

Odfjell SE - First Six Months 2009 Result

Oslo 13.08.09



HIGHLIGHTS FIRST SIX MONTH 2009

- o Second quarter net result of USD 11 million
- o First six months net result of USD 3 million, EBITDA of USD 103 million and EBIT USD 31 million
- o Lower utilization and higher bunker prices caused time-charter results per day to decrease by 6% compared to first quarter 2009
- o Stable results from tank terminals
- o Hedging of bunkers and currency reduced our EBITDA by USD 8 million second quarter 2009
- o Gain of Total Return Swap of USD 4 million second quarter 2009
- o Secured long term financing of about USD 160 million, in total
- o Equity ratio now at 30.6%

RESULT 2ND QUARTER 2009

(USD million)	2Q09	2Q08	Change
Gross Revenue	313	367	(54)
Voyage Expenses	(105)	(135)	30
TC Expenses	(50)	(46)	(4)
Operating Expenses	(78)	(83)	5
General and Administrative Expenses	(28)	(30)	2
Operating Result before Depr. (EBITDA)	52	73	(21)
Depreciation	(36)	(37)	1
Capital Gain/Loss on Fixed Assets	0	7	(7)
Operating Result (EBIT)	16	42	(26)
Net finance	0	(13)	13
Taxes	(6)	(4)	(2)
Net Result	11	26	(15)

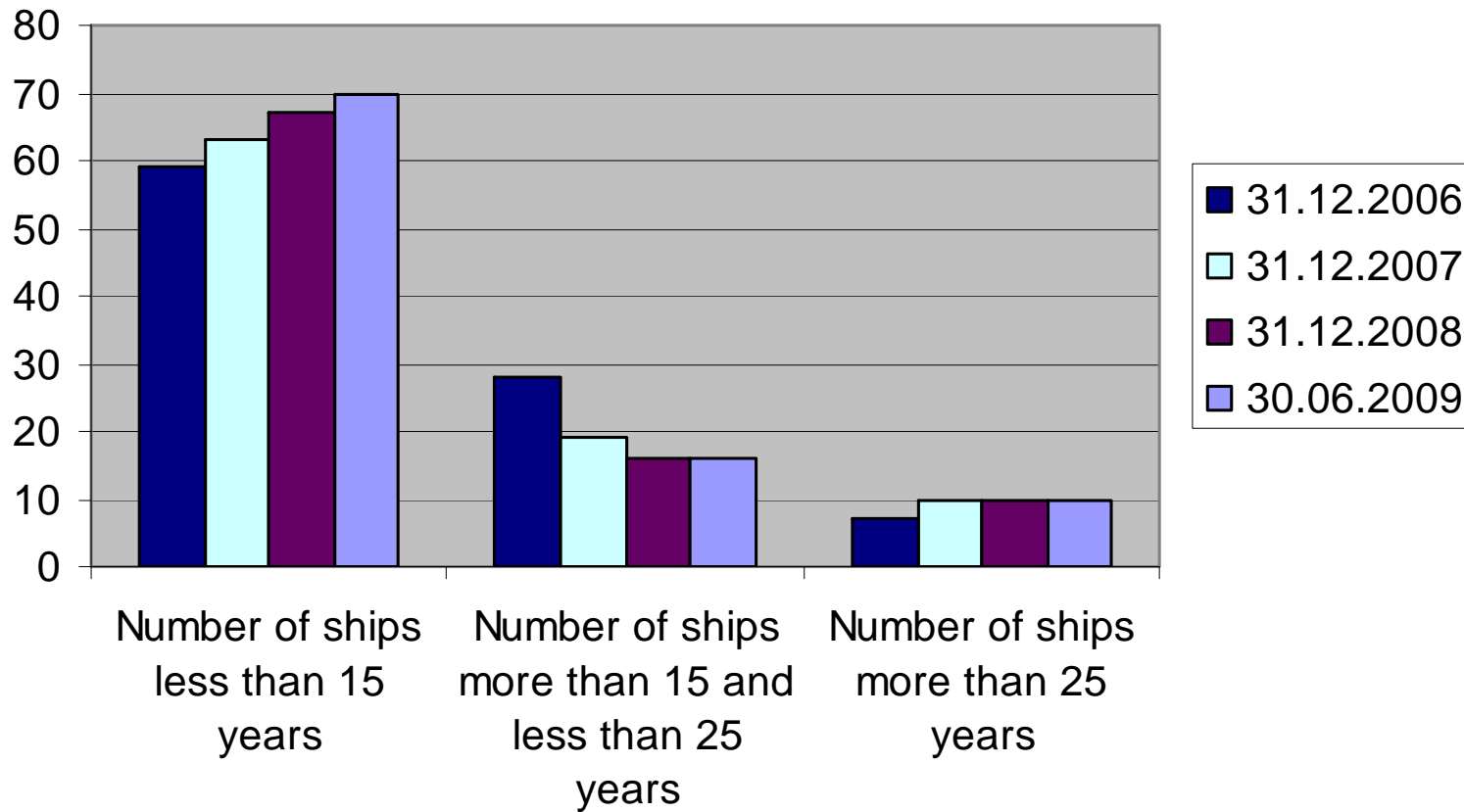
RESULT FIRST SIX MONTH 2009

(USD million)	1H09	1H08	Change
Gross Revenue	624	724	(100)
Voyage Expenses	(203)	(266)	63
TC Expenses	(102)	(87)	(15)
Operating Expenses	(160)	(165)	5
General and Administrative Expenses	(56)	(57)	1
Operating Result before Depr. (EBITDA)	103	149	(46)
Depreciation	(72)	(74)	2
Capital Gain/Loss on Fixed Assets	0	7	(7)
Operating Result (EBIT)	31	82	(51)
Net finance	(18)	(43)	25
Taxes	(10)	2	(8)
Net Result	3	41	(38)

FLEET DEVELOPMENT FIRST SIX MONTH 2009

- In February, Odfjell entered into an agreement with National Chemical Carriers (NCC) to bare-boat charter three 37 000 stainless steel parcel tankers (NCC Jubail 1996, NCC Mekka 1995, NCC Riyadh 1995) for ten years with purchase option.
- Furthermore, Odfjell entered into three to six year time- charters for three ships (Bow Baha 24 728 dwt/1988, Bow Asir 23 001 dwt/1982, Bow Arar 23 002 dwt/1982) that earlier were owned by NCC.
- In June Odfjell signed a new 50/50 joint venture agreement with NCC to establish a company to commercially operate their respective fleets of coated (IMO 2/3) chemical tankers of 40 000 dwt and above, in a joint pool for trading in the chemicals, vegetable oils and clean petroleum products. The new company will start operation early 2010 with 15 vessels and a total dwt capacity of nearly 660 000 tons, which is planned to grow to 31 vessels and total dwt of nearly 1.4 millions tons over the next three years.

FLEET DEVELOPMENT – VESSEL AGE



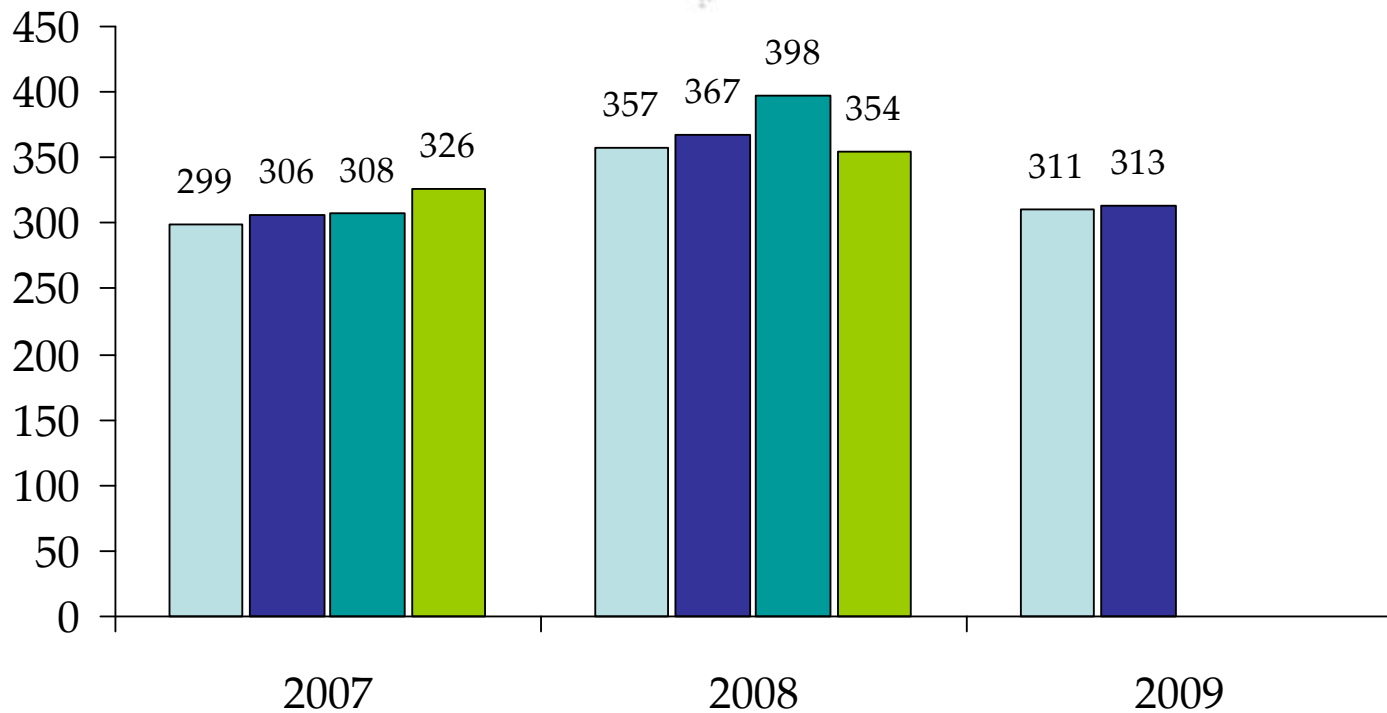
TANK TERMINAL DEVELOPMENT 2009

- The expansion of the tank terminal activities continued with successful commissioning of projects in Oman and Houston.
- The expansion in Singapore and Korea, and the green field project in Iran, are scheduled for completion in 2009.
- The Oman terminal has been awarded two long term contracts for additional 425 000 cbm, scheduled for completion in 1Q 2011.
- The commissioning of the new deep sea berth in Rotterdam is scheduled for concluding during September 2009.



GROSS REVENUE

Per Quarter (in USD million)



Accumulated

1 239

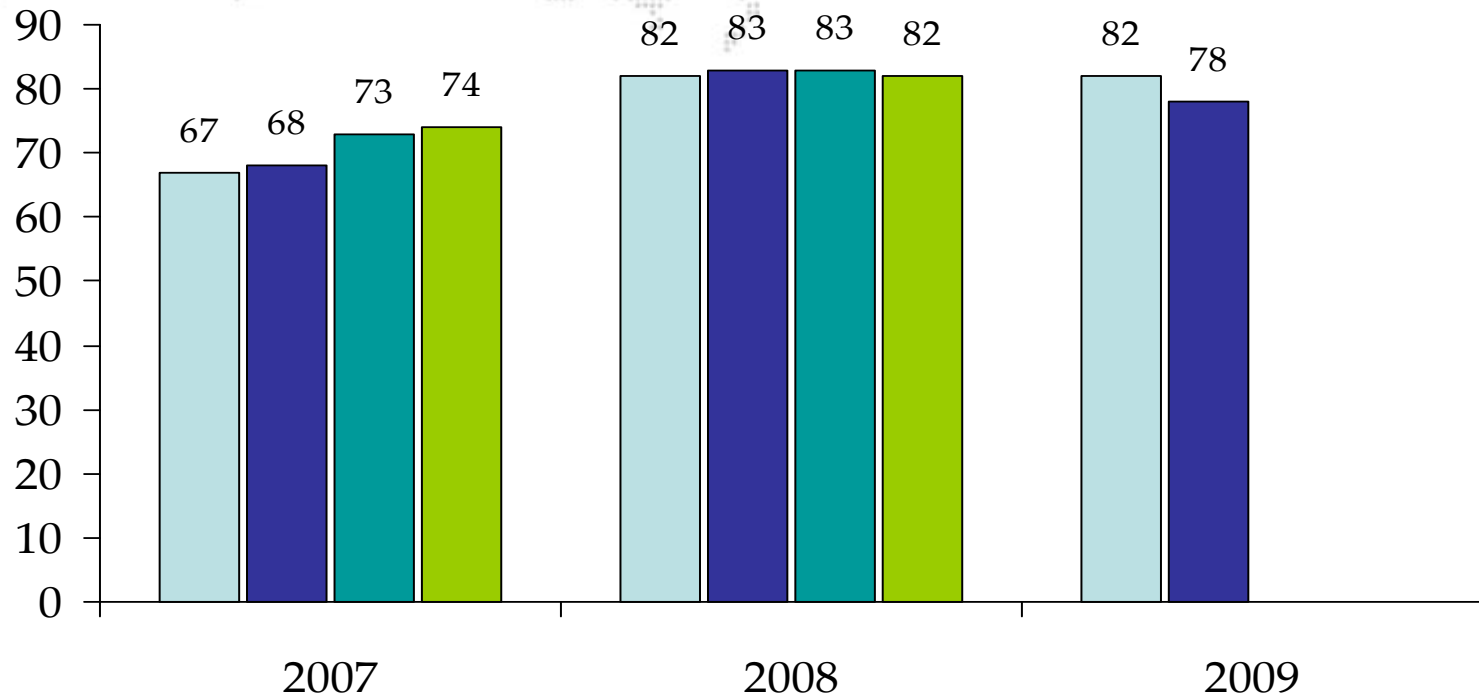
1 476

1 248



OPERATING EXPENSES

Per Quarter (in USD million)



Accumulated

282

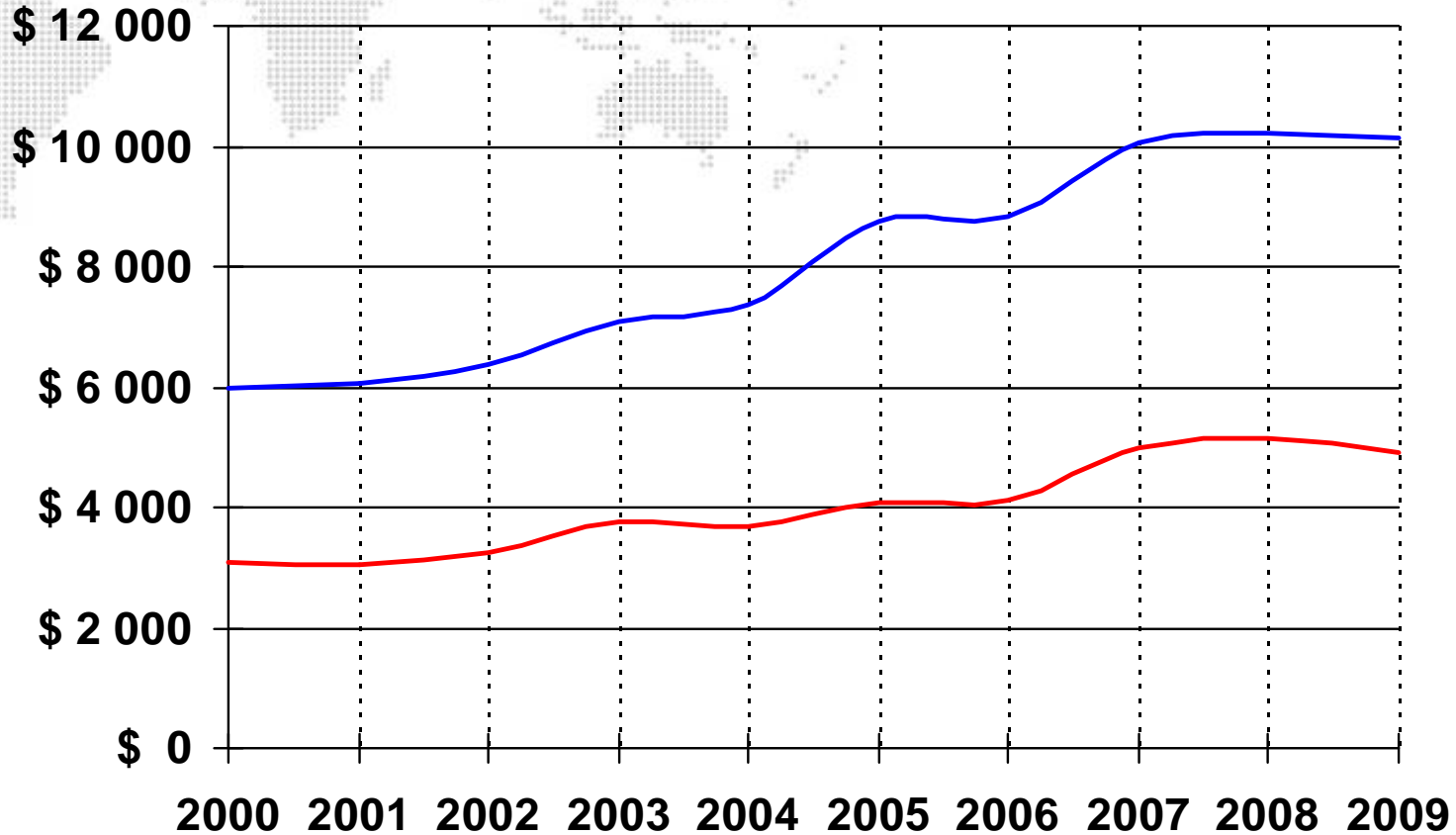
330

320



VESSEL OPERATING EXPENSES

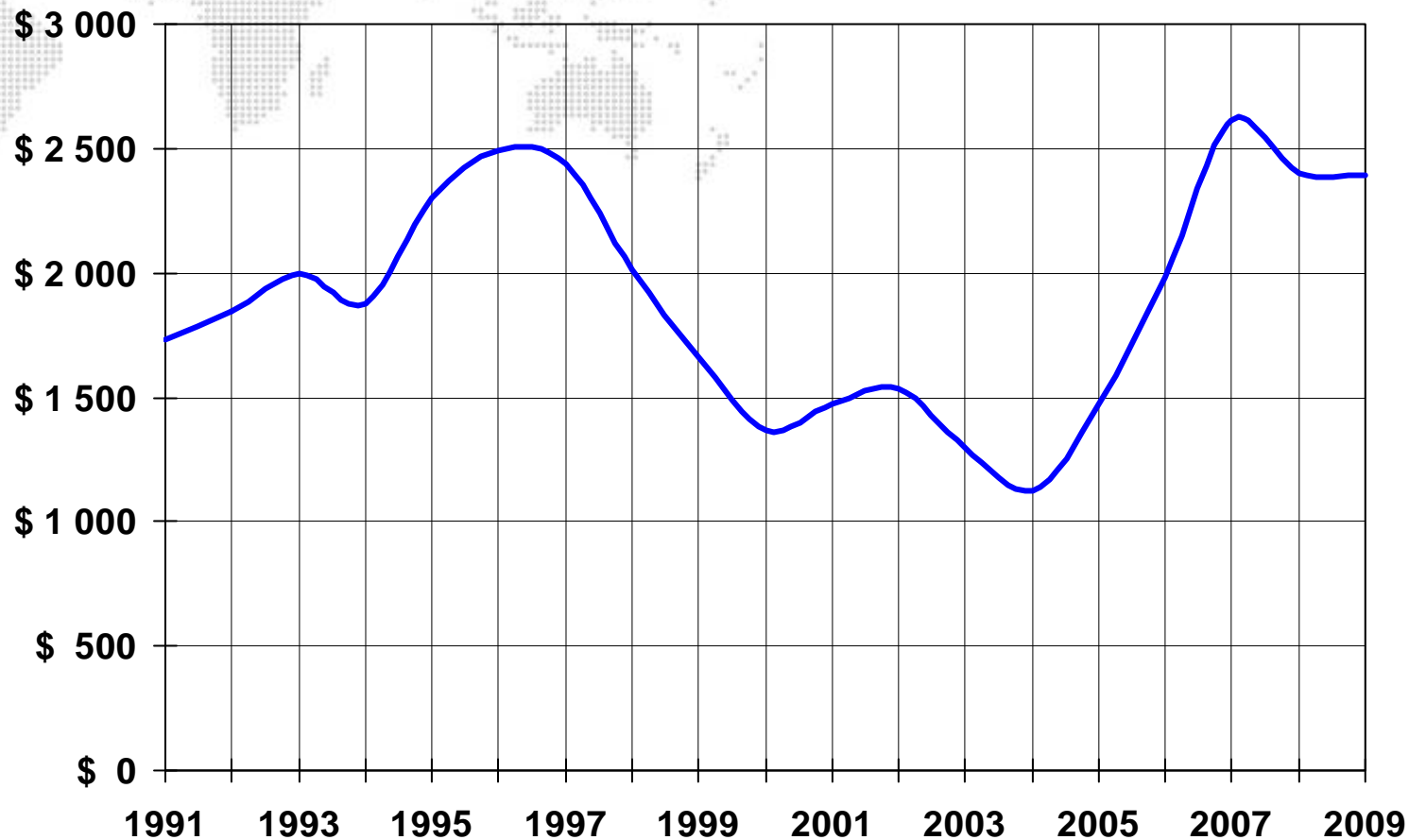
(Large Parcel Tankers)



— USD / day, total — USD/day, crew

DRY-DOCKING COST

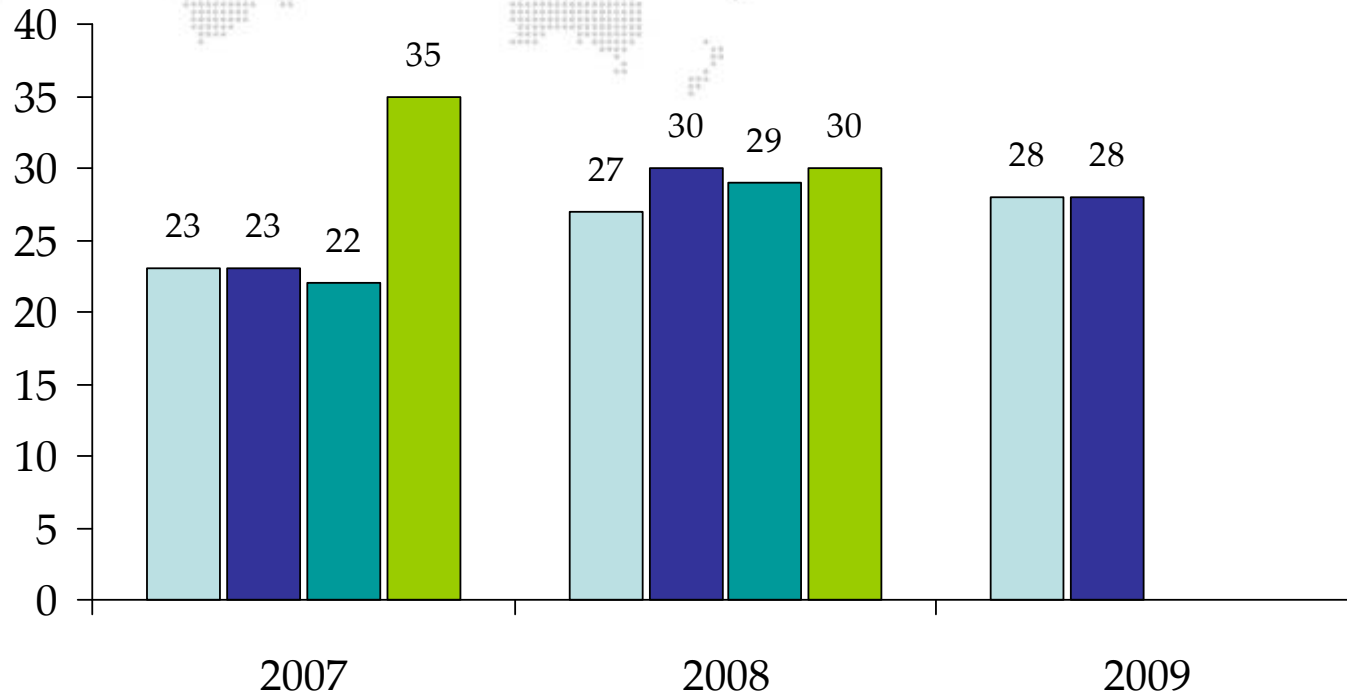
(Large Parcel Tankers)



— USD/day, 3 year moving average

ADMINISTRATIVE EXPENSES

Per Quarter (in USD million)



Accumulated

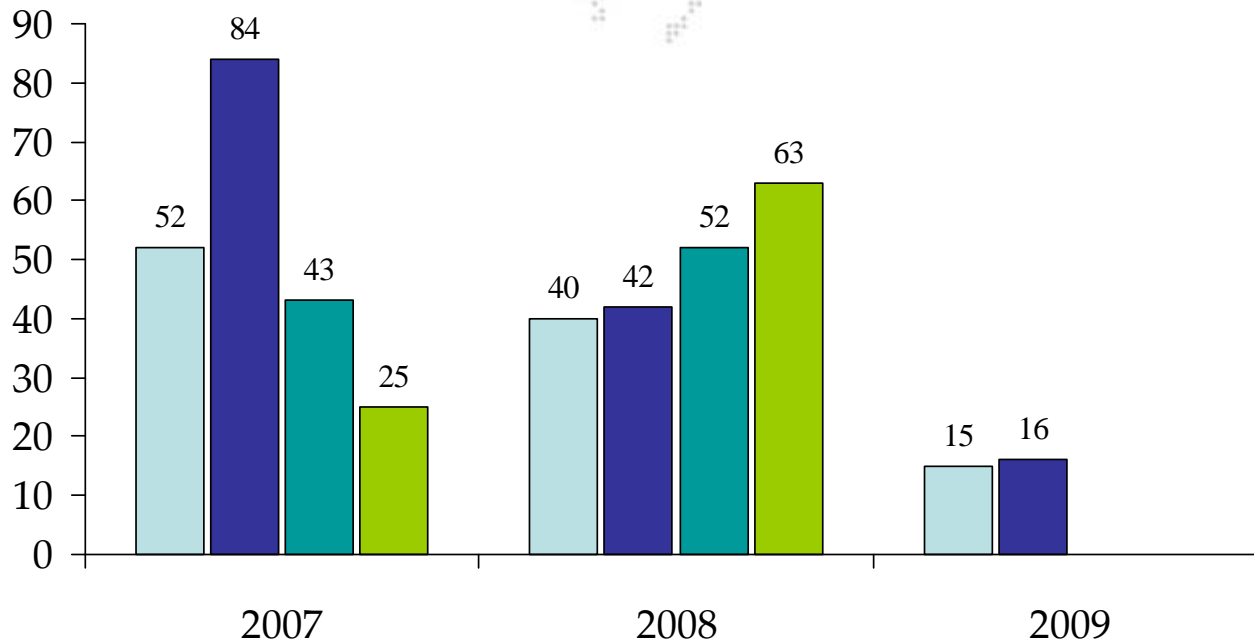
103

117

112

OPERATING RESULT (EBIT)

Per Quarter (in USD million)



Accumulated

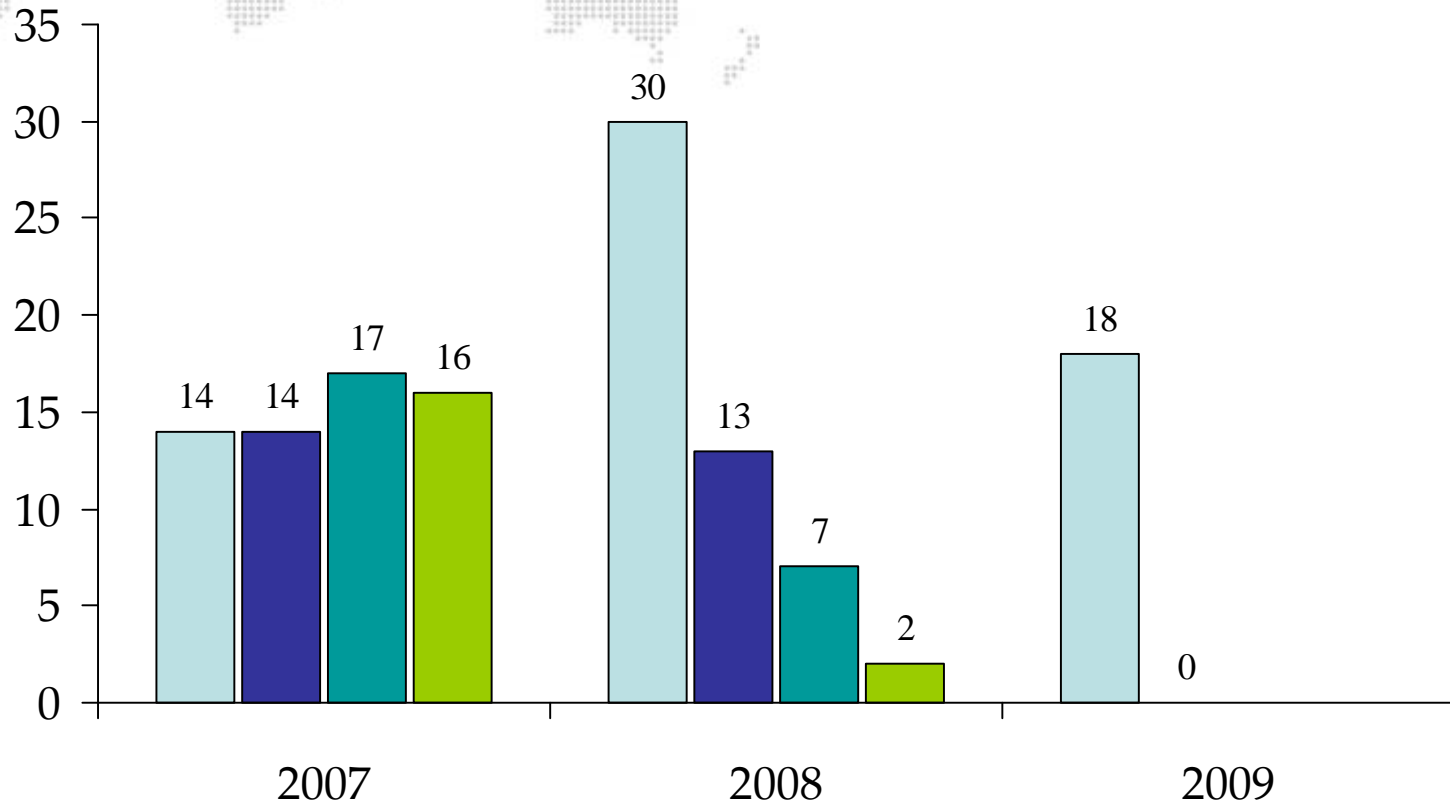
204

198

62

NET FINANCIAL EXPENSES

Per Quarter (in USD million)



Accumulated

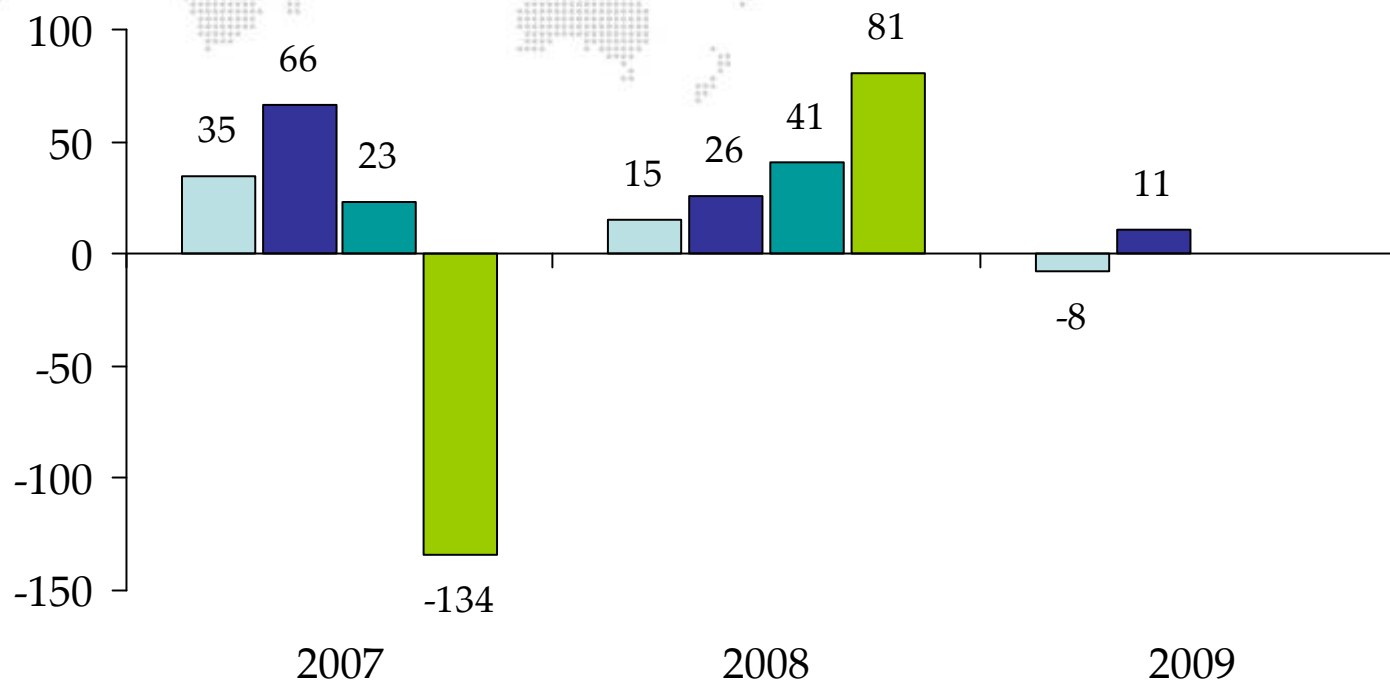
61

52

36

NET RESULT

Per Quarter (in USD million)



Accumulated

(10)

163

6

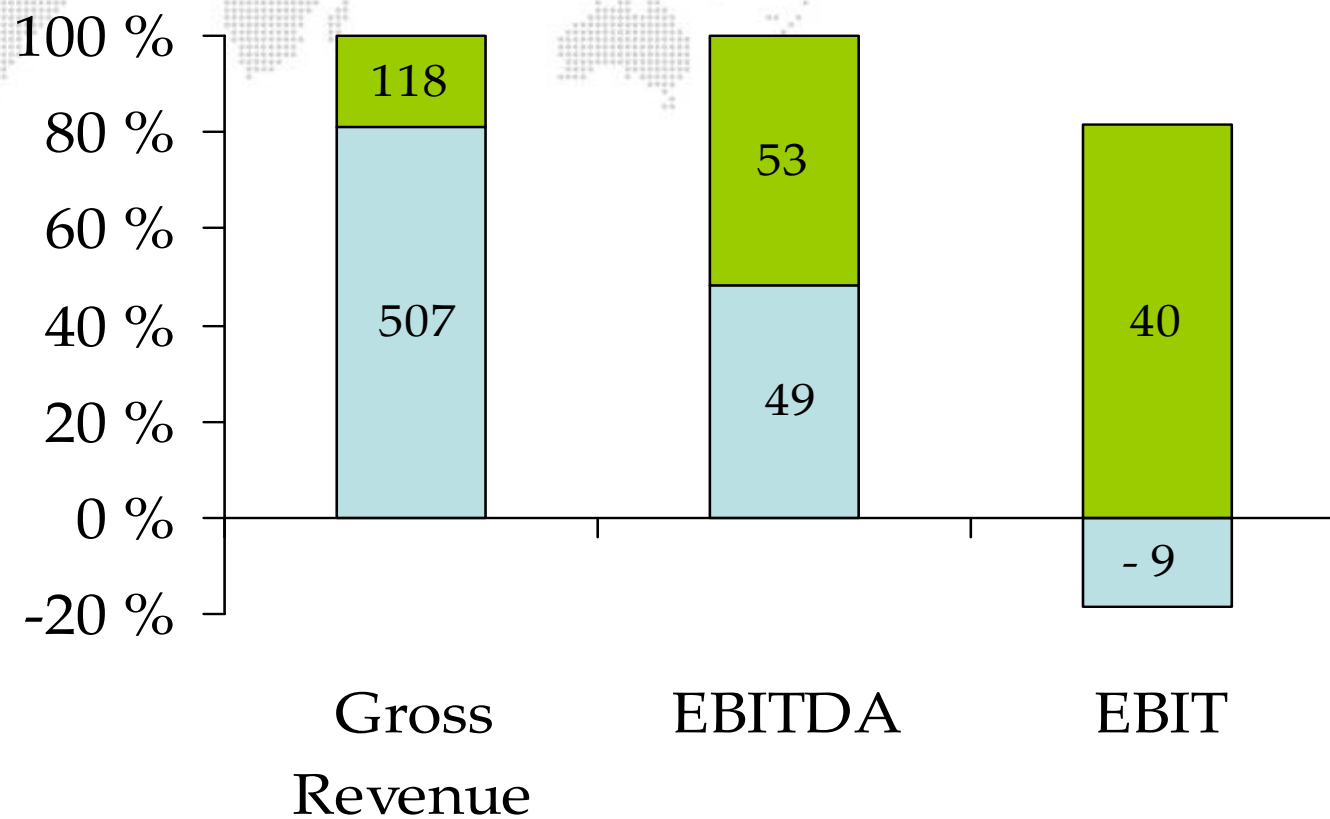


OPERATING RESULT PER SEGMENT

USD million	2Q08	3Q08	4Q08	1Q09	2Q09
Parcel Tankers	47	62	27	24	25
Tank Terminals	26	24	24	27	27
Sum EBITDA	73	86	51	51	52

USD million	2Q08	3Q08	4Q08	1Q09	2Q09
Parcel Tankers	23	35	47	(5)	(4)
Tank Terminals	19	17	16	20	20
Sum EBIT	42	52	63	15	16

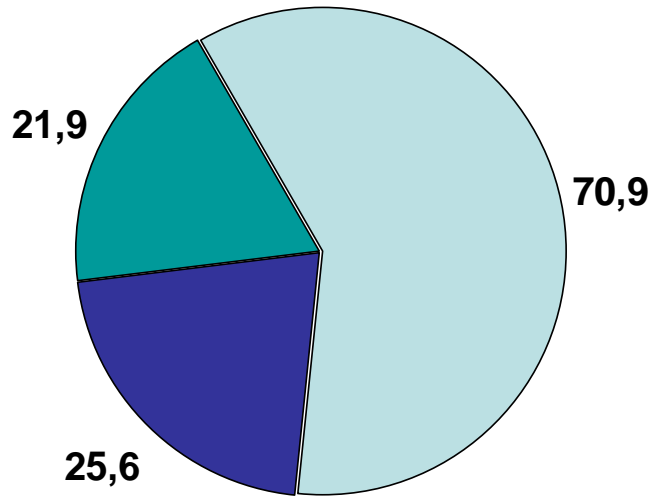
GROSS REVENUE, EBITDA AND EBIT PER SEGMENT



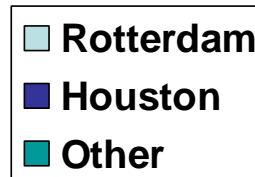
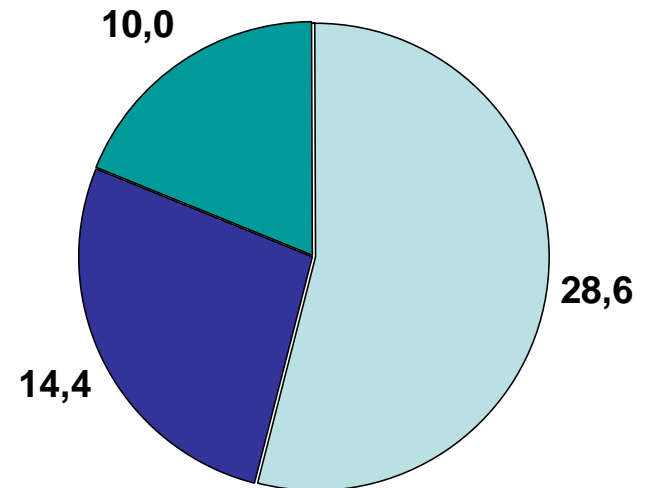
■ Parcel Tankers ■ Terminals

TANK TERMINALS GROSS REVENUE

Gross Revenue

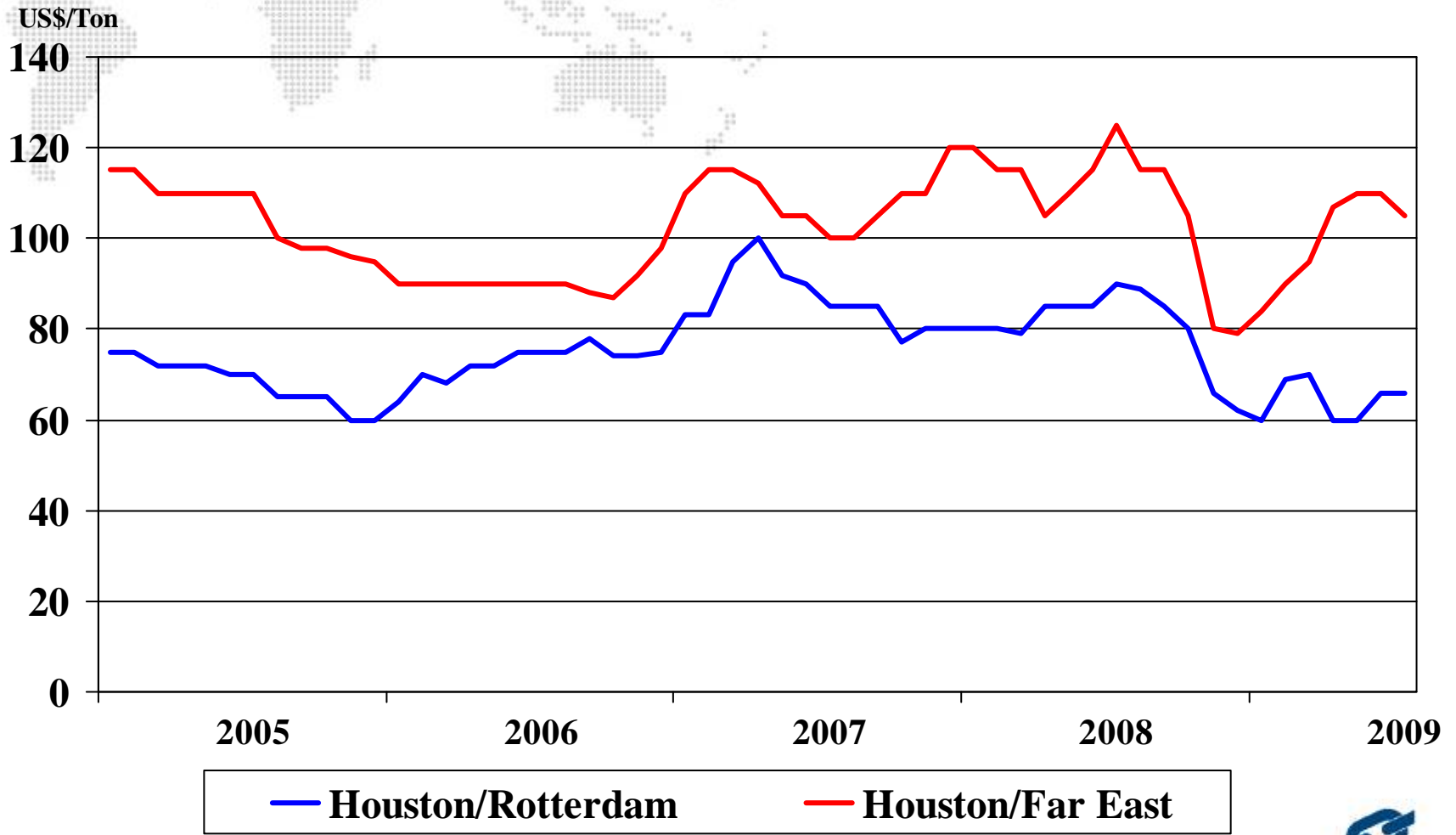


EBITDA



FREIGHT RATE DEVELOPMENT

1,000 mts stainless steel grade chemicals

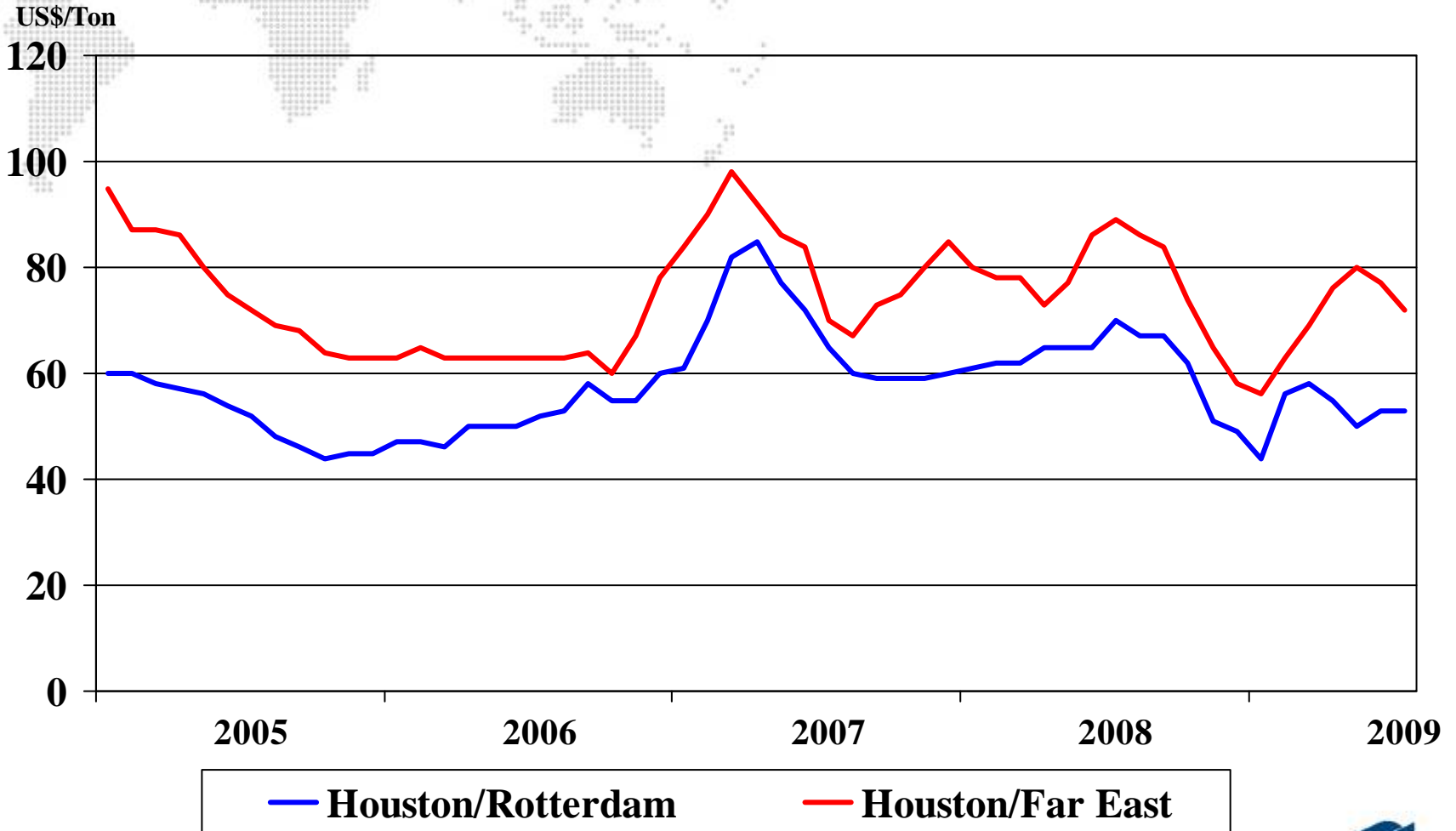


Source: Quincannon Associates, Inc.



FREIGHT RATE DEVELOPMENT

3,000 mts easy grade chemicals



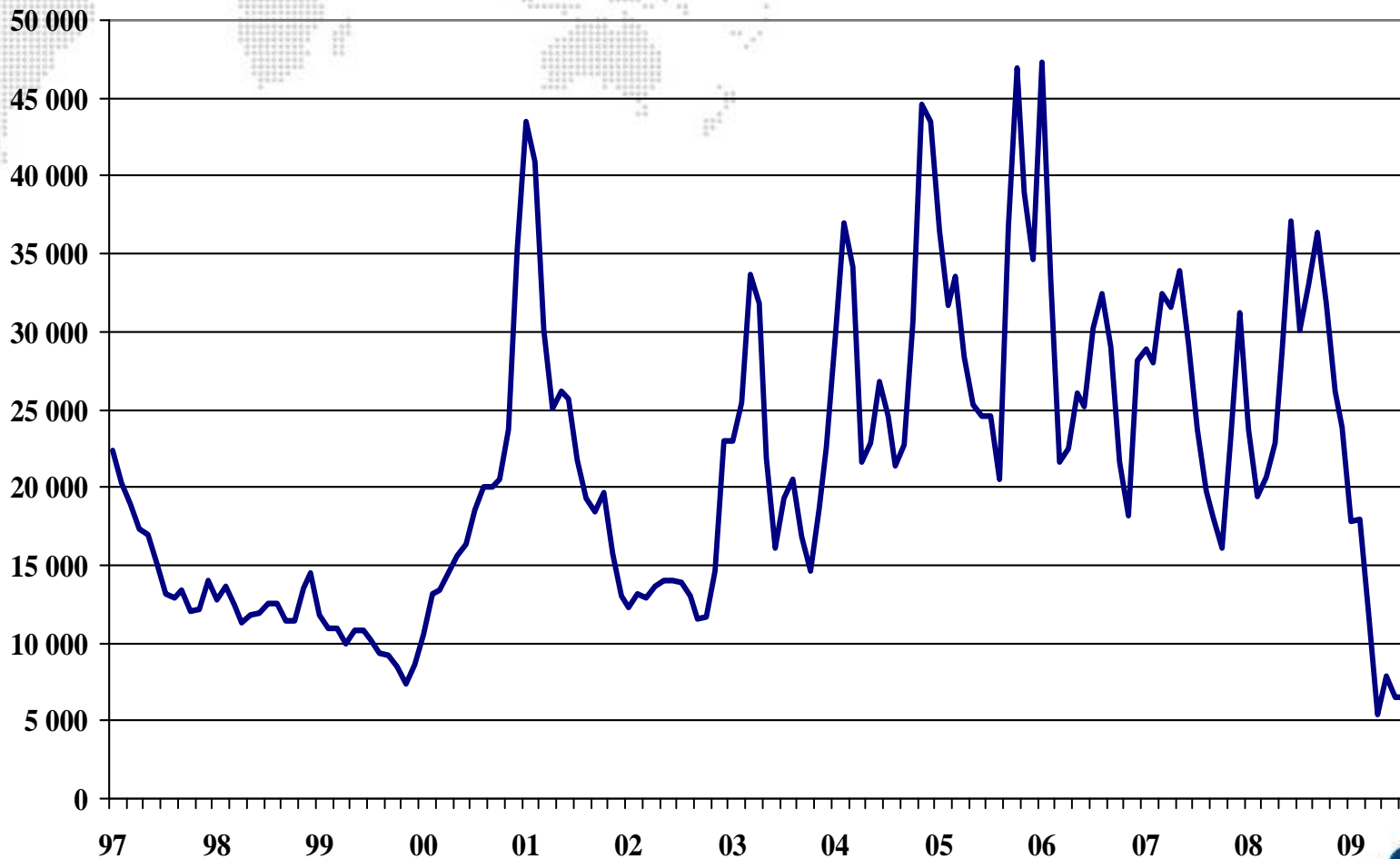
Source: Quincannon Associates, Inc.



MARKET DEVELOPMENT CPP

Monthly averages

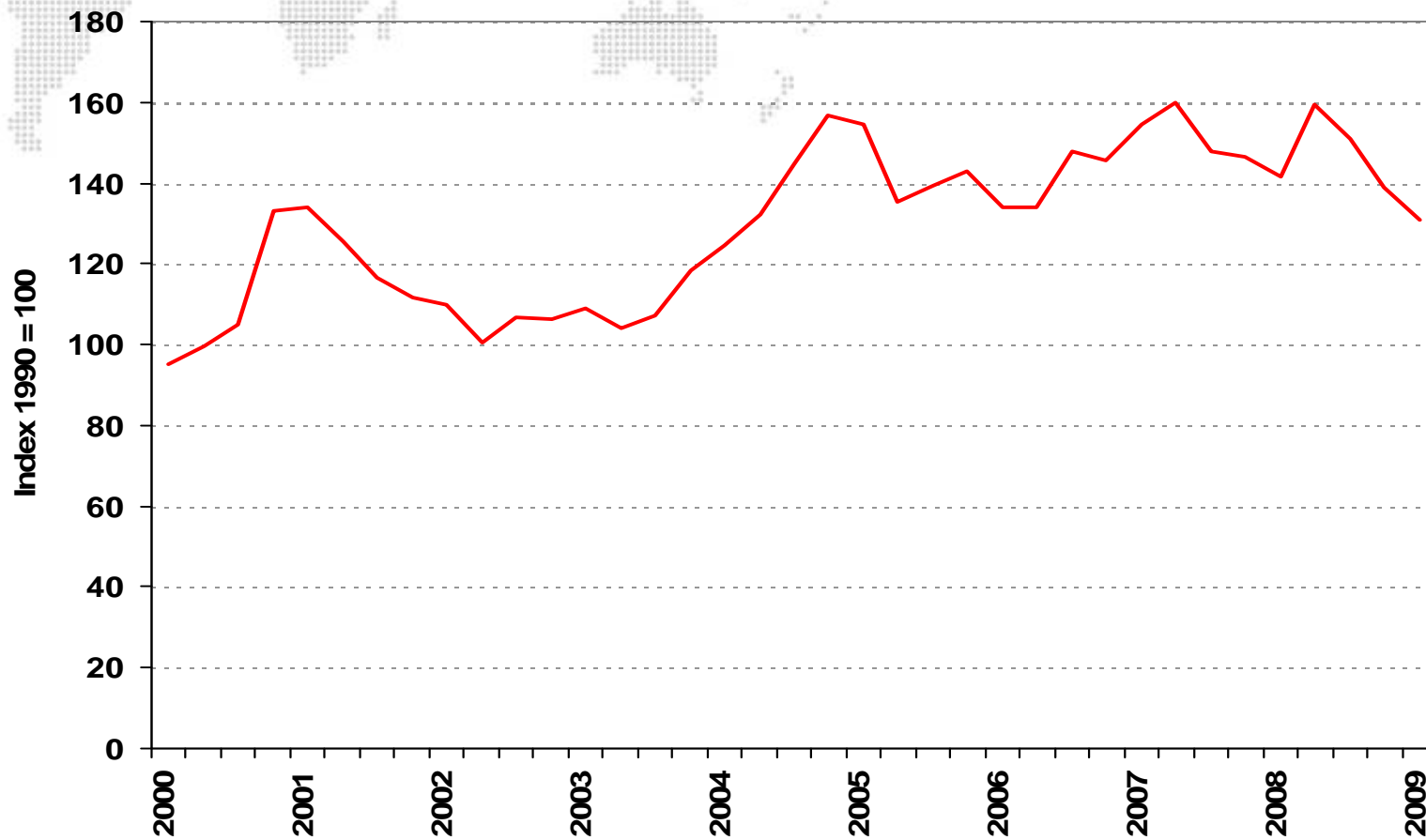
US\$/Day



Source: Clarkson



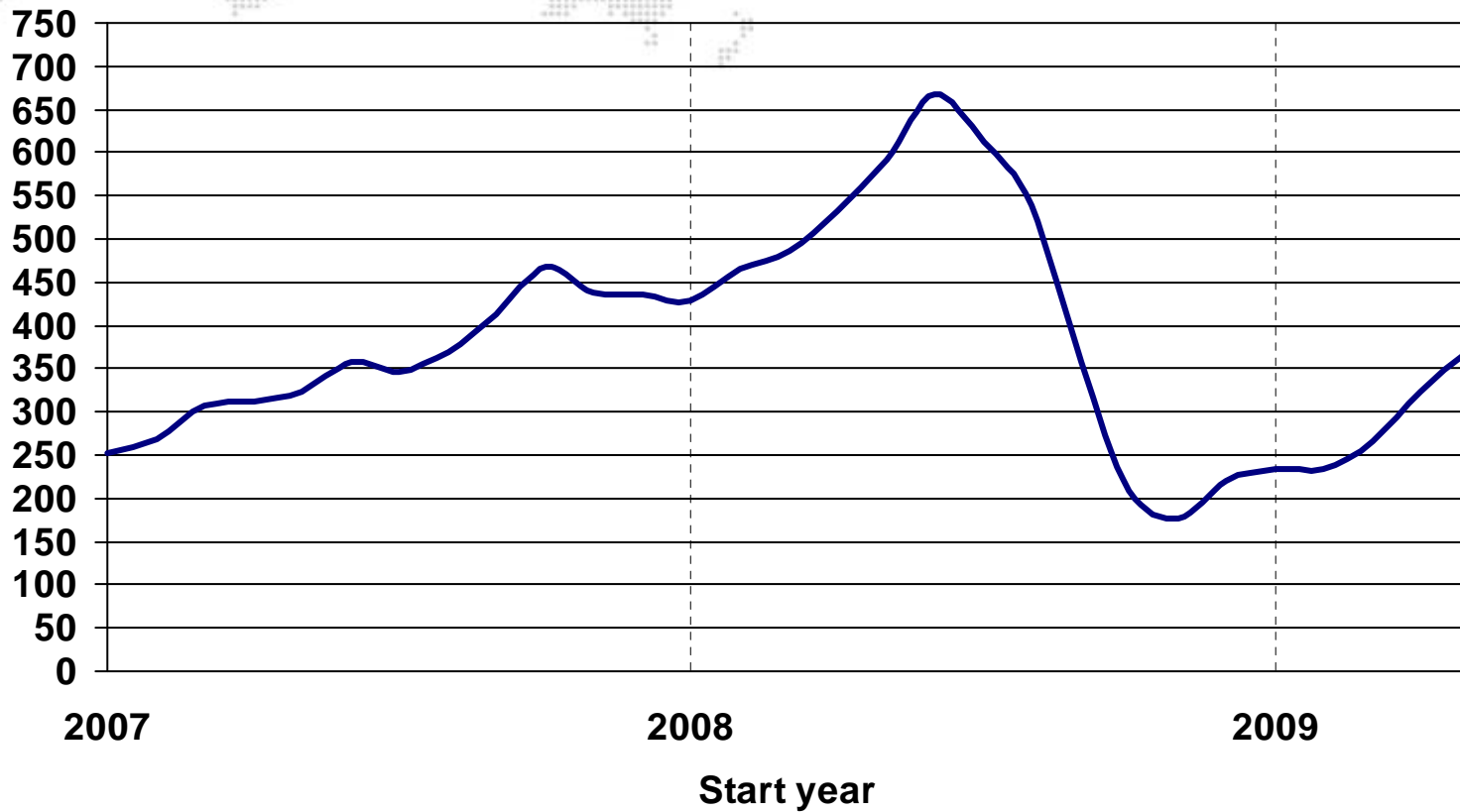
ODFIX



BUNKERS

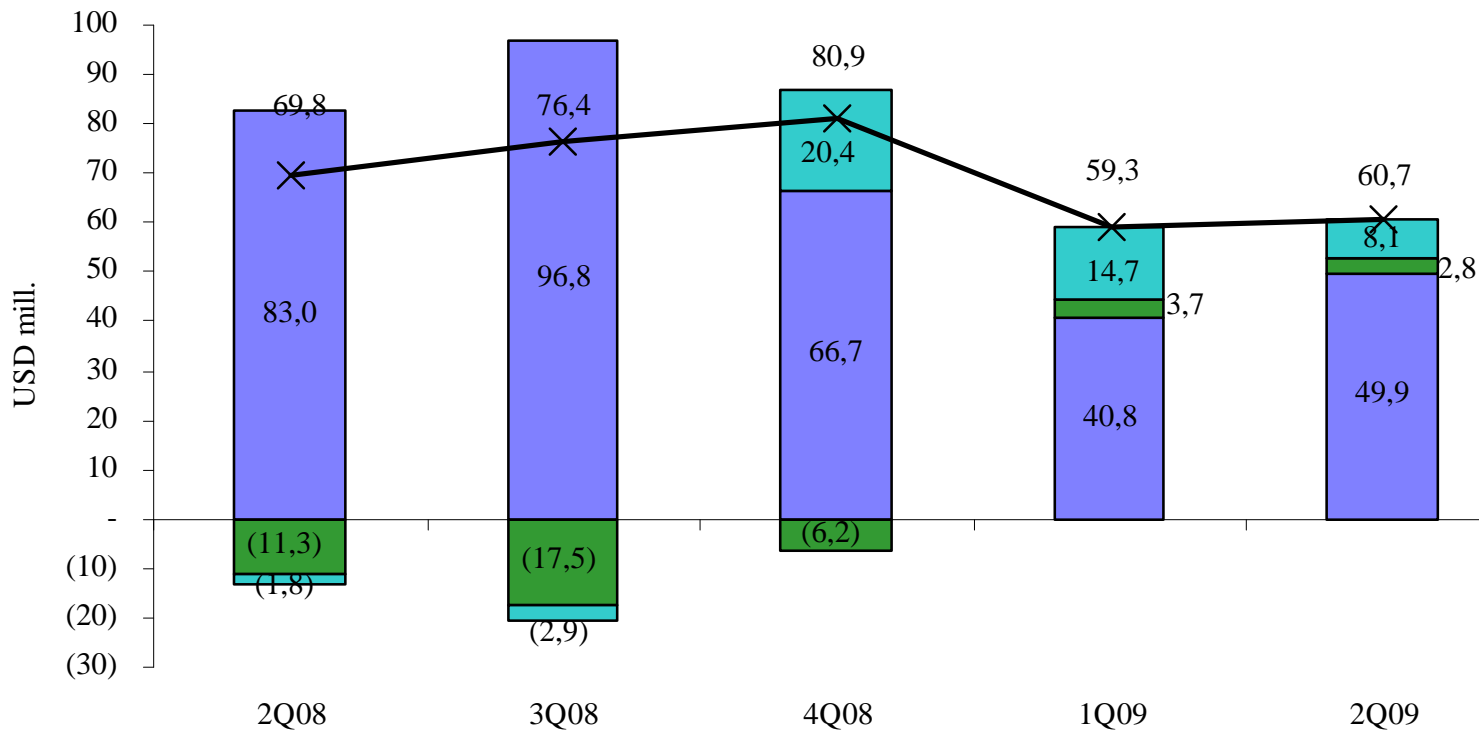
(380 CST in Rotterdam)

USD/mt



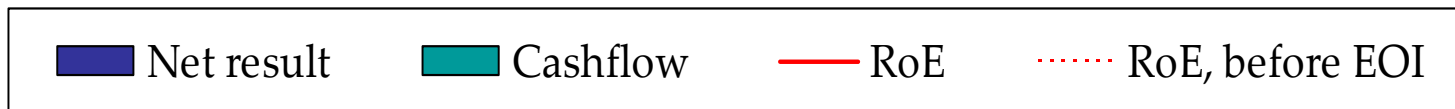
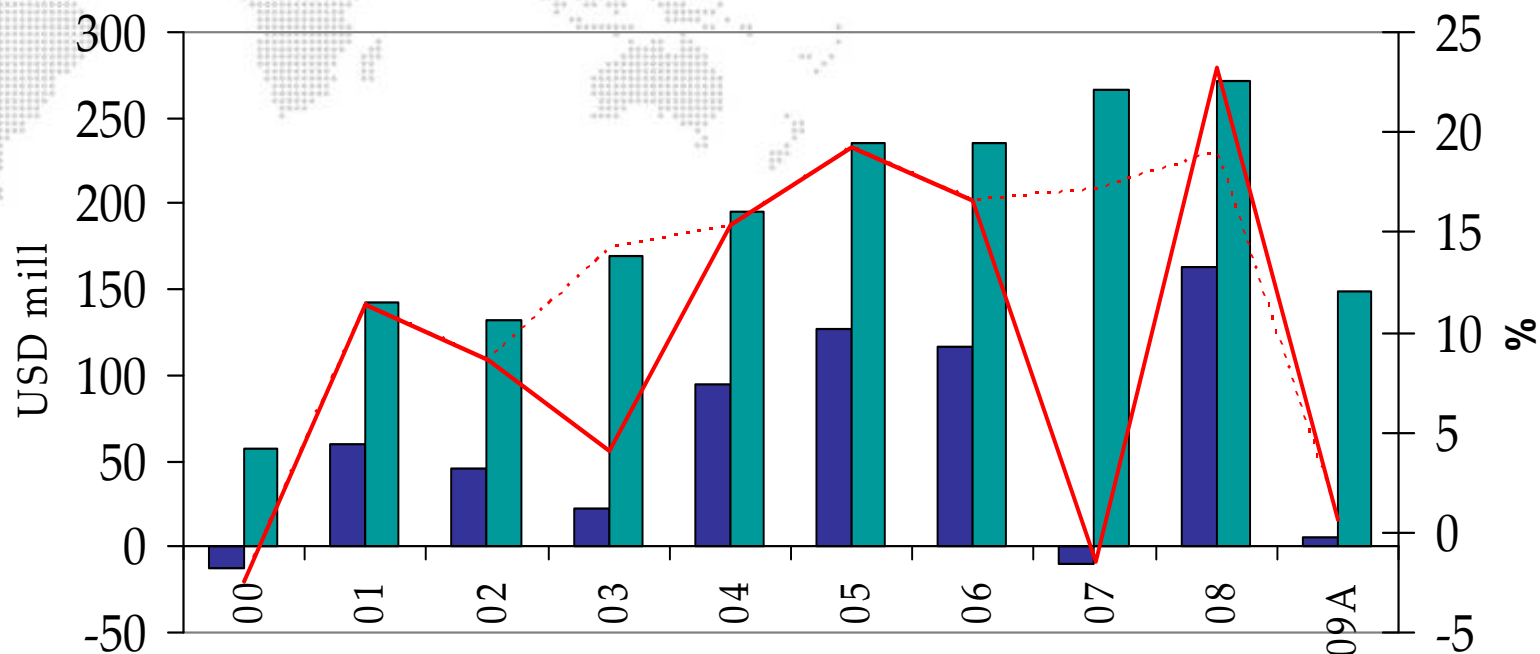
NET BUNKER COST LARGE TANKERS

Bunker cost analysis



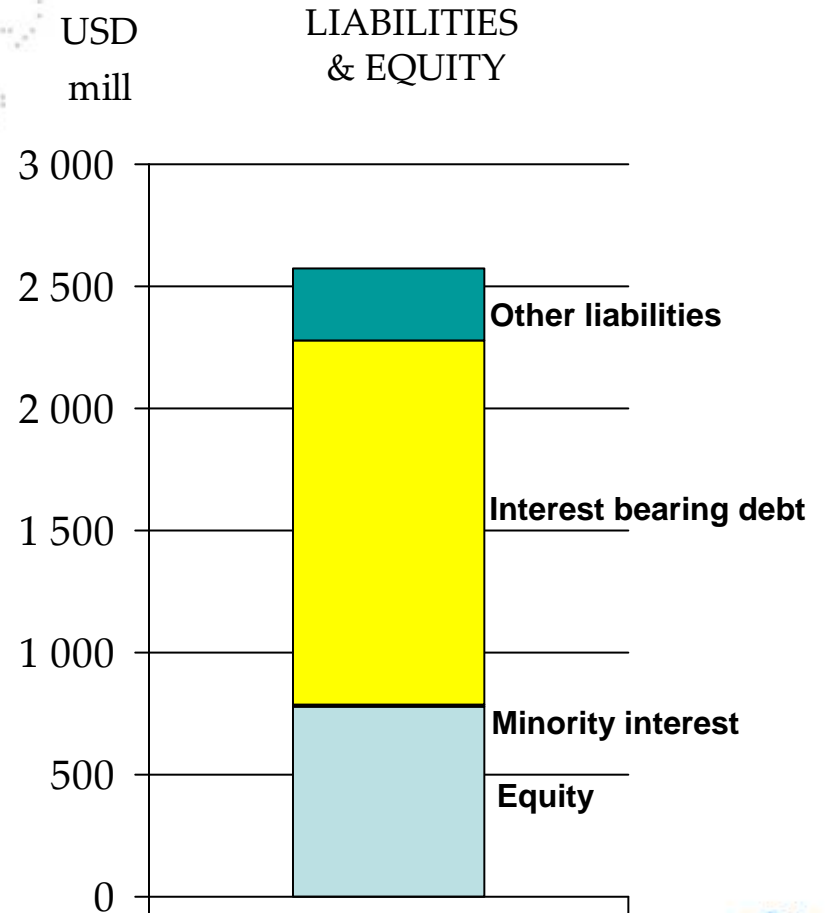
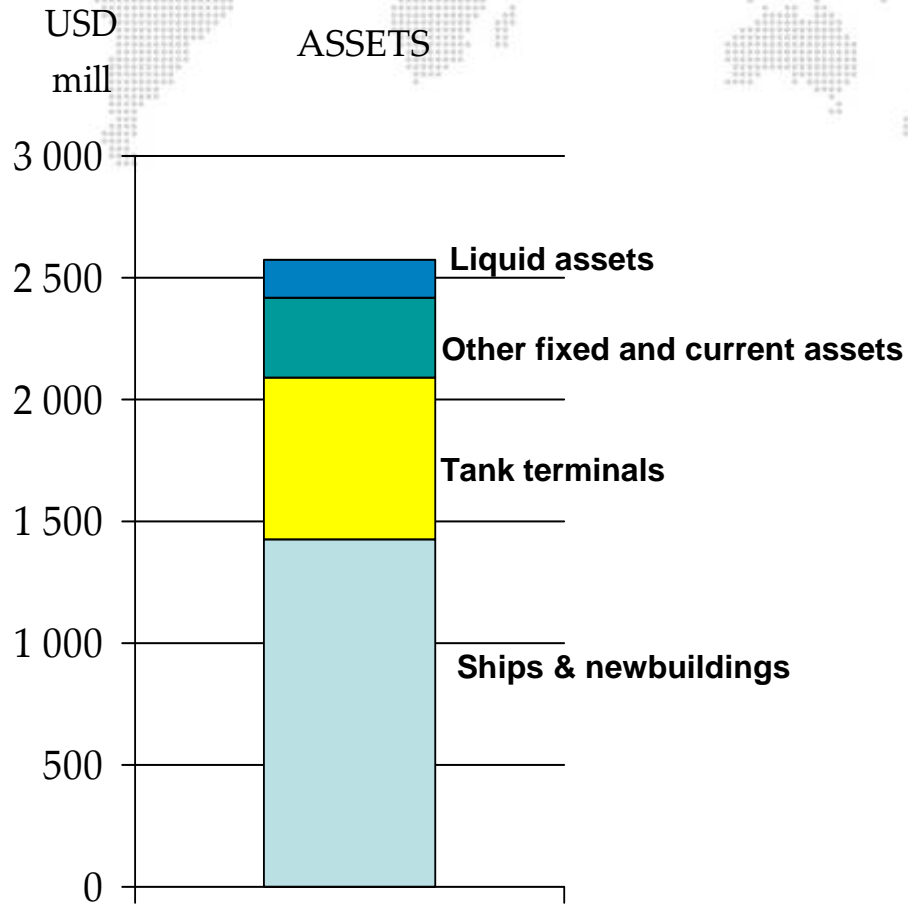
■ Effect of bunker cost
 ■ Effect of bunker clauses
 ■ Effect of bunker hedging
 ✕ Net bunker cost

NET RESULT CASHFLOW AND RETURN



Average	RoE	ROCE
-2000 -08	10.5%	8.5%
-2009	0.7%	3.0%

BALANCE SHEET



YEARLY SENSITIVITIES

T/C RATES

- ◆ Large/regional parcel tankers USD 1000/500 day

USD 24 mill

CURRENCY

- ◆ USD 10% stronger vs. NOK improve net result by
 - ◆ Voyage, opex, docking, admin
 - ◆ Norwegian back-taxes

USD 13 mill excl. hedging

USD 7 mill excl. hedging

BUNKERS

USD 100 per metric ton

USD 60 mill excl. hedging

INTEREST RATES

USD LIBOR 1 %

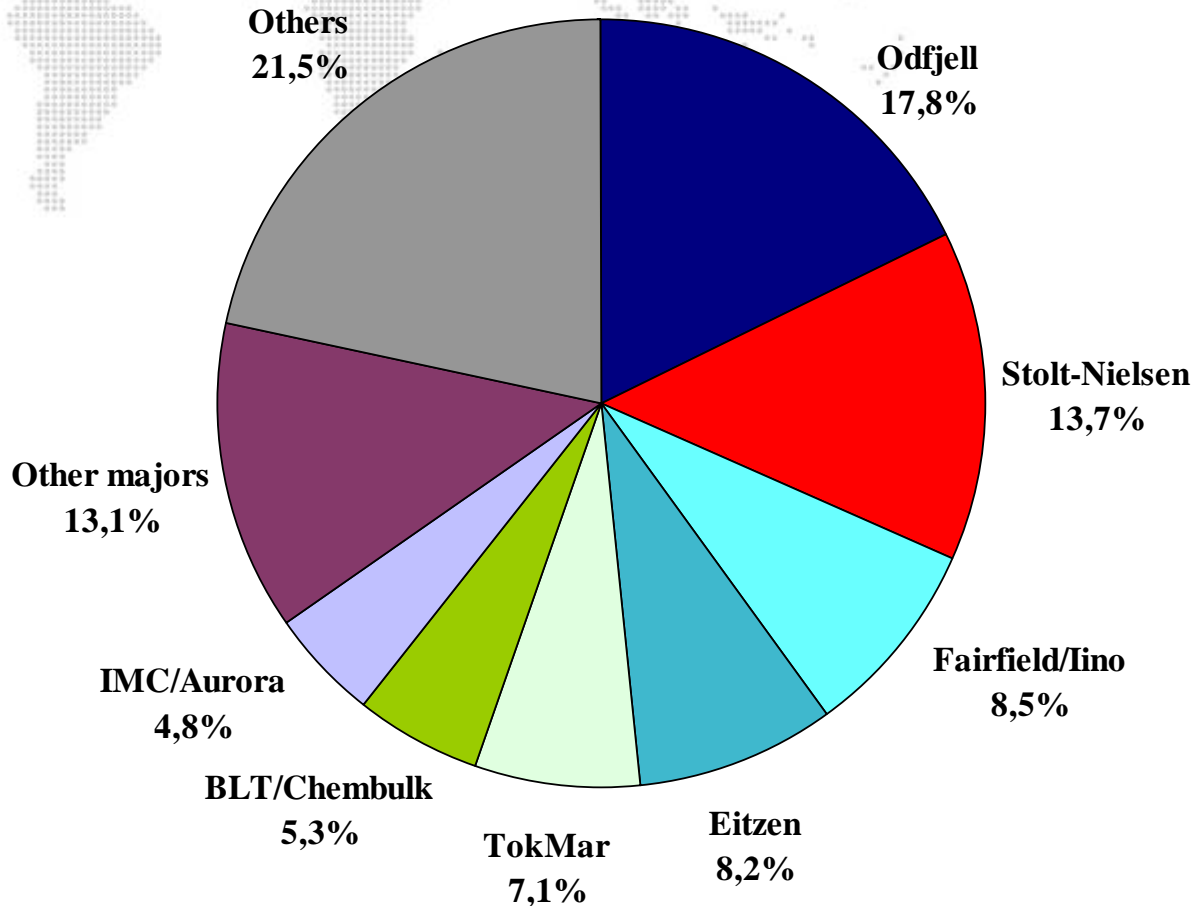
USD 15 mill

USD LIBOR 1 % after hedging/fixed rate/cash

USD 8 mill

Core Chemical Tanker Market

Ships 13,000 dwt and above



Definition

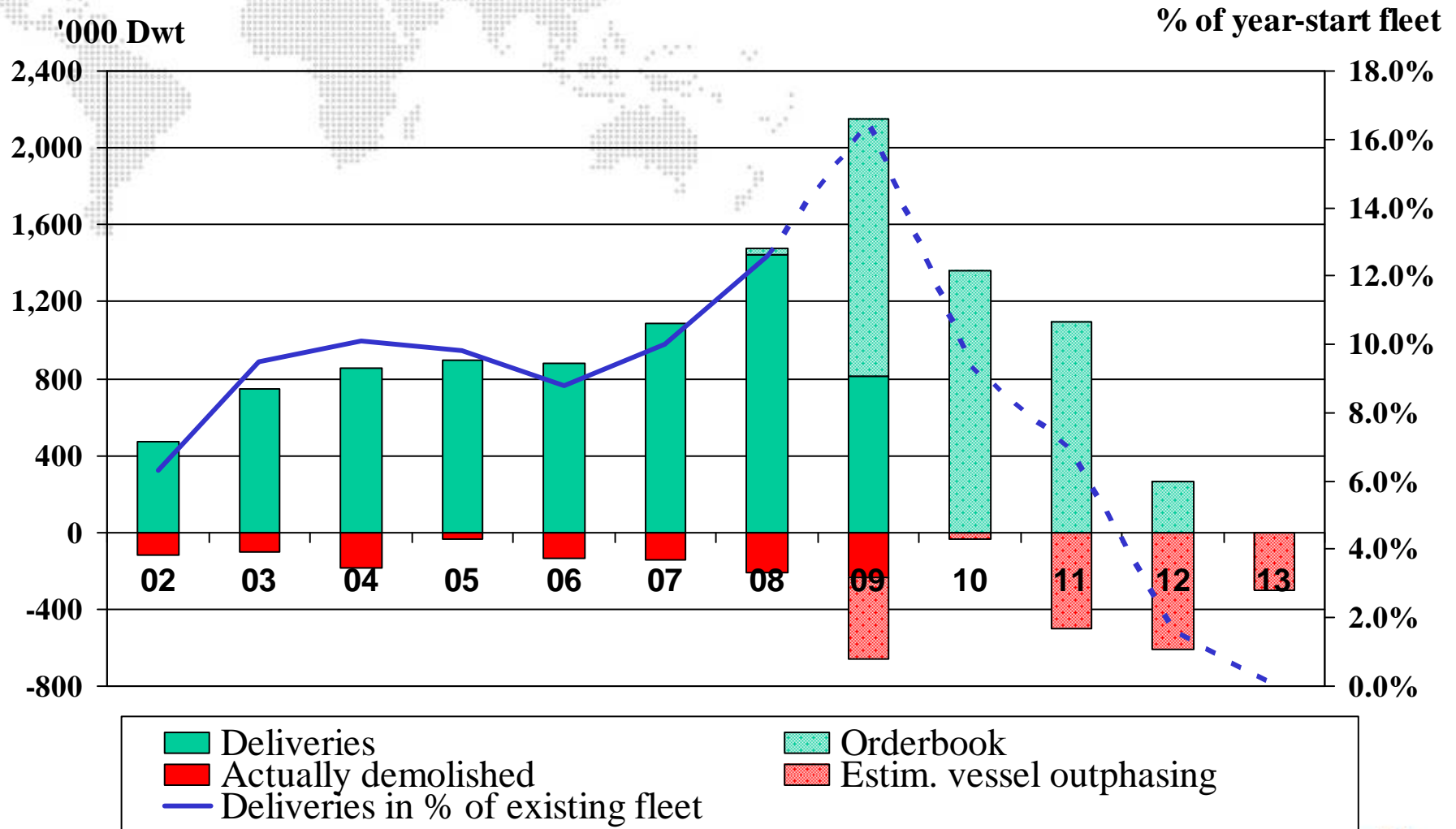
- Minimum 13,000 dwt
 - IMO II
 - Average tank size less than 3,000 cbm
 - Minimum 6 cargo tanks
 - Commercially operated/controlled by recognised chemical tanker operator
- or
- Chemical tanker with more than 50% of total capacity stainless steel

Total fleet about 13.5 million dwt, 531 ships

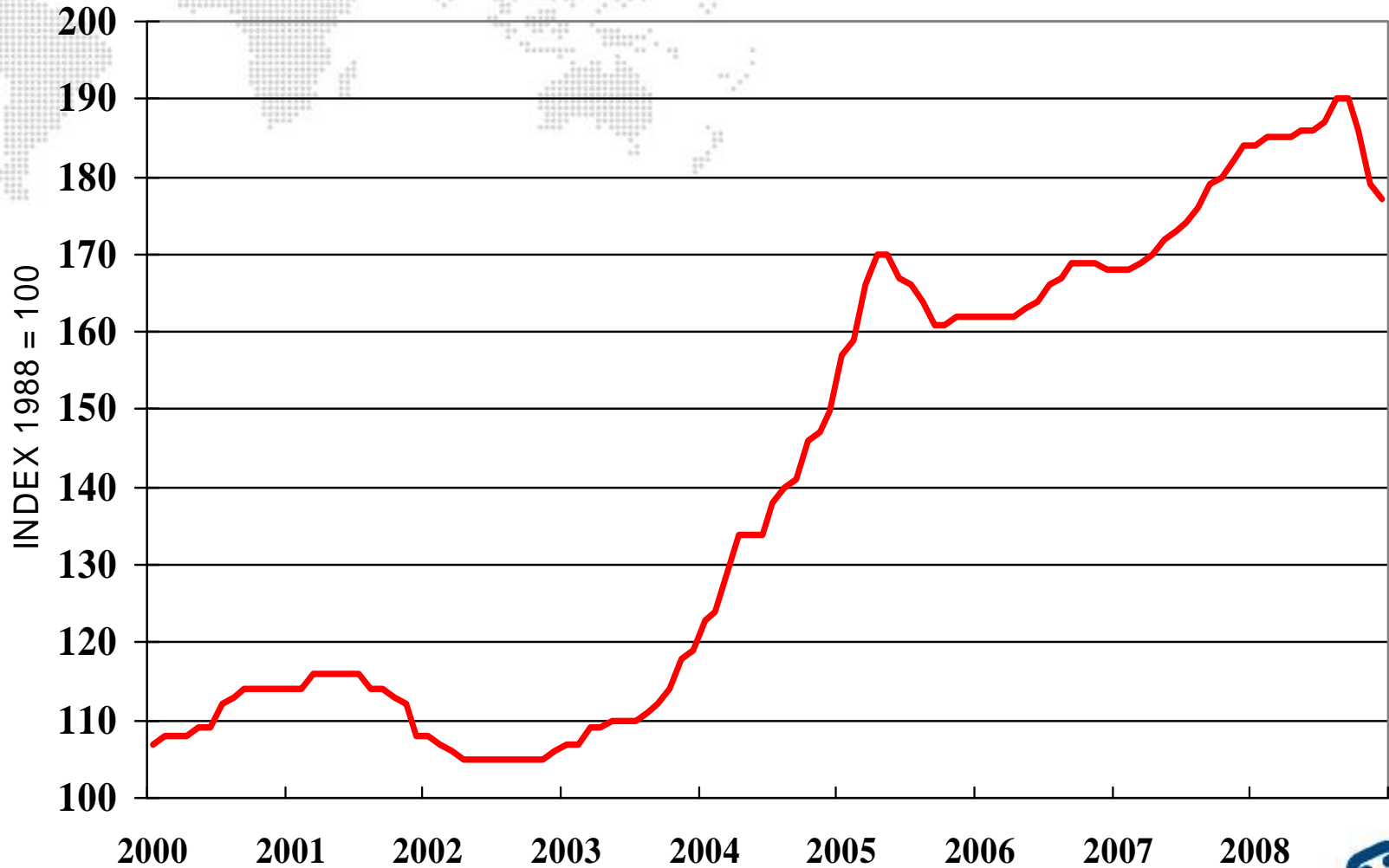


Core Chemical Deep-sea Fleet 2002-2013

Current orderbook and estimated demolition



NEWBUILDING PRICE INDEX



Source: Clarkson Research Services



NEWBUILDINGS ON ORDER



Yard	Number	Delivery	Owner
Chuan Dong	6	2010-2012	Odfjell
Kitanihon	1	9/2009	T/C

TANK TERMINAL PROJECTS AND EXPANSIONS

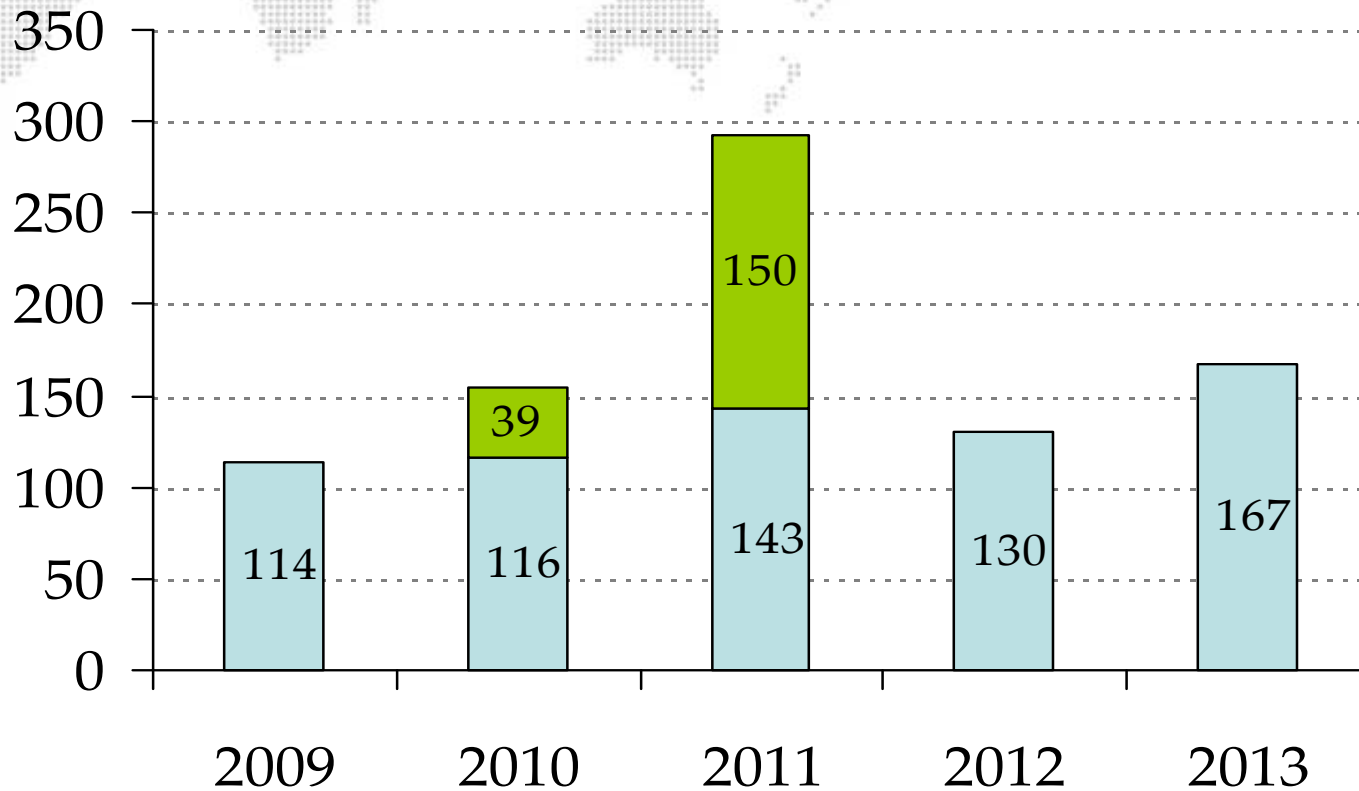


Location	CBM Expansion	New total	Completion
Korea	79 920	250 920	Q3 2009
Oman	425 000	1 267 500	Q1 2011
Iran	22 000	22 000	Q3 2009
Singapore	40 000	365 000	Q3 2009

CAPITAL EXPENSES

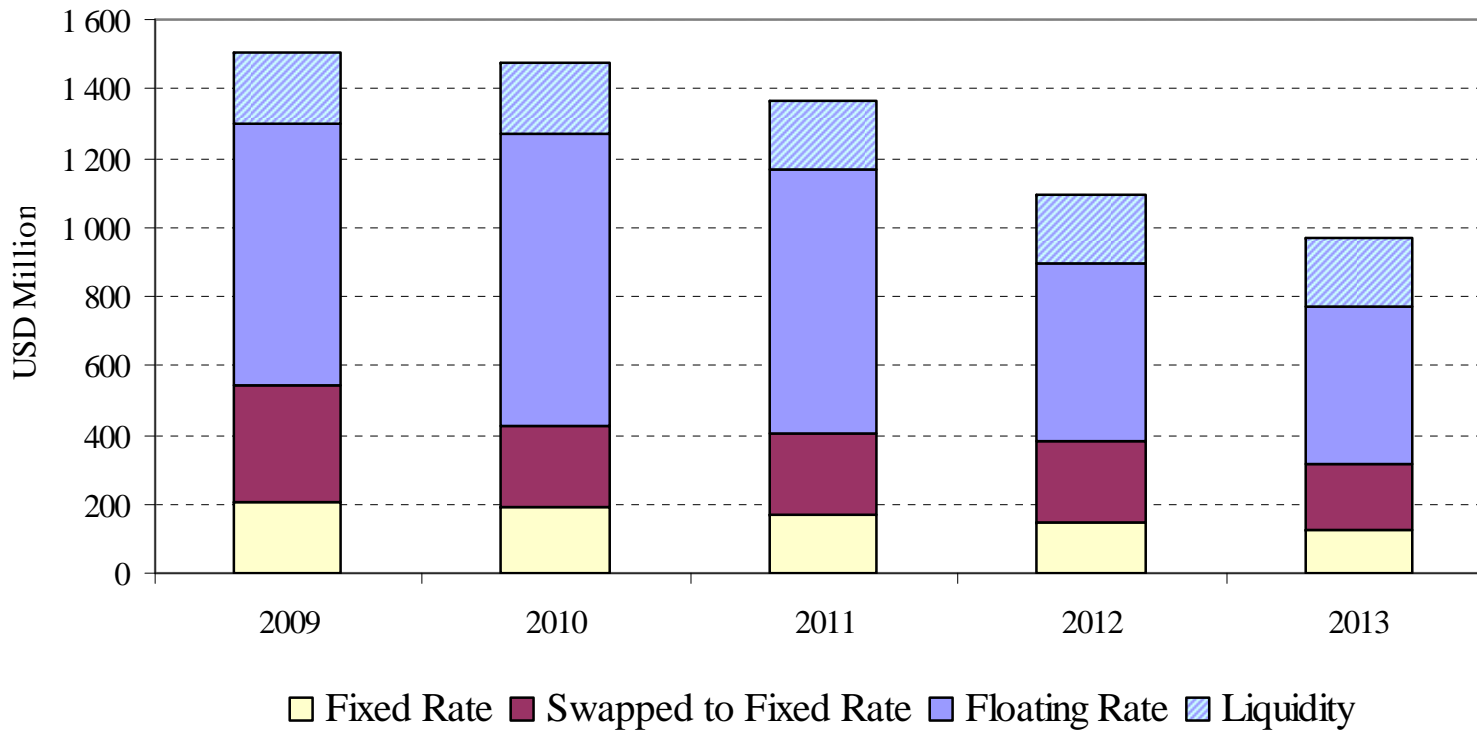
(In USD million)	2nd half 2009	2010
China 6 x 9 000 dwt	12	30
Docking	20	40
Terminals	84	40
Total	116	110

DEBT MATURITIES

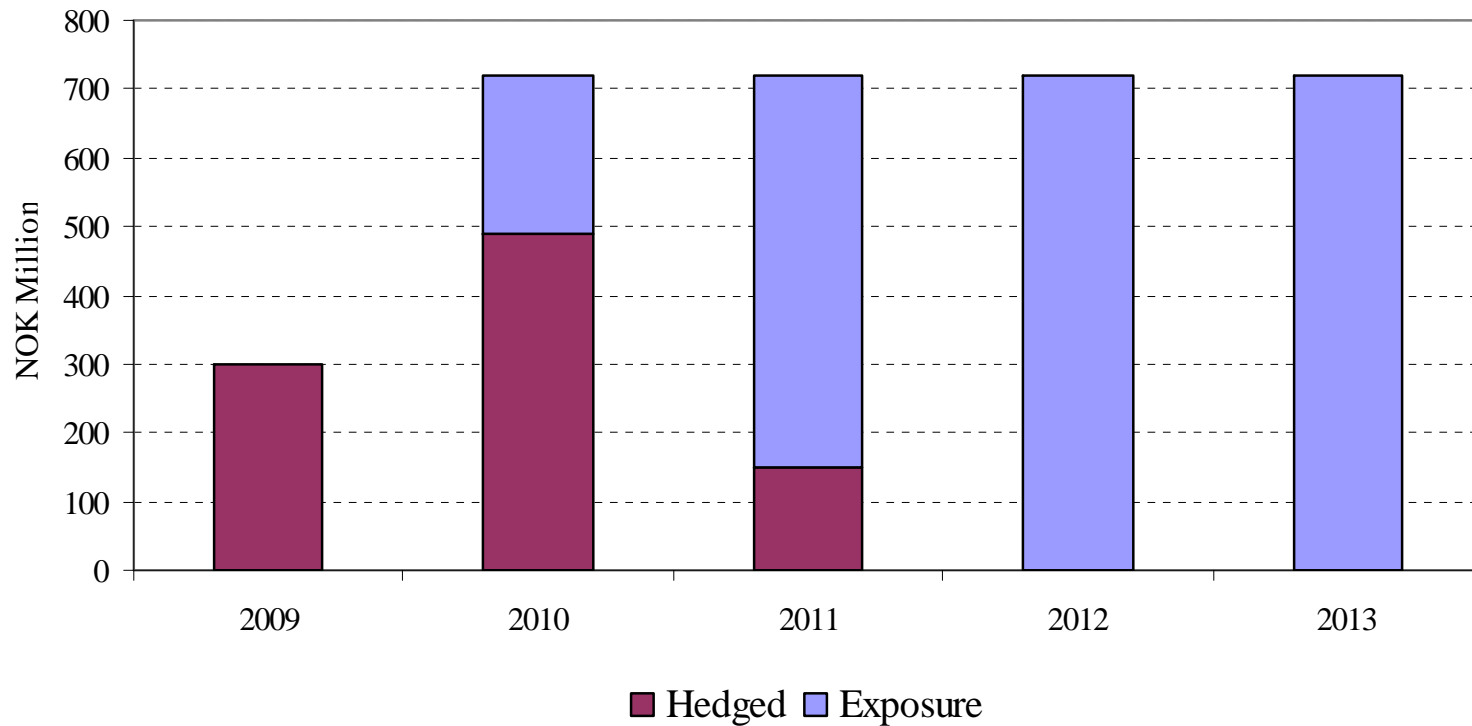


Bank Debt Bonds

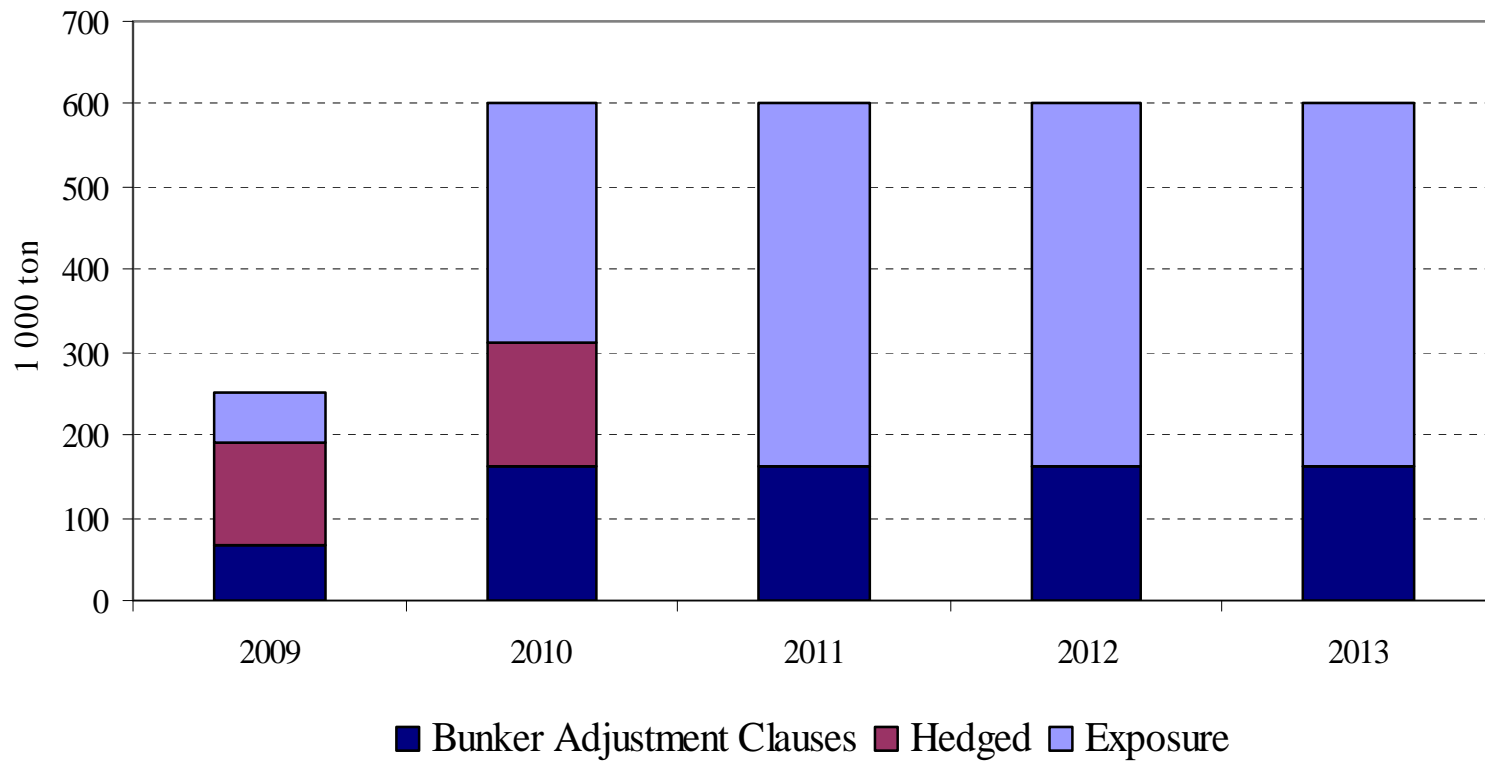
HEDGING – DEBT



HEDGING – CURRENCY



HEDGING – BUNKER



Cost cutting

- Continued strong focus on the cost side throughout the Odfjell Group
- Savings already achieved in several business units
- Goals for overall savings will be established

PROSPECTS

- A slow and demanding recovery in the US, but the economy is not expected to normalize for quite some time.
- China's economy expanded 7,9% in second quarter.
- Expect tank terminal results to remain stable.
- Uncertain outlook for shipping.
- Estimate the operating result going forward to be in line with the 2nd quarter.

Thank you for listening. Questions?

