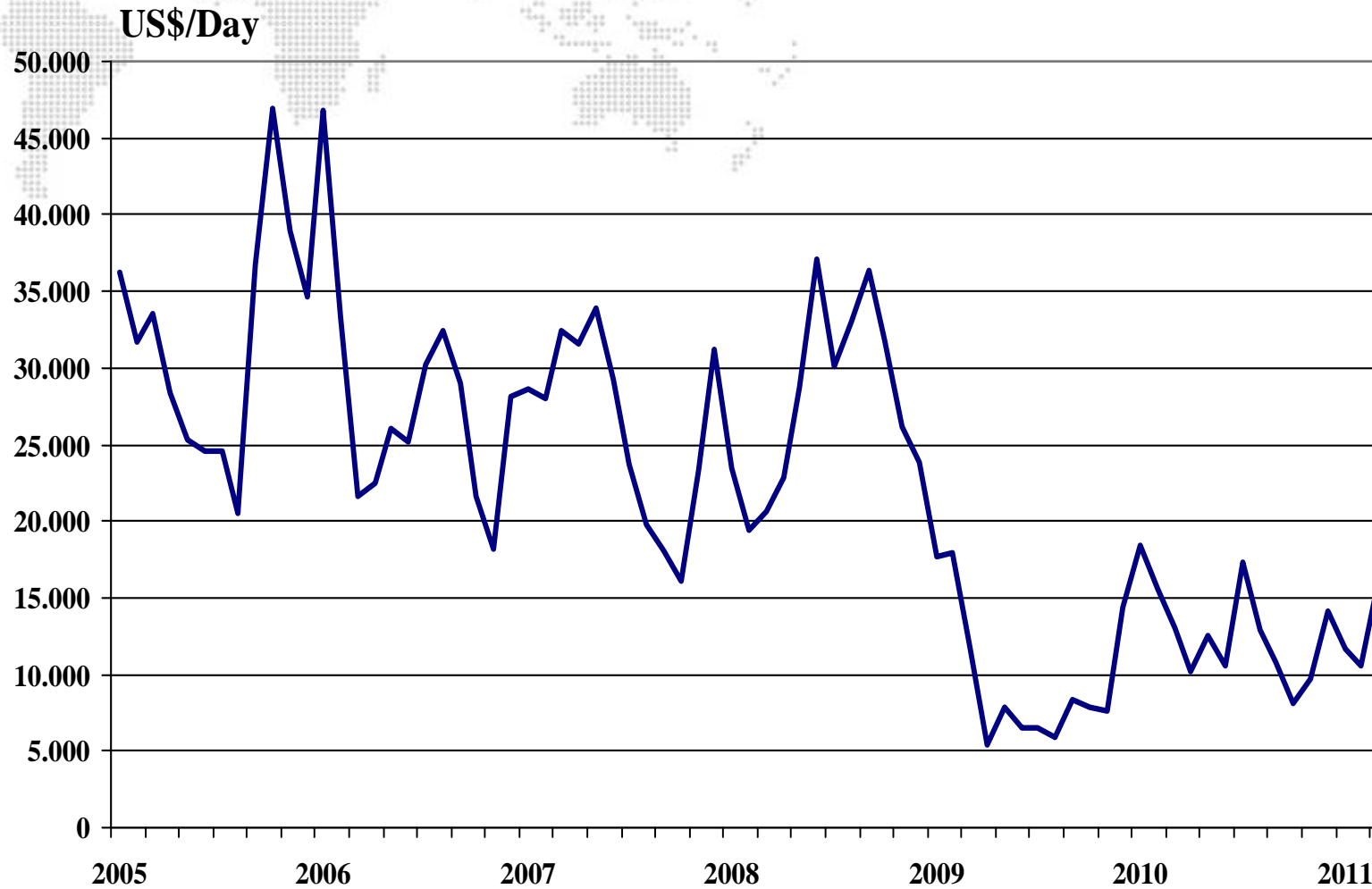


Source: Quincannon Associates, Inc.



MARKET DEVELOPMENT CPP

Monthly averages

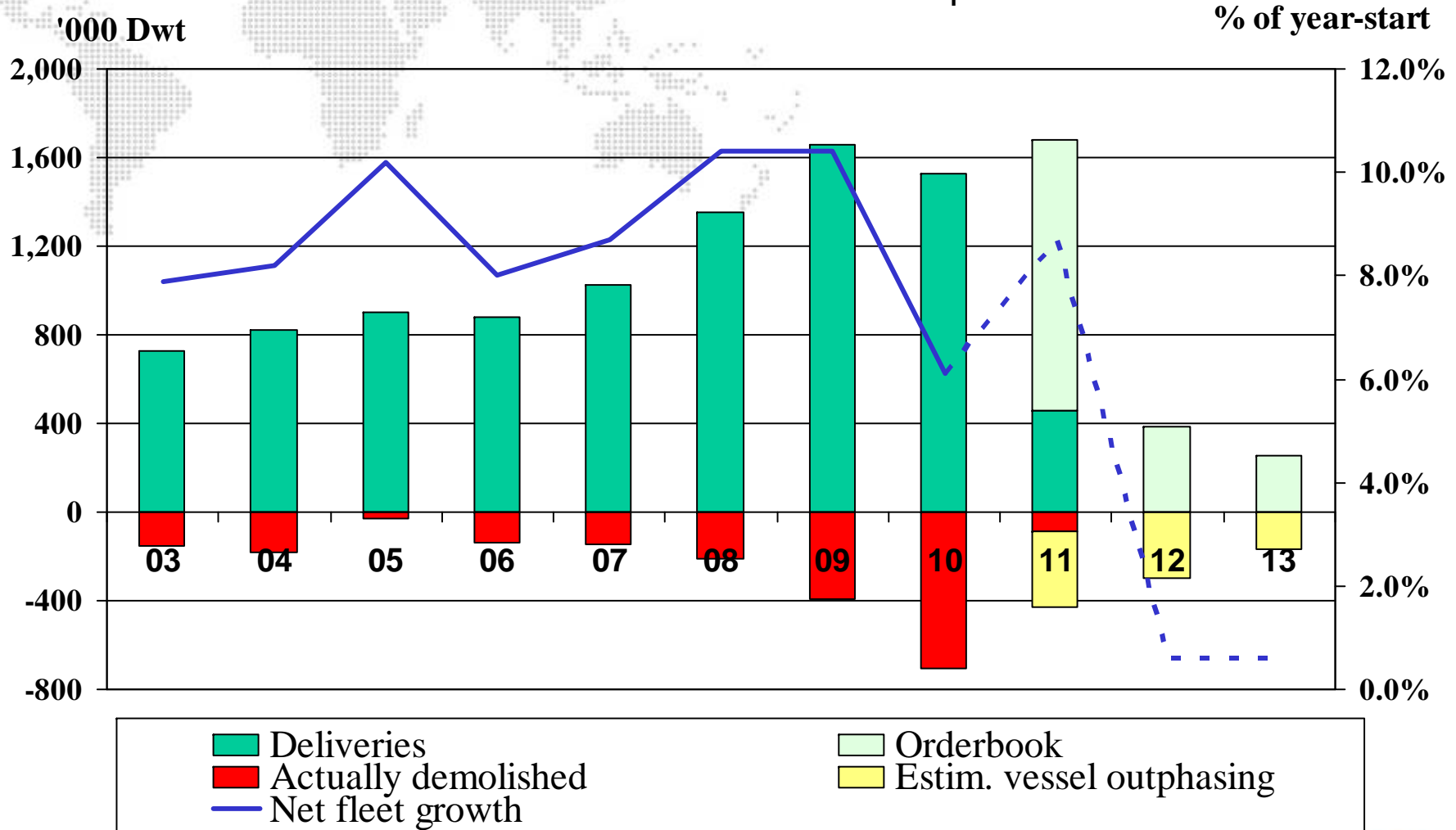


Source: Clarkson



Core Chemical Deep-sea Fleet 2003-2013

Orderbook and estimated demolition per 29.04.11



Source: Odfjell

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





PROSPECTS

- On the shipping side, we foresee improved second quarter activity in certain trades
- During first quarter recycling of older units almost fully offset the deliveries of newbuildings
- The rise in bunker prices has substantial negative effect on our time-charter results
- The weak USD is a concern as part of our ship operating costs and G&A are in NOK and EUR
- We expect a continued challenging market
- In second quarter we will book a capital gain of about USD 8 million on sale of already delivered ship
- Tank terminals results will remain strong

Thank you for listening. Questions?

