

# Interim report H1 2009

Notice to the Stock Exchange no. 60  
Made public on 27 August 2009



Nordic Tankers A/S  
CVR no. 76 35 17 16

## Summary

**Nordic Tankers A/S reported a loss after tax of USD 27.9 million for the first half of 2009, of which USD 25.8 million related to write-downs on the company's vessels. Full year expectations have been lowered to between USD -32 million and USD -36 million.**

The market value of the company's vessels has fallen, and the company has, therefore, decided to write down the value of a part of the company's fleet by USD 25.8 million. The write-down has no effect on liquidity.

The net loss for the first half of 2009 amounted to USD 2.8 million before reversal of USD 0.7 million relating to transactions made by the former Supervisory Board and write-downs of USD 25.8 million.

The first six months of the year were strongly affected by the negative development of the global economy with falling freight rates throughout most of the period. After a brief improvement at the beginning of the year, the product tanker market was hit hard by the slow-down in global activity. The financial results reflect the weak tanker market and the low freight rates, and the Supervisory Board considers the financial results to be unsatisfactory.

Due to the weak market development and continued uncertainty about the development of the global economy, full year expectations have been lowered. We now expect to report a loss after tax for the full year 2009 of between USD 6 and 10 million before the above-mentioned write-downs of USD 25.8 million. After the first quarter of 2009, the company expected to report a loss of between USD 0 and 5 million before write-downs.

As an element of the strategy "Rebound 2012", which was presented at the company's general meeting on 23 April 2009, the company has set up an operative office in Copenhagen (Tuborg Boulevard 12, 2900 Hellerup). The Supervisory and Executive Boards are working actively to implement the other elements of the strategy, which aim at having Nordic Tankers participate in the consolidation of the market for product and chemical tankers.

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## Company data

### **Company**

Nordic Tankers A/S  
Sønderlandsgade 44  
DK-7500 Holstebro  
CVR no.: 76 35 17 16  
Registered office: Holstebro  
Website: [www.nordictankers.com](http://www.nordictankers.com)

### **Parent company**

Nordic Tankers A/S

### **Subsidiaries**

Nordic Copenhagen Shipping Co. Pte. Ltd., Singapore, wholly-owned  
Nordic Oslo Shipping Co. Pte. Ltd., Singapore, wholly owned

### **Jointly controlled entities**

Nordic Searland Tankers B.V., the Netherlands, 50-100% holding, joint venture  
(see group chart page 6)

### **Supervisory Board**

Klaus Kjærulff, Chairman  
Flemming Krusell Sørensen, Deputy Chairman  
Attorney-at-Law Sven Rosenmeyer Paulsen  
Jens Fehm-Christensen  
CEO, LLM Mogens Buschard  
CEO Jesper Tullin

### **Executive Board**

CEO Jens Pontoppidan  
COO Claus Breitenbauch

### **Audit**

Deloitte Statsautoriseret Revisionsaktieselskab

## Management statement

We have today considered and approved the interim financial statements of Nordic Tankers A/S for the period 1 January – 30 June 2009.

The unaudited interim report has been presented in accordance with IAS 34, *Interim Financial Reporting*, as adopted by the EU and additional Danish disclosure requirements for interim reports for listed companies.

In our opinion, the accounting policies applied are appropriate and the interim report gives a true and fair view of the Group's financial position at 30 June 2009 and of the results of the Group's operations and cash flows for the period 1 January to 30 June 2009.

In our opinion, the management's review gives a true and fair view of the development in Group activities and financial circumstances, results for the period and the Group's financial position in general and a specification of essential risks and insecurity factors which the Group faces.

Copenhagen, 27 August 2009.

### Executive Board

Jens Pontoppidan  
CEO

Claus Breitenbauch  
COO

### Supervisory Board

Klaus Kjærulff  
Chairman

Flemming K. Sørensen  
Deputy Chairman

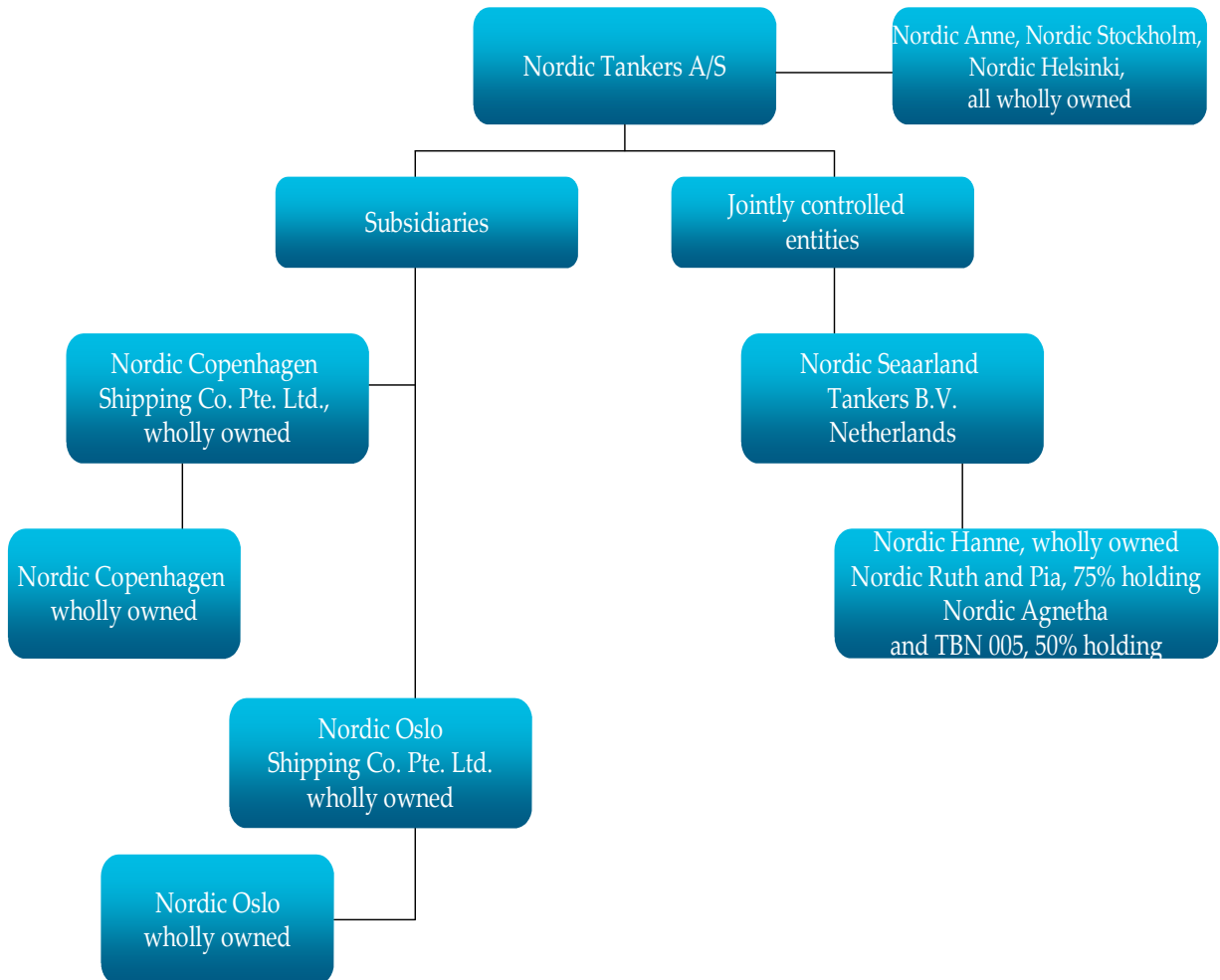
Jens Fehrn-Christensen

Mogens Stig Buschard

Jesper Tullin

Sven Rosenmeyer Paulsen

Group chart, 30 June 2009



## Management's review

| <b>Group financial highlights</b>                                 | <b>H1</b>       | <b>H1</b>       | <b>Full year</b> |
|---|-----------------|-----------------|------------------|
| <b>Financial and operating data</b>                               | <b>2009</b>     | <b>2008</b>     | <b>2008</b>      |
|   | <b>USD 1000</b> | <b>USD 1000</b> | <b>USD 1000</b>  |
| Revenue   | 14,612          | 21,500          | 45,303           |
| Gross profit  | 5,582           | 12,586          | 26,635           |
| EBITDA  | 4,581           | 10,164          | 39,208           |
| Operating profit/loss (EBIT)                                      | -26,876         | 4,482           | 20,227           |
| Net financials  | -1,008          | -4,615          | -12,017          |
| Profit/loss for the period  | -27,904         | -172            | 4,607            |
| Parent company's share of earnings                                | -27,904         | -172            | 4,607            |
| Invested capital  | 259,676         | 291,709         | 223,982          |
| Net working capital (NWC)   | 498             | 3,338           | -2,588           |
| Equity  | 87,513          | 112,877         | 115,254          |
| Balance sheet total   | 277,042         | 301,087         | 245,526          |
| Investments in property, plant and equipment                      | 64,137          | 50,147          | 51,991           |
| Net interest bearing debt   | 168,652         | 175,427         | 105,461          |
| Cash earnings   | -20,030         | 2,026           | 14,290           |
| Average number of full-time employees                             | 2               | 2               | 2                |
| Number of shares, current   | 7,180,000       | 7,180,000       | 7,180,000        |
| <b>Key figures and ratios</b>                                     |                 |                 |                  |
| Gross margin  | 38.2%           | 58.5%           | 58.8%            |
| Operating margin  | -183.9%         | 20.8%           | 44.6%            |
| Equity ratio  | 31.6%           | 37.5%           | 46.9%            |
| Return on invested capital  | 1.9%            | 3.8%            | 8.6%             |
| Return on equity  | -27.5%          | -0.2%           | 4.0%             |
| Assets/equity   | 3.17            | 2.67            | 2.13             |
| Financial gearing   | 1.93            | 1.55            | 0.92             |
| Operating asset gearing   | 2.97            | 2.58            | 1.94             |
| Revenue/invested capital  | 0.06            | 0.08            | 0.19             |
| Net working capital/revenue                                       | -7.15%          | 11.72%          | -1.0%            |
| <b>Share related key figures</b>                                  |                 |                 |                  |
| Earnings per share, USD   | -3.90           | -0.02           | 0.64             |
| Net asset value per share, USD                                    | 12.2            | 15.8            | 16.1             |
| Market price per share, DKK                                       | 25.7            | 79.0            | 40.0             |
| <i>Key figures and ratios are calculated on a part year basis</i> |                 |                 |                  |

## Core business

In shipping terminology, Nordic Tankers A/S is a so-called tonnage provider. This means that the company owns vessels, but that their commercial operation has been outsourced. Nordic Tankers A/S has also chosen to outsource the technical operation of the vessels as well as the greater part of the administrative functions.

Nordic Tankers A/S is a Danish-based shipping line which at 30 June 2009 wholly or partially owned ten vessels, of which one vessel was on order. The group owns vessels within three tanker segments: Chemical tankers in the 13,000 dwt range and product tankers, where the company has tonnage in the LR1 and handy-size segments. At 30 June 2009, the fleet comprised:

One LR1 product tanker.

Four chemical tankers.

Five handy-size tankers, of which one was on order at 30 June 2009 (delivered on 9 July 2009).

Nordic Tankers A/S' vessels are operated in pools with other vessels of the same type.

## Financial performance

Nordic Tankers A/S reported a loss after tax of USD 27.9 million for the first half of 2009, of which USD 25.8 million related to write-downs on the company's vessels. Full year expectations have been lowered to between USD -32 million and USD -36 million.

The market value of the company's vessels has fallen, and the company has, therefore, decided to write down the value of a part of the company's fleet by USD 25.8 million. The write-down has no effect on liquidity.

The net loss for the first half of 2009 amounted to USD 2.8 million before reversal of USD 0.7 million relating to transactions made by the former Supervisory Board and write-downs of USD 25.8 million.

The first six months of the year were strongly affected by the negative development of the global economy with falling freight rates throughout most of the period. After a brief improvement at the beginning of the year, the product tanker market was hit hard by the slow-down in global activity. The financial results reflect the weak tanker market and the low freight rates, and the Supervisory Board considers the financial results to be unsatisfactory.

Due to the weak market development and continued uncertainty about the development of the global economy, full year expectations have been lowered. We now expect to report a loss after tax for the full year 2009 of between USD 6 and 10 million before the above-mentioned write-downs of USD 25.8 million. After the first quarter of 2009, the company expected to report a loss of between USD 0 and 5 million before write-downs.

## Organisation

As an element of the strategy "Rebound 2012", which was presented at the company's general meeting on 23 April 2009, the company has set up an operative office in Copenhagen (Tuborg Boulevard 12, 2900 Hellerup). The Supervisory and Executive Boards are working actively to implement the other elements



of the strategy, which aim at having Nordic Tankers participate in the consolidation of the market for product and chemical tankers.

## The market in H1 2009

### **Product tankers – operations and markets**

Throughout the second quarter, the product tanker market continued to be negatively affected by the weak demand for oil as the reduced global activity resulted in a reduced need for transport of refined oil products. However, the second quarter did not see a noticeable increase in breaking up of old tonnage, and the product tanker fleet continued to grow. As a consequence, freight rates continued to fall in all segments and geographical areas and vessel values diminished.

Unlike freight rates, crude oil prices increased in the second quarter. The higher bunker rates increased operating costs for Nordic Tankers. On the positive side, demand for large tankers to store gas oil and jet fuel remained healthy.

In the second quarter, Nordic Tankers took delivery of the LR1 tanker NORDIC ANNE, which is included in TORM's LR1 pool, and the handy-size tanker NORDIC AGNETHA, which is included in Maersk Tankers' handytankers pool. Participation in the two pools meant that the vessels' second quarter earnings outperformed the spot market, and in today's market participation in first-class pools proves its worth.

### **Market outlook for 2009**

The product tanker market is expected to remain weak in the months to come. A positive development in global oil demand is required to turn around the situation. We still expect the continuously weak market to increase the breaking up of old vessels and result in a smaller supply of new vessels. Thus, we expect a better balance between tonnage supply and demand in 2010 and 2011. The general situation means that the outlook is still clouded by great uncertainty.

### **Chemical tankers – operations and markets**

The development in the chemical tanker market was similar to the development in the product tanker market. High bunker prices and a very inactive market kept the rates at a very low level. Geographically speaking, activity was strongest in the West, particularly in the US, where contract cargo volumes were reasonable. In contrast to the first quarter, the East was very weak with hardly any activity. Nordic Tankers' chemical tankers are included in Eitzen Chemical's City Class Pool. The pool has been able to enter into volume contracts at rates that were above the spot market rates, and once again this proves the value of the pools.

### **Market outlook for 2009**

The outlook for the chemical tanker market is the same as the outlook for the product tanker market. Also here the outlook is clouded by great uncertainty.

## Financial review

Nordic Tankers A/S reported a loss of USD 27.9 million for the first half of 2009. Of which USD 25.8 million relates to write-downs on the company's vessels.

### Revenue

Nordic Tankers' revenue for the first half of 2009 amounted to USD 14.6 million, down from USD 21.5 million for the first half of 2008, corresponding to a fall of 32 %. The fall is attributable to less tonnage after the sale of NORDIC LISBETH in December 2008 and falling rates, primarily in the LR1 and handy-size segments.

### Revenue broken down by segment

In the first half of 2009, the company's revenue derived equally from the handy-size product tanker segment and the chemical tanker segment. In the first half of 2009, the LR1 segment comprised only NORDIC ANNE, which was delivered on 20 April and accounted for 5 per cent of the revenue. In 2008, the handy-size tankers generated the largest portion of the company's revenue with a share of 40%, while the chemical tankers and the LR1 product tankers generated 39 % and 21 %, respectively, of the company's revenue during the first half of 2008.

As mentioned above, the company operated NORDIC ANNE in the LR1 product tanker segment in the first half of 2009. The segment information, which shows an interim loss of USD 0.7 million, is negatively affected by pool settlements in the amount of USD 0.25 million for the LR1 tankers NORDIC HANNE and NORDIC LISBETH that were sold.

For further information, please see the segment data on page 25.

### Operating expenses

Operating expenses amounted to USD 9.0 million in the first half of 2009 as against USD 8.9 million in the first half of 2008.

### Gross margin

The 32% fall in revenue compared with essentially unchanged operating expenses saw the company's gross margin ratio falling from 58.5 % in the first half of 2008 to 38.2% in the first half of 2009. The LR1 segment saw the sharpest fall, but it is not directly comparable with the first half of 2008 as the first half of 2009 only included 72 ship-days and, as mentioned above, results were affected by pool settlements for vessels that were sold. The handy-size segment recorded a 11.6% fall in gross margin and the chemical segment a 19.8% fall, which, though we saw small changes in the operating expenses, were primarily attributable to the low freight rates and thus lower revenue.

### Staff costs

Staff costs, i.e. remuneration to the Executive and Supervisory Boards, amounted to USD 497 thousand in the first half of 2009 and USD 806 thousand in the year-ago period. The fall is primarily attributable to severance pay in 2008.

**Other external costs**

Other external costs such as the administration agreement with Difko Administration A/S, rental for the company's offices and consultancy fees amounted to USD 1.2 million in the first half of 2009, which corresponds to a fall of USD 412 thousand compared with the first half of 2008. The fall is the result of a generally lower level for such items of expense, particularly relating to consultants and general meetings.

**Adjustments related to previous years**

The first half of 2009 was affected by an adjustment related to previous years of USD 700 thousand. The adjustments are attributable to a partial clarification and reassessment of the USD 2 million provided for in the annual report for 2008 for any claims relating to contracts and agreements entered into by the former Supervisory Board.

**Depreciation and impairment losses**

The company's total depreciation and impairment losses rose from USD 5.7 million in the first half of 2008 to USD 31.5 million in the first half of 2009. The increase is attributable to write-downs of USD 25.8 million on the company's vessels. The chemical tankers were written down by USD 12 million and the handy-size tankers by USD 13.8 million. Excluding the write-downs, this is a small fall which is composed of depreciation attributable to the sale of NORDIC LISBETH in December 2008, depreciation relating to the acquisition of NORDIC ANNE and NORDIC AGNETHA in the first half of 2009 and a changed residual value due to falling steel prices from USD 600 to USD 300 per ton. For further information, please see the accounting policies on page 23.

**Financial income**

In the first half of 2009, financial income amounted to USD 1.3 million, up from USD 0.1 million in the corresponding period last year. The increase is solely attributable to an interest payment relating to the prepayment required for NORDIC ANNE.

**Financial expenses**

In the first half of 2009, financial expenses amounted to USD 2.3 million, down from USD 4.7 million in the corresponding period last year. The decrease is partly attributable to extraordinary repayments of finance loans financed with the proceeds from the sale of NORDIC LISBETH and partly to falling interest rates.

**Tax on loss for the period**

Taxes payable in the first half of 2009 and 2008 are attributable to tonnage tax.

**Minority interests' share of results for the period**

In the first half of 2009 and 2008, minority interests had no share in the loss for the period.

**Balance sheet trends during the first half of 2009****Assets**

The company's total assets rose from USD 245.5 million at end-2008 to USD 277 million at 30 June 2009, corresponding to a rise of 12.8 %.

Non-current assets rose from USD 226.6 million at end-2008 to USD 259.2 million at 30 June 2009. The increase is primarily attributable to the addition of NORDIC ANNE and NORDIC AGNETHA. However, the write-downs of the company's vessels of USD 25.8 million pull in the other direction.

Current assets decreased by USD 1.1 million from end-2008 to 30 June 2009. The decrease is composed of decreasing cash and increasing receivables.

### **Liabilities and equity**

Liabilities and equity rose by USD 31.5 million between end-2008 and 30 June 2009.

Nordic Tankers A/S' share of equity fell from USD 115.3 million at end-2008 to USD 87.5 million at end-June 2009. The fall of USD 27.8 million is primarily attributable to write-downs of USD 25.8 million on the company's vessels.

Total liabilities amounted to USD 130.3 million at end-2008 and USD 189.5 million at 30 June 2009. The increase in total liabilities other than provisions in the first half of 2009 is primarily attributable to a change of the company's long-term funding profile and finance loans raised to finance new tonnage.

### **Cash flows, first half of 2009 and first half of 2008**

Nordic Tankers' cash flows from operating activities amounted to USD 0.5 million in the first half of 2009 as against USD 3.6 million in the first half of 2008.

The company's cash flows from investing activities covered net additions of property, plant and equipment. During the first half of 2009, USD 64.1 million were invested, while USD 50.1 million were spent on investments during the first half of 2008.

The company's cash flows from financing activities amounted to USD 61.2 million in the first half of 2009 as against USD 40.4 million in the first half of 2008. In 2009, these cash flows relate to the above-mentioned change of the company's long-term funding profile and financing of new tonnage. In 2008, cash flows from financing activities were primarily attributable to short-term and long-term credit institution loans raised to finance the acquisition of the vessel NORDIC HANNE.

## **Shareholder relations**

### Share data

Listed on: NASDAQ OMX Copenhagen

Share capital: DKK 71,800,000

Nominal value: DKK 10

Shares issued: 7,180,000

Share classes: One

Votes per share: One

Bearer share: Yes

Restriction on voting rights: No

Restricted negotiability: No

Security ID code: DK0060083996

## **Financial calendar for the rest of 2009**

26 November 2009 – Interim report Q3 2009

## **Announcements to NASDAQ OMX Copenhagen**

From 1 January 2009 to 27 August 2009, the company released the following announcements via NASDAQ OMX Copenhagen A/S which are also available on the company's website [www.nordictankers.com](http://www.nordictankers.com):

12.01.2009 Notice to convene extraordinary general meeting

15.01.2009 Information about extraordinary general meeting

16.01.2009 Former Supervisory Board reported to the Danish Fraud Squad

02.02.2009 Management changes, liquidity and sale of tonnage in Nordic Tankers A/S

02.02.2009 Minutes of extraordinary general meeting New Supervisory Board of Nordic Tankers A/S

03.02.2009 Management situation and financial position

11.02.2009 Steen Bryde, Brian Søholt Petersen and Jesper Bo Nielsen reported to the Danish Fraud Squad

11.02.2009 Minutes of extraordinary general meeting held on 2 February 2009

18.02.2009 Decisions by the former Supervisory Board on the sale of tonnage

25.02.2009 Decisions by the former Supervisory Board on the sale of tonnage

11.03.2009 Nordic Tankers announces downward adjustment of expectations for 2008

26.03.2009 Annual Report of Nordic Tankers for 2008

07.04.2009 Notice to convene annual general meeting to be held on 23 April 2009

21.04.2009 Nordic Tankers' first vessel to sail under the Danish flag

22.04.2009 Updated strategy

23.04.2009 Minutes of annual general meeting

30.04.2009 New CEO

06.05.2009 Minutes of annual general meeting held on 23 April 2009

11.05.2009 Nordic Tankers receives new handy-size tanker

28.05.2009 Interim report for Q1 2009

**Significant risks**

The group's business risks remained unchanged compared with the risks described in the annual report for 2008.

**Forward-looking statements**

This report contains forward looking statements reflecting the management's current beliefs concerning future events and financial results. Statements relating to 2009 are inherently subject to uncertainty, and Nordic Tankers' actual results may thus differ from expectations. Factors which could cause actual results to deviate from the expectations include, but are not limited to, changes in macroeconomic and political conditions – especially on the shipping company's main markets, changes in Nordic Tankers' freight rate assumptions and operating expenses, volatility of rates and vessel prices, regulatory changes, possible disruptions of traffic and operations resulting from outside events, etc. This interim report does not constitute an invitation to buy or sell shares in Nordic Tankers A/S.

## Income statement 1 January – 30 June

| Income statement                                  | Group          |               | Group          |              |
|---|----------------|---------------|----------------|--------------|
|   | H1             | H1            | Q2             | Q2           |
|   | 2009           | 2008          | 2009           | 2008         |
|   | USD 1000       | USD 1000      | USD 1000       | USD 1000     |
| Revenue   | 14,612         | 21,500        | 7,307          | 11,639       |
| Operating expenses                                | -9,030         | -8,914        | -4,799         | -4,354       |
| <b>Gross profit</b>                               | <b>5,582</b>   | <b>12,586</b> | <b>2,508</b>   | <b>7,285</b> |
| Staff costs                                       | -497           | -806          | -260           | -614         |
| Other external costs                              | -1,204         | -1,616        | -605           | -1,011       |
| Adjustments related to previous years             | 700            |               |                |              |
| Depreciation and impairment losses                | -31,457        | -5,682        | -28,852        | -2,899       |
| <b>Operating profit/loss (EBIT)</b>               | <b>-26,876</b> | <b>4,482</b>  | <b>-27,209</b> | <b>2,761</b> |
| Financial income                                  | 1,295          | 98            | 3              | 25           |
| Financial expenses                                | -2,303         | -4,713        | -1,372         | -1,958       |
| <b>Profit/loss before tax</b>                     | <b>-27,884</b> | <b>-133</b>   | <b>-28,578</b> | <b>828</b>   |
| Tax   | -20            | -39           | -18            | -32          |
| <b>Profit/loss for the period</b>                 | <b>-27,904</b> | <b>-172</b>   | <b>-28,596</b> | <b>796</b>   |
| <b>Distribution of profit/loss for the period</b> |                |               |                |              |
| Parent company's shareholders                     | -27,904        | -172          | -28,596        | 796          |
| Minority interests                                | 0              | 0             | 0              | 0            |
|   | <b>-27,904</b> | <b>-172</b>   | <b>-28,596</b> | <b>796</b>   |
| <b>Earnings per share USD</b>                     | <b>-3.90</b>   | <b>-0.02</b>  |                |              |

**Statement of comprehensive income 1 January – 30 June**

| Statement of comprehensive income   | Group                 |                   | Group                 |                      |
|---|-----------------------|-------------------|-----------------------|----------------------|
|   | 2009                  | 2008              | 2009                  | 2008                 |
|   | H1                    | H1                | Q2                    | Q2                   |
|   | USD 1000              | USD 1000          | USD 1000              | USD 1000             |
| <b>Profit/loss for the period</b>   | <u>-27,904</u>        | <u>-172</u>       | <u>-28,596</u>        | <u>796</u>           |
| <b>Other comprehensive income</b>   |                       |                   |                       |                      |
| Foreign currency translation adjustments relating to enterprises in other currencies      | 0                     | 79                |                       | 70                   |
| Fair value adjustment of available-for-sale financial assets                              | 206                   |                   | 206                   |                      |
| Fair value adjustment of derivative financial instruments used to hedge future cash flows | -43                   | 432               | 88                    | -3,013               |
| <b>Other comprehensive income</b>   | <u>163</u>            | <u>511</u>        | <u>294</u>            | <u>-2,943</u>        |
| <b>Total comprehensive income</b>   | <u><b>-27,741</b></u> | <u><b>339</b></u> | <u><b>-28,302</b></u> | <u><b>-2,147</b></u> |



**Balance sheet as at 30 June**

| <b>Assets</b>                              | <b>Group</b>                                   |  |  |
|--|--|--|--|
|  | <b>2009</b><br><b>30.06</b><br><b>USD 1000</b> | <b>2008</b><br><b>30.06</b><br><b>USD 1000</b> | <b>2008</b><br><b>31.12</b><br><b>USD 1000</b> |
| Vessels                                    | 252,471  | 269,401  | 207,423  |
| Prepayments for vessels                    | 6,707  | 18,970   | 19,147   |
| <b>Property, plant and equipment</b>       | <b>259,178</b>                                 | <b>288,371</b>                                 | <b>226,570</b>                                 |
| <b>Total non-current assets</b>            | <b>259,178</b>                                 | <b>288,371</b>                                 | <b>226,570</b>                                 |
| <b>Lubricant stocks</b>                    | <b>1,433</b>                                   | <b>1,483</b>                                   | <b>890</b>                                     |
| Receivables                                | 1,442  | 4,002  | 3,386  |
| Other receivables                          | 4,897  | 3,111  | 2,320  |
| <b>Receivables</b>                         | <b>6,339</b>                                   | <b>7,113</b>                                   | <b>5,706</b>                                   |
| <b>Available-for-sale financial assets</b> | <b>449</b>                                     | <b>0</b>                                       | <b>242</b>                                     |
| <b>Cash</b>                                | <b>9,643</b>                                   | <b>4,120</b>                                   | <b>12,118</b>                                  |
| <b>Current assets</b>                      | <b>17,864</b>                                  | <b>12,716</b>                                  | <b>18,956</b>                                  |
| <b>Assets</b>                              | <b>277,042</b>                                 | <b>301,087</b>                                 | <b>245,526</b>                                 |

**Balance sheet as at 30 June**
**Liabilities and equity**
**Group**

|  | 2009           | 2008           | 2008           |
|--|----------------|----------------|----------------|
|  | 30.06          | 30.06          | 31.12          |
|  | USD 1000       | USD 1000       | USD 1000       |
| Share capital                                | 12,826         | 12,826         | 12,826         |
| Share premium                                | 25,959         | 25,959         | 25,959         |
| Retained earnings                            | 41,787         | 64,912         | 69,691         |
| Reserve for hedging transactions             | -2,842         | -474           | -2,799         |
| Reserve for foreign exchange adjustments     | -60            | 19             | -60            |
| Reserve for fair value adjustments           | 9,838          | 9,632          | 9,632          |
| <b>Equity, parent company's shareholders</b> | <b>87,508</b>  | <b>112,874</b> | <b>115,249</b> |
| <b>Equity, minority interests</b>            | <b>5</b>       | <b>3</b>       | <b>5</b>       |
| <b>Total equity</b>                          | <b>87,513</b>  | <b>112,877</b> | <b>115,254</b> |
| Finance loans                                | 165,829        | 165,981        | 109,653        |
| <b>Non-current liabilities</b>               | <b>165,829</b> | <b>165,981</b> | <b>109,653</b> |
| Finance loans                                | 12,915         | 13,566         | 7,926          |
| Trade payables                               | 3,284          | 3,806          | 3,083          |
| Corporation tax                              | 3,511          | 3,405          | 3,509          |
| Other payables                               | 3,990          | 1,452          | 6,101          |
| <b>Current liabilities</b>                   | <b>23,700</b>  | <b>22,229</b>  | <b>20,619</b>  |
| <b>Total liabilities</b>                     | <b>189,529</b> | <b>188,210</b> | <b>130,272</b> |
| <b>Liabilities and equity</b>                | <b>277,042</b> | <b>301,087</b> | <b>245,526</b> |

**Statement of changes in equity – H1 2009**

|  | Share<br>capital<br>USD1000 | Share<br>premium<br>USD1000 | Reserves<br>for hedging<br>transactions<br>USD1000 | Reserves<br>for foreign<br>currency<br>translation<br>adjustm.<br>USD1000 | Reserves<br>for fair value<br>adjustments<br>USD1000 | Retained<br>earnings<br>USD1000 | Equity,<br>minority<br>interests<br>USD1000 | Total<br>equity<br>USD1000 |
|--|-----------------------------|-----------------------------|--|---|--|---------------------------------|---|----------------------------|
| <b>Equity at 1 January<br/>2009</b>  | 12,826                      | 25,959                      | -2,799   | -60   | 9,632  | 69,691                          | 5   | 115,254                    |
| Fair value<br>adjustment of<br>available-for-sale<br>financial assets                                    |                             |                             |  |   | 206  |                                 |   | 206                        |
| Fair value<br>adjustment of<br>derivative financial<br>instruments used to<br>hedge future cash<br>flows |                             |                             | -43  |   |  |                                 |   | -43                        |
| <b>Recognised directly<br/>in equity</b>   | 0                           | 0                           | -43  | 0   | 206  | 0                               | 0   | 163                        |
| Loss for the period  |                             |                             |  |   |  | -27,904                         | 0   | -27,904                    |
| <b>Total net income</b>  | 0                           | 0                           | 0  | 0   | 0  | -27,904                         | 0   | -27,904                    |
| <b>Equity at 30 June<br/>2009</b>  | 12,826                      | 25,959                      | -2,842   | -60   | 9,838  | 41,787                          | 5   | 87,513                     |

**Statement of changes in equity – H1 2008**

|  | Share<br>capital<br>USD1000 | Share<br>premium<br>USD1000 | Reserves<br>for hedging<br>transactions<br>USD1000 | Reserves<br>for foreign<br>currency<br>translation<br>adjustm.<br>USD1000 | Reserves<br>for fair value<br>adjustments<br>USD1000 | Retained<br>earnings<br>USD1000 | Equity,<br>minority<br>interests<br>USD1000 | Total<br>equity<br>USD1000 |
|--|-----------------------------|-----------------------------|--|---|--|---------------------------------|---|----------------------------|
| <b>Equity at 1 January<br/>2008</b>  | 12,826                      | 25,959                      | -906   | -60   | 9,632  | 65,084                          | 3   | 112,538                    |
| Foreign currency<br>translation<br>adjustments<br>relating to<br>enterprises in other<br>currencies      |                             |                             |  | 79  |  |                                 |   | 79                         |
| Fair value<br>adjustment of<br>derivative financial<br>instruments used to<br>hedge future cash<br>flows |                             |                             | 432  |   |  |                                 |   | 432                        |
| <b>Recognised directly<br/>in equity</b>   | 0                           | 0                           | 432  | 79  | 0  | 0                               | 0   | 511                        |
| Loss for the period  |                             |                             |  |   |  | -172                            | 0   | -172                       |
| <b>Total net income</b>  | 0                           | 0                           | 0  | 0   | 0  | -172                            | 0   | -172                       |
| <b>Equity at 30 June<br/>2008</b>  | 12,826                      | 25,959                      | -474   | 19  | 9,632  | 64,912                          | 3   | 112,877                    |

## Cash flows

### Cash flow statement for 1 January - 30 June

|   | Group          |                |
|---|----------------|----------------|
|   | 2009           | 2008           |
|   | USD 1000       | USD 1000       |
| Operating profit (EBIT)                                       | -26,876        | 4,482          |
| Depreciation and impairment losses                            | 31,457         | 5,682          |
| Changes in working capital                                    | -3,076         | 2,578          |
| <b>Cash flows from primary operations</b>                     | <b>1,505</b>   | <b>8,264</b>   |
| Financial income received                                     | 1,295          | 98             |
| Financial expenses paid                                       | -2,303         | -4,713         |
| Corporation tax paid  | 0              | -40            |
| <b>Cash flows from operating activities</b>                   | <b>497</b>     | <b>3,609</b>   |
| Acquisition, etc. of property, plant and equipment            | -64,137        | -50,147        |
| <b>Pengestømme vedrørende investeringer</b>                   | <b>-64,137</b> | <b>-50,147</b> |
| Financing raised  | 69,879         | 53,970         |
| Repayments on loan facilities                                 | -8,714         | -13,587        |
| <b>Cash flows from financing activities</b>                   | <b>61,165</b>  | <b>40,383</b>  |
| <b>Cash flows for the period</b>                              | <b>-2,475</b>  | <b>-6,155</b>  |
| Cash and cash equivalents at 1 January                        | 12,118         | 10,275         |
| Cash and cash equivalents transferred to assets held for sale | 0              |                |
| <b>Cash and cash equivalents at end-period</b>                | <b>9,643</b>   | <b>4,120</b>   |

## Notes

1. Accounting policies
2. Change in accounting estimates
3. Results by segment
4. Treasury shares
5. Related parties
6. Contingent liabilities
7. Additions and disposals of property, plant and equipment

## 1. Accounting policies

The interim report has been presented as a condensed set of financial statements in accordance with IAS 34, *Interim financial reporting*, as adopted by the EU. Moreover, the interim report has been presented in accordance with additional Danish disclosure requirements regarding interim reporting by listed companies. No interim report has been prepared for the parent company.

The accounting policies applied in the interim report are consistent with the accounting policies applied in the group's annual report for 2008 and which are in accordance with the International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements regarding annual reporting by listed companies. For a further description of the accounting policies applied, including the definitions of financial ratios which have been calculated in accordance with the standards laid down by the Danish Society of Financial Analysts in "Recommendations & Financial Ratios 2005", please see the annual report for 2008.

The following new and revised standards and interpretations have entered into force with effect from the 2009 financial year:

IFRS 2, *Share-based Payment* (January 2008)

IFRS 8, *Operating Segments* (November 2006)

IAS 1, *Presentation of Financial Statements* (September 2007 and February 2008)

IAS 23, *Borrowing Costs* (March 2007)

IAS 32, *Financial Instruments: Disclosure and Presentation* (February 2008)

Minor amendments to various standards as a result of the IASB's annual improvement project (May 2008)

IFRIC 13, *Customer Loyalty Programmes* (June 2007)

IFRIC 16, *Hedges of a Net Investment in a Foreign Operation* (July 2008)

The implementation of these new and revised standards and interpretations have not resulted in any changes in the accounting policies relating to recognition and measurement.

The interim financial statements are denominated in USD, which is the functional currency of the parent company.

## 2. Change in accounting estimates

As a result of a fall in the fair value of the company's vessels, cf. ship brokers' assessments and the general uncertainty about market developments, the company has identified indicators of impairment of the company's vessels. Therefore, the company assessed the recoverable amounts of its vessels as at 30 June 2009 in accordance with the principles and assumptions described in the annual report for 2008, notes 2 and 13.

Based on the value in use calculations, the company assessed that the group's vessels in the chemical tanker and handy-size segments have suffered impairment, whereas the vessel in the LR1 segment has

not suffered any impairment. Thus, the chemical tanker segment was written down by USD 12 million and the handy-size tanker segment by USD 13.8 million in the first half of 2009.

As mentioned in the annual report for 2008, the residual value of the vessels after a depreciation period of 25 years is estimated as each vessel's weight multiplied by scrap value per ton. At 1 January 2009, the scrap value per ton was estimated to have decreased; consequently, the value per ton was changed from USD 600 to USD 300.

The changed estimate reduced the financial results for the period by approx. USD 300 thousand.



### 3. Results by segment

#### Segment information for the group H1 2009

|                                       | Product*<br>tankers LR1<br>H1<br>2009<br>USD 1000 | Handy-size<br>tankers<br>H1<br>2009<br>USD 1000 | Chemical<br>tankers<br>H1<br>2009<br>USD 1000 | Not<br>allocated<br>H1<br>2009<br>USD 1000 | Total<br>H1<br>2009<br>USD 1000 |
|---------------------------------------|---|---|---|--|---------------------------------|
| Revenue                               | 690   | 6,897   | 7,025   | 0  | 14,612                          |
| Operating expenses                    | -695  | -3,309  | -5,026  | 0  | -9,030                          |
| <b>Gross profit/loss</b>              | <b>-5</b>   | <b>3,588</b>                                    | <b>1,999</b>                                  | <b>0</b>                                   | <b>5,582</b>                    |
| Staff costs                           | 0   | 0   | -29   | -468                                       | -497                            |
| Other external costs                  | -30   | -41   | -105  | -1,028                                     | -1,204                          |
| Adjustments related to previous years |   |   |   | 700  | 700                             |
| Depreciation and impairment losses    | -403  | -16,437   | -14,574                                       | -43  | -31,457                         |
| <b>Operating loss</b>                 | <b>-438</b>                                       | <b>-12,890</b>                                  | <b>-12,709</b>                                | <b>-839</b>                                | <b>-26,876</b>                  |
| Financial income                      | 0   | 0   | 25  | 1,270                                      | 1,295                           |
| Financial expenses                    | -209  | -641  | -696  | -757                                       | -2,303                          |
| <b>Loss before tax</b>                | <b>-647</b>                                       | <b>-13,531</b>                                  | <b>-13,380</b>                                | <b>-326</b>                                | <b>-27,884</b>                  |
| Tax on loss for the period            | -4  | 0   | -4  | -12  | -20                             |
| <b>Loss for the period</b>            | <b>-651</b>                                       | <b>-13,531</b>                                  | <b>-13,384</b>                                | <b>-338</b>                                | <b>-27,904</b>                  |
| Segment assets                        | 54,048  | 124,369   | 89,128  | 9,497                                      | 277,042                         |
| Ship-days (number)                    | 72  | 473   | 716   | 0  | 1,261                           |
| Revenue per ship-day                  | 10  | 15  | 10  |  | 12                              |
| Operating expenses per ship-day       | 10  | 7   | 7   |  | 7                               |
| Gross profit per ship-day (USD 1000)  | 0   | 8   | 3   |  | 4                               |
| Gross margin in %                     | -0.7%   | 52.0%   | 28.5%   |  | 38.2%                           |

\* In the first half of 2009, the company operated an LR1 product tanker – NORDIC ANNE, which was delivered on 20 April 2009. The segment information for LR1 product tankers also includes an interim loss of USD 0.25 million, which is attributable to pool settlements for the LR1 tankers NORDIC HANNE and NORDIC LISBETH that were sold.

**Segment information for the group**
**H1 2008**

|                                      | <b>Product<br/>tankers LR1<br/>H1<br/>2008<br/>USD 1000</b> | <b>Handy-size<br/>tankers<br/>H1<br/>2008<br/>USD 1000</b> | <b>Chemical<br/>tankers<br/>H1<br/>2008<br/>USD 1000</b> | <b>Not<br/>allocated<br/>H1<br/>2008<br/>USD 1000</b> | <b>Total<br/>H1<br/>2008<br/>USD 1000</b> |
|--------------------------------------|---|--|--|---|---|
| Revenue                              | 4,578   | 8,612  | 8,310  | 0   | 21,500                                    |
| Operating expenses                   | -1,483  | -3,133   | -4,298   | 0   | -8,914                                    |
| <b>Gross profit</b>                  | <b>3,095</b>  | <b>5,479</b>   | <b>4,012</b>   | <b>0</b>  | <b>12,586</b>                             |
| Staff costs                          | -201  | 0  | 0  | -605  | -806                                      |
| Other external costs                 | -356  | -56  | -134   | -1,070  | -1,616                                    |
| Depreciation and impairment losses   | -1,021  | -2,370   | -2,291   | 0   | -5,682                                    |
| <b>Operating profit/loss</b>         | <b>1,517</b>  | <b>3,053</b>   | <b>1,587</b>   | <b>-1,675</b>   | <b>4,482</b>                              |
| Financial income                     | 70  | 8  | 20   | 0   | 98  |
| Financial expenses                   | -419  | -1,763   | -1,616   | -915  | -4,713                                    |
| <b>Profit/loss before tax</b>        | <b>1,168</b>  | <b>1,298</b>   | <b>-9</b>  | <b>-2,590</b>   | <b>-133</b>                               |
| Tax on profit/loss for the period    | -14   | 0  | -25  | 0   | -39                                       |
| <b>Profit/loss for the period</b>    | <b>1,154</b>  | <b>1,298</b>   | <b>-34</b>   | <b>-2,590</b>   | <b>-172</b>                               |
| Segment assets                       | 70,477  | 122,370  | 83,795   | 24,445  | 301,087                                   |
| Ship-days (number)                   | 182   | 415  | 724  | 0   | 1,321                                     |
| Revenue per ship-day                 | 25  | 21   | 11   |   | 16  |
| Operating expenses per ship-day      | 8   | 8  | 6  |   | 7   |
| Gross profit per ship-day (USD 1000) | 17  | 13   | 8  |   | 10  |
| Gross margin in %                    | 67.6%   | 63.6%  | 48.3%  |   | 58.5%                                     |

**Segment information for the group**  
**Q2 2009**

|                                       | Product<br>tankers LR1 | Handy-size<br>tankers | Chemical<br>tankers | Not<br>allocated | Total          |
|---------------------------------------|------------------------|-----------------------|---------------------|------------------|----------------|
|                                       | Q2<br>2009             | Q2<br>2009            | Q2<br>2009          | Q2<br>2009       | Q2<br>2009     |
|                                       | USD 1000               | USD 1000              | USD 1000            | USD 1000         | USD 1000       |
| Revenue                               | 723                    | 3,239                 | 3,345               | 0                | 7,307          |
| Operating expenses                    | -609                   | -1,601                | -2,589              | 0                | -4,799         |
| <b>Gross profit</b>                   | <b>114</b>             | <b>1,638</b>          | <b>756</b>          | <b>0</b>         | <b>2,508</b>   |
| Staff costs                           | 0                      | 0                     | 0                   | -260             | -260           |
| Other external costs                  | -14                    | -15                   | -18                 | -558             | -605           |
| Adjustments related to previous years | 0                      | 0                     | 0                   | 0                | 0              |
| Depreciation and impairment losses    | -403                   | -15,146               | -13,281             | -22              | -28,852        |
| <b>Operating loss</b>                 | <b>-303</b>            | <b>-13,523</b>        | <b>-12,543</b>      | <b>-840</b>      | <b>-27,209</b> |
| Financial income                      | 0                      | 0                     | 3                   | 0                | 3              |
| Financial expenses                    | -210                   | -339                  | -221                | -602             | -1,372         |
| <b>Loss before tax</b>                | <b>-513</b>            | <b>-13,862</b>        | <b>-12,761</b>      | <b>-1,442</b>    | <b>-28,578</b> |
| Tax on loss for the period            | -4                     | 0                     | -2                  | -12              | -18            |
| <b>Loss for the period</b>            | <b>-517</b>            | <b>-13,862</b>        | <b>-12,763</b>      | <b>-1,454</b>    | <b>-28,596</b> |
| Ship-days (number)                    | 72                     | 248                   | 361                 |                  | 681            |
| Revenue per ship-day                  | 10                     | 13                    | 9                   |                  | 11             |
| Operating expenses per ship-day       | 8                      | 6                     | 7                   |                  | 7              |
| Gross profit per ship-day (USD 1000)  | 2                      | 7                     | 2                   |                  | 4              |
| Gross margin in %                     | 15.8%                  | 50.6%                 | 22.6%               |                  | 34.3%          |

**Segment information for the group**
**Q2 2008**

|                                      | Product<br>tankers LR1 | Handy-size<br>tankers | Chemical<br>tankers | Not<br>allocated | Total        |
|--------------------------------------|------------------------|-----------------------|---------------------|------------------|--------------|
|                                      | Q2                     | Q2                    | Q2                  | Q2               | Q2           |
|                                      | 2008                   | 2008                  | 2008                | 2008             | 2008         |
|                                      | USD 1000               | USD 1000              | USD 1000            | USD 1000         | USD 1000     |
| Revenue                              | 2,462                  | 4,819                 | 4,358               | 0                | 11,639       |
| Operating expenses                   | -640                   | -1,581                | -2,133              | 0                | -4,354       |
| <b>Gross profit</b>                  | <b>1,822</b>           | <b>3,238</b>          | <b>2,225</b>        | <b>0</b>         | <b>7,285</b> |
| Staff costs                          | -153                   | 0                     | 0                   | -461             | -614         |
| Other external costs                 | -230                   | -11                   | -79                 | -691             | -1,011       |
| Depreciation and impairment losses   | -505                   | -1,263                | -1,131              | 0                | -2,899       |
| <b>Operating profit/loss</b>         | <b>934</b>             | <b>1,964</b>          | <b>1,015</b>        | <b>-1,152</b>    | <b>2,761</b> |
| Financial income                     | 37                     | 0                     | 0                   | 0                | 37           |
| Financial expenses                   | -109                   | -747                  | -825                | -289             | -1,970       |
| <b>Profit/loss before tax</b>        | <b>862</b>             | <b>1,217</b>          | <b>190</b>          | <b>-1,441</b>    | <b>828</b>   |
| Tax on profit/loss for the period    | -7                     |                       | -25                 |                  | -32          |
| <b>Profit/loss for the period</b>    | <b>855</b>             | <b>1,217</b>          | <b>165</b>          | <b>-1,441</b>    | <b>796</b>   |
|                                      |                        |                       |                     |                  | 0            |
| Ship-days (number)                   | 91                     | 228                   | 363                 | 0                | 682          |
| Revenue per ship-day                 | 27                     | 21                    | 12                  |                  | 17           |
| Operating expenses per ship-day      | 7                      | 7                     | 6                   |                  | 6            |
| Gross profit per ship-day (USD 1000) | 20                     | 14                    | 6                   |                  | 11           |
| Gross margin in %                    | 74.0%                  | 67.2%                 | 51.1%               |                  | 62.6%        |

#### 4. Treasury shares

|                                      | 2008<br>Shares | 2009<br>Shares | Nominal value  |                | % of share capital |              |
|--------------------------------------|----------------|----------------|----------------|----------------|--------------------|--------------|
|                                      |                |                | 2008<br>DKK    | 2009<br>DKK    | 2008<br>%          | 2009<br>%    |
| Treasury shares beginning of period  | 24,000         | 24,000         | 240,000        | 240,000        | 0.33%              | 0.33%        |
| Acquisition                          | 0              | 0              | 0              | 0              |                    |              |
| Disposal                             | 0              | 0              | 0              | 0              |                    |              |
| <b>Treasury shares end of period</b> | <b>24,000</b>  | <b>24,000</b>  | <b>240,000</b> | <b>240,000</b> | <b>0.33%</b>       | <b>0.33%</b> |

According to a resolution passed at the general meeting on 23 April 2009, the parent company can, until the annual general meeting in 2010, acquire up to nominally DKK 718 thousand treasury shares, corresponding to 10% of the share capital.

In 2007, before the flotation on the stock exchange, the company acquired nominally DKK 240 thousand treasury shares for a total of USD 448 thousand as part of its preparations for stock exchange listing.

Following the listing, the company has not exercised the option to acquire treasury shares.

Treasury shares have been valued at nil.

#### 5. Related parties

##### Related parties with a controlling interest

There are no related parties with a controlling interest in Nordic Tankers A/S.

#### 6. Contingent liabilities

In the first half of 2009, there have been no material changes to the contingent liabilities disclosed in the annual report for 2008.

#### 7. Additions and disposals of property, plant and equipment

|                                    | Year to date  | Year to date  | Full year     |
|------------------------------------|---------------|---------------|---------------|
|                                    | 30.06.09      | 30.06.08      | 2008          |
|                                    | USD 1000      | USD 1000      | USD 1000      |
| Addition of vessel tonnage         | 64,137        | 50,147        | 51,991        |
| <b>Additions during the period</b> | <b>64,137</b> | <b>50,147</b> | <b>51,991</b> |
| Disposal of vessel tonnage         | 0             |               | 54,049        |
| <b>Disposals during the period</b> | <b>0</b>      | <b>0</b>      | <b>54,049</b> |