

Q2 2006 results,  
August 11, 2006




# The VLCC's approximate details

Vessel	Dwt	Built	Employment
Camden	298,000	1995	5 years t/c MISC, end date March 2009
Chelsea	298,000	1995	Spot
Mayfair	298,000	1995	Spot
Ti Qingdao (ex. Kensington)	298,000	1995	3 years t/c TIL, end date Feb – May 2007 Thereafter 4 years t/c Frontline Ltd.
Ti Ningbo (ex Hampstead)	298,000	1996	3 years t/c TIL end date March – June 2007 Thereafter 5 years t/c Frontline Ltd.

# Profit & Loss

2005 Apr-Jun	2006 Apr-Jun	INCOME STATEMENT <i>(in thousands of \$)</i>	2006 Jan-Jun	2005 Jan-Jun	2005 Jan-Dec <i>(audited)</i>
<b>20,924</b>	<b>23,678</b>	<b>Operating revenues</b>	<b>50,889</b>	<b>50,293</b>	<b>100,179</b>
		<b>Operating expense</b>			
3,878	4,999	Voyage expenses	8,113	7,689	16,459
4,120	4,679	Ship operating expenses	8,723	7,222	17,211
334	449	Administrative expenses	834	563	988
4,269	4,269	Depreciation	8,490	8,490	17,120
<b>12,601</b>	<b>14,396</b>	<b>Total operating expenses</b>	<b>26,160</b>	<b>23,964</b>	<b>51,778</b>
<b>8,323</b>	<b>9,282</b>	<b>Net Operating income</b>	<b>24,729</b>	<b>26,329</b>	<b>48,401</b>
		<b>Other income/(expenses)</b>			
292	358	Interest income	682	599	959
(1,251)	(1,700)	Interest expense	(3,293)	(2,436)	(5,310)
(6)	(51)	Other financial items	(53)	(22)	(83)
<b>(965)</b>	<b>(1,393)</b>	<b>Total Other income/(expenses)</b>	<b>(2,664)</b>	<b>(1,859)</b>	<b>(4,434)</b>
<b>7,358</b>	<b>7,889</b>	<b>Net income (loss)</b>	<b>22,065</b>	<b>24,470</b>	<b>43,967</b>
17,100	17,100	Average number of ordinary shares outstanding	17,100	17,100	17,100
\$ 0.43	\$ 0.46	Earnings per Share (\$)	\$ 1.29	\$ 1.43	\$ 2.57

# Income on time charter basis



	2006 Q2	2006 Q1	2005 Jan-Dec
Time Charter Equivalent earnings (\$ per day per vessel)	42 800	54 300	47 100

# Balance sheet

<b>BALANCE SHEET</b> <i>(in thousands of \$)</i>	<b>2006</b> <b>Jun 30</b>	<b>2005</b> <b>Jun 30</b>	<b>2005</b> <b>Dec 31</b> <i>(audited)</i>
<b>ASSETS</b>			
<i>Short term</i>			
Cash and cash equivalents (including restricted cash)	21,093	32,849	22,634
Other current assets	13,074	9,033	15,096
<i>Long term</i>			
Vessels, net	276,580	293,700	285,070
Deferred charges and other long-term assets	323	360	359
<b>Total assets</b>	<b>311,070</b>	<b>335,942</b>	<b>323,159</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<i>Short term</i>			
Short term debt and current portion of long-term debt	11,216	14,766	11,200
Other current liabilities	9,936	8,610	7,726
<i>Long term</i>			
Long term interest bearing debt	103,600	114,800	109,200
Stockholders' equity	186,318	197,766	195,033
<b>Total liabilities and stockholders' equity</b>	<b>311,070</b>	<b>335,942</b>	<b>323,159</b>

# Supply of VLCC's

(No. of vessels)

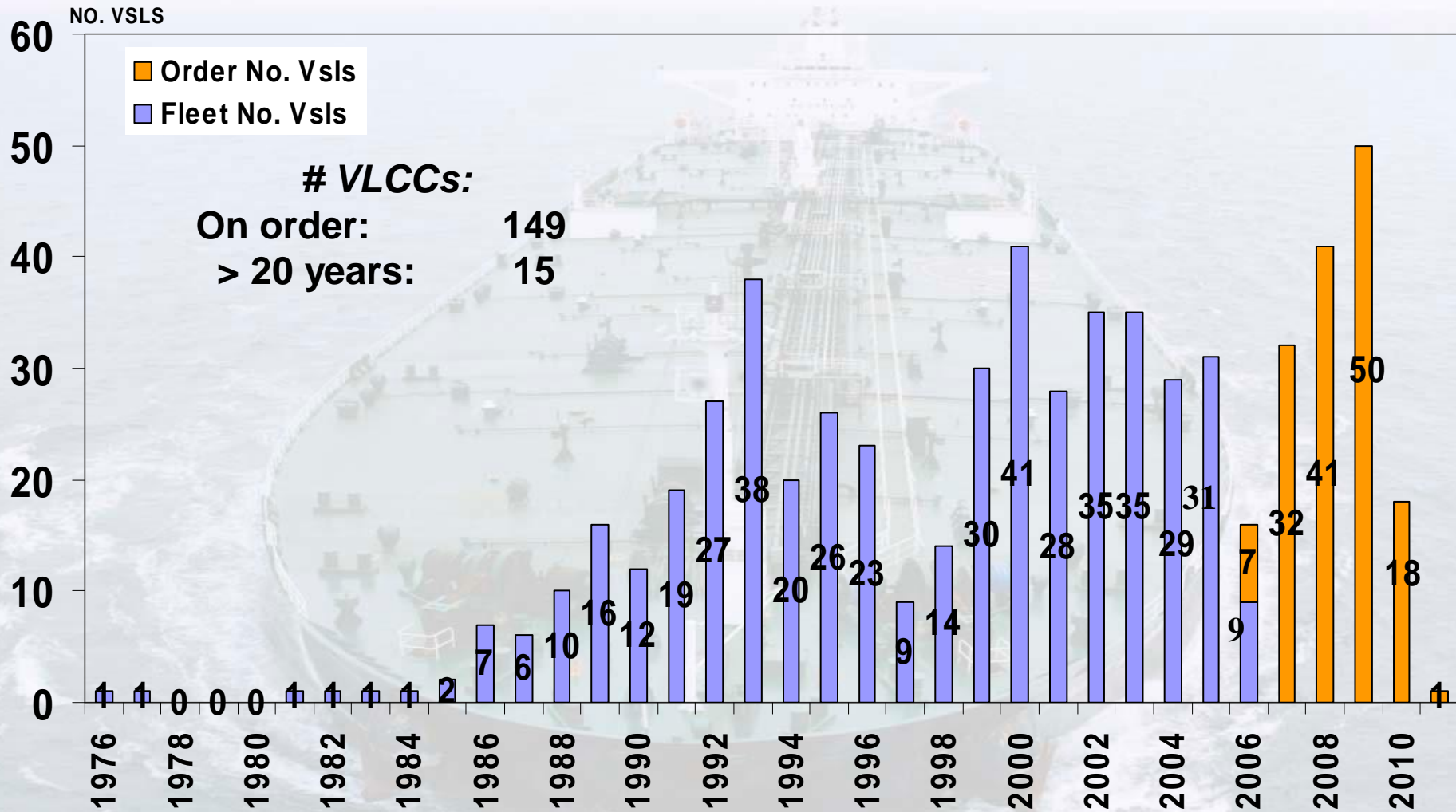
<u>Building year</u>	VLCC's	ULCC's*)
	200,000+ dw t	320,000 + dw t
1978-81	3	0
1982-84	3	0
1985-87	15	0
1988 or later	452	4
<b>Fleet as at June 30, 2006</b>	<b>473</b>	<b>4</b>
<u>On order</u>		
2006	7	
2007	32	
2008	41	
2009+	69	
<b>Total on order 2006-2009+</b>	<b>149</b>	<b>0</b>

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

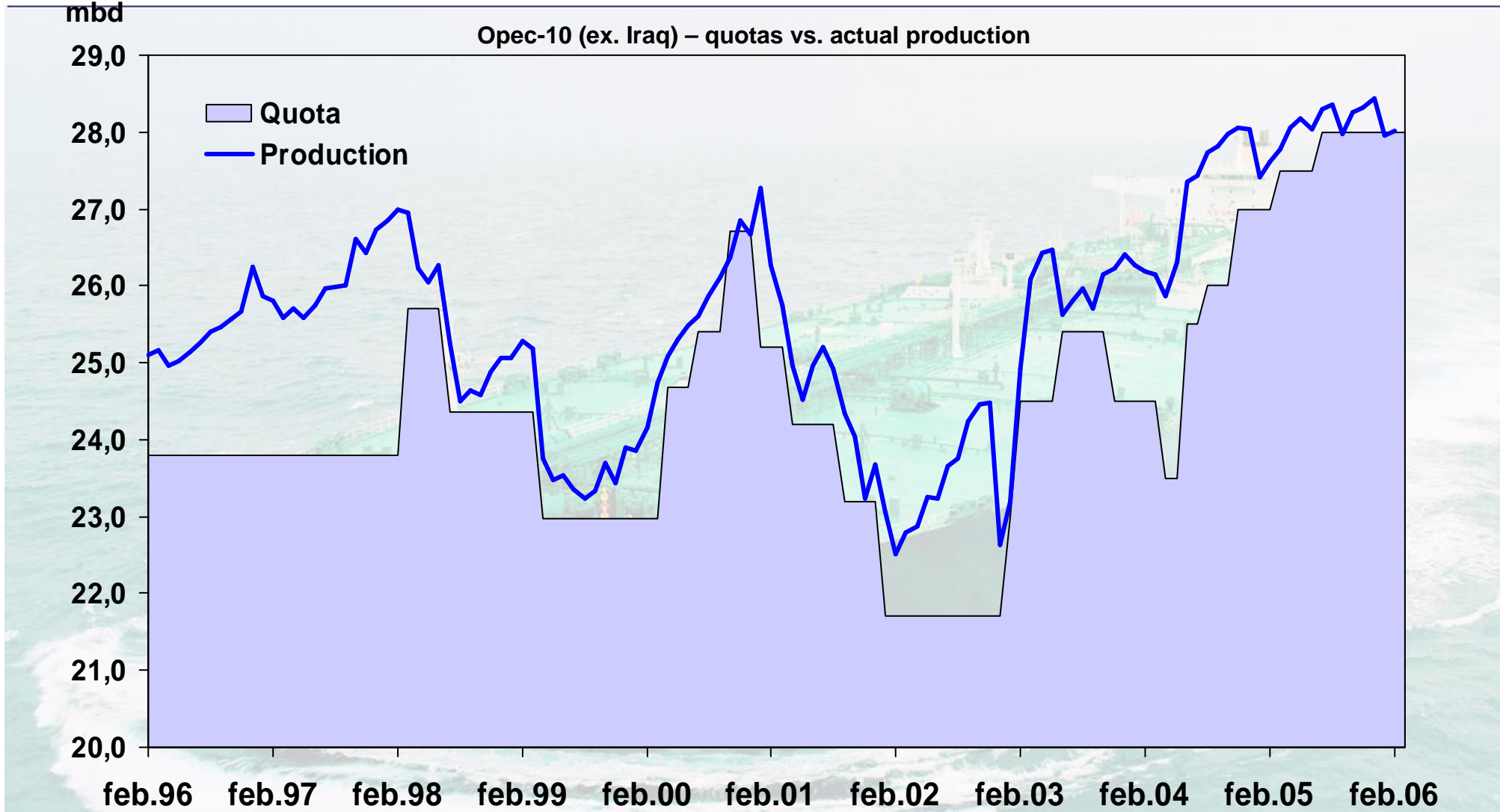
Source: Fearnleys

# VLCC fleet - age profile

VLCC age profile as of 30 June, 2006



# OPEC-10: Production vs. quotas



# Estimated call on OPEC 2006

	<b>Avg.05</b>	<b>Q106</b>	<b>Q206</b>	<b>Q306</b>	<b>Q406</b>	<b>Avg. 06</b>
<b>IEA</b>	<b>28.9</b>	<b>29.6</b>	<b>27.9</b>	<b>29.1</b>	<b>29.3</b>	<b>29.0</b>
<b>US DOE</b>	<b>29.4</b>	<b>30.0</b>	<b>28.6</b>	<b>29.7</b>	<b>31.4</b>	<b>29.9</b>
<b>*</b>						
<b>Barclays Capital</b>	<b>30.0</b>	<b>31.0</b>	<b>29.8</b>	<b>31.1</b>	<b>31.8</b>	<b>30.9</b>
<b>Stockbuild</b>	<b>-0.1</b>	<b>-1.3</b>	<b>-0.1</b>	<b>-0.9</b>	<b>-1.5</b>	<b>-0.9</b>
<b>Opec crude</b>	<b>29.8</b>	<b>29.7</b>	<b>29.7</b>	<b>30.2</b>	<b>30.3</b>	<b>30.0</b>

Source: Barclays Capital estimates as of August 9, 2006. IEA numbers taken from IEA Monthly Oil Report August 2006 and US DOE numbers are from Energy Information Administration, Short Term Energy Outlook August 2006.

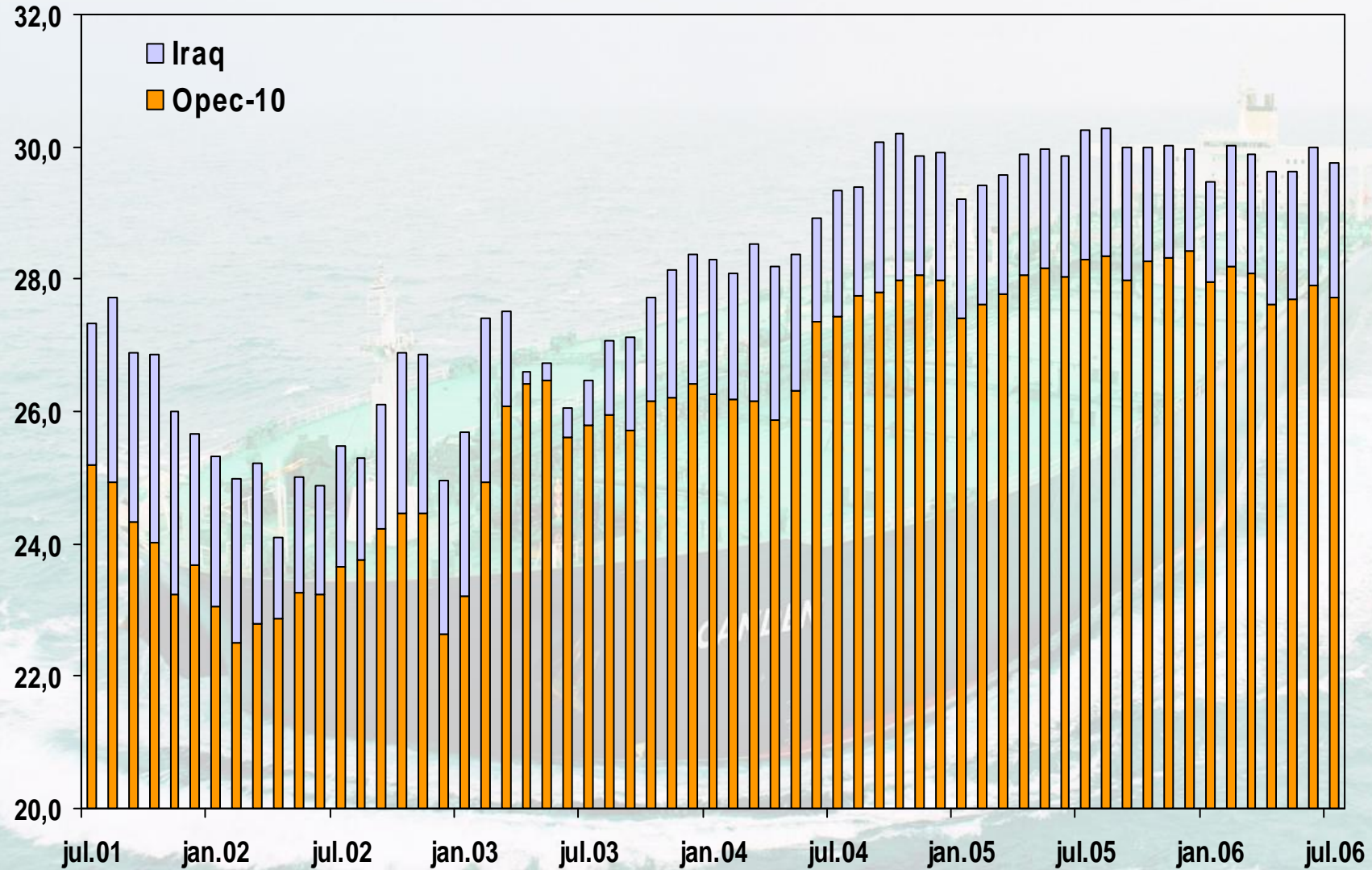
# Appendixes



# Opec production

mbd

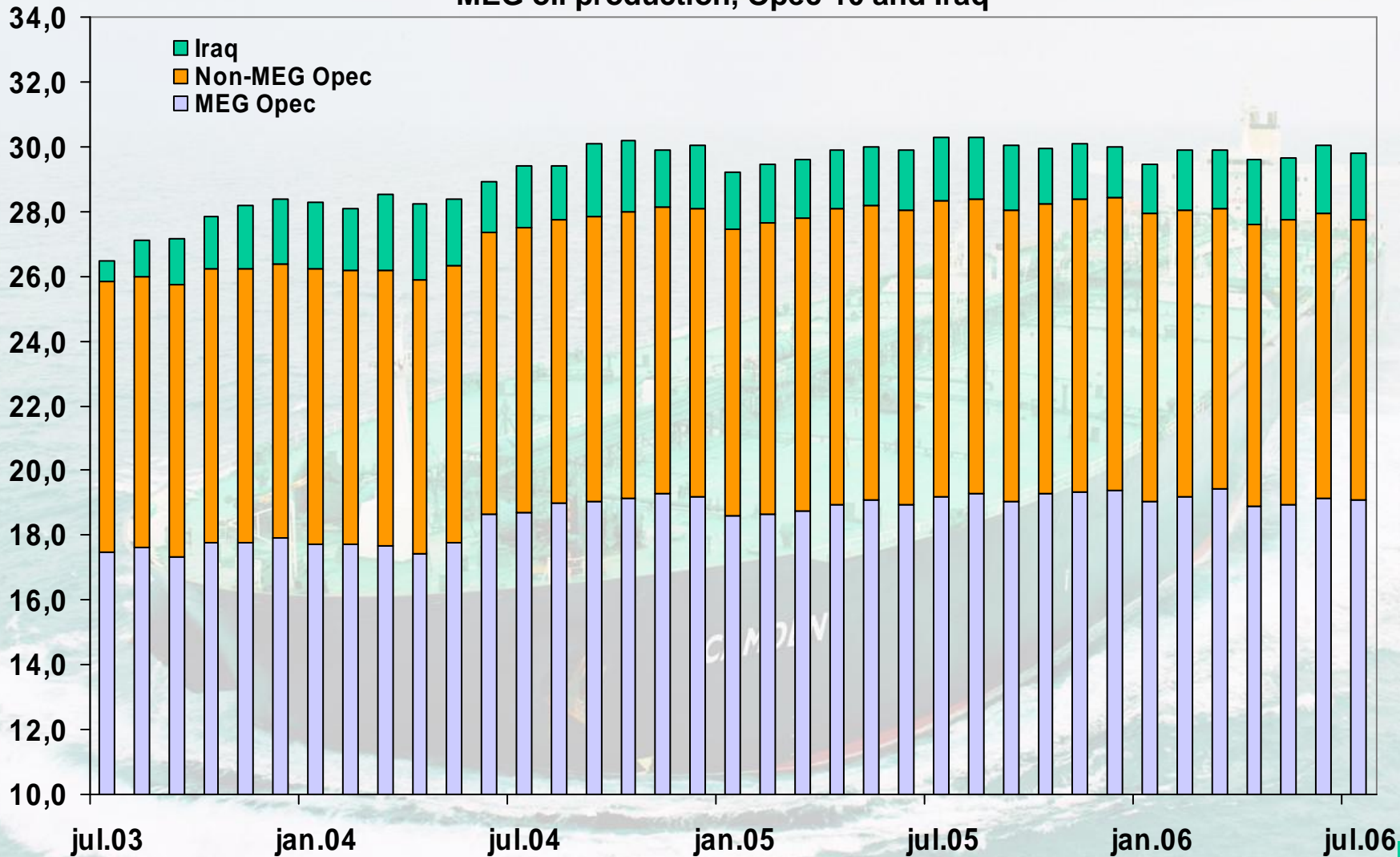
Oil production, Opec-10 and Iraq



Source: IEA

# MEG Opec vs. Non-MEG Opec and Iraq

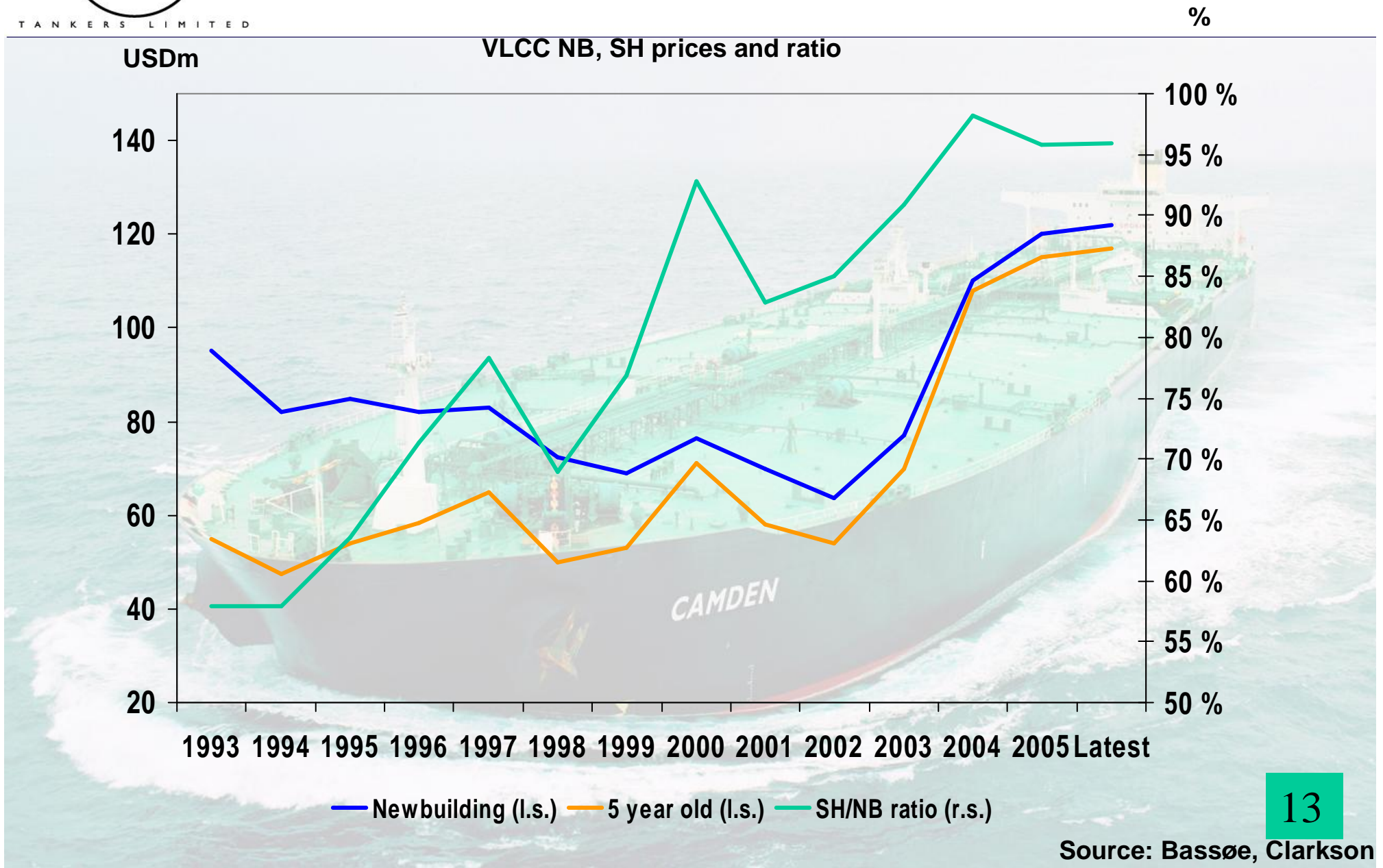
MEG oil production, Opec-10 and Iraq



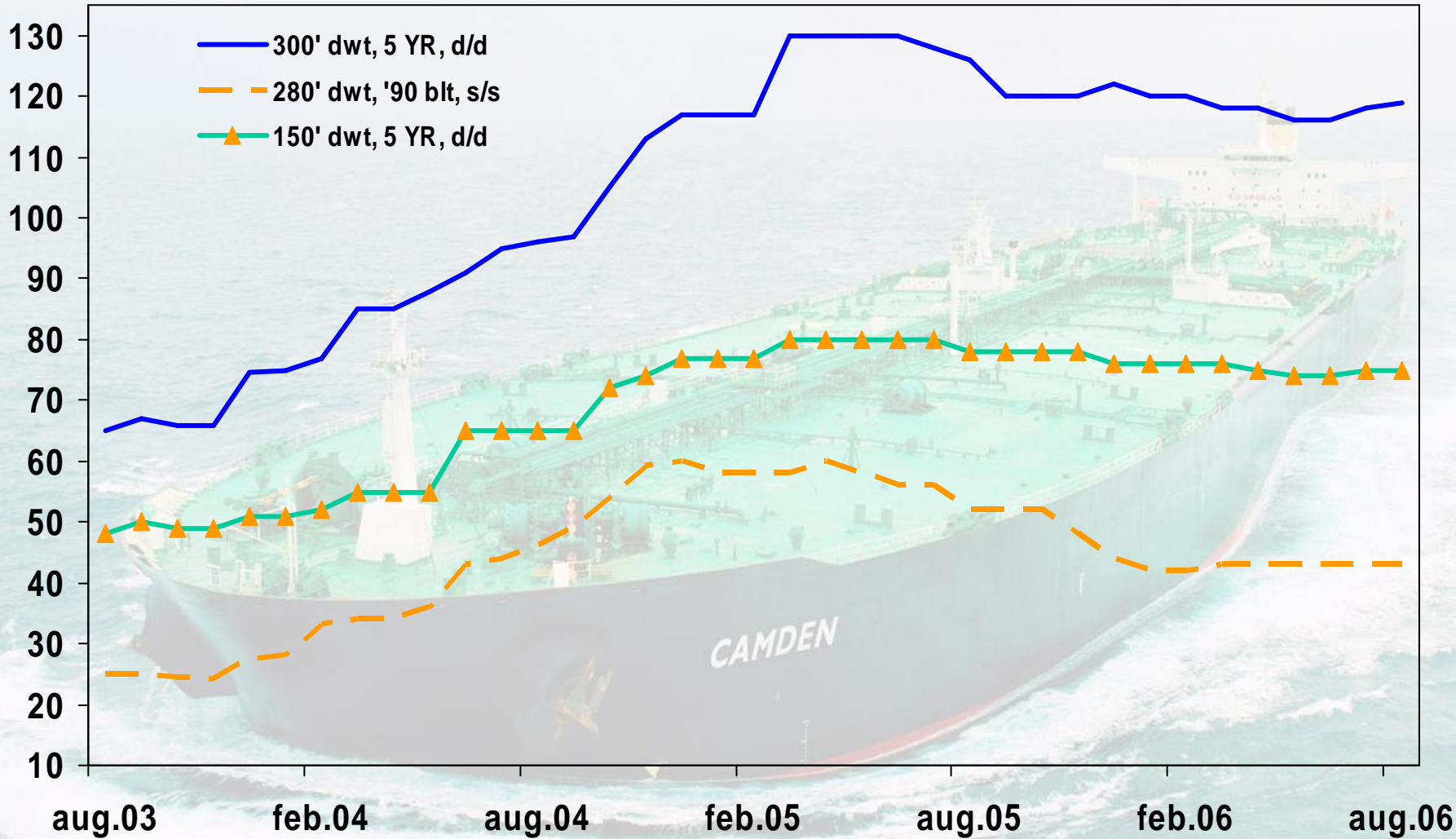
MEG-Opec; Saudi Arabia, Iran, Kuwait, UAE, Qatar, Neutral Zone

Source: IEA

# Trends in tanker values



# Tanker price trends



Source: Pareto Shipbrokers. VI and Suezmax 3 yr old until Jan 06