



Golden Ocean Group Limited

Preliminary Report December 2009

Preliminary Results for the Quarter and Year ended December 31, 2009

Golden Ocean Group Limited (the “Company” or “Golden Ocean”) reports profit of \$24.1 million and earnings per share of \$0.05 for the fourth quarter of 2009. This compares with profit and earnings per share of \$6.7 million and \$0.02 respectively for the fourth quarter of 2008. Total operating revenues for the fourth quarter were \$83.7 million, total operating expenses were \$57.5 million and net other loss was \$0.2 million.

Cash and cash equivalents increased by \$40.1 million during 2009. The Company generated cash from operating activities of \$114.2 million and used \$148.0 million in investing activities. Investing activities include part payments on new buildings of \$177.5 million and a sale of marketable securities of \$24 million. The Company generated \$73.9 million from financing activities during the year. This includes proceeds from the issuance of shares of \$108 million, the buy back of the Company’s convertible bond of \$72.1 million, the proceeds from long term debt of \$141.7 million and the repayment of debt of \$93.7 million.

Golden Ocean reports profit of \$217.0 million for the year ended December 31, 2009, equivalent to earnings per share of \$0.53.

At December 31, 2009 the total number of shares outstanding in Golden Ocean was 456,990,107 of \$0.10 par value each.

Corporate and Finance

December 2009 – The Company re-purchased \$10.2 million of nominal value of the Company’s convertible bond at a price of 84.25 per cent of par value. Total outstanding amount on the convertible bond is as per today \$7.7 million.

February 2010 – The Company announced that Trustworth Shipping PTE Limited, Singapore failed to honor its obligations as charterer of a ten year time charter contract on a newbuilding Capesize vessel named M/V Golden Future. The vessel was chartered on 2 February 2008 by Golden Ocean to Trustworth at a rate of \$40,500 per day. Golden Ocean will make every effort to pursue and secure its claim for damages through legal proceedings.

February 2010 – The Company has in order to mitigate losses subsequent to Trustworth’s failure fixed out on time charter the Capesize vessel M/V Golden Future. The vessel was delivered from Jinhaiwan shipyard to the Company this week and will shortly be delivered to the charterer for a three years time charter contract. The agreed daily time charter rate is \$31,500 less 5% total commission.

February 2010 – The Company is pleased to announce that it has fixed out on time charter the Panamax vessel M/V Ocean Minerva. The vessel has been delivered to the charterer for a three years time charter contract. The agreed daily time charter rate is \$21,800 less 5% total commission. The vessel is on long term time charter contract to Golden Ocean at \$9,975 per day. The agreed time charter agreement further reduces the Company’s cash break even costs for its open tonnage and secures in excess of \$11 million in additional net income over the charter period.

February 2010 - Reference is made to the press release dated 22 April 2008 regarding the time charter contract for one of the Capesize vessels under construction at Jinhaiwan Shipyard. In order to secure the cash flow from the time charter contract and to reduce the counterparty risk the Company has agreed to restructure the time charter contract. The new agreement includes \$6 million in cash paid upfront by the charterer and in return a 25% reduction in the time charter rate. The new

agreement includes a fixed time charter rate of \$33,050 per day. In addition to the fixed time charter rate, the Company has agreed on a profit share structure where significant upside exists for Golden Ocean in case of a continued strong market. The vessel will be delivered to the Company from the yard this week, and will subsequently be delivered to the charterer for a five year time charter contract.

February 2010 – In November last year, Golden Ocean started a process to pursue a secondary listing in Singapore with the aim of tapping into the growing Asian investor market. The Company already has a substantial operational presence in Asia and views a listing in Singapore as a natural next step in its corporate development. The Singapore Stock Exchange has approved a listing of Golden Ocean on their Main Board. The exact timing of the listing in Singapore is not yet decided, but the Company anticipates that it will take place in the near future.

Market

The positive trend witnessed for the global economy during the third quarter of 2009 continued through the fourth quarter. Preliminary data received is showing a fairly solid US GDP growth of 5.7 per cent for the last quarter. Growth in EU and Japan is still sluggish, while Chinese growth which is of vital importance for the dry bulk sector, came out even higher during the fourth quarter at 10.7 per cent and 8.7 per cent for the full year of 2009.

On average a Panamax vessel earned \$27,600 per day during the fourth quarter of 2009, while a Capesize earned \$55,350 per day for the similar period (average time charter earnings reported by Baltic).

China's relative share of dry bulk imports has grown considerable over the last 10 years. In year 2000 the country imported about 150 million mt of dry bulk commodities. In 2009 almost 900 million mt was imported, which represents 40% of total dry bulk imports. As a comparison Japan's share was about 18 per cent, EU 16.5 per cent while the United States share of the total dry bulk imports was only 2.5 per cent.

The Chinese property sector accounting for nearly half of the steel consumption experienced further growth in December. Sales of residential property continued to rise strongly with a growth in the fourth quarter of almost 50 per cent year on year. Due to the higher than expected Chinese growth analysts are focusing on inflation and potential risk for tightening measures. On the other hand Chinese policy makers have shown good proactive skills and have been able to give the right medicine with appropriate timing. The two stimulus packages which both are infrastructure intensive are expected to have a positive effect on the dry bulk market well into 2011.

Congestion in major ports is still supporting utilization of the dry bulk fleet. Almost 5 per cent of the dry bulk fleet was tied up in congestion on average during the fourth quarter and in particular the capesize segment was affected.

The newbuilding order book remains a concern, but it is at the same time the biggest uncertainty for most analysts. 12.7 million dwt was delivered during the fourth quarter of 2009 and 42 million dwt was delivered during 2009 in total. This was 62 per cent of the official 2009 order book. The fleet growth in the fourth quarter was 3.1 per cent compared to the third quarter and about 9 per cent compared to the fourth quarter of 2008.

Asset values rose slightly within the Panamax segment while the values for Capesize vessels were stable during the fourth quarter. Sale and purchase shipbrokers estimated the value of a five year old Panamax vessel to be \$34 million by the end of December 2009 and \$55 million for a similarly aged Capesize vessel.

Looking ahead, consensus among the dry bulk analysts is rather bullish when it comes to demand growth. Measured in tonnes miles most analysts have a two digit growth number as their base case both for this year and 2011. This is backed by further growth in Chinese iron ore and coal imports, Indian coal imports and finally a better climate for international trade compared to 2009.

Due to the high influx of dry bulk vessels built at newly established yards and a challenging financing environment, the sample space among the various analysts is wide when it comes to forecasting actual deliveries over the next two years.

To keep the utilization rate of the dry bulk fleet at present levels (92-94 per cent), actual deliveries compared to official order book has to remain in line with 2009, in other words about 40 per cent behind schedule. This will be a combination of slippage (delays) and cancellations. Due to the fact that South Korea has a comparatively higher market share than China for Capesizes, with a higher probability of timely deliveries, some analysts are pointing at a downside risk to their supply forecast.

Congestion will remain a "wild card" and create short term volatility. More than 170 Capesize vessels are waiting to either load or discharge a cargo at the moment of writing. This represents almost 20 per cent of the Capesize fleet.

Strategy

In the Company's third quarter 2009 release, there was a reference to the establishment of Golden Ocean Trading Limited (GOTL). This company was set up as a trading subsidiary and includes the short term physical trading. Since the start up the opportunistic trading in GOTL has generated about \$4 million in profits. The strategy of GOTL is to benefit from the operational performance in certain geographical areas and to utilize short term volatility in the dry bulk market to add value to its share holders.

Golden Ocean continues its discussion with Pipavav Shipyard in India with respect to existing new building commitments. Based on the yards progress so far it is likely that the new building program will not be delivered within cancellation dates and thereby can be reduced.

The Company has committed financing for the entire newbuilding program except for Golden Nantong which is scheduled to be delivered in 2012.

The Board is still concerned about the growth in fleet supply and will for the time being continue the conservative approach to chartering and acquisitions.

Presently Golden Ocean has 23 per cent open Panamax capacity in 2010 and 40 per cent and 47 per cent for 2011 and 2012 respectively. For the Capesize segment the open capacity is 20 per cent in the fourth quarter of 2010 followed by 33 per cent and 39 per cent in 2011 and 2012.

The Company will vigorously pursue all claims from non performing counterparts, which presently represents an amount of approximately \$60 million. Any collection of outstanding claims will improve the Company's liquidity going forward.

Outlook

The cash break even rates through 2012 for the open positions are through recent chartering activities lowered further. In a zero market environment for the open Capesize and Panamax tonnage, the Company will still generate about \$45 million in net positive cash flow from operation through 2012.

The Company's Balance Sheet is robust, and gives Golden Ocean an unique position to act opportunistic if market opportunities should occur in the coming months. Given the high contract coverage, the Board anticipates that operating results will be stronger in 2010 compared to 2009 (excluding potential sale profits).

The Board is pleased to see that the Company increases its free cash position and at the same time takes delivery, finance and continues to build one of the most modern drybulk fleets. A fleet well positioned and financed in order to benefit from long term demand growth in dry bulk commodities.

It is the Board's target to reinstate dividend payments during 2010.

Forward Looking Statements

This press release contains forward looking statements. These statements are based upon various assumptions, many of which are based, in turn, upon further assumptions, including Golden Ocean's management's examination of historical operating trends. Although Golden Ocean believes that these assumptions were reasonable when made, because assumptions

are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control, Golden Ocean cannot give assurance that it will achieve or accomplish these expectations, beliefs or intentions.

Important factors that, in the Company's view, could cause actual results to differ materially from those discussed in this press release include the strength of world economies and currencies, general market conditions including fluctuations in charter hire rates and vessel values, changes in demand in the dry bulk market, changes in the Company's operating expenses including bunker prices, dry-docking and insurance costs, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, and other important factors described from time to time in the reports filed by the Company.

February 11, 2010
The Board of Directors
Golden Ocean Group Limited
Hamilton, Bermuda

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Golden Ocean Group Limited

Interim financial information
(Unaudited)

4th Quarter 2009

Golden Ocean Group Limited

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Consolidated Comprehensive Income Statement

(in thousands of \$, except per share data which are in \$)

	Notes	2 009 Oct-Dec	2 008 Oct-Dec	2 009 Jan-Dec	2 008 Jan-Dec
Operating revenue					
Revenue		83 138	125 352	350 235	877 278
Other operating income/(loss)		554	45 226	(646)	70 225
Total operating revenue		83 692	170 578	349 590	947 503
Operating expenses					
Voyage expenses and commission		14 061	18 831	77 084	136 805
Vessel operating expenses		5 168	4 013	21 936	16 687
Charter hire expenses		31 666	110 069	123 008	544 166
Administrative expenses		2 572	2 246	10 374	14 662
Depreciation	3,4	4 004	4 175	17 038	11 435
Total operating expenses		57 469	139 334	249 440	723 755
Other gain/losses net					
Profit on sale of assets	2	-	8 954	55 240	209 119
Other gain/(losses) net	21	(219)	(29 722)	(18 486)	(36 025)
Total other gain/(losses) net		(219)	(20 768)	36 754	173 094
Operating profit		26 004	10 476	136 904	396 842
Finance income		199	137	620	3 939
Finance costs	14	(2 765)	(4 339)	(15 730)	(20 163)
Other financial items	13	765	517	95 302	(416)
Net financial items		(1 802)	(3 685)	80 192	(16 640)
Profit before income tax		24 202	6 791	217 096	380 202
Income tax		(75)	(59)	(75)	(59)
Profit for the period		24 127	6 732	217 021	380 143
Profit attributable to:					
Owners of the parent		23 839	6 441	216 006	379 070
Minority interest		288	291	1 015	1 073
Profit for the period		24 127	6 732	217 021	380 143
Other comprehensive income					
Reduction in value of marketable securities	20	-	(2 118)	22 893	(22 920)
Total comprehensive income for the period		24 127	4 614	239 914	357 223
Comprehensive income attributable to:					
Owners of the parent		23 839	4 323	238 899	356 150
Minority interest		288	291	1 015	1 073
Total comprehensive income for the period		24 127	4 614	239 914	357 223
Basic earnings per share		\$0.05	\$0.02	\$0.53	\$1.37
Fully diluted earnings per share		\$0.05	\$0.02	\$0.53	\$1.37

See accompanying notes that are an integral part of these financial statements

Golden Ocean Group Limited
Consolidated Balance Sheet

<i>(in thousands of \$)</i>	Notes	2009 Dec 31	2008 Dec 31
ASSETS			
Non current assets			
Vessels and equipment, net	3	355 279	174 513
Vessels held under finance leases, net	4	103 194	127 269
Vessels under construction	5	480 454	496 425
Other long term receivables		6 552	5 000
Investment in associated companies		150	-
Intangible assets		11 267	17 587
Total non-current assets		956 897	820 794
Current assets			
Cash and cash equivalents	23	92 728	50 868
Trade and other receivables	6	32 725	74 761
Inventories		4 388	3 482
Marketable securities – available for sale fin.assets	15	-	16 669
Total current assets		129 840	145 780
Non-current assets held for sale	17	-	40 084
Total assets		1 086 737	1 006 658

EQUITY AND LIABILITIES

Equity attributable to equity holders of the parent

Share capital		45 699	27 699
Additional paid in capital		104 801	14 798
Contributed surplus		2 648	2 378
Other reserves		16 635	(6 258)
Retained earnings		353 647	136 626
		523 430	175 243
Minority interest		4 038	2 427
Shareholders' equity		527 468	177 670

Non-Current Liabilities

Long term debt	7	414 856	-
Obligations under finance leases	8	58 340	90 803
Provisions		-	5 450
Deferred income	2	-	71 280
Total non-current liabilities		473 196	167 533

Current Liabilities

Long-term debt - current portion	7	57 729	592 501
Obligations under finance leases – current portion	8	6 333	10 181
Amount due to related parties	19	2 040	3 690
Provisions	12	-	21 986
Trade payables and other current liabilities	9	19 971	33 097
Total current liabilities		86 073	661 455
Total liabilities and shareholders' equity		1 086 737	1 006 658

See accompanying notes that are an integral part of these financial statements

Golden Ocean Group Limited
Consolidated Cash Flow Statement

(in thousands of \$)

	Notes	2009 Jan-Dec	2008 Jan-Dec
OPERATING ACTIVITIES			
Profit for the period		217 021	380 143
Adjustments to reconcile profit for the period to net cash provided by operating activities:			
Share options		270	569
Profit on sale of assets	2	(55 240)	(209 119)
Loss on sale of marketable securities	21	15 563	(2)
Profit on purchase of convertible bond	13	(97 572)	(830)
Interest income		(620)	(3 939)
Depreciation	3,4	17 038	11 435
Amortisation of deferred charges		3 821	789
Amortisation of future revenue		6 320	6 320
Long term receivables adjustment		(325)	-
Golden Joy adjustment to fair value		3 961	28 527
Unrealized agio/Hedge		(1 704)	
Net change in:			
Amount due to related parties		(1 650)	(813)
Other financial assets		-	51 001
Trade and other receivables		46 715	(2 302)
Inventories		(906)	6 778
Other financial liabilities		-	(60 795)
Provisions		(27 436)	27 436
Other long term receivables		-	(5 000)
Trade payables and other current liabilities		(11 047)	(35 838)
Net cash provided by operating activities		114 209	194 360
INVESTING ACTIVITIES			
Net maturity of restricted cash		(1 747)	5 122
Interest received		620	3 939
Payments on vessels	3,4,5	(177 537)	(420 372)
Net proceeds from the sale of vessels, including exercise of purchase options		6 830	451 440
Purchase of marketable securities		-	(54 974)
Purchase of long term investments		(150)	-
Sale of marketable securities	15	24 000	6 860
Net cash used in investing activities		(147 984)	(7 985)
FINANCING ACTIVITIES			
Payment of financing charges		(2 585)	(1 527)
Repayment of obligations under finance leases		(7 432)	(10 920)
Repayment of long term debt		(93 686)	(385 371)
Proceeds from long term debt		141 702	333 742
Payment of dividends		-	(347 074)
Convertible bond		(72 115)	-
Repayment of convertible bonds		-	(8 463)
Purchase of own shares		-	(15 889)
Settlement of share options		-	(2 430)
Proceeds from issue of shares		108 003	1 314
Net cash (used in) / provided by financing activities		73 888	(436 618)
Net change in cash and cash equivalents		40 113	(250 243)
Cash and cash equivalents at beginning of period		40 780	291 023
Cash and cash equivalents at end of period	23	80 893	40 780

Supplementary cash flow information:

See accompanying notes that are an integral part of these financial statements

Golden Ocean Group Limited
 Consolidated Statement of
 Changes in Equity

Total Attributable to equity holders of the parent

(in thousands of \$)

	Share Capital	Additional paid in capital	Contributed surplus	Other Reserves	Retained Earnings	Total	Minority interest	Total Equity
Balance at January 1, 2008	27 177	29 895	1 809	16 662	105 987	181 530	1 354	182 884
Comprehensive income for the period	-	-	-	(22 920)	380 142	357 222	1 073	358 295
Share issue for cash	872	442	-	-	-	1 314	-	1 314
Stock options	-	-	569	-	-	569	-	569
Purchase of own shares	(350)	(15 539)	-	-	-	(15 889)	-	(15 889)
Dividend paid	-	-	-	-	(347 074)	(347 074)	-	(347 074)
Stock options paid in cash	-	-	-	-	(2 430)	(2 430)	-	(2 430)
Balance at December 31, 2008	27 699	14 798	2 378	(6 258)	136 626	175 243	2 427	177 670
Balance at January 1, 2009	27 699	14 798	2 378	(6 258)	136 626	175 243	2 427	177 670
Comprehensive income for the period	-	-	-	22 893	217 022	239 915	1 015	240 930
Share issue for cash	18 000	90 003	-	-	-	108 003	-	108 003
Stock options	-	-	270	-	-	270	-	270
Minority interest arising from the inception of Golden Ocean Trading Limited	-	-	-	-	-	-	595	595
Balance at December 31, 2009	45 699	104 801	2 648	16 635	353 648	523 430	4 038	527 468

1. ACCOUNTING PRINCIPLES

The accounts have been prepared in accordance to IAS 34 Interim Financial Reporting. A description of the accounting principles applied in preparing the accounts of the Group is found in the annual report for 2008. The annual - and interim accounts are prepared according to IFRS.

2. PROFIT ON SALE OF ASSET

<i>(in thousands of \$)</i>	12/31/2009	12/31/2008
Net consideration received (agreement)	99 607	480 440
Excercise of purchase option	(21 133)	(29 000)
<u>Net assets disposed off</u>	<u>(23 234)</u>	<u>(242 321)</u>
<u>Profit on sale of assets</u>	<u>55 240</u>	<u>209 119</u>

In March 2009 the Group sold M/V Bellflower for \$50 million. The terms of the agreement includes a \$40 million receipt on delivery of the vessel and \$10 million to be received over a period of seven years. The outstanding balance of \$10 million has been discounted to its present value and classified as other long term receivables of \$-6,551,000. The Group exercised the purchase option and paid \$21,133,000 for the vessel. The vessel was classified as non current assets held for sale at December 31, 2008. (See note 17).

In November 2007 the Group entered into an agreement with Britannia Bulk Finance Limited regarding sale of six Panamax vessels under construction. The group received a down payment of \$71,280,000 which has been classified as deferred income in the balance sheet. Britannia Bulk Finance Limited has since March 2009 been subject to administration under the supervision of the UK courts. Due to this situation there was a high uncertainty linked to Britannia Bulk's ability to ultimately take delivery of the six vessels.

In August 2009 the Group entered into an agreement with Britania Bulk Finance Limited and the parties mutually accepted to terminate the purchase agreements for all six vessels against a termination fee of \$17.5 million. This resulted in a gain of \$53.8 million which was recorded in third quarter 2009.

3. VESSELS AND EQUIPMENT, NET

The Group has the following owned vessels at December 31, 2009.

Vessel	Built	DWT	Flag
Channel Alliance	1996	171 978	Philippines
Channel Navigator	1997	172 058	Philippines
Golden Shadow	2005	73 732	Hong Kong
Golden Saguenay	2008	75 500	Hong Kong
Golden Opportunity	2008	75 500	Hong Kong
Golden Ice	2008	75 845	Hong Kong
Golden Feng (delivered in 1st quarter)	2009	170 500	Marshall Island
Golden Strenght (delivered in 2nd quarter)	2009	75 745	Hong Kong
Golden Shui (delivered in 2nd quarter)	2009	170 500	Marshall Island

<i>Cost or valuation (in thousands of \$)</i>	<i>Vessels</i>	<i>Drydocking</i>	<i>Fixtures and Equipment</i>	<i>Total</i>
At January 1, 2008	87 967	1 884	381	90 232
Transferred from vessels under construction (note 5)	332 206			332 206
Disposals	(223 086)			(223 086)
At December 31, 2008	197 087	1 884	381	199 352
At January 1, 2009	197 087	1 884	381	199 352
Additions	1 517			1 517
Transferred from vessels under construction (note 5)	191 924	-	96	192 020
At December 31, 2009	390 529	1 884	477	392 890
Accumulated depreciation:				
At January 1, 2008	18 342	377	114	18 833
Charge for the year	5 554	377	75	6 006
At December 31, 2008	23 896	754	189	24 839
At January 1, 2009	23 896	754	189	24 839
Charge for the year	12 331	377	64	12 771
At December 31, 2009	36 227	1 131	253	37 611
Carrying amount:				
At December 31, 2009	354 302	753	224	355 279
At December 31, 2008	173 191	1 130	192	174 513

The Group has pledged all its vessels to secure various banking facilities (note 7).

4. VESSELS HELD UNDER FINANCE LEASES, NET

The Group has the following vessels on financial lease at December 31, 2009.

Vessel	Built	DWT	Flag
Golden Lyderhorn	1999	74 242	Hong Kong
Ocean Minerva	2007	75 698	Panama
Golden Heiwa	2007	76 662	Panama

*Cost or valuation
(in thousands of \$)*

At January 1, 2008	180 391
Disposals	(69)
Transferred to non-current assets held for sale	(42 366)
At December 31, 2008	137 956

At January 1, 2009	137 956
Additions	246
Transferred to non-current assets held for sale	(20 905)
At December 31, 2009	117 297

Accumulated depreciation:

At January 1, 2008	7 540
Charge for the year	5 429
Transferred to non-current assets held for sale	(2 282)
At December 31, 2008	10 688

At January 1, 2009	10 688
Charge for the year	4 267
Transferred to non-current assets held for sale	(853)
At December 31, 2009	14 103

Carrying amount:

At December 31, 2009	103 194
At December 31, 2008	127 269

Vessels held under finance leases are depreciated on the same basis as owned vessels.

5. VESSELS UNDER CONSTRUCTION

<i>Cost and net book value (in thousands of \$)</i>	<i>New Buildings</i>
At January 1, 2008	428 259
Additions	420 372
Impairment loss	(20 000)
Transferred to vessels and equipment (note 3)	(332 206)
At December 31, 2008	496 425
At January 1, 2009	496 425
Additions	176 049
Transferred to vessels and equipment (note 3)	(192 020)
At December 31, 2009	480 454

The Group has pledged all vessels under construction to secure various banking facilities (note 7).

Three vessels have been delivered to the Group in 2009. Two Capesize vessels have been delivered from Daehan Shipyard, M/V Golden Feng in March and M/V Golden Shui in May. One Panamax vessel from Rongsheng Shipyard (M/V Golden Strenght) was delivered in April (note 3). Additions includes installment on newbuildings and reallocation of deferred charges.

6. TRADE AND OTHER RECEIVABLES

<i>(in thousands of \$)</i>	12/31/2009	12/31/2008
Trade receivables	13 817	58 030
Other receivables	12 009	9 460
Prepayments	4 738	2 846
Accrued income	2 162	4 425
	32 725	74 761

The decrease in trade receivables is mainly due to the reduced activity in FFA trading during the period.

7. LONG-TERM DEBT

<i>(in thousands of \$)</i>	12/31/2009	12/31/2008
Within one year	57 729	592 501
Between one and two years	39 375	-
Between two and five years	178 839	-
After five years	196 642	-
Total debt	472 585	592 501
Current portion	(57 729)	(592 501)
Long-term debt	414 856	-

Of the total debt, \$465,358,000 (December 31, 2008 -\$415,846,000) is secured by mortgages over sailing vessels and vessels under construction. The remaining debt of \$7,227,000 (December 31, 2008-\$176,655,000) relates to the liability component of unsecured convertible bonds issued in December 2007, the majority of which were repurchased in April 2009 (note 13).

8. OBLIGATIONS UNDER FINANCE LEASES

<i>(in thousands of \$)</i>	Within one year		2-5 years		Total	
	12/31/2009	12/31/2008	12/31/2009	12/31/2008	12/31/2009	12/31/2008
Minimum Lease Payments						
Interest	4 768	6 529	6 146	9 049	10 914	15 578
Instalments	6 333	10 181	58 340	90 803	64 673	100 984
Total Minimum Lease Payments	11 101	16 710	64 486	99 852	75 587	116 562
Present Value of Lease Obligations					64 673	100 984
Current portion					6 333	10 181
Non-current portion					58 340	90 803

The Group has recorded finance leases on three vessels at December 31, 2009 (December 31, 2008 - four vessels). The Group has a purchase option and the exercise price of the option changes based upon the date the option is exercised. The table below lays out the approximate exercisable dates and purchase option amounts, based on the date the purchase options are first exercisable, and the first lease renewal date.

<i>(in thousands of \$)</i>	Purchase option first exercisable date	Purchase option amount	Lease renewal date
Golden Lyderhorn	September 2009	26 350	September 2016
Ocean Minerva	January 2010	23 952	January 2010
Golden Heiwa	March 2011	23 031	March 2011

All lease payments are denominated in US Dollars.

The Group's finance lease obligations are secured by the lessor's title to the leased assets.

9. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

<i>(in thousands of \$)</i>	12/31/2009	12/31/2008
Trade payables	2 722	10 375
Accruals	6 392	12 198
Income received in advance	7 270	7 506
Other current liabilities	3 587	3 018
	19 971	33 097

Income received in advance relates to time charter revenue received in advance for future periods and has therefore been deferred. The decrease in trade payables is mainly due to the reduced activity in FFA trading during the period.

10. CAPITAL COMMITMENTS

<i>(in thousands of \$)</i>	12/31/2009	12/31/2008
Vessels under construction	729 862	1 003 752

Capital commitments have been reduced due to a future payback from Jinhaiwan Shipyard in relation to the Kamsarmax newbuildings, instalments on the existing newbuildings and one cancellation at Daehan Shipyard (Golden Island).

The unfinanced portion of the total commitment was \$374.9 million at the end of the quarter, whereas \$190.4 million relates to six Kamsarmax in single purpose companies without any guarantees given from the Group.

11. OPERATING LEASES

Rental expense

The future minimum rental payments under the Group's non-cancellable operating leases as of December 31, 2009 are as follows:

<i>(in thousands of \$)</i>	12/31/2009	12/31/2008
Within one year	52 964	80 696
In the second to fifth years	35 429	56 794
Later than five years	-	6 261
Total minimum lease payments	88 393	143 751

Total rental expense for the year ended December 31, 2009 for operating leases was \$123,008,000 (December 31, 2008-\$544,166,000).

Rental income

The minimum future revenue (including owned vessels) to be received under the Group's non-cancellable operating leases as of December 31, 2009 is as follows:

<i>(in thousands of \$)</i>	12/31/2009	12/31/2008
Within one year	176 758	181 458
In the second to fifth years	535 611	663 356
Later than five years	199 424	396 441
Total minimum lease revenue	911 793	1 241 255

Total rental income from operating leases was \$356,555,000 for the year ended December 31, 2009 (December 31, 2008-\$883,598).

Included in intangible assets is the fair value of six time charter contracts. The amortisation of the future revenue from these contracts of \$6,320,000 (December 31, 2008 -\$6,320,000) is recorded in rental income.

12. PROVISIONS FOR ONEROUS LEASES

<i>(in thousands of \$)</i>	<i>Fixed Vessels</i>	<i>Fair value</i>	<i>Total</i>
At January 1, 2008	-	-	-
Provided in the period	-	-	-
At December 31, 2008	10 358	17 078	27 436
At January 1, 2009	10 358	17 078	27 436
Additions	-	-	-
Amounts used	(10 196)	(10 733)	(20 929)
Reversed during the period	(162)	(6 345)	(6 507)
At December 31, 2009	-	-	-

The Group has not chartered in vessels on operating leases, which are expected to generate losses over the course of the leases for the year ended December 31, 2009 (2008-\$27,436,000). The expected future revenue on spot vessels is

calculated by the Group based on the forward freight curve, on fixed vessels the Group use the actual earnings. At the end of balance sheet day, no spot vessels were expected to generate losses.

13. OTHER FINANCIAL INCOME

<i>(in thousands of \$)</i>	12/31/2009	12/31/2008
Other financial items	(2 269)	(414)
Profit on re-purchase of Convertible bond	97 571	830
Total finance income	95 302	416

In the beginning of April the Group purchased \$165.3 million of the convertible bond from the Group's major shareholder, Hemen Holding Limited. The Group paid \$58.5 million for these bonds and the transaction reduced the Group debt by \$155 million and generated a profit of \$95.2 million in second quarter. In the third quarter the Group repurchased additional bonds of nominal value \$6.8 million with a gain of \$1.4 million. In the fourth quarter the Group repurchased bonds of nominal value of \$10.2 million with a gain of \$1.0 million.

14. FINANCE COST

<i>(in thousands of \$)</i>	12/31/2009	12/31/2008
Interest on bank overdrafts and loans	26 449	31 667
Interest on obligations under finance leases	5 334	7 232
Total finance cost	31 783	38 898
Less amounts included in the cost of qualifying assets	(16 053)	(18 736)
	15 730	20 162

15. MARKETABLE SECURITIES – AVAILABLE FOR SALE FINANCIAL ASSETS

<i>(in thousands of \$)</i>	12/31/2009	12/31/2008
At January 1, 2009	16 669	-
Additions	-	54 974
Disposals	(24 000)	(6 858)
Increase/Decrease in value recognized in equity (note 20)	22 893	(22 920)
Other losses recognized in the income statement (note 21)	(15 562)	(8 527)
At December 31, 2009	-	16 669

The Group sold 5,275,145 shares in Navios during the year for an average price of \$4.55. The sale of the shares increased the cash position with \$24.0 million. The transaction gave a loss of \$11.5 million in the income statement. The loss has previously been recorded as equity. The Group took also an impairment loss of \$4.1 million in second quarter.

16. CLAIMS

The Group has recorded a loss in third quarter of \$4.5 million related to a French Court decision in the case against Transfield. The Group has appealed on a point of law and the next decision will be in second quarter 2010. Independent of the outcome, there has been new rules in the American legislation (Rule B) and the Transfield deposit of \$15.0 million can be released. The Group is of the opinion that they have a strong case. The total claim against Transfield included interest is around \$15.0 million.

17. NON-CURRENT ASSETS HELD FOR SALE

Vessel	Built	DWT	Flag
Golden Joy, vessel sold in October 2009	1994	70 045	Bahamas
<i>Cost or valuation</i>			
<i>(in thousands of \$)</i>			
At January 1, 2008			47 375
Disposals			(47 375)
Transferred from vessels held under finance leases			40 084
At December 31, 2008			40 084
At January 1, 2009			40 084
Additions			16 091
Disposals			(56 175)
At December 31, 2009			-

In March 2009 the Group sold M/V Bellflower, see note 2.

In August 2009 The Group terminated the bareboat agreement for the 1994 built Panamax vessel M/V Golden Joy by purchasing the vessel for \$10.7 million. Simultaneously the Group sold the vessel for \$16.1 million. The Group has recognised a loss of \$4.0 million related to the sale. Delivery to the buyers took place in October 2009 and had a positive cash effect of \$3.8 million after repayment of the remaining debt of \$ 1.5million.

18. SHARE CAPITAL

Authorised share capital is as follows:

<i>(in thousands of \$)</i>	12/31/2009	12/31/2008
5,000,000,000 ordinary shares of \$0.10 par value each	500 000	500 000

Issued and fully paid share capital is as follows:

<i>(in number of shares)</i>	2009	Year 2008
At January 1	276 990 107	271 765 107
Issued during the year	180 000 000	8 725 000
Shares repurchased and cancelled		(3 500 000)
At December 31, 2009	456 990 107	276 990 107

<i>(in thousands of \$)</i>	2009	Year 2008
At January 1	27 699	27 177
Issued for cash	18 000	872
Shares repurchased and cancelled	-	(350)
At December 31, 2009	45 699	27 699

The Group completed a placement of 180 million shares at a subscription price of NOK 4.10 per share in April 1st 2009. The transaction increased the total equity and the cash position with \$108 million.

In November 2009 the Group granted the Board of Director's 500,000 share options at a strike price of NOK 10.52.

19. RELATED PARTY TRANSACTIONS

The Group has the following balances with related parties as at December 31, 2009.

<i>(in thousands of \$)</i>	Amounts owed to related parties	
	12/31/2009	12/31/2008
Frontline and subsidiaries	650	1 821
Ship Finance Int. Ltd. and subsidiaries	1 390	1 869
	2 040	3 690

The amounts outstanding are unsecured, bear no interest, and will be settled in cash. No guarantees have been given or received.

The table below shows the total number of shares owned directly or indirectly by key management and directors as at December 31, 2009.

<i>(in thousands of \$)</i>	Number of shares	Percentage of outstanding shares
John Fredriksen (Chairman, CEO, President and Director)	183 666 158	40.19%
Tor Olav Tøim (Director)	584 982	0.13%
Kate Blankenship (Director)	206 000	0.05%
Hans Christian Børresen (Director)	106 000	0.02%
	184 563 140	40.39%

20. OTHER RESERVES

Other reserves represent the gain or loss arising from the change in the fair value of marketable securities which are classified as available for sale financial assets (note 15) and the equity component of convertible bonds issued. Other reserves are broken down between the two categories as follows:

<i>(in thousands of \$)</i>	Marketable Securities (change in fair value)	Convertible Bonds (equity component)	Total
At January 1, 2008	27	16 635	16 662
Other comprehensive income (loss)			-
At December 31, 2008	(22 893)	16 635	(6 258)
At January 1, 2009	(22 893)	16 635	(6 258)
Disposal of available for sale financial assets	22 893		22 893
At December 31, 2009	-	16 635	16 635

21. OTHER GAIN/(LOSSES) NET

<i>(in thousands of \$)</i>	12/31/2009	12/31/2008
Impairment M/V Golden Joy (note 17)	(3 961)	-
Impairment Newbuildings	-	(20 000)
Gain/(loss) marketable securities (note 15)	(15 562)	(8 525)
Currency Hedge NOK/USD (note 22)	1 061	-
Gain/(loss) from freight future	(24)	(7 500)
Total other gain/(losses) net	(18 486)	(36 025)

22. FINANCIAL INSTRUMENTS

In June 2009 the Group entered into a hedging agreement for the USD/NOK exposure related to the expected cost of running the Norwegian Management company. The duration of the agreement is from July 2009 throughout 2010. The hedge has given the Group an unrealized gain of \$1,061,309 as per December 31, 2009 and a realized gain of \$428,610 recorded under other financial items. (see note 21).

23. CASH AND CASH EQUIVALENTS

<i>(in thousands of \$)</i>	12/31/09	12/31/08
Current accounts	50 893	20 780
Short-term deposits	30 000	20 000
Cash and cash equivalents none restricted	80 893	40 780
Restricted cash	11 835	10 088
Cash and cash equivalents at end of period	92 728	50 868