



ODFJELL

Prospectus

Securities Note for

FRN Odfjell SE Senior Unsecured Bond Issue 2009/2013

ISIN NO 0010555378

Arranger:

DnB NOR
Markets

Bergen, 23 December 2009

Important information

The Securities Note has been prepared in connection with listing of the securities at Oslo Børs. Oslo Børs has controlled and approved the Securities Note pursuant to Section 7-7 of the Norwegian Securities Trading Act. New information that is significant for the Borrower or its subsidiaries may be disclosed after the Securities Note has been made public, but prior to the expiry of the subscription period. Such information will be published as a supplement to the Securities Note pursuant to Section 7-15 of the Norwegian Securities Trading Act. On no account must the publication or the disclosure of the Securities Note give the impression that the information herein is complete or correct on a given date after the date on the Securities Note, or that the business activities of the Borrower or its subsidiaries may not have been changed.

Only the Borrower and the Arranger are entitled to procure information about conditions described in the Securities Note. Information procured by any other person is of no relevance in relation to the Securities Note and cannot be relied on.

Unless otherwise stated, the Securities Note is subject to Norwegian law. In the event of any dispute regarding the Securities Note, Norwegian law will apply.

In certain jurisdictions, the distribution of the Securities Note may be limited by law, for example in the United States of America or in the United Kingdom. Verification and approval of the Securities Note by Oslo Børs implies that the Note may be used in any EEA country. No other measures have been taken to obtain authorisation to distribute the Securities Note in any jurisdiction where such action is required. Persons that receive the Securities Note are ordered by the Borrower and the Arranger to obtain information on and comply with such restrictions.

This Securities Note is not an offer to sell or a request to buy bonds.

The content of the Securities Note does not constitute legal, financial or tax advice and bond owners should seek legal, financial and/or tax advice.

Contact the Borrower or the Arranger to receive copies of the Securities Note.

*The capitalised words in the section "Important Information" are defined in Chapter 3: "Detailed information about the securities".

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1. Risk Factors

The Issuer believes that the factors described below represent the principal market risks inherent in investing in the Loan, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Bonds may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Bonds are exhaustive. Prospective investors should also read the detailed information set out in the Registration Document dated 23 December 2009 and reach their own views prior to making any investment decision.

Risks related to the market generally

All investments in interest bearing securities have risk associated with such investment. The risk is related to the general volatility in the market for such securities, varying liquidity in a single bond issue as well as company specific risk factors. There are four main risk factors that sums up the investors total risk exposure when investing in interest bearing securities: liquidity risk, interest rate risk, settlement risk and market risk (both in general and issuer specific).

The price of a single bond issue will fluctuate in accordance with the interest rate and credit markets in general, the market view of the credit risk of that particular bond issue, and the liquidity of this bond issue in the market. In spite of an underlying positive development in the Issuers business activities, the price of a bond may fall independent of this fact. Bond issues with a relatively short tenor and a floating rate coupon rate do however in general carry a lower price risk compared to loans with a longer tenor and/or with a fixed coupon rate.

The interest rate risk related to this bond issue will be limited, since the coupon rate will be adjusted quarterly according to the change in the reference interest rate (NIBOR 3 months) over the 4 year tenor. The primary price risk for a floating rate bond issue will be related to the market view of the correct trading level for the credit spread related to the bond issue at a certain time during the tenor, compared with the credit margin the bond issue is carrying. A possible increase in the credit spread trading level relative to the coupon defined credit margin may relate to general changes in the market conditions and/or Issuer specific circumstances. However, under normal market circumstances the anticipated tradable credit spread will fall as the duration of the bond issue becomes shorter. In general, the price of bonds will fall when the credit spread in the market increases, and conversely the bond price will increase when the market spread decreases.

No market-maker agreement is entered into in relation to this bond issue, and the liquidity of bonds will at all times depend on the market participants view of the credit quality of the Issuer as well as established and available credit lines.

Factors which are material for the purpose of assessing the market risks associated with the Bonds

The Bonds may not be a suitable investment for all investors. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Securities Note and/or Registration Document or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of the financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Risks related to Bonds in general

Set out below is a brief description of certain risks relating to the Bonds generally:

Modification and Waiver

The conditions of the Bonds contain provisions for calling meetings of bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all bondholders including bondholders who did not attend and vote at the relevant meeting and bondholders who voted in a manner contrary to the majority.

The conditions of the Bonds also provide that the Trustee may, without the consent of bondholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Bonds or (ii) determine without the consent of the bondholders that any event of default or potential event of default shall not be treated as such.

2. Persons Responsible

2.1 Persons responsible for the information

Persons responsible for the information given in The Securities Note are as follows:

DnB NOR Bank ASA, Stranden 21, N-0021 Oslo, Norway
Odfjell SE, P.O Box 6101 Postterminalen, N-5892 Bergen, Norway

2.2 Declaration by persons responsible

Responsibility statement:

This prospectus has been prepared by Odfjell with a view to providing a description of relevant aspects of Odfjell in connection with the Bond Issue and an investment therein. We confirm, taken all reasonable care to ensure that such is the case, that the information contained in the prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Bergen (Norway), 23 December 2009



Odfjell SE

Statement from the Arranger

DnB NOR Bank ASA has assisted the Borrower in preparing the prospectus. DnB NOR Bank ASA has not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and the Arranger expressly disclaim any legal or financial liability as to the accuracy or completeness of the information contained in this prospectus or any other information supplied in connection with bonds issued by Odfjell or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Borrower. Each person receiving this prospectus acknowledges that such person has not relied on the Arranger nor on any person affiliated with it in connection with its investigation of the accuracy of such information or its investment decision.

Oslo (Norway), 23 December 2009

DnB NOR Bank ASA

3. Detailed information about the securities

ISIN code:	NO 0010555378
The Loan/The Reference Name/The Bonds:	"FRN Odfjell SE Senior Unsecured Bond Issue 2009/2013".
Borrower/Issuer:	Odfjell SE
Security Type:	Open bond issue with floating rate.
Borrowing Limit – Tap Issue:	NOK 500,000,000
First Tranche:	NOK 500,000,000
Denomination – Each Bond:	NOK 500,000 - each and among themselves pari passu ranking.
Securities Form:	The Bonds are electronic registered in book-entry form with the Securities Depository.
Disbursement/Settlement/Issue Date:	4 December 2009.
Interest Bearing From and Including:	Disbursement/Settlement/Issue Date.
Interest Bearing To:	Maturity.
Maturity:	4 December 2013.
Bond Reference Rate ¹ :	NIBOR 3 months.
Margin:	4.75 % p.a.
Coupon Rate:	Bond Reference Rate + Margin.
Day Count Fraction - Coupon:	Act/360 – in arrears.
Business Day Convention:	Modified following. If the Interest Payment Date is not a Banking Day, the Interest Payment Date shall be postponed to the next Banking Day. However, if this day falls in the following calendar month, the Interest Payment Date is moved to the first Banking Day preceding the original date.
Interest Rate Determination Date (Reset Date):	2 December 2009, and thereafter two Banking Days prior to each Interest Rate Adjustment Day.
Interest Rate Adjustment Date:	With effect from Interest Payment Date.
Interest Payment Date:	Each 4 March, 4 June, 4 September and 4 December in each year. The first being 4 March 2010.
#Days first term:	90 days.
Issue Price:	100 % (par value).
Yield:	Dependent on the market price. Yield for the first Interest Period will be notified 2 Banking Days prior to Disbursement Date.

¹ See also; "NIBOR"-definition

Banking Day:	A day when the Norwegian Central Bank's Settlement System is open and when Norwegian banks can settle foreign currency transactions.
Put/Call options:	N/A.
Amortisation:	The bonds will run without installments and be repaid in full at Maturity at par.
Redemption:	Matured interest and matured principal will be credited each Bondholder directly from the Securities Registry. Claims for interest and principal shall be limited in time pursuant the Norwegian Act relating to the Limitation Period Claims of May 18 1979 no 18, p.t. 3 years for interest rates and 10 years for principal.
Status of the Loan:	<p>The Bonds shall be senior debt of the Issuer. The Bonds shall rank at least pari passu with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application) and shall rank ahead of subordinated debt.</p> <p>The Bonds are unsecured.</p>
Undertakings:	<p><i>(i) Consolidated free liquid assets:</i> The Borrower shall ensure that at all times, the value of its consolidated liquid asset is equal to the higher of USD 50,000,000 and six per cent (6.00 %) of its total interest bearing debt;</p> <p><i>(ii) Leverage:</i> The Borrower shall ensure that at all times its leverage (on consolidated basis) does not exceed seventy-five per cent (75.00 %).</p> <p>See also Loan Agreement, definitions of "Consolidated free liquid assets" and "Leverage".</p>
Listing:	<p>At Oslo Børs.</p> <p>An application for listing will be sent after the Disbursement Date and as soon as possible after the prospectus has been approved by Oslo Børs.</p>
Purpose:	The purpose of the Issue is refinancing of existing bond issues and general financing of the Issuer.
NIBOR:	The rate for deposits in Norwegian Kroner for a period as defined under Bond Reference Rate which appears on the Reuters Screen NIBR Page as of 12.00 noon, Oslo time, on the day that is two Business Days preceding that Interest Payment Date. If such rate does not appear on the Reuters Screen NIBR Page, the rate for that Interest Payment Date will be determined as if the Bond Reference Rate is "NIBOR Reference Rate" as the applicable floating rate option.
NIBOR Reference Rate:	The rate for an interest period will be determined on the basis of the rates at which deposits in Norwegian Kroner are offered by four large authorised exchange banks in the Oslo market (the "Reference Banks") at approximately 12.00 noon, Oslo time, on the day that is two Business Days preceding that Interest Payment Date to prime banks in the Oslo interbank market for a period

as defined under Bond Reference Rate commencing on that Interest Payment Date and in a representative amount. The Trustee will request the principal Oslo office of each Reference Banks to provide a quotation of its rate. If at least two such quotations are provided, the rate for that Interest Payment Date shall be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that Interest Payment Date will be the arithmetic mean of the rates quoted by major banks in Oslo, selected by the Trustee, at approximately 12.00 noon, Oslo time, on that Interest Payment Date for loans in Norwegian Kroner to leading European banks for a period as defined under Bond Reference Rate months commencing on that Interest Payment Date and in a representative amount.

Approvals:

The Bonds will be issued in accordance with the Borrower's Board approval dated 27 October 2009.

The prospectus will be sent Oslo Børs for control and approval in relation to a listing application of the Loan.

Loan Agreement:

The Loan Agreement has been entered into between the Borrower and the Trustee. The Loan Agreement regulates the Bondholder's rights and obligations in relations with the issue. The Trustee enters into this agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Loan Agreement.

When bonds are subscribed / purchased, the Bondholder has accepted the Loan Agreement and is bound by the terms of the Loan Agreement.

The Loan Agreement is available through the Lead Arrangers or from the Borrower.

Bondholders' meeting:

At the Bondholders' meeting each Bondholder has one vote for each bond he owns.

In order for the Bondholders' meeting to be able to make valid decisions, Bondholders representing at least half (1/2) of the Voting Bonds must be represented. See also Clause 16 in the Loan Agreement.

Resolutions shall be passed by simple majority of the votes at the Bondholders' Meeting, unless otherwise set forth in clause 16.3 in the Loan Agreement.

In the following matters, a majority of at least 2/3 of the votes is required:

- (a) amendment of the terms of the Loan Agreement regarding the interest rate, the tenor, redemption price and other terms and conditions affecting the cash flow of the bonds;
- (b) transfer of rights and obligations of the Loan Agreement to another issuer, or
- (c) change of Trustee.

(For more details, see also Loan Agreement clause 16)

Availability of the Documentation:	www.odfjell.com
Trustee:	Norsk Tillitsmann ASA, P.O. Box 1470 Vika, 0116 Oslo, Norway.
Arranger:	DnB NOR Bank ASA, DnB NOR Markets, Stranden 21, N-0021 Oslo, Norway.
Paying Agent:	DnB NOR Bank ASA, Verdipapirservice, Stranden 21, N-0021 Oslo, Norway.
Calculation Agent:	The Trustee.
Securities Depository:	<p>The Securities depository in which the Loan is registered, in accordance with the Norwegian Act of 2002 no. 64 regarding Securities depository.</p> <p>On Disbursement Date the Securities Depository is Verdipapirregisteret ("VPS"), Postboks 4, 0051 OSLO.</p>
Restrictions on the free transferability:	The Bonds are not offered to and may not be subscribed by investors located in the United States except for "Qualified Institutional Buyers" ("QIBs") within the meaning of Rule 144A under the US Securities Act. Each US investor that wishes to purchase Bonds, will be required to execute and deliver to the Issuer a certification in a form determined by the Issuer, confirming, inter alia, that the purchaser is a QIB. The Bonds may not be purchased by, or for the benefit of, persons resident in Canada.
Market-Making:	There is no market-making agreement entered into in connection with the Loan.
Reuters:	Financial information electronically transmitted by the news agency Reuters Norge AS.
Legislation under which the Securities have been created:	Norwegian law.
Fees and Expenses:	The Borrower shall pay any stamp duty and other public fees in connection with the loan. Any public fees or taxes on sales of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise decided by law or regulation. The Borrower is responsible for withholding any withholding tax imposed by Norwegian law.

4. Additional Information

The involved persons in Odfjell SE have no interest, nor conflicting interests that are material to the Loan.

Odfjell SE has mandated, DnB NOR Markets – a part of DnB NOR Bank ASA as Arranger for the issuance of the Loan. The Arranger has acted as advisors to Odfjell SE in relation to the pricing of the Loan.

Listing of the Loan:

The prospectus will be published in a Norwegian newspaper at the latest on the date of listing. An application for listing at Oslo Børs will be sent as soon as possible after the Disbursement Date. Listing fee for the Loan will be: NOK 4.219

Each bond is negotiable.

5. Appendix: Loan Agreement