

# Annual Report 2001



ODFJELL

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## **Financial Calendar**

29 APRIL 2002 <i>Annual General Meeting</i>
29 APRIL 2002 <i>Report first quarter 2002</i>
14 AUGUST 2002 <i>Report first half 2002</i>
5 NOVEMBER 2002 <i>Report third quarter 2002</i>
11 FEBRUARY 2003 <i>Preliminary year-end results 2002</i>
<i>Supplementary information on Odfjell can be found on the Internet at:</i> <b><a href="http://www.odfjell.com">www.odfjell.com</a></b>

## **Annual General Meeting**

*The Annual General Meeting will be held at 4 pm at the company's office at Conrad Mohrs veg 29, Minde, 5073 Bergen, Norway on Monday 29 April 2002. Shareholders wishing to attend the Annual General Meeting must notify the company by Wednesday 24 April 2002 as set out in article 4 of the company's Memorandum and Articles of Association.*



**O**dfjell is a leading player in the global market for transportation of chemicals and other speciality liquids, as well as related logistical services. Originally set up in 1916, the company pioneered the development of the chemical tanker trade in the middle of the 1950s and the chemical tank storage business in the late 1960s. Odfjell owns and operates chemical tankers, tank terminals and tank containers. The strategy is to continue developing our position as the leading logistic service provider to the chemical industry. We shall maintain that position through efficient and safe operation of deep-sea and regional chemical tankers, tank terminals and tank containers. Scale is needed to offer an efficient trading pattern in a global business environment, thereby maximising fleet utilisation. Our size also allows us to optimize our purchasing benefits.

## Global Trade

The intercontinental transportation of chemicals and other liquids is our core business and as one of only two operators we provide a worldwide service. Our operations are fully integrated, with dedicated functions for technical management, operation and chartering. Odfjell currently operates a substantial share of the world intercontinental core chemical tanker fleet. Our fleet consists of 62 vessels and 10 newbuildings with a total capacity of about 2.5 million tdw. and generated a turnover of USD 621 million in 2001.

## Regional Trade

Odfjell has 26 vessels with a total capacity of 289 000 tdw. dedicated to regional trade. Fourteen vessels are currently operating in the US Gulf, the Caribbean and along the east and west coast of South America. In Asia, twelve vessels are operated out of Singapore. The



*Bjørn Sjaastad, President / CEO*

objectives are to serve the growing regional markets and to ensure more efficient fleet utilisation through our transshipment activities. Regional trade generated a turnover of USD 103 million in 2001.

## Tank Terminals

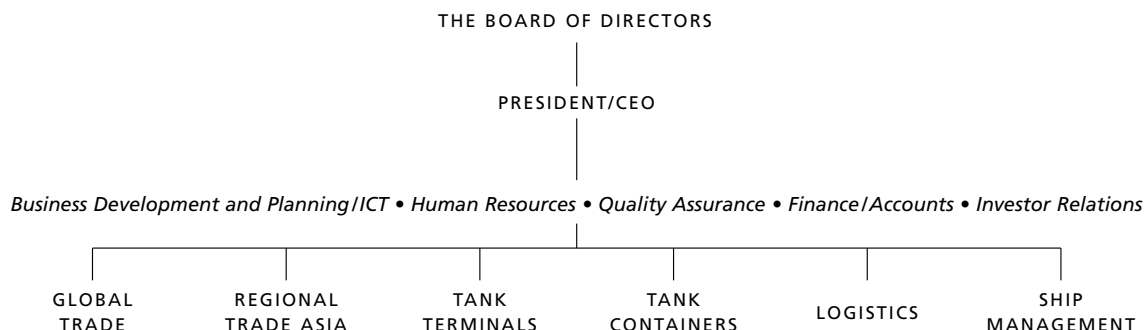
Odfjell has direct investments in wholly owned tank terminals in Rotterdam and Houston as well as partially owned terminals in Singapore, and two in China. Early 2002 we made an agreement to acquire a majority share of a terminal under construction in Onsan, Korea. We also work closely with six terminals in South America through associated companies. Terminal operation brings substantial synergies with our transportation activities and improves quality control throughout the transport chain. Our tank terminal operations also offer opportunities to develop new markets where the infrastructure for carrying chemicals has been limited to date. Our terminal business generated a turnover of USD 89 million in 2001.

## Tank Containers

Odfjell transports chemicals and liquids in tank containers through Hoyer-Odfjell which is a joint venture company. Having started operations on 1 January 1999, the company serves the global market and plays an important role in Odfjell's broad range of integrated transportation services. The tank container operation is still under development and our fleet of tank containers consists of about 5 000 units. Our share of the turnover was USD 34 million in 2001.

## Logistics

Increased efforts are being devoted to develop efficient logistical services to our customers by combining the various modes in the value chain.



# Highlights

## Financial Performance

Sharply improvement over 2000.

Gross revenue: USD 846 million

EBITDA: USD 203 million

EBIT: USD 124 million

Net result: USD 60 million

Cash flow: USD 143 million

## Fleet Development

Delivery of the newbuilding, M/T Bow Favour (37 500 tdw.) from Kleven Florø in Norway.

## Tank Terminals

Acquisition of 50% of Oiltanking Odffjell Terminal Singapore, a terminal with a total storage capacity of about 130 000 cbm in 35 storage tanks. The total investment on a 100% basis came to USD 63 million.

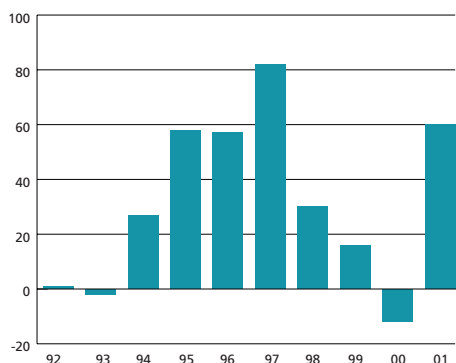
Increase in ownership in Odffjell Terminals (Dalian) in China from 54% to 64%.

Agreement to acquire 55% of a chemical tank terminal project in Onsan, Korea. The terminal will in its first phase have 39 tanks with a total storage capacity of 109 000 cbm. The total investment on a 100% basis is estimated to be about USD 40 million.

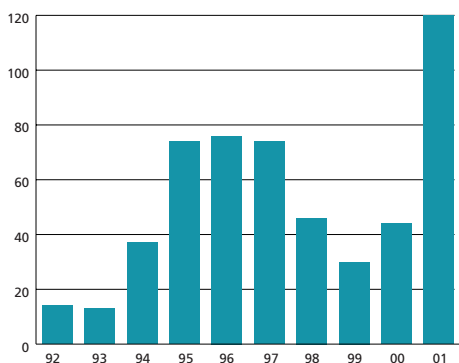
## Share Repurchases

Acquisition of about 3 million shares representing 11% of the shares of the company, at an average cost of NOK 120.8 per share. The total investment in treasury shares came to USD 41.2 million. All the treasury shares acquired in 2001 have been redeemed.

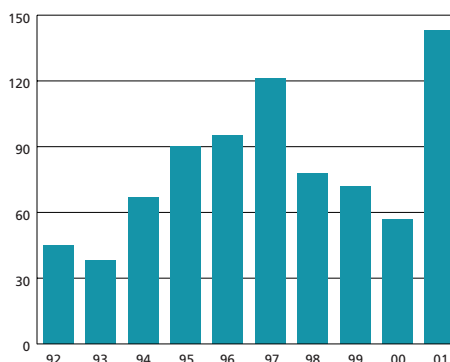
**NET PROFIT**  
USD million



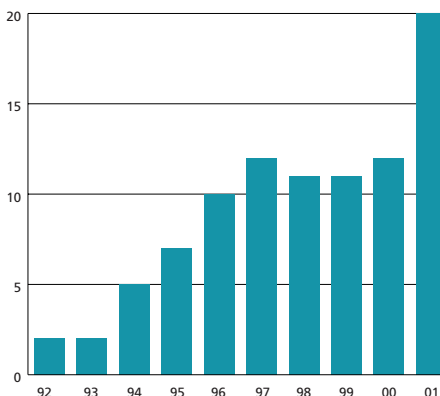
**OPERATING RESULT**  
USD million



**NET CASH FLOW**  
USD million



**DIVIDEND**  
USD million



# Key Figures/Financial Ratios

ODFJELL GROUP	Figures in	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
<b>FROM PROFIT AND LOSS STATEMENT</b>											
Gross revenue	USD mill.	846	696	551	533	547	546	503	391	344	365
EBITDA (1)	USD mill.	203	112	86	94	113	114	106	77	53	58
Depreciation	USD mill.	(83)	(69)	(56)	(48)	(39)	(38)	(32)	(40)	(40)	(44)
Gain (loss) on sale of fixed assets	USD mill.	4	-	16	12	32	-	-	-	-	-
EBIT (2)	USD mill.	124	44	46	58	106	76	74	37	13	14
Net financial items	USD mill.	(55)	(54)	(30)	(26)	(24)	(19)	(16)	(10)	(15)	(13)
Net result after tax and minority interest	USD mill.	60	(12)	16	30	82	57	58	27	(2)	1
<b>FROM BALANCE SHEET</b>											
Fixed assets	USD mill.	1 301	1 292	990	892	712	595	569	468	420	437
Current assets	USD mill.	299	321	281	274	272	245	227	184	157	171
Shareholders' equity	USD mill.	526	530	451	447	373	349	246	193	156	179
Long-term liabilities	USD mill.	968	961	749	648	543	445	500	428	392	401
Minority interests	USD mill.	4	5	-	-	-	-	-	-	-	-
Current liabilities	USD mill.	103	117	71	70	69	45	51	31	30	28
Total assets	USD mill.	1 601	1 613	1 271	1 166	985	839	796	652	577	608
<b>PROFITABILITY</b>											
Earnings per share (3)	USD	2.4	(0.5)	0.7	1.4	3.8	2.6	2.6	1.2	(0.1)	0.0
Cash flow per share (4)	USD	5.8	2.4	3.3	3.6	5.6	4.3	4.1	3.0	1.7	2.1
Return on total assets (5)	%	7.0	3.3	4.8	6.2	12.4	10.9	12.2	7.5	3.3	3.7
Return on equity (6)	%	11.4	(2.4)	3.6	7.4	22.7	19.2	26.4	15.5	(1.2)	0.5
Return on capital employed (7)	%	9.8	3.8	4.9	7.4	16.5	14.3	16.6	9.7	3.6	3.7
<b>FINANCIAL RATIOS</b>											
Average number of shares	mill.	24.69	23.76	21.85	21.85	21.85	21.85	21.85	21.85	21.85	21.85
Basic/diluted equity per share (8)	USD	22.99	20.50	20.64	20.46	17.07	15.97	11.26	8.83	7.14	8.19
Share price per A-share	USD	14.98	15.18	12.44	7.63	17.63	19.25	15.03	17.46	12.43	6.13
Cash flow (9)	USD mill.	143	57	72	78	121	95	90	67	38	45
Interest-bearing debt	USD mill.	960	954	749	647	542	444	434	379	356	361
Bank deposits and securities	USD mill.	213	232	218	213	219	205	202	158	165	166
Debt repayment capability (10)		5.4	12.7	9.4	6.5	3.6	2.5	2.6	3.3	5.0	4.3
Current ratio (11)		2.9	2.7	4.0	3.9	3.9	5.4	4.5	5.9	5.2	6.1
Equity ratio (12)	%	33	33	35	38	38	42	31	30	27	29
<b>OTHER</b>											
Employees		3 088	2 755	1 743	1 667	1 667	1 711	1 550	1 407	1 333	1 363

Historical figures per share have been adjusted for bonus share issues.  
As from financial year 2000, the reporting currency was changed from NOK to USD. USD-figures for 1998-2001 reflect "true" USD-accounting as presented in the official accounts.  
The conversion from NOK to USD for the years 1991-1997 has been simplified by using the average rate per year for the Profit and Loss Account and the year-end rate for the Balance Sheet. Net financial items for these years do not include unrealised currency items.  
As a result of the conversion from NOK to USD, the various ratios have been recalculated.

1. Operating result before depreciation and gain (loss) on sale of fixed assets.  
2. Operating result.  
3. Net result after tax and minority interest divided by the average number of shares.  
4. Net result after tax and minority interest plus depreciation divided by the average number of shares.  
5. Net result after tax and minority interest plus financial expenses divided by average total assets.  
6. Net result after tax and minority interest divided by average book shareholders' equity.

7. Operating result divided by average book shareholders' equity plus net interest-bearing debt  
8. Shareholders' equity divided by outstanding number of shares per 31.12.  
9. Net result after tax and minority interest plus depreciation.  
10. Interest-bearing debt less bank deposits and securities, divided by net cash flow (9) before gain (loss) on sale of fixed assets.  
11. Current assets divided by current liabilities.  
12. Book shareholders' equity plus minority interest in percent of total assets.

# The Directors' Report

*Odfjell's consolidated result for 2001 came to a profit of USD 83 million (before currency items and taxes) compared with a loss of USD 2 million in 2000. The net result after tax was USD 60 million in 2001, a substantial improvement from a loss of USD 12 million in 2000.*

The major reasons for the better results were improved earnings from our specialized shipping activities as well as a strong return for our enlarged tank terminal division. The reduced USD interest rates also contributed positively for the year. Following strong year 2000 growth through acquisitions, in both shipping and tank terminal activities, 2001 became a year of harvesting the fruits and extracting the synergies of the growth.

The terminal investment in Singapore in 2001 represents another step in our process of expanding our network of tank terminals at important hubs around the world, as well as supporting our growth in South East Asia.

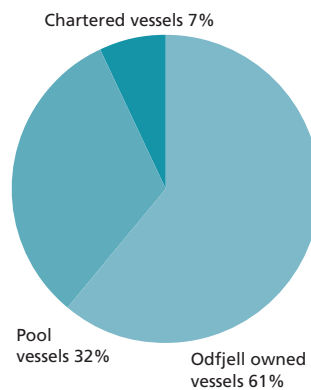
## Business activities

The strategy is to continue developing our position as the leading logistic service provider to the chemical industry. We shall maintain that position through efficient and safe operation of global and regional chemical tankers, tank terminals and tank containers. Scale is needed to offer an efficient trading pattern thereby maximising fleet utilisation. Our size also allows us to optimize our purchasing benefits.

## Global Trade

At end 2001 our fleet consisted of 62 ships, of which 35 were owned. Odfjell's worldwide operations include almost every major parcel tanker trade lane. Our fleet development program continued and in September we took delivery of Bow Favour (37 500 tdw.), a chemical tanker with 47 segregations and tanks of stainless steel. Our orderbook for deep-sea newbuildings totals 10

**FLEET DISTRIBUTION**  
(Global trade)



advanced chemical tankers, of which six are for our own account. The ships will be delivered at regular intervals from 2002 through 2005, and shall for the most part replace older ships as they retire.

Gross revenue from our global activities in 2001 was USD 621 million. Earnings before interest, tax, depreciation and amortisation (EBITDA) came to USD 150 million. The operating result (EBIT) was USD 94 million and, at year-end total assets were USD 1.17 billion. Included in the above-mentioned EBIT figure is a gain from the sale of assets of USD 4 million. The corresponding figures for 2000 were gross

revenue of USD 532 million, EBITDA of USD 81 million, EBIT of USD 29 million, total assets of USD 1.23 billion and no sale of assets.

The market proved strong during the first three quarters of 2001 whilst the last quarter, due to the world economy slowdown, saw reduced earnings.

## Regional Trade

At end 2001, 26 of our ships were in this smaller tanker segment, of which 15 were owned. The business is operated in four geographical areas.

An Asian service with trade lanes within the Singapore-Japan/Korea – Australia/New Zealand range employed altogether 12 ships. This region represents a growth area for our business, as significant new production of chemicals has come on stream during recent years.

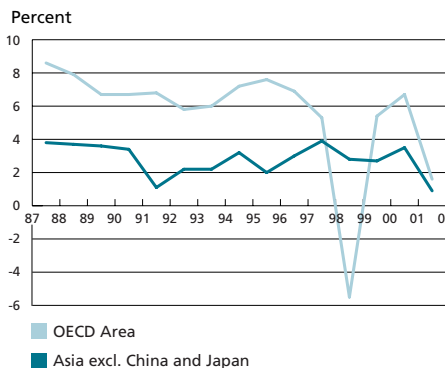
Six vessels were employed by Odfjell Flumar, a 50/50 joint venture company transporting chemicals primarily on the Brazilian coast, where local flag is a requirement. Odfjell Flumar has a strong local market position.

We employ six vessels in the US Gulf-Caribbean -West Coast of South American trade, where our

market presence continues at a steady pace.

Finally, we have a 50/50 joint venture operation in Chile involving coastal transportation of sulphuric acid, where two ships have been employed. This business has been growing and the Bow Saphir (now renamed Bow Pacifico/ 18 657 tdw/ built 82) was sold to the joint venture

**GDP GROWTH**





being our second ship entering into this trade during the spring of 2001.

The overall financial performance of our regional operations recorded a substantial improvement during 2001. Gross revenue increased to USD 103 million, EBITDA was USD 14 million and EBIT USD 6 million, with total assets deployed at end-year USD 136 million. The corresponding figures for 2000 were gross revenue of USD 72 million, EBITDA of USD 9 million, EBIT of USD 2 million and total assets at USD 125 million.

#### Tank Terminals

Tank terminals are an integrated part of the chemical transportation chain. Their capabilities form a natural link between our traditional ocean transportation services and inland modes of transportation such as barges, railcars, trucks, ISO-containers and pipelines. The tank terminals receive, store and distribute bulk liquid chemicals, serving all these different modes of transportation.

The strategy of Odfjell Terminals is to expand the terminal activities along Odfjell's major shipping lanes. In order to foster the development of chemical markets we also concern ourselves with strategic ports in newly industrialized countries, such as China.

To further expand our tank terminal activities at important petrochemical locations around the world, we acquired, during the year, 50% of what has been named Oil-tanking Odfjell Terminal Singapore.

The terminal has a strategic location on Jurong Island, just outside the main island of Singapore, an important petrochemical centre and chemical transshipment hub for all of South East Asia. This terminal has a total storage capacity of about 130 000 cbm, 35 storage tanks, and excellent jetty facilities.

Total investment on a 100% basis came to USD 63 million. This Singapore terminal became operational in September 2001 with its first full year of operation therefore being 2002.

Odfjell's tank terminal division consists of Odfjell Terminal (Houston) LP, Odfjell Terminals (Rotterdam) BV, Odfjell Terminals (Dalian) Co Ltd in China, Oiltanking Odfjell Terminal Singapore Pte Ltd and VOTT Ltd in Ningbo, China. Additionally, we have a close co-operation with a group of tank terminals in South America. Altogether, our terminal network now offers close to 2.6 million cbm of storage space in about 860 tanks in 14 ports around the world. This makes us world-leader in combined shipping and storage services.

The financial performance of the terminal activities was satisfactory in 2001, with the tank terminal in Rotterdam, acquired in 2000, showing good return early on in its investment cycle. Gross revenue was USD 89 million, EBITDA at USD 35 million and EBIT at USD 23 million. Total assets at year-end were USD 264 million. The corresponding 2000 figures were gross revenue of USD 59 million, EBITDA of

USD 25 million, EBIT of USD 16 million and total assets of USD 236 million.

Odfjell Terminals (Houston) had a positive pre-tax result of USD 7.1 million compared to USD 7.7 million in 2000. The pre-tax result for Odfjell Terminals (Rotterdam) was USD 11.4 million in 2001 compared to USD 6.0 million for the second half of 2000. The two terminals in China had a break-even result in 2001.

#### Tank Containers

Our tank container activity is organised through Hoyer-Odfjell BV, which is 50% owned by Hoyer of Germany and 50% by Odfjell. The business enables us to offer our customers integrated and cost effective transportation solutions for very small parcels. Our goal since start-up in 1999 has been to expand such operations globally, thereby building critical mass and achieving economies of scale. This business has grown from 2 600 containers in 1999 to 5 000 containers in 2001. Our 50% share of gross revenue in 2001 was USD 34 million, EBITDA came to USD 3 million and EBIT was break-even. Odfjell's share of total assets was USD 29 million. The corresponding figures for 2000 were gross revenue of USD 33 million, EBITDA negative USD 2 million, EBIT negative USD 3 million and total assets of USD 21 million. The financial performance is still not satisfactory, but we anticipate showing positive results in the coming years.

## 2001 result

Gross revenue came in at USD 846 million, up from USD 696 million in 2000 due primarily to our merger with Seachem, the acquisition of Odfjell Terminals (Rotterdam) and improved market conditions. Earnings before interest, tax, depreciation and amortisation (EBITDA) for 2001 was USD 203 million compared to USD 112 million in 2000. Operating result (EBIT) was USD 124 million compared to USD 44 million in 2000. After depreciation, the fourth quarter operating result was USD 24 million, an increase from USD 19 million in fourth quarter 2000.

The net result for 2001 was a profit of USD 60 million compared to a loss of USD 12 million in 2000. The figure for 2001 included a non-recurring sale's profit of USD

4 million. There was a positive improvement of cash flow at USD 143 million compared to USD 57 million the year before. The fourth quarter result was a profit of USD 7 million, up from USD 5 million in fourth quarter 2000.

The market for our deep-sea activities improved considerably from 2000 to 2001. Freight rates expressed in USD per day for our fleet increased by about 31% over the preceding year. Due to the world economy slowdown, freight rates fell by 7% during fourth quarter 2001 over the third quarter. Cost of bunker was still high in 2001, impacting our time-charter results negatively. Operating cost on a comparable fleet basis was stable as compared to 2000.

General and administrative expenses were in absolute terms about 7.7% higher due to the 2001 growth of business. Due to stable borrowings and lower interest rates, net financial cost came in lower in 2001 than in 2000.

The average USD/NOK exchange rate was 8.98 compared to 8.78 in 2000. The continued strong USD and the strengthening of the USD/NOK rate from 8.89 at year-end 2000 to 9.01 at year-end 2001 impacted negatively our currency hedging portfolio and the cash balances held in NOK, resulting in a cost of USD 14 million compared to a cost of USD 8 million in 2000. This cost is offset partly by reduced voyage, operating and general and administrative expenses.

The parent company recorded a profit for the year of NOK 4 million compared to a loss of NOK 35 million in 2000.

The Board proposes to the Annual General Meeting an increased dividend, from NOK 4 to NOK 8 per share, totalling NOK 182.9 million (USD 20.3 million). Furthermore, the Board proposes to cover the dividend from the profit of the parent company and an amount of

NOK 178.5 million from reserve equity. Distributable equity was NOK 2,151.1 million as per 31 December 2001. According to § 3.3 in the Norwegian Accounting Act we are required to, and do confirm, that the accounts have been prepared on the assumption of a going concern.

Jørgen Faye retired from the Board in 2001 after more than ten years of service. The Board wishes to thank him for his valuable contributions. The Board like to thank all employees for their good efforts in 2001.

## Liquidity and financing

The company's cash reserves continue to be strong. Cash and bonds as of 31 December 2001 were USD 213 million, or about 22 per cent of interest-bearing debt, compared to USD 227 million as of 31 December 2000. Additionally, undrawn credit facilities equalled USD 33 million as per 31 December 2001 compared to USD 40 million as per year-end 2000.

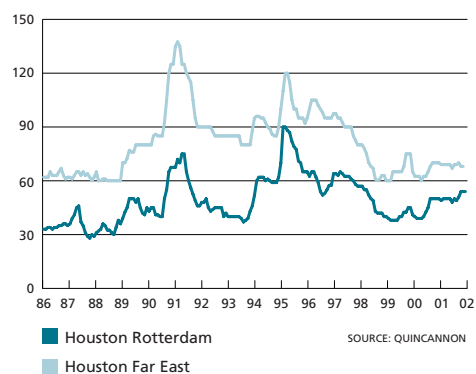
Interest bearing debt increased from USD 955 million as per year-end 2000 to USD 960 million per 31 December 2001. Net interest bearing debt was USD 747 million as per 31 December 2001. Disbursements relating to investments amounted to USD 137 million in 2001. The equity ratio was 33% as per year-end 2001 and the ratio between current assets and current liabilities was 290%. We secured a commitment during 2001 for a USD 150 million loan facility which may be used to partly refinance a facility that matures in May 2003. Since our fleet consists of speciality ships, a market with limited relevant sale and purchase activity, we have not attempted to calculate value-adjusted shareholders' equity. Transactions done during 2001, however, confirm prices in excess of book values.

During 2001 we acquired 1,117,450 A-shares and 1,873,649

### FREIGHT RATES

1000 tons stainless steel grade chemicals

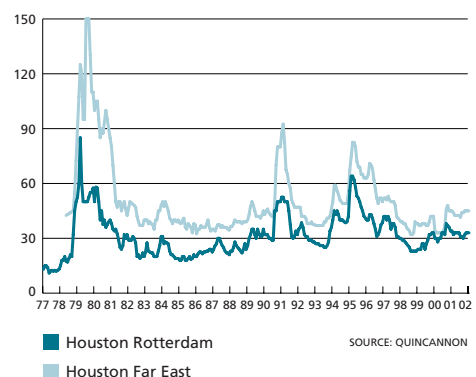
USD/Ton



### FREIGHT RATES

3000 tons easy grade chemicals

USD/Ton







**Piet Burggraaf, Operator,  
Odfjell Terminals (Rotterdam) BV**



**BERNT DANIEL ODFJELL JR**

Born 1938. Chairman of the Board. Mr. Odfjell has been with the company since 1963. Member of the founding family of the company.



**PER IVAR GJÆRUM**

Born 1948. Board Member since 1986. Rector at the Norwegian School of Economics and Business Administration, Bergen, Norway.



**BJARTE KVÅLE**

Born 1948. Board Member since 1988. Previously Mr. Kvåle has held management positions in shipping companies. Currently Mr. Kvåle is working as a management consultant and private investor.



**TERJE STORENG**

Born 1949. Board Member since 1994. Mr. Storeng is the Managing Director of A/S Rederiet Odfjell, a company held by the Odfjell family.



**PETER G. LIVANOS**

Born 1958. Board Member since 2000. Mr. Livanos is currently Chairman of Ceres Hellenic Shipping Enterprises Ltd. and serves on the Advisory Board of DVB Nedship Bank N.V.



**REIDAR LIEN**

Born 1942. Board Member since 2001. Mr. Lien was previously Managing Director of Bergensbanken ASA and he has held various management positions in banking and industry. He has experience from the Board of Directors of a number of different institutions.

B-shares, altogether 2,991,099 shares representing about 11% of the shares of the company, at an average cost of NOK 120.8 per share. The total investment in treasury shares was NOK 362.0 million (USD 41.2 million). All treasury shares acquired in 2001 have been redeemed.

To improve the liquidity in the Odfjell share we have entered into a market maker agreement with Pareto Securities ASA valid as from 1 January 2002.

The acquisition of treasury shares as aforesaid was based upon two separate authorisations from the shareholders, with redemption in between. The Annual General Meeting on 8 May 2001 approved the redemption of 558,850 A-shares and 806,900 B-shares which became effective 22 August 2001. An Extraordinary General Meeting on 6 November 2001 approved the redemption of 832,600 A-shares and 1,708,349 B-shares, which became effective mid February 2002.

At the Extraordinary General Meeting held on 6 November 2001 the Board was further authorized to acquire treasury shares of up to 10% of the company's outstanding shares. This authorisation expires 6 May 2003. In 2002 so far, we have not acquired shares under this authorisation.

**Key figures**

Return on assets was 7% and the return on equity increased to 11.4% in 2001. Return on the market cap as per year-end 2001 was 17.5%, caused by the share trading at a discount to book value.

Earnings per share amounted to USD 2.43 (NOK 21.81) in 2001 compared to negative USD 0.50 (negative NOK 4.39) in 2000. Cash flow per share was USD 5.78 (NOK 51.89) compared to USD 2.40 (NOK 21.07).

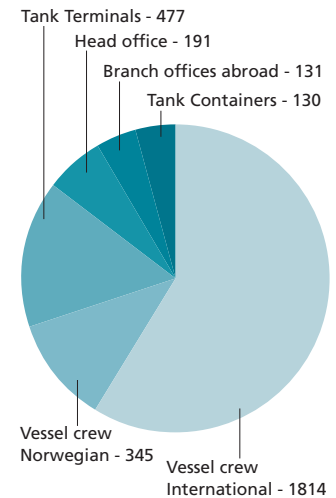
As per 31 December 2001 the

Price/ Earnings ratio (P/E) was 6.2 and the Price/Cashflow ratio was 2.6. Book value per share equals an EBITDA multiple of 6.3, while market value per share as per 31 December 2001 corresponds to an EBITDA multiple of 5.4. Interest coverage ratio (EBITDA/Net interest cost) was 5.1 for 2001 compared to 2.4 for 2000.

**Health, safety and environment**

The policy of Odfjell is to maintain and to improve upon the company's

**EMPLOYEES**  
Per 31 December 2001



position as a supplier of high-quality, environmentally responsible low risk transport services. Stringent environmental and safety requirements underlie all operations. We decided accordingly to integrate the environmental standard ISO 14001 into our Safety & Quality Management System.

The recorded absence rate among our employees in the shore-based organisation was 2.57% in 2001 compared to 2.58% during 2000.

In 2001, as in 2000, we had no accidents with fatal outcome onboard the ships. The reported number of lost workday injury cases improved to 3.96 per million worked hours (Lost Time Injury



Frequency = 3.96) compared to 7.3 in 2000. Initiatives taken during 2001 yielded substantial effects.

The company utilises the "Safety and Improvement Reporting" (SAFIR) reporting system to handle non-compliances and their causes.

Det Norske Veritas has audited Odfjell's Document of Compliance in 2001. Renewals and audits of Safety Management Certificates were carried out onboard our ships. Internal audits have also been made on all ships owned by Odfjell. In addition to inspections by classification societies (DNV), port state and internal inspections, all of our vessels have been inspected by our customers. Chemical Distribution Institute (CDI) inspected 46 vessels and Oil Companies International Marine Forum (OCIMF) during

2001 made 83 inspections of our vessels. Odfjell is in favour of a close follow-up by the industry of vessels and organisation, although it must be noted that the vast number of inspections per vessel creates lost efficiency and increased cost.

A focus on quality, safety and environmental protection is also paramount at our terminals. Supported by two customers, Odfjell Terminals (Houston) was the first terminal in the U.S. to become a partner in the "Responsible Care," programme. This programme is the Chemical Manufacturers Association's way of bestowing recognition on enterprises that have distinguished themselves by applying environmental and safety standards in excess of current regulations.

### Outlook

During 2001 the world economy growth slowed. There is still uncertainty as to the length of the current downturn and its impact on chemical trade. We expect a continued reduction in the supply of new tonnage, as fewer newbuildings will be delivered the next two years.

For 2002 we expect a net result lower than in 2001. Assuming, as we do, a mid 2002 pick-up in world economic growth, we expect a better result for the second half than the first half of the year. Through consolidation and by terminal acquisitions the company has steadily strengthened its market position as a total logistics service provider.

Bergen, 13 March 2002

THE BOARD OF DIRECTORS OF ODFJELL ASA

Per Ivar Gjærum

B.D. Odfjell jr.  
CHAIRMAN

Bjarte Kvåle

Terje Storeng

Peter G. Livanos

Reidar Lien

Bjørn Sjaastad  
PRESIDENT/CEO

ODFJELL GROUP

**Profit and Loss Statement**

(USD 1 000)

<b>OPERATING REVENUE (EXPENSES)</b>	NOTE	<b>2001</b>	<b>2000</b>	<b>1999</b>
Gross revenue	2	846 355	696 348	551 498
Voyage expenses		(260 155)	(265 916)	(192 674)
Time-charter expenses	3	(183 278)	(152 175)	(129 585)
Operating expenses	4,6,20	(157 837)	(126 522)	(110 355)
<b>Gross result</b>		<b>245 086</b>	<b>151 735</b>	<b>118 884</b>
General and administrative expenses	4	(42 092)	(39 264)	(32 997)
<b>Operating result before depreciation and gain (loss) on sale of fixed assets (EBITDA)</b>	2	<b>202 993</b>	<b>112 471</b>	<b>85 887</b>
Depreciation	5,6	(82 578)	(68 582)	(56 263)
Gain (loss) on sale of fixed assets		3 525	-	16 456
<b>Operating result (EBIT)</b>	2	<b>123 939</b>	<b>43 890</b>	<b>46 080</b>
<b>FINANCIAL INCOME (EXPENSES)</b>				
Interest income		13 123	12 430	13 454
Interest and fees paid		(52 984)	(58 598)	(41 935)
Other financial items	7	( 761)	9	854
Currency gains (losses)	8	(14 169)	(8 135)	(2 837)
<b>Net financial items</b>		<b>(54 790)</b>	<b>(54 294)</b>	<b>(30 464)</b>
<b>Net result before taxes and minority interests</b>		<b>69 149</b>	<b>(10 405)</b>	<b>15 616</b>
Taxes	9	(9 264)	(1 564)	599
<b>Net result before minority interests</b>		<b>59 885</b>	<b>(11 968)</b>	<b>16 215</b>
Minority interests		(118)	(17)	-
<b>Net result</b>		<b>60 003</b>	<b>(11 951)</b>	<b>16 215</b>
Earnings per share (USD)	10	2.43	(0.50)	0.74



**Assets as per 31.12.**

(USD 1 000)

<b>FIXED ASSETS</b>	NOTE	<b>2001</b>	<b>2000</b>	<b>1999</b>
Deferred tax assets	9	-	1 991	523
Goodwill	5,12	17 266	15 563	11 409
Real estate	6,12	11 306	11 237	8 983
Ships	6,12,20	974 204	979 480	826 339
Newbuildings	6,12	35 599	38 469	10 622
Tank terminals	6,12	215 857	195 365	111 341
Tank containers	6,12	19 253	8 000	2 300
Office equipment and cars	6,12	5 862	5 006	4 506
Other long-term receivables	14,16	21 737	36 850	14 016
<b>Total fixed assets</b>		<b>1 301 086</b>	<b>1 291 962</b>	<b>990 039</b>
<b>CURRENT ASSETS</b>				
Short-term receivables	16	79 111	79 429	56 055
Bunkers and other inventories	16	7 648	9 743	7 302
Investment in shares	17	-	5 041	4 808
Bonds and certificates	16,18	158 462	57 751	69 065
Cash and bank deposits	16,19	54 246	168 912	143 657
<b>Total current assets</b>		<b>299 467</b>	<b>320 876</b>	<b>280 887</b>
<b>Total assets</b>	<b>2</b>	<b>1 600 553</b>	<b>1 612 837</b>	<b>1 270 926</b>

B.D. Odfjell jr.  
CHAIRMAN

Per Ivar Gjærum

**Liabilities and Shareholders' Equity as per 31.12.**

(USD 1000)

<b>PAID IN EQUITY</b>	NOTE	<b>2001</b>	<b>2000</b>	<b>1999</b>
Share capital	11	34 715	36 659	31 097
Own shares	11	(3 616)	(1 303)	-
Share premium	11	109 955	109 955	-
<b>Total paid in equity</b>		<b>141 054</b>	<b>145 311</b>	<b>31 097</b>
<b>RETAINED EARNINGS</b>				
Other equity	11	384 642	384 558	419 967
<b>Total retained earnings</b>		<b>384 642</b>	<b>384 558</b>	<b>419 967</b>
<b>Total shareholders' equity</b>		<b>525 695</b>	<b>529 869</b>	<b>451 064</b>
<b>Minority interests</b>		<b>3 900</b>	<b>5 136</b>	<b>-</b>
<b>LONG-TERM LIABILITIES</b>				
Deferred tax liabilities	9	3 350	-	-
Pension liabilities	15	4 938	6 572	-
Convertible loan		-	-	3 049
Long-term debt	14,16	960 065	954 614	745 704
<b>Total long-term liabilities</b>		<b>968 352</b>	<b>961 186</b>	<b>748 753</b>
<b>CURRENT LIABILITIES</b>				
Taxes payable	9	5 401	3 273	2 416
Employee taxes payable	16	2 803	2 305	1 901
Dividend payable	11	20 298	12 041	10 875
Other short-term liabilities	16	74 103	99 027	55 917
<b>Total current liabilities</b>		<b>102 606</b>	<b>116 646</b>	<b>71 109</b>
<b>Total liabilities</b>		<b>1 070 958</b>	<b>1 077 832</b>	<b>819 862</b>
<b>Total liabilities and shareholders' equity</b>		<b>1 600 553</b>	<b>1 612 837</b>	<b>1 270 926</b>
Liabilities secured by mortgages	21	111 132	101 598	64 375
Guarantees	22	836	1 198	8 033

Bjarte Kvåle

Terje Storeng

Peter G. Livanos

Reidar Lien

Bjørn Sjaastad  
PRESIDENT/CEO

Bergen, 13 March 2002

THE BOARD OF DIRECTORS OF ODFJELL ASA

ODFJELL GROUP

## Cash Flow Statement

(USD 1 000)

	2001	2000	1999
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net result before taxes and minority interests	69 149	(10 405)	15 616
Taxes paid	(1 795)	(2 359)	(557)
(Gain) loss on sale of fixed assets	(3 525)	-	(16 456)
Depreciation	82 578	68 582	56 253
Depreciation of capitalised dry-docking cost	20 348	17 032	17 497
Inventory (increase) decrease	2 095	(2 441)	(2 856)
Trade debtors (increase) decrease	8 329	(12 195)	(4 071)
Trade creditors increase (decrease)	(5 199)	5 947	4 861
Difference in pension cost and pension premium paid	460	737	876
Other short-term accruals	(28 300)	25 790	(1 240)
<b>Net cash flow from operating activities</b>	<b>144 139</b>	<b>90 688</b>	<b>69 923</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Sale of fixed assets	7 951	-	18 898
Investment in fixed assets	(137 394)	(357 027)	(167 198)
Investment in trading shares	3 921	(1 070)	(4 806)
Changes in long-term receivables	14 932	(23 871)	157
<b>Net cash flow from investing activities</b>	<b>(110 590)</b>	<b>(381 968)</b>	<b>(152 949)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
New long-term debt	147 386	213 017	94 181
Payment of long-term debt	(141 935)	(3 049)	-
Share issue	-	115 518	-
Share repurchase	(41 228)	(13 385)	-
Dividends	(10 974)	(9 714)	(11 499)
<b>Net cash flow from financing activities</b>	<b>(46 751)</b>	<b>302 387</b>	<b>82 682</b>
<b>Effect on cash balances</b>			
<b>from currency exchange rate fluctuations</b>	<b>(753)</b>	<b>2 834</b>	<b>-</b>
<b>Net change in cash balances</b>	<b>(13 955)</b>	<b>13 941</b>	<b>(344)</b>
Cash balances as per 01.01	226 663	212 722	213 066
<b>Cash balances as per 31.12</b>	<b>212 708</b>	<b>226 663</b>	<b>212 722</b>

Cash balances include cash and cash equivalents such as bank deposits, bonds and certificates.  
As per 31 December 2001, unutilised credit facilities were USD 33 mill.

## Notes to the Group Financial Statement

### 1. ACCOUNTING PRINCIPLES

All items in the financial statements have been reported, valued and accounted for in accordance with the Accounting Act and generally accepted accounting principles in Norway.

#### a. Consolidation

The consolidated accounts consist of Odfjell ASA and subsidiaries. Common accounting principles are applied to all companies in the Odfjell Group. Foreign subsidiaries not accounted for in USD are converted at the average rate of exchange for the profit and loss account and at the year-end exchange rate for the balance sheet. Translation adjustments is accounted for as other equity. The Odfjell Group is using the acquisition method when consolidating subsidiaries that have been taken over. Identified excess values have been allocated to those assets to which the value relates. The excess values are depreciated over the assets' estimated economic life. Excess values not traceable to material assets have been classified as goodwill. Goodwill is amortised based on an individual evaluation of the underlying activity. Inter-company transactions have been eliminated. Our share of activities under common control and affiliated companies is based on the Gross method, and is included proportionally in each of the lines in the Group's Profit and Loss and Balance Sheet statements.

#### b. Classification of balance sheet items

Assets and liabilities related to the operation of the companies are classified as current assets and liabilities. Assets for long-term use are classified as fixed assets. First year instalment of debt is included in long-term debt.

#### c. Revenue and voyage related costs

Total revenues and voyage related costs are accounted for on the percentage-of-completion voyage basis.

#### d. Periodic maintenance costs

Dry-docking cost is capitalised and the cost is depreciated over the period until the next dry-docking. This period is normally 30 months. When purchasing or building ships a portion of the cost price is capitalised representing the drydocking element. This item is classified as ships.

#### e. Pension cost and liabilities

Pension obligations are mainly covered through life insurance companies. The present value of the liability has been calculated based on actuarial principles. The net of the present value of the calculated liability and the pension fund is included under long-term assets or long-

term liabilities. In addition, we have made separate pension arrangements for employees between the ages of 65 and 67 years. Uncovered pension liabilities are calculated and included in the above calculation. The change in net pension liability is expensed in the profit and loss account. The effect of changes in estimates and pension plans is accounted for when it exceeds 10 % of the highest of pension liabilities and funds. The result effect of such changes is amortised over the remaining service period.

#### f. Debt issuance costs

Debt issuance costs are amortised over the loan period.

#### g. Taxes and deferred tax liabilities

Taxes are calculated based on the financial result and consist of taxes payable and deferred taxes. The calculation of deferred taxes is based on the temporary differences between the result in the profit and loss statement and the tax statement. Deferred taxes are estimated based upon a net present value calculation except for the part of the Group which does not qualify under the new Norwegian tax scheme for shipping companies, where we have used a nominal tax rate for calculating deferred taxes. Tonnage tax pertaining to own vessels is included in operating costs.

#### h. Public contribution

Public contribution from the Norwegian Maritime Directorate related to the reimbursement system for Norwegian seafarers is posted in the accounts as a reduction of operating cost. Public contribution received in relation to the newbuilding program is used to reduce the cost price.

#### i. Current assets

Current assets are valued at the lower of historical cost and market value.

#### j. Shares

Shares classified as current assets form part of an investment portfolio where book value equals the market value.

#### k. Foreign currency

The functional currency is USD. Current assets, long-term receivables and liabilities are valued at the year-end exchange rate. As from 2000 the Group accounts were prepared in USD. When recalculating prior years' accounts, fixed assets were recalculated using historical rates and current assets at the year-end exchange rate. Income and expenses were recalculated at average rate for the relevant year, except for depreciations and gain on sale of fixed assets, where we have used historical rates.

Currency gains/losses before 2000 relate to currency hedging contracts only.

#### l. Fixed assets – depreciation

Fixed assets including goodwill are depreciated straight-line over their estimated useful lives.

#### m. Newbuilding contracts

Newbuildings include payments made under the contracts, capitalized interest and other costs directly associated with the newbuilding program.

#### n. Cash flow statement

The cash flow statement is prepared using the indirect method.

#### o. Financial instruments

The company uses various financial instruments to reduce its exposure to foreign exchange and interest rate fluctuations. The following accounting principles apply:

##### FOREIGN CURRENCY INSTRUMENTS:

The result of currency hedging contracts and currency options is accounted for over the hedging period.

##### INTEREST RATE INSTRUMENTS:

The result of interest rate swap contracts is amortised over the contract period and is accounted for as an increase /decrease of the interest cost.

##### BUNKERS:

The result from bunker swaps and options is accounted for as an increase/reduction of the bunkers costs over the hedging period.

#### p. Related parties

Information about the related parties of the Odfjell Group and transactions involving them is given in connection with the respective items in the financial statements.

#### q. Information about the segments

Odfjell is a leading player in the global market of seaborne transportation of chemicals and related logistical services, including tank terminals and tank containers.

The definition of business segments is based on the company's internal reporting. Transactions between the individual business areas are priced at market terms and are eliminated in the consolidated accounts.

#### r. Financial leases

Financial leases are capitalised in the balance sheet statement and are depreciated as ordinary fixed assets. The lease obligations are considered debt.

**2 SEGMENT REPORTING**

(USD 1 000)

<i>Gross revenue:</i>	2001	2000	1999
Global trade	620 799	531 866	429 279
Regional trade	102 820	72 000	59 992
Tank terminals	88 517	59 054	32 203
Tank containers	34 219	33 428	30 024
<b>Total gross revenue</b>	<b>846 355</b>	<b>696 348</b>	<b>551 498</b>
<i>Operating result before depreciation and gain (loss) on sale of fixed assets (EBITDA):</i>	2001	2000	1999
Global trade	150 314	81 289	65 066
Regional trade	14 425	9 065	5 656
Tank terminals	34 891	24 511	15 715
Tank containers	3 363	(2 394)	(550)
<b>Total operating result before depreciation and gain (loss) on sale of fixed assets (EBITDA)</b>	<b>202 993</b>	<b>112 471</b>	<b>85 887</b>
<i>Operating result (EBIT):</i>	2001	2000	1999
Global trade	94 446	28 557	33 736
Regional trade	6 136	2 330	2 299
Tank terminals	23 049	15 653	10 595
Tank containers	308	(2 650)	(550)
<b>Total operating result (EBIT)</b>	<b>123 939</b>	<b>43 890</b>	<b>46 080</b>
<i>Total assets:</i>	2001	2000	1999
Global trade	1 171 595	1 231 075	999 726
Regional trade	135 536	125 206	129 643
Tank terminals	264 070	235 752	128 944
Tank containers	29 352	20 804	12 613
<b>Total assets</b>	<b>1 600 553</b>	<b>1 612 837</b>	<b>1 270 926</b>

**3 TIME-CHARTER EXPENSES**

(USD 1 000)

<i>Time-charter expenses:</i>	2001	2000	1999
Floating TC-expenses (pool-partners)	126 435	85 317	70 667
Other TC-expenses	56 843	66 858	58 918
<b>Total time-charter expenses</b>	<b>183 278</b>	<b>152 175</b>	<b>129 585</b>

**4 SALARIES, NUMBER OF EMPLOYEES, BENEFITS, LOANS TO EMPLOYEES AND AUDITORS REMUNERATION**

(USD 1 000)

<i>Salaries and other employee expenses:</i>	2001	2000	1999
Salaries	77 651	62 053	52 489
Social expenses	12 332	8 519	7 290
Pension cost	1 640	1 768	1 101
Other benefits	948	2 950	1 357
<b>Total salary expenses</b>	<b>92 571</b>	<b>75 290</b>	<b>62 236</b>
Average number of man-labour years	2 922	2 241	1 726
<i>The salary expenses are included in the following accounts:</i>	2001	2000	1999
Operating expenses	62 297	51 533	42 068
General and administrative expenses	30 274	23 757	20 168
<i>Compensation and benefits to:</i>		President/CEO	Board of Directors
Salary		263	157
Pension cost		51	21
Other benefits		10	2



The President/CEO is entitled to two years' salary if the company terminates the employment prior to the age of 50, and to three years' salary if such termination occurs after the age of 50. The President/CEO has the right to request his retirement at the age of 60 and will receive an annual pension from the age of 60 to 65 in an amount equal to 66% of the average annual salary the three years preceding. Annual pension after 65 years will be 66% of 24G (presently 24G equals USD 136 762).

Loans to employees amount to USD 1.74 mill. The loans are primarily secured by property mortgages. Interest rates vary from 0-6% per annum.

<i>Auditor's remuneration for:</i>	2001	2000	1999
Auditing	175	97	94
Tax/Legal/Due diligence	341	250	61

## 5 INTANGIBLE FIXED ASSETS

(USD 1 000)

	Cost		Sale book value	Accumulated amortisation		Book value 31.12.01
	01.01.01	Investment		prior years	Amortisation this year	
<b>Total Goodwill</b>	<b>21 927</b>	<b>4 032</b>	-	<b>(6 364)</b>	<b>(2 329)</b>	<b>17 266</b>

*Amortisation period:*

Goodwill is normally amortised straight line over a period of 5 to 10 years. A longer amortisation period than 5 years is based on an individual evaluation of the underlying activities.

## 6 FIXED ASSETS

(USD 1 000)

	Cost		Sale book value	Accumulated depreciation		Book value 31.12.01
	01.01.01	Investment		prior years	Depreciation this year	
Real estate	13 535	765	(4)	(2 551)	(439)	11 306
Ships and newbuildings	1 168 003	57 828	(3 934)	(174 399)	(63 424)	984 074
Periodic maintenance*	24 020	22 546	(489)	-	(20 348)	25 729
Tank terminals	381 773	35 793	-	(190 160)	(11 549)	215 857
Tank containers	8 000	13 884	-	-	(2 631)	19 253
Office equipment and cars	9 669	2 546	(182)	(3 966)	(2 206)	5 862
<b>Total</b>	<b>1 605 000</b>	<b>133 362</b>	<b>(4 609)</b>	<b>(371 076)</b>	<b>(100 597)</b>	<b>1 262 081</b>

Assets financed under finance lease are included in ships and newbuildings' book value 31 December 2001 with USD 53 076 and in tank containers' book value 31 December with USD 17 030.

*Depreciation periods:*

Real estate: 50 years; ships: 25 years; periodic maintenance cost: 2.5-5 years; tank terminals: 40 years; tank containers: 12 years; office equipment and cars: 3-15 years.

\* Periodic maintenance is expensed as an operating expense.

## 7 OTHER FINANCIAL ITEMS

(USD 1 000)

	2001	2000	1999
Other financial income	411	1 309	306
Other financial expenses	(957)	(463)	(282)
Changes in the market value of financial current assets	(216)	(837)	830
<b>Total other financial items</b>	<b>(761)</b>	<b>9</b>	<b>854</b>

## 8 CURRENCY GAINS (LOSSES)

(USD 1 000)

	2001	2000	1999
Currency hedging contracts	(13 487)	(10 920)	(2 837)
Long-term receivables and debt	(263)	(1 113)	-
Cash and bank deposits	(718)	2 834	-
Other current assets and current liabilities	299	1 064	-
<b>Total currency gains (losses)</b>	<b>(14 169)</b>	<b>(8 135)</b>	<b>(2 837)</b>

When recalculating currency gain (losses) from NOK to USD for 1999, we have only taken into account items related to currency hedging contracts.

**9 TAXES**

(USD 1 000)

<i>Taxes:</i>	2001	2000	1999
Taxes payable, Norway	(326)	(51)	(150)
Taxes payable, Foreign	(3 589)	(1 493)	(407)
Change in deferred tax, Norway	(1 908)	2 935	1 157
Change in deferred tax, Foreign	(3 441)	(2 132)	-
Changes to equity	-	(823)	-
<b>Total tax expenses</b>	<b>(9 264)</b>	<b>(1 564)</b>	<b>599</b>
Tonnage tax (expensed as an operating expense)	(466)	(710)	(712)
<i>Specification of deferred taxes/(deferred tax assets):</i>	2001	2000	1999
Current items	-	21 729	-
Fixed assets	70 357	43 313	461
Pension fund/(pension liabilities)	(5 022)	(6 396)	1 303
Other long-term temporary differences	20 399	4 659	285
Tax-loss carried forward	(75 583)	(70 959)	(3 919)
<b>Net temporary differences</b>	<b>10 151</b>	<b>(7 654)</b>	<b>(1 869)</b>
Tax rate	10%-35%	28%-35%	28%
<b>Deferred tax (deferred tax assets)</b>	<b>3 350</b>	<b>(1 991)</b>	<b>(523)</b>
<i>Temporary differences, within the shipping tax system:</i>			
Negative balance for taxed income	294 594	298 529	330 464
Accumulated non-taxable income	150 479	100 257	63 221
<b>Net temporary differences</b>	<b>445 073</b>	<b>398 786</b>	<b>393 685</b>
<b>Deferred tax (deferred tax assets)*</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total deferred tax (deferred tax assets)</b>	<b>3 350</b>	<b>(1 991)</b>	<b>(523)</b>

\* *Deferred tax/deferred tax assets within the Norwegian shipping tax system:*

On the assumption the Group continues under the shipping tax system, the deferred tax/deferred tax assets is negligible based on a net present value calculation.

**10 EARNINGS PER SHARE**

The weighted average number of shares in 2001 was 24 687 339, not including own shares.

In 2000 and 1999 the Group figure was 23 755 892 and 21 848 512 respectively. Earnings per share is calculated as net result for the year divided by the weighted average numbers of share.

**11 SHAREHOLDERS' EQUITY**

(USD 1 000)

	<i>Share capital</i>	<i>Own shares</i>	<i>Share premium</i>	<i>Other equity</i>	<i>Total equity</i>
<b>Shareholders' equity as per 31 December 1998</b>	<b>31 097</b>	-	-	<b>416 371</b>	<b>447 468</b>
Net result	-	-	-	16 215	16 215
Changes in translations adjustments	-	-	-	(1 744)	(1 744)
Proposed dividend	-	-	-	(10 875)	(10 875)
<b>Shareholders' equity as per 31 December 1999</b>	<b>31 097</b>	-	-	<b>419 967</b>	<b>451 064</b>
Net result	-	-	-	(11 951)	(11 951)
Share repurchases	-	(1 303)	-	(12 082)	(13 385)
Share issue	5 562	-	109 955	-	115 517
Equity adjustments	-	-	-	1 144	1 144
Changes in translations adjustments	-	-	-	(479)	(479)
Proposed dividend	-	-	-	(12 041)	(12 041)
<b>Shareholders' equity as per 31 December 2000</b>	<b>36 659</b>	<b>(1 303)</b>	<b>109 955</b>	<b>384 558</b>	<b>529 869</b>
Net result	-	-	-	60 003	60 003
Share repurchases	-	(4 257)	-	(36 971)	(41 228)
Redemption of shares	(1 944)	1 944	-	-	-
Equity adjustments	-	-	-	801	801
Changes in translations adjustments	-	-	-	(3 451)	(3 451)
Proposed dividend	-	-	-	(20 298)	(20 298)
<b>Shareholders' equity as per 31 December 2001</b>	<b>34 715</b>	<b>(3 616)</b>	<b>109 955</b>	<b>384 642</b>	<b>525 695</b>

## 12 INVESTMENTS IN AND SALE OF FIXED ASSETS AND INTANGIBLE FIXED ASSETS

(USD 1 000)

	1997		1998		1999		2000		2001	
	Inv.	Sale	Inv.	Sale	Inv.	Sale	Inv.	Sale	Inv.	Sale
Goodwill	8 801	-	-	-	5 951	-	7 722	-	4 032	-
Real estate	508	-	1 096	73	175	-	268	-	765	7
Ships and newbuildings	186 982	39 020	165 511	15 500	127 758	18 685	236 395	-	57 828	7 905
Periodic maintenance costs	23 890	-	18 919	-	18 162	-	18 984	-	22 546	-
Tank terminals	8 601	-	10 438	-	10 119	-	84 190	-	35 793	-
Tank containers	-	-	-	-	2 300	-	5 700	-	13 884	-
Office equipment and cars	1 472	75	1 317	57	2 733	213	3 768	-	2 546	39
<b>Total</b>	<b>230 254</b>	<b>39 096</b>	<b>197 281</b>	<b>15 630</b>	<b>167 198</b>	<b>18 898</b>	<b>357 027</b>	<b>-</b>	<b>137 394</b>	<b>7 951</b>

## 13 CONSOLIDATED COMPANIES

<i>Subsidiaries:</i>	<i>Registered office</i>	<i>Share</i>	<i>Voting-rights</i>
Odfjell Chemical Tankers AS	Norway	100%	100%
Odfjell Chemical Tankers II AS	Norway	100%	100%
Odfjell Chemical Tankers III AS	Norway	100%	100%
Odfjell Seachem AS	Norway	100%	100%
Odfjell Terminals AS	Norway	100%	100%
Odfjell Insurance AS	Norway	100%	100%
Odfjell Projects AS	Norway	100%	100%
Odfjell Asia Pte Ltd	Singapore	100%	100%
Odfjell Singapore Pte Ltd	Singapore	100%	100%
Odfjell USA Inc	USA	100%	100%
Odfjell Netherlands BV	Netherlands	100%	100%
Odfjell (UK) Ltd	United Kingdom	100%	100%
Odfjell Japan Ltd	Japan	100%	100%
Odfjell Brasil - Representacoes Ltda	Brazil	100%	100%
Odfjell Chemical Tankers Ltd	Bermuda	100%	100%
Odfjell Employment Services Ltd	Bermuda	100%	100%
Naviera Latino Americana SA	Argentina	99%	99%
Odfjell Terminals (Dalian) Co Ltd	China	64%	64%

Wholly-owned companies held indirectly through subsidiaries:

Odfjell Americas AS, Odfjell Asia II Pte Ltd, Odfjell Terminals USA GP Inc, Odfjell Terminals USA LP Inc, Odfjell Terminals (Houston) LP and Odfjell Terminals (Rotterdam) BV.

The company Naviera Latino Americana SA is directly and indirectly 100% owned by the Group.

The company Flumar Transportes de Quimicos e Gases Ltda is indirectly 50% owned by the Group.

*Affiliated companies and companies under common control:*

Odfjell y Vapores SA	Chile	49%	49%
Odfjell & Vapores Ltd	Bermuda	50%	50%
Norfra Shipping AS	Norway	56%	50%
Oiltanking Odfjell Terminal Singapore Pte Ltd	Singapore	50%	50%
Hoyer - Odfjell BV	Netherlands	50%	50%
V.O.Tank Terminal Ningbo Ltd	China	12.5 %	12.5 %

**14 RECEIVABLES AND DEBT**

(USD 1 000)

<i>Long-term receivables:</i>	2001	2000	1999
Employees	1 736	1 455	1 401
Pension fund	-	-	1 142
Other	20 001	35 395	11 474
<b>Total long-term receivables</b>	<b>21 737</b>	<b>36 850</b>	<b>14 016</b>
<b>of which with a maturity later than one year</b>	<b>14 119</b>	<b>26 912</b>	<b>13 528</b>

<i>Long-term liabilities with a maturity later than 5 years:</i>	2001	2000	1999
<b>Total</b>	<b>253 809</b>	<b>274 747</b>	<b>277 147</b>

**Long-term interest-bearing debt as per 31.12.2001** **960 065**

Repayment schedule:	
2002	114 351
2003	289 686
2004	67 621
2005	152 610
2006 and thereafter	335 797

The average term of the group's outstanding long-term interest-bearing debt as per 31 December 2001 was 4.6 years (2000: 4.6 years).

In 2001, we secured a commitment for an USD 150 million loan facility, which may be used to partly refinance a facility that matures in May 2003.

<i>Average USD interest rate:</i>	2001	2000	1999
Liabilities to financial institutions	5.43%	7.08%	5.66%
Certificate	-	6.97%	-
Bond debt	2.74%	4.10%	3.24%
Convertible loans	-	-	8.00%



## 15 PENSION COSTS AND LIABILITIES

(USD 1 000)

Odfjell ASA has a collective pension plan for its employees through a life insurance company. Odfjell ASA also has a pension obligation which is not covered by the collective pension plan in relation to an early retirement agreement and certain additional pension benefits.

The pension obligation covers 549 employees, whereof 42 received pension benefits during 2001.

The retirement age is 65 for office employees. The collective pension plan covers 66% of the salary level at retirement (limited to 12G). With less than 30 years employment at the time of retirement, a pro-rata deduction in benefit will be made. From 65 to 67 the coverage will be paid as part of Odfjell ASA's current operating expenses. Uncovered pension liabilities are calculated and included in the liabilities. From the age of 67 the pension will be paid through the collective pension plan.

The retirement age is 60 for seagoing personnel. Payment will be made from the collective plan until the age of 67. As of the age of 67 the pension will be settled by the public social security office. The collective pension agreement is being coordinated with the Pension insurance for seafarers and is based on 60% of salary level at retirement and 30 years employment. During the pension payment period the pension payment will be adjusted in accordance with the regulation of Social security base amount (G).

The collective pension plan is accounted for in accordance with the generally accepted accounting principles in Norway. Changes in the pension obligation due to changes in the actuarial assumptions and differences between expected and actual return on pension plan assets is accounted for over the remaining average period.

<i>Pension costs:</i>	2001	2000	1999
Present value current year service cost	1 476	1 450	1 201
Interest cost on accrued pension liabilities	929	924	700
Return on pension plan assets	(824)	(842)	(874)
Amortised effect of changes in estimates and pension plans, and differences in actual and estimated return on pension plan assets	59	237	74
<b>Net pension cost</b>	<b>1 640</b>	<b>1 768</b>	<b>1 101</b>
Social security tax	207	189	155
<b>Periodic pension cost</b>	<b>1 847</b>	<b>1 958</b>	<b>1 256</b>
<i>Accrued pension liabilities:</i>			
Estimated present value of pension obligation	(17 503)	(17 272)	(12 896)
Estimated value of pension premium fund	13 216	12 893	12 806
Unamortised effect of changes in estimates and pension plans, and differences in actual and estimated return on pension plan assets	1 436	1 905	1 232
<b>Net pension fund (liabilities)</b>	<b>(2 851)</b>	<b>(2 473)</b>	<b>1 142</b>
Estimated employer's social cost	(402)	(349)	161
<i>The above calculation is based on the following assumptions:</i>			
Discount rate	6.00%	6.00%	6.00%
Expected return on assets	7.00%	7.00%	7.00%
Inflation	3.00%	3.00%	2.50%
Adjustment of wages	3.50%	3.50%	2.50%
Pension indexation	3.00%	3.00%	2.50%

In addition to the above, a further USD 2.1 million relating to foreign subsidiaries has been accrued as pension liabilities in the Group accounts.

**16 FINANCIAL MARKET RISK**

(USD 1 000)

*Balance sheet items:*

Currency exposure - non-USD cash balances, receivables and liabilities

<i>Receivables:</i>		2001	2000	1999
Short-term receivables	NOK	1 646	1 364	2 542
Short-term receivables	EUR	11 324	-	-
Bonds and certificates	NOK	52 886	16 504	-
Cash balance	NOK	3 715	60 365	4 544
Cash balance	EUR	5 438	697	96
<b>Total receivables</b>		<b>75 010</b>	<b>78 930</b>	<b>7 183</b>
<i>Liabilities:</i>				
Long-term liabilities	NOK	-	-	(3 049)
Long-term liabilities	EUR	(33 440)	(35 340)	-
Other short-term liabilities	NOK	(20 607)	(16 595)	(14 498)
Other short-term liabilities	EUR	(12 985)	-	-
<b>Total liabilities</b>		<b>(67 032)</b>	<b>(51 935)</b>	<b>(17 547)</b>

*Off-balance sheet items:*

The Odfjell Group makes use of various financial instruments and derivatives to reduce its foreign currency exposure, interest rate risk on long-term debt, and price risk for bunkers.

Portfolio as per 31 December 2001:

*i) Foreign currency instruments/derivatives:**USD against NOK:*

	Year 2002	Year 2002	Year 2003-2004	Year 2003-2004
<i>Hedging instruments:</i>	<i>USD mill.</i>	<i>Rate</i>	<i>USD mill.</i>	<i>Rate</i>
Forward sale contracts	170	8.37	168	8.81
Put options purchased			50	7.70
Call options written			100	8.07

In addition, we have sold USD and purchased NOK to hedge the currency exposure relating to the contract-price of a newbuilding, to be delivered in December 2003, of NOK 440 mill.

*ii) Interest rate agreements/derivatives:*

<i>Hedging instruments:</i>	<i>USD mill.</i>	<i>Average rate</i>
Forward rate contracts for 2002	491	2.96%

*iii) Bunker fuel instruments/derivatives:*

The Odfjell Group had no bunker hedging in place as per 31 December 2001.

**17 FINANCIAL CURRENT ASSETS**

(USD 1 000)

	<i>Cost price</i>			<i>Book value</i>		
	2001	2000	1999	2001	2000	1999
Total financial current assets	-	5 070	4 000	-	5 041	4 808

The Odfjell Group invested in shares as part of an investment portfolio in 1999 and 2000. All these shares were sold in 2001.

## 18 BONDS AND CERTIFICATES

(USD 1 000)

	<i>Currency</i>	<i>Book value</i>	<i>Market value</i>	<i>Average interest rate</i>
Bonds and certificates issued by financial institutions	NOK	28 800	28 800	7.35%
Bonds and certificates issued by financial institutions	USD	80 000	80 000	4.50%
Bonds and certificates issued by corporates	NOK	24 086	24 086	7.59%
Bonds and certificates issued by corporates	USD	25 576	25 576	4.51%
<b>Total bonds and certificates</b>		<b>158 462</b>	<b>158 462</b>	

Bonds and certificates generally have interest rate adjustments every three months.

## 19 CASH AND BANK DEPOSITS

Included in this item is USD 1.3 million of withholding taxes relating to employees in Odfjell ASA.

## 20 PUBLIC CONTRIBUTIONS

In relation to the newbuilding program in Norway the company has in 2001 received USD 0.1 million by way of public contribution. Furthermore, the Odfjell Group has received a public contribution of USD 0.6 million from the Norwegian Maritime Directorate in connection with the refund system pertaining to Norwegian seafarers.

## 21 LIABILITIES SECURED BY MORTGAGES

(USD 1 000)

	<i>2001</i>	<i>2000</i>	<i>1999</i>
Book value of loans secured by mortgages	111 132	101 598	64 375
Total liabilities secured by mortgages	111 132	101 598	64 375
Book value of assets mortgaged	174 932	129 161	92 355

## 22 GUARANTEES

(USD 1 000)

	<i>2001</i>	<i>2000</i>	<i>1999</i>
Total guarantees	836	1 198	8 033

## 23 RELATED PARTIES

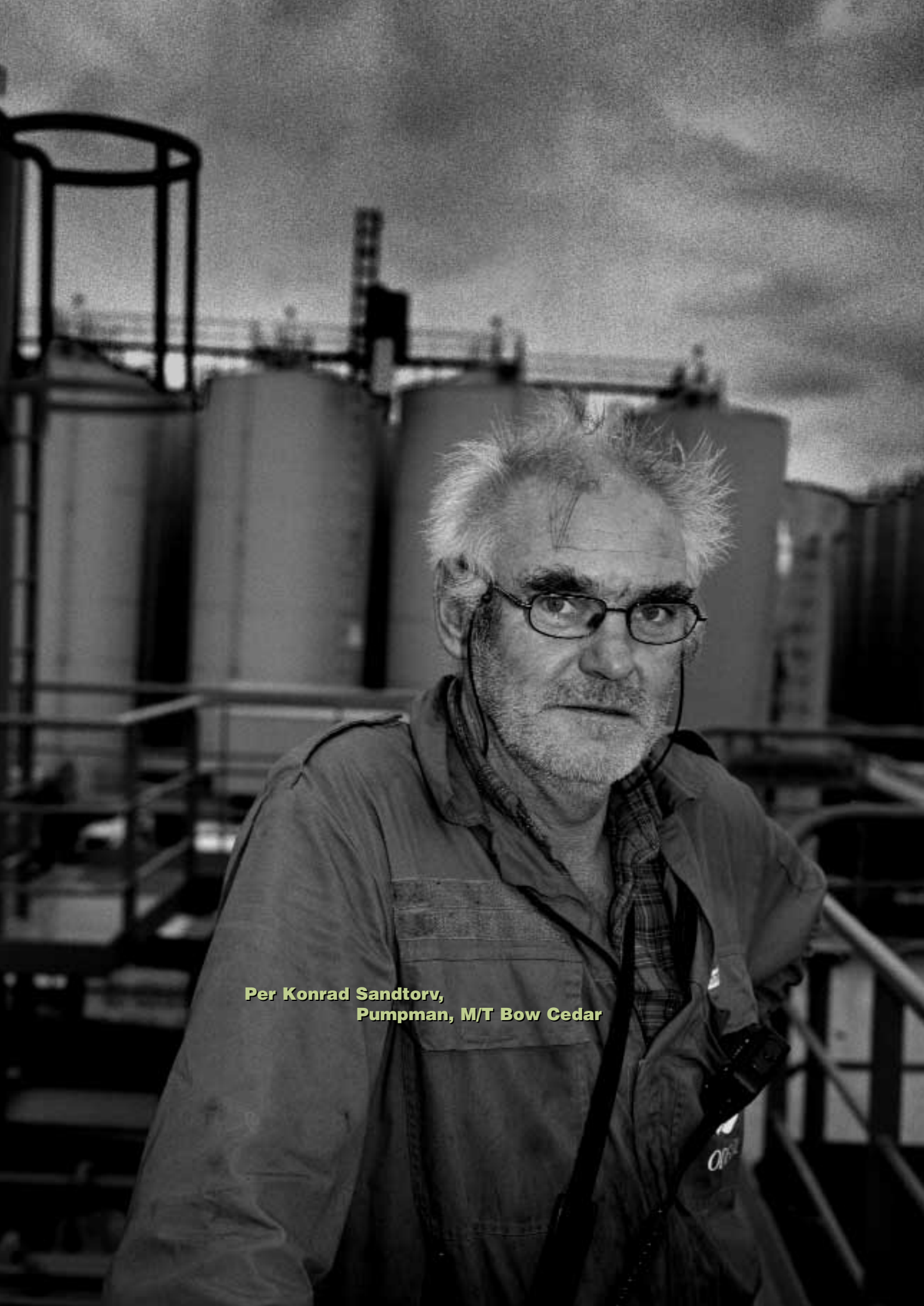
The Odfjell Group share offices in Brazil with a company controlled by the Chairman of the Board, B. D. Odfjell Jr. The Chairman's family also has ownership interest in companies in South America, which act as ship agent for Odfjell as one among many customers. The services are priced at market terms.

Ceres Hellenic Shipping Enterprises Ltd., a company under the chairmanship of the Board Member Peter G. Livanos, is responsible for the crewing and technical management of 18 of Odfjell's vessels, while Odfjell is responsible for the commercial management of 9 of Ceres' vessels. These services are priced at market terms.

**Dick Coppens, Engineer Water Treatment Plant,  
Odfjell Terminals (Rotterdam) BV**







**Per Konrad Sandtorv,  
Pumpman, M/T Bow Cedar**

ODFJELL ASA

## Profit and Loss Statement


(NOK 1 000)

<b>OPERATING REVENUE (EXPENSES)</b>	NOTE	<b>2001</b>	<b>2000</b>	<b>1999</b>
Gross revenue	2	180 584	152 943	128 637
General and administrative expenses	3	(157 848)	(140 924)	(116 246)
Depreciation	4	(14 387)	(8 616)	(7 231)
Other income (cost)		(2 609)	(20)	(31)
<b>Operating result (EBIT)</b>		<b>5 740</b>	<b>3 383</b>	<b>5 130</b>
<b>FINANCIAL INCOME (EXPENSES)</b>				
Interest income	5	363 479	362 862	209 512
Interest and fees paid	5	(365 019)	(398 083)	(233 834)
Other financial items	5	(4 167)	3 359	(94)
Currency gains (losses)	6	10 661	(19 381)	(14 079)
<b>Net financial items</b>		<b>4 955</b>	<b>(51 242)</b>	<b>(38 495)</b>
<b>Net result before taxes</b>		<b>10 694</b>	<b>(47 859)</b>	<b>(33 365)</b>
Taxes	7	(6 286)	12 410	9 022
<b>Net result</b>		<b>4 408</b>	<b>(35 449)</b>	<b>(24 343)</b>
<b>Allocation:</b>				
Proposed dividend	8	(182 948)	(107 101)	(87 394)

**Assets as per 31.12.**

(NOK 1 000)

<b>FIXED ASSETS</b>	NOTE	<b>2001</b>	<b>2000</b>	<b>1999</b>
Real estate	4, 9	54 624	55 872	57 475
Office equipment and cars	4, 9	35 670	26 687	18 165
Investment in subsidiaries and associates	10	2 977 878	2 779 796	3 395 805
Other shares	10	186 889	92 022	136 181
Loans to subsidiaries	11	4 956 703	5 488 013	2 399 679
Other long-term receivables	12	17 690	14 998	22 118
<b>Total fixed assets</b>		<b>8 229 454</b>	<b>8 457 388</b>	<b>6 029 423</b>
<b>CURRENT ASSETS</b>				
Short-term receivables		35 388	27 892	18 072
Group receivables		39 326	271 546	-
Inventory		5 390	6 943	7 854
Investment in shares		-	44 835	38 621
Bonds and certificates	13	1 427 919	513 665	554 990
Cash and bank deposits	14	297 099	1 234 776	1 053 714
<b>Total current assets</b>		<b>1 805 122</b>	<b>2 099 657</b>	<b>1 673 251</b>
<b>Total assets</b>		<b>10 034 576</b>	<b>10 557 045</b>	<b>7 702 674</b>



B.D. Odfjell jr.  
CHAIRMAN



Per Ivar Gjørum  
Per Ivar Gjørum

**Liabilities and Shareholders' Equity as per 31.12.**

(NOK 1 000)

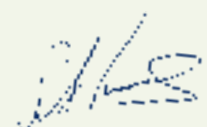
<b>PAID IN EQUITY</b>	NOTE	<b>2001</b>	<b>2000</b>	<b>1999</b>
Share capital	8, 15	254 095	267 752	218 485
Own shares	8, 15	(25 409)	(9 156)	-
Share premium	8	973 905	973 905	-
<b>Total paid in equity</b>		<b>1 202 591</b>	<b>1 232 502</b>	<b>218 485</b>
<b>RETAINED EARNINGS</b>				
Other equity	8	2 151 077	2 654 771	2 912 225
<b>Total retained earnings</b>		<b>2 151 077</b>	<b>2 654 771</b>	<b>2 912 225</b>
<b>Total shareholders' equity</b>		<b>3 353 667</b>	<b>3 887 272</b>	<b>3 130 710</b>
<b>LONG-TERM LIABILITIES</b>				
Deferred tax liabilities	7	5 683	2 011	21 743
Pension liabilities	16	25 704	21 997	-
Convertible loan		-	-	24 500
Long-term debt	12	6 129 044	6 287 205	4 259 080
<b>Total long-term liabilities</b>		<b>6 160 431</b>	<b>6 311 213</b>	<b>4 305 323</b>
<b>CURRENT LIABILITIES</b>				
Taxes payable	7	2 939	-	-
Employee taxes payable		21 117	16 776	14 488
Dividend payable		182 948	107 101	87 394
Other short-term liabilities		166 999	234 682	124 178
Loans payable to subsidiaries		146 476	-	40 581
<b>Total current liabilities</b>		<b>520 478</b>	<b>358 560</b>	<b>266 641</b>
<b>Total liabilities</b>		<b>6 680 909</b>	<b>6 669 773</b>	<b>4 571 964</b>
<b>Total liabilities and shareholders' equity</b>		<b>10 034 576</b>	<b>10 557 045</b>	<b>7 702 674</b>
Guarantees	17	1 703 648	1 701 212	1 170 085



Bjarte Kvåle



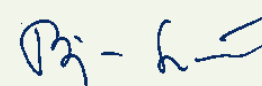
Terje Storeng



Peter G. Livanos



Reidar Lien



Bjørn Sjaastad  
PRESIDENT/CEO

Bergen, 13 March 2002

THE BOARD OF DIRECTORS OF ODFJELL ASA

## Cash Flow Statement

(NOK 1 000)

	2001	2000	1999
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net result before taxes	10 694	(47 859)	(33 365)
(Gain) loss on sale of fixed assets	(88)	20	31
Depreciation	14 387	8 616	7 231
Inventory (increase) decrease	1 553	911	2 201
Trade creditors increase (decrease)	(23 717)	18 412	17 991
Difference in pension cost and pension premium paid	4 130	6 554	6 832
Exchange rate fluctuations	(7 019)	93 000	16 531
Other short-term accruals	(45 741)	(227 633)	(47 972)
<b>Net cash flow from operating activities</b>	<b>(45 801)</b>	<b>(147 979)</b>	<b>(30 520)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Sale of fixed assets	420	-	1 191
Investment in fixed assets	(22 448)	(15 534)	(12 041)
Investment in trading shares	(248 114)	653 954	(124 072)
Changes in long-term receivables	(2 692)	(2 056)	(8 946)
Loans to subsidiaries	993 738	(2 763 533)	1 478 006
<b>Net cash flow from investing activities</b>	<b>720 904</b>	<b>(2 127 169)</b>	<b>1 334 138</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
New long-term debt	891 482	1 514 301	299 498
Payment of long-term debt	(1 139 008)	(24 500)	(500)
Share issue	-	1 023 173	-
Share repurchases	(362 016)	(110 442)	-
Group contribution	-	102	83
Dividends	(101 638)	(83 772)	(87 394)
<b>Net cash flow from financing activities</b>	<b>(711 180)</b>	<b>2 318 862</b>	<b>211 687</b>
<b>Effect on cash balances from currency exchange rate fluctuations</b>	<b>12 653</b>	<b>96 023</b>	<b>3 479</b>
<b>Net change in cash balances</b>	<b>(23 423)</b>	<b>139 737</b>	<b>1 518 784</b>
Cash balances as per 01.01	1 748 441	1 608 704	89 920
<b>Cash balances as per 31.12</b>	<b>1 725 018</b>	<b>1 748 441</b>	<b>1 608 704</b>

Cash balances include cash and cash equivalents such as bank deposits, bonds and certificates.  
As per 31 December 2001, unutilised credit facilities were NOK 297.4 million.

## Notes to the Parent Company Financial Statement

### 1. ACCOUNTING PRINCIPLES

All items in the financial statements have been reported, valued and accounted for in accordance with the Accounting Act and generally accepted accounting principles in Norway.

#### a. Classification of balance sheet items

Assets and liabilities related to the operation of the companies are classified as current assets and liabilities. Assets for long-term use are classified as fixed assets. First year instalment of debt is included in long-term debt.

#### b. Pension and accrued pension liabilities

Pension obligations are mainly covered through life insurance companies. The present value of the liability has been calculated based on actuarial principles. The net of the present value of the calculated liability and the pension fund is included under long-term assets or long-term liabilities. In addition, we have made separate pension arrangements for employees between the ages of 65 and 67 years. Uncovered pension liabilities are calculated and included in the above calculation. The change in net pension liability is expensed in the profit and loss account.

The effect of changes in estimates and pension plans is accounted for when it exceeds 10% of the highest of pension liabilities and funds. The result effect of such changes is amortised over the remaining service period.

#### c. Debt issuance costs

Debt issuance costs are amortised over the loan period.

#### d. Taxes and deferred tax liabilities

Taxes are calculated based on the financial result and consist of taxes payable and deferred taxes. The calculation of deferred taxes is based on the temporary differences between the result in the profit and loss statement and the tax statement. Deferred taxes are estimated based upon a net present value calculation.

#### e. Current assets

Current assets are valued at the lower of historical cost and market value.

#### f. Shares

Shares classified as current assets form part of an investment portfolio where book value equals the market value.

#### g. Foreign currency

Current assets, long-term receivables and liabilities are valued at the year-end exchange rate.

#### h. Fixed assets – depreciation

Fixed assets are depreciated straight-line over their estimated useful lives.

#### i. Cash flow statement

The cash flow statement is prepared using the indirect method.

#### j. Financial instruments

The company uses various financial instruments to reduce its exposure to foreign exchange and interest rate fluctuations. The following accounting principles apply:

##### FOREIGN CURRENCY INSTRUMENTS:

The result of currency hedging contracts and currency options is accounted for over the hedging period.

##### INTEREST RATE INSTRUMENTS:

The result of interest rate swap contracts is amortised over the contract period and is accounted for as an increase/decrease of the interest cost.

#### k. Activities under common control

Our share of activities under common control is, in the accounts of Odfjell ASA, based on the Cost Method.

#### l. Related parties

Information about the related parties of Odfjell and transactions involving them is given in connection with the respective items in the financial statements.



## 2 GROSS REVENUE

Gross revenue is related to services performed for other Odfjell Group companies.

## 3 SALARIES, NUMBER OF EMPLOYEES, BENEFITS, LOANS TO EMPLOYEES AND AUDITORS REMUNERATION

(NOK 1 000)

<i>Salaries and other employee expenses:</i>	2001	2000	1999
Salaries	97 016	78 316	74 967
Social expenses	17 241	12 219	10 167
Pension cost	14 709	15 533	8 584
Other benefits	3 010	1 723	2 905
<b>Total salary expenses</b>	<b>131 976</b>	<b>107 791</b>	<b>96 623</b>
Average number of man-labour years	189	191	185

The salary expenses are included under General and administrative expenses.

<i>Compensation and benefits to:</i>	<i>President/CEO</i>	<i>Board of Directors</i>
Salary	2 357 799	1 407 536
Pension cost	457 789	188 879
Other benefits	92 700	20 562

The President/CEO is entitled to two years' salary if the company terminates the employment prior to the age of 50, and to three years' salary if such termination occurs after the age of 50.

The President/CEO has the right to request his retirement at the age of 60 and will receive an annual pension from the age of 60 to 65 in an amount equal to 66% of the annual average salary the three years preceding. Annual pension after 65 years will be 66% of 24G (presently 24G equals NOK 1 232 640).

Loans to employees amount to NOK 15.6 mill. The loans are primarily secured by property mortgages. Interest rates vary from 0-6% per annum.

<i>Auditor's remuneration for:</i>	2001	2000	1999
Auditing	863	640	636
Tax/Legal/Due diligence	818	2 224	475

## 4 FIXED ASSETS

(NOK 1 000)

	<i>Cost</i>		<i>Sale</i>	<i>Accumulated depreciation</i>	<i>Depreciation</i>	<i>Book value</i>
	<i>01.01.2001</i>	<i>Investment</i>	<i>book value</i>	<i>prior years</i>	<i>this year</i>	<i>31.12.2001</i>
Real estate	71 082	1 769	(32)	(15 212)	(2 983)	54 624
Office equipment and cars	39 880	20 679	(292)	(13 193)	(11 404)	35 670
<b>Total</b>	<b>110 962</b>	<b>22 448</b>	<b>(324)</b>	<b>(28 405)</b>	<b>(14 387)</b>	<b>90 294</b>

*Depreciation periods:*

Real estate: 50 years and office equipment and cars: 3-15 years.

## 5 FINANCIAL INCOME AND EXPENSES

(NOK 1 000)

	2001	2000	1999
Inter-company interest income	282 375	283 853	201 275
Other interest income	81 104	79 008	8 236
Other financial income	1 325	3 705	-
<b>Total financial income</b>	<b>364 804</b>	<b>366 566</b>	<b>209 511</b>
Inter-company interest expenses	1 257	1 643	83
Other interest expenses	363 762	396 439	233 750
Other financial expenses	5 491	346	94
<b>Total financial expenses</b>	<b>370 510</b>	<b>398 428</b>	<b>233 927</b>

## 6 CURRENCY GAINS (LOSSES)

(NOK 1 000)	2001	2000	1999
Currency hedging contracts	10 288	11 409	-
Long-term receivables and debt	(5 634)	(189 023)	(20 944)
Cash and bank deposits	12 653	96 023	3 479
Other current assets and current liabilities	(6 646)	62 210	3 386
<b>Total currency gains (losses)</b>	<b>10 661</b>	<b>(19 381)</b>	<b>(14 079)</b>

## 7 TAXES

(NOK 1 000)	2001	2000	1999
<i>Taxes:</i>			
Taxes payable	2 939	-	-
Change in deferred tax	3 277	19 732	9 022
Changes to equity	-	(7 322)	-
Foreign tax	70	-	-
<b>Total tax expenses</b>	<b>6 286</b>	<b>12 410</b>	<b>9 022</b>

<i>Taxes payable:</i>	2001	2000	1999
Net result before taxes	10 694	(47 859)	(33 365)
Permanent differences	2 657	(26 803)	2 530
Group contribution	-	102	83
Changes temporary differences	12 149	34 549	7 969
Used tax-loss carried forward	(25 500)	-	-
Tax issues related to earlier years	10 495	-	-
<b>Basis taxes payable</b>	<b>10 495</b>	<b>(40 011)</b>	<b>(22 783)</b>
<b>Tax 28 %</b>	<b>2 939</b>	<b>-</b>	<b>-</b>

### *Spesification of deferred taxes /*

<i>(deferred tax assets):</i>	2001	2000	1999
Fixed assets	(2 399)	2 047	3 706
Pension fund (liabilities)	(26 550)	(22 420)	10 470
Other long-term temporary differences	95 246	99 057	94 967
Tax-loss carried forward	(46 001)	(71 500)	(31 490)
<b>Net temporary differences</b>	<b>20 296</b>	<b>7 184</b>	<b>77 653</b>
Tax rate	28%	28%	28%
<b>Total deferred tax (deferred tax assets)</b>	<b>5 683</b>	<b>2 011</b>	<b>21 743</b>

## 8 SHAREHOLDERS' EQUITY

(NOK 1 000)	Share capital	Own shares	Share premium	Other equity	Total equity
<b>Shareholders' equity as per 31 December 1998</b>	<b>218 485</b>	-	-	<b>3 023 878</b>	<b>3 242 363</b>
Net result for the year	-	-	-	(24 343)	(24 343)
Equity adjustments	-	-	-	84	84
Proposed dividend	-	-	-	(87 394)	(87 394)
<b>Shareholders' equity as per 31 December 1999</b>	<b>218 485</b>	-	-	<b>2 912 225</b>	<b>3 130 710</b>
Net result for the year	-	-	-	(35 449)	(35 449)
Share repurchases	-	(9 156)	-	(101 286)	(110 442)
Share issue	49 267	-	973 905	-	1 023 173
Equity adjustments	-	-	-	(13 616)	(13 616)
Proposed dividend	-	-	-	(107 101)	(107 101)
<b>Shareholders' equity as per 31 December 2000</b>	<b>267 752</b>	<b>(9 156)</b>	<b>973 905</b>	<b>2 654 771</b>	<b>3 887 272</b>
Net result for the year	-	-	-	4 408	4 408
Share repurchases	-	(29 911)	-	(332 105)	(362 016)
Redemption of shares	(13 658)	13 658	-	-	-
Equity adjustments	-	-	-	6 951	6 951
Proposed dividend	-	-	-	(182 948)	(182 948)
<b>Shareholders' equity as per 31 December 2001</b>	<b>254 095</b>	<b>(25 409)</b>	<b>973 905</b>	<b>2 151 077</b>	<b>3 353 667</b>

**9 INVESTMENTS IN AND SALE OF FIXED ASSETS AND INTANGIBLE FIXED ASSETS**

(NOK 1 000)

	1997		1998		1999		2000		2001	
	Inv.	Sale	Inv.	Sale	Inv.	Sale	Inv.	Sale	Inv.	Sale
Real estate	3 593	-	7 448	-	1 417	-	1 147	-	1 769	67
Ships and newbuildings	88 864	3 696 528	-	88 864	-	-	-	-	-	-
Office equipment and cars	5 246	449	7 767	430	10 624	1 191	14 387	-	20 679	353
<b>Total</b>	<b>97 703</b>	<b>3 696 977</b>	<b>15 215</b>	<b>89 294</b>	<b>12 041</b>	<b>1 191</b>	<b>15 534</b>	<b>-</b>	<b>22 448</b>	<b>420</b>

**10 SUBSIDIARIES AND OTHER SHARES**

(NOK 1 000)

Subsidiaries and activities under common control are included in the parent company accounts based on the Cost Method.

<i>Subsidiaries and associates:</i>	<i>Registered office</i>	<i>Share</i>	<i>Book value</i>
Odfjell Chemical Tankers AS	Norway	100%	263 746
Odfjell Chemical Tankers II AS	Norway	100%	1 155 585
Odfjell Chemical Tankers III AS	Norway	100%	100
Odfjell Seachem AS	Norway	100%	24 752
Odfjell Terminals AS	Norway	100%	275 000
Odfjell Insurance AS	Norway	100%	100
Odfjell Projects AS	Norway	100%	100
Odfjell Asia Pte Ltd	Singapore	100%	191 520
Odfjell Singapore Pte Ltd	Singapore	100%	83
Odfjell USA Inc	USA	100%	177 972
Odfjell Netherlands BV	Netherlands	100%	6 581
Odfjell (UK) Ltd	United Kingdom	100%	-
Odfjell Japan Ltd	Japan	100%	489
Odfjell Brasil - Representacoes Ltda	Brazil	100%	13 920
Odfjell Chemical Tankers Ltd	Bermuda	100%	810 089
Odfjell Employment Services Ltd	Bermuda	100%	109
Naviera Latino Americana S A	Argentina	99%	89
Odfjell Terminals (Dalian) Co Ltd	China	64%	57 642
<b>Total subsidiaries and associates</b>			<b>2 977 878</b>

Wholly-owned companies held indirectly through subsidiaries:

Odfjell Americas AS, Odfjell Asia II Pte Ltd, Odfjell Terminals USA GP Inc, Odfjell Terminals USA LP Inc, Odfjell Terminals (Houston) LP and Odfjell Terminals (Rotterdam) BV.

The company Naviera Latino Americana SA is directly and indirectly 100% owned by the Group.

The company Flumar Transportes de Quimicos e Gases Ltda is indirectly 50% owned by the Group.

*Other shares:*

Odfjell y Vapores S A	Chile	49%	3 792
Odfjell & Vapores Ltd	Bermuda	50%	38
Norfra Shipping AS	Norway	56%	16 869
Oiltanking Odfjell Terminal Singapore Pte Ltd	Singapore	50%	82 998
Hoyer - Odfjell BV	Netherlands	50%	75 728
V.O.Tank Terminal Ningbo Ltd	China	12.5 %	7 463
<b>Total other shares</b>			<b>186 889</b>

## 11 LOANS TO SUBSIDIARIES AND JOINT VENTURES

(NOK 1 000)

<i>Loans to subsidiaries and joint ventures:</i>	<i>Currency</i>	<i>Currency amount</i>			
		<i>2001</i>	<i>2001</i>	<i>2000</i>	<i>1999</i>
Odfjell Shipholding AS	USD	-	-	-	2 074 608
Odfjell Asia Pte Ltd	SGD	-	-	38 154	9 555
Odfjell Terminals (Houston) LP	USD	15 886	143 189	321 267	292 931
Odfjell Japan Ltd	JPY	35 725	2 451	2 771	2 811
Odfjell & Vapores Ltd	USD	3 023	27 249	18 153	19 774
Odfjell Chemical Tankers AS	USD	350 600	3 160 063	3 869 108	-
Odfjell Chemical Tankers II AS	USD	38 651	348 369	-	-
Odfjell Chemical Tankers III AS	USD	139 250	1 255 102	1 238 560	-
Hoyer - Odfjell B.V.	USD	2 250	20 280	-	-
<b>Total loans to subsidiaries and joint ventures</b>			<b>4 956 703</b>	<b>5 488 013</b>	<b>2 399 679</b>

## 12 RECEIVABLES AND DEBT

(NOK 1 000)

<i>Long-term receivables:</i>	<i>2001</i>	<i>2000</i>	<i>1999</i>
Employees	15 644	12 949	11 255
Pension fund	-	-	9 176
Other	2 046	2 049	1 687
<b>Total long-term receivables</b>	<b>17 690</b>	<b>14 998</b>	<b>22 118</b>
<i>Receivables with a maturity later than 1 year:</i>	<i>2001</i>	<i>2000</i>	<i>1999</i>
Loans to subsidiaries	4 919 743	4 893 288	2 375 179
Other long-term receivables	14 167	14 398	23 010
<b>Total</b>	<b>4 933 910</b>	<b>4 907 686</b>	<b>2 398 189</b>
<i>Long-term liabilities with a maturity later than 5 years:</i>	<i>2001</i>	<i>2000</i>	<i>1999</i>
<b>Total</b>	<b>675 975</b>	<b>872 138</b>	<b>904 050</b>
<b>Long-term interest-bearing debt as per 31.12.2001</b>	<b>6 129 044</b>		
Repayment schedule:			
2002	901 300		
2003	2 456 043		
2004	405 585		
2005	1 126 625		
2006 and thereafter	1 239 492		

The average term of the company's outstanding long-term interest-bearing debt as per 31 December 2001 was 3.3 years (2000: 3 years).

In 2001, we secured a commitment for an USD 150 million (NOK 1 352 mill.) loan facility which may be used to partly refinance a facility that matures in May 2003.

<i>Average USD interest rate:</i>	<i>2001</i>	<i>2000</i>	<i>1999</i>
Liabilities to financial institutions	5.50%	7.16%	5.87%
Certificate	6.97%	6.97%	-
Convertible loans	-	-	8.00%

## 13 BONDS AND CERTIFICATES

(NOK 1 000)

	<i>Currency</i>	<i>Book value</i>	<i>Market value</i>	<i>Average interest rate</i>
Bonds and certificates issued by financial institutions	NOK	259 574	259 574	7.35%
Bonds and certificates issued by financial institutions	USD	721 040	721 040	4.50%
Bonds and certificates issued by corporates	NOK	218 114	218 114	7.59%
Bonds and certificates issued by corporates	USD	229 191	229 191	4.51%
<b>Total bonds and certificates</b>		<b>1 427 919</b>	<b>1 427 919</b>	

Bonds and certificates generally have interest rate adjustments every three months.

## 14 CASH AND BANK DEPOSITS

Included in this item is NOK 12 million of withholding taxes relating to employees.

## 15 SHARE CAPITAL AND INFORMATION ABOUT SHAREHOLDERS

(NOK 1 000)

<i>Share capital:</i>	<i>Number of shares</i>	<i>Nominal value</i>	<i>2001</i>	<i>2000</i>	<i>1999</i>
A-Shares	17 668 871	10	176 689	182 277	148 738
B-Shares	7 740 625	10	77 406	85 475	69 747
<b>Total share capital</b>	<b>25 409 496</b>		<b>254 095</b>	<b>267 752</b>	<b>218 485</b>

All shares have the same rights in the Company, except that B-shares have no voting rights.

20 largest shareholders as per 31 December 2001:

<i>Name</i>	<i>A-shares</i>	<i>B-shares</i>	<i>Total</i>	<i>Percent of votes</i>	<i>Percent of shares</i>
1 Norchem ApS	6 491 623	260 294	6 751 917	36.74%	26.57%
2 Chemlog ApS	3 798 774	1 479 673	5 278 447	21.50%	20.77%
3 Odfjell ASA (Own shares)	832 600	1 708 349	2 540 949	4.71%	10.00%
4 Odin-fondene	53 000	1 181 691	1 234 691	0.30%	4.86%
5 Folketrygdfondet	533 600	513 500	1 047 100	3.02%	4.12%
6 Bank Morgan Stanley	492 500	445 000	937 500	2.79%	3.69%
7 A/S Rederiet Odfjell	874 368	-	874 368	4.95%	3.44%
8 Odfjell Shipping (Bermuda) Ltd	223 100	388 200	611 300	1.26%	2.41%
9 Svenska Handelsbanken	218 398	232 900	451 298	1.24%	1.78%
10 ABN AMRO Bank	229 700	198 400	428 100	1.30%	1.68%
11 Kommunal Landspensjonskasse	182 750	215 700	398 450	1.03%	1.57%
12 SIS Segaintersettle	208 227	90 200	298 427	1.18%	1.17%
13 Ingeborg Berger	101 820	153 770	255 590	0.58%	1.01%
14 Skagen-fondene	248 200	-	248 200	1.40%	0.98%
15 Mathilda A/S	150 000	77 568	227 568	0.85%	0.90%
16 Storebrand	156 354	32 700	189 054	0.88%	0.74%
17 Boston Safe Dep. & Trust Co.	187 000	-	187 000	1.06%	0.74%
18 JP Morgan Chase	170 960	10 400	181 360	0.97%	0.71%
19 Lehman Brothers	154 750	-	154 750	0.88%	0.61%
20 Bankers Trust	150 000	-	150 000	0.85%	0.59%
<b>Total 20 largest shareholders</b>	<b>15 457 724</b>	<b>6 988 345</b>	<b>22 446 069</b>	<b>87.49%</b>	<b>88.34%</b>
Other shareholders	2 211 147	752 280	2 963 427	12.51%	11.66%
<b>Total</b>	<b>17 668 871</b>	<b>7 740 625</b>	<b>25 409 496</b>	<b>100.00%</b>	<b>100.00%</b>
International shareholders	13 042 139	3 545 744	16 587 883	73.81%	65.28%
Own shares	832 600	1 708 349	2 540 949	4.71%	10.00%
Payment own shares (NOK 1 000)	105 316	202 319	307 635		

The Annual General Meeting on 6 November 2001 authorised the Board of Directors to acquire up to 10 per cent of the company's share capital. This authorisation expires on 6 May 2003. The purpose of purchasing own shares is to increase shareholders' value. The Board of Directors regularly considers investments in own shares when it may be beneficial for the company.

*Shares owned by members of the Board. President/CEO and top management (including related parties):*

	<i>A-shares</i>	<i>B-shares</i>	<i>Total</i>
Chairman of the Board of Directors, Bernt Daniel Odfjell Jr.	875 368	1 000	876 368
Member of the Board of Directors, Per Ivar Gjærnum	52	8	60
Member of the Board of Directors, Terje Storeng	17 640	528	18 168
Member of the Board of Directors, Peter G. Livanos	4 009 674	1 479 673	5 489 347
Member of the Board of Directors, Reidar Lien	3 000	1 000	4 000
President/CEO Bjørn Sjaastad	57 800	3 000	60 800
Senior Vice President Chartering and Operation, Jarle Haugsdal	1 000	1 900	2 900
Senior Vice President Logistics, Atle Knutsen	2 928	584	3 512
Senior Vice President Regional Trade, Asia. Gudmund Valen	6 400	5 480	11 880
Senior Vice President Finance/Accounts, Haakon Ringdal	3 000	-	3 000
Senior Vice President Quality Assurance, Hans Lund	628	24	652



## 16 PENSION COSTS AND LIABILITIES

(NOK 1 000)

Odfjell ASA has a collective pension plan for its employees through a life insurance company. Odfjell ASA also has a pension obligation which is not covered by the collective pension plan in relation to an early retirement agreement and certain additional pension benefits.

The pension obligation covers 549 employees, whereof 42 received pension benefits during 2001.

The retirement age is 65 for office employees. The collective pension plan covers 66% of the salary level at retirement (limited to 12G). With less than 30 years employment at the time of retirement, a pro-rata deduction in benefit will be made. From 65 to 67 the coverage will be paid as part of Odfjell ASA's current operating expenses. Uncovered pension liabilities are calculated and included in the liabilities. From the age of 67 the pension will be paid through the collective pension plan.

The retirement age is 60 for seagoing personnel. Payment from the collective plan will be made until the age of 67. As of the age of 67 the pension will be settled by the public social security office. The collective pension agreement is being coordinated with the Pension insurance for seafarers and is based on 60% of salary level at retirement and 30 years employment. During the pension payment period the pension payment will be adjusted in accordance with the regulation of Social security base amount.

The collective pension plan is accounted for in accordance with the generally accepted accounting principles in Norway. Changes in the pension obligation due to changes in the actuarial assumptions and differences between expected and actual return on pension plan assets is accounted for over the remaining average period.

<i>Pension costs:</i>	2001	2000	1999
Present value current year service cost	13 248	12 738	9 368
Interest cost on accrued pension liabilities	8 336	8 116	5 460
Return on pension plan assets	(7 401)	(7 400)	(6 819)
Amortised effect of changes in estimates and pension plans, and differences in actual and estimated return on pension plan assets	526	2 079	575
<b>Net pension cost</b>	<b>14 709</b>	<b>15 533</b>	<b>8 584</b>
Social security tax	1 861	1 664	1 210
<b>Periodic pension cost</b>	<b>16 570</b>	<b>17 197</b>	<b>9 794</b>
<i>Accrued pension liabilities:</i>			
Estimated present value of pension obligation	(157 759)	(153 625)	(103 634)
Estimated value of pension premium fund	119 114	114 681	102 907
Unamortised effect of changes in estimates and pension plans, and differences in actual and estimated return on pension plan assets	12 941	16 947	9 903
<b>Net pension fund (liabilities)</b>	<b>(25 704)</b>	<b>(21 997)</b>	<b>9 176</b>
Estimated employer's social cost	(3 624)	(3 102)	1 294
<i>The above calculation is based on the following assumptions:</i>			
Discount rate	6.00%	6.00%	6.00%
Expected return on assets	7.00%	7.00%	7.00%
Inflation	3.00%	3.00%	2.50%
Adjustment of wages	3.50%	3.50%	2.50%
Pension indexation	3.00%	3.00%	2.50%

**17 GUARANTEES**

(NOK 1 000)	2001	2000	1999
Odfjell Terminals (Houston) LP	486 702	513 319	469 202
Other subsidiaries	1 211 046	1 179 391	693 202
Other guarantees	5 900	8 502	7 681
<b>Total guarantees</b>	<b>1 703 648</b>	<b>1 701 212</b>	<b>1 170 085</b>

**18 RELATED PARTIES**

The Odfjell Group share offices in Brazil with a company controlled by the Chairman of the Board, B. D. Odfjell Jr. The Chairman's family also has ownership interest in companies in South America, which act as ship agent for Odfjell as one among many customers. The services are priced at market terms.

Ceres Hellenic Shipping Enterprises Ltd., a company under the chairmanship of the Board Member Peter G. Livanos, is responsible for the crewing and technical management of 18 of Odfjell's vessels, while Odfjell is responsible for the commercial management of 9 of Ceres' vessels. These services are priced at market terms.



■ **Statsautoriserede revisorer**  
**Ernst & Young AS**

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Postboks 4204 Nygårdstangen  
N-5837 Bergen

■ **Foretaksregisteret:**  
NO 976 389 387 MVA

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Faks: 55 21 30 01/55 21 30 02  
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To the Annual Shareholders' Meeting of  
Odfjell ASA

■ **Ansvarlige partnere i Bergen:**

Dag Østskjold, Tore Hyllingen, Bjørn Gravdal, Tom W. Horne,  
Inge Kr. Husby, Odd Mørnsen, Karl Erik Svanevik,  
Medlemmer av Den norske Revisorforening

Advokat/Siv.ok. Espen Ommedal  
Medlem av Den Norske Advokatforening (MNA)

## Auditor's report for 2001

We have audited the annual financial statements of Odfjell ASA as of 31 December 2001, showing a profit of NOK 4 408 000 for the parent company and a profit of USD 60 003 000 for the Group. We have also audited the information in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit. The financial statements comprise the balance sheet, the income and cash flow statements, the accompanying notes and the Group accounts. These financial statements are the responsibility of the Company's Board of Directors and the Managing Director. Our responsibility is to express an opinion on these financial statements and on other information as required by the Norwegian Act on Auditing and Auditors.

We conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and generally accepted auditing principles. These principles require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by Management, as well as evaluating the overall financial statement presentation. To the extent required by law and generally accepted auditing principles, an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- the financial statements are prepared in accordance with Norwegian law and regulations and present fairly, in all material respects, the financial position of the Company and of the Group as of 31 December, 2001, and the results of its operations and cash flows for the year then ended, in accordance with generally accepted accounting principles
- the company's management fulfilled its duty to properly register and document the accounting information in accordance with Norwegian law and generally accepted accounting principles
- the information in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit are consistent with the financial statements and comply with Norwegian law and regulations

Bergen, March 13, 2002  
ERNST & YOUNG AS

Karl Erik Svanevik  
State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only

■ Arendal, Bergen, Bø, Drammen, Fosnavåg, Fredrikstad,  
Holmestrand, Horten, Høylandet, Kongsberg, Kragem,  
Kristiansand, Larvik, Levanger, Lillehammer, Moss, Måøy,  
Notodden, Oslo, Otta, Porsgrunn/Skien, Sandefjord, Sortland,  
Stavanger, Steinkjer, Trondheim, Tønsberg, Vikersund, Ålesund

# Analytical Information

*Time Charter earnings are influenced by volume, contract and spot rates and performance. A change of USD 1000 per day for our global fleet and USD 500 per day for our regional fleet will impact the annual net result before tax by approximately USD 18 million.*

## Exchange Rates

Odfjell's functional currency is USD and our policy is to manage the non-USD currency exposure. Almost all group revenues are denominated in USD. Items in the profit and loss account are affected by changes in the exchange rate between the USD and other currencies, primarily NOK and EURO. A 10% rise in the average exchange rate between the

USD and NOK/EUR will increase the annual result before tax by around USD 7 million, before taking into account the effect of our currency hedging positions. Through our hedging activities we have purchased the forecasted consumption of NOK and EUR for 2002. A movement in the exchange rate between the USD and NOK/EUR will therefore have limited effect on the net result for 2002. Such movement will, however, have an impact on individual items of the profit and loss account. An increase in the USD-rate will reduce voyage related expenses, operating expenses and administration expenses, while this will be offset by an increased currency cost related to our hedging positions. A decrease in the USD-rate will have the opposite effect.

short-term floating LIBOR interest rates. Cash and marketable securities are mainly denominated in USD, and the interest periods on the liquidity are managed to be concurrent with the interest periods on the loans. Assuming a constant level of debt, a 1% change in short-term LIBOR interest rates will have an annual effect on the net result before tax of approximately USD 7 million.

## Bunker

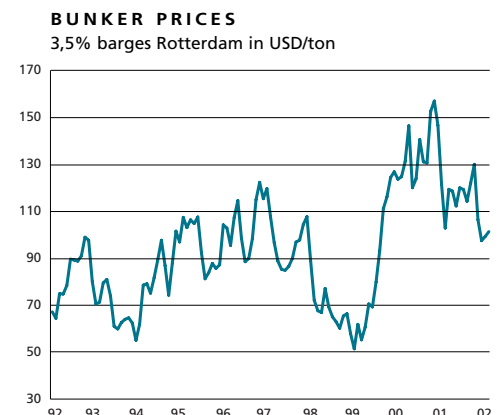
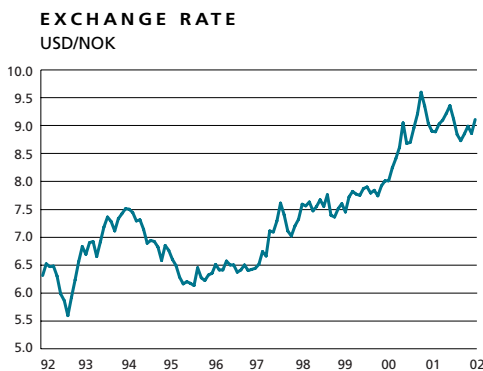
Bunker costs amounted to approximately 38% of voyage costs in 2001. A change in the average bunker prices of USD 10 per ton per year will result in a USD 6 million change in voyage costs for those vessels in which we have a direct economic interest.

## Financing

Odfjell has a stable long-term debt structure. The lending institutions are international, recognised shipping banks with whom we enjoy long-term relationships. Financing is generally provided on an unsecured basis. The average term of the group's long-term debt is about 4.6 years.

## Interest

Long-term debt is denominated in USD and is primarily based on





**Anita van den Bulk, Lab Technician,  
Petrochemical Industrial Distillation (PID),  
Odfjell Terminals (Rotterdam) BV**



# Shareholder Information

*Odfjell's aim is to provide competitive long-term return for our shareholders. The company emphasises a dividend policy based on our financial performance, current capital expenditure programmes and tax positions. However, the increase in share price over time will account for a portion of the return on shareholders' investments in the company.*

## Share Performance

At year-end 2001 the Odfjell A-shares were trading at NOK 135 (USD 15), the same level as a year earlier. The B-shares were trading at NOK 134 (USD 14.9) at year-end, an increase of 12% from NOK 120 (USD 13.5) a year earlier. By way of comparison, the Oslo Stock Exchange benchmark index fell by 16% and the transportation index declined by 3% during the year. The A-shares peaked at NOK 145 (USD 16.2) and fell to NOK 108 (USD 12) at its lowest point during the year whilst the corresponding figures for the B-shares were NOK 136 (USD 15.1) and NOK 107 (USD 11.9).

## Trading Volumes

A total of 12 042 205 Odfjell shares were traded during the year, spread over 6 526 282 A-shares and 5 515 923 B-shares and represent about 49% of the average outstanding shares. The total number of shares traded represents a 20% increase on the corresponding number of shares traded in 2000. The A-shares were traded on the Oslo Stock Exchange on 190 out of 247 trading days during the year. In addition to being listed on the Oslo Stock Exchange, Odfjell's shares are traded on SEAQ International, a trading system for foreign shares on the London Stock Exchange. The ADR programme set up in the USA in 1994 enables Odfjell B-shares to be traded in USD. To improve the trading liquidity in the Odfjell share we entered into a market maker agreement with Pareto Securities ASA valid as from 1 January 2002.

## Shareholders

At the end of 2001 there were 1074 holders of Odfjell A-shares and 517 holders of Odfjell B-shares. Taking account of shareholders owning both share classes, the total number of shareholders was 1 242.

## International Ownership

73.8% of the company's A-shares and 45.8% of the B-shares were held by international investors at year-end, equivalent to 65.3% of the total share capital, up from 59.4% at the 2000 year-end.

## Share Repurchase Program

During 2001 we acquired altogether 2 991 099 shares representing about 11% of the shares of the company, at an average cost of NOK 120.8 (USD 13.5) per share. The total investment in treasury shares thus came to NOK 362.0 million (USD 41.2 million). All the treasury shares acquired in 2001 have been redeemed. The acquisition of treasury shares was based upon two separate authorisations, with a redemption in between. The Annual General Meeting on 8 May 2001 approved the redemption of 558,850 A-shares and 806,900 B-shares which became effective 22 August 2001. On 6 November 2001 an Extraordinary General Meeting approved the redemption of 832,600 A-shares and 1,708,349 B-shares, which became effective 14 February 2002.

At the Extraordinary General Meeting held on 6 November 2001 the Board was further authorized to acquire treasury shares of up to 10% of the company's outstanding shares at a minimum price of NOK 10 (i.e. par value) and a maximum price of NOK 300 per share. This authori-

sation expires 6 May 2003. In 2002 so far, we have not acquired shares under this authorisation.

## Investor Relations

Odfjell attaches great importance to ensuring that shareholders receive swift, relevant and objective information about the company. The aim is to provide shareholders with a good understanding of the company's activities and prospects so that they are in the best possible position to assess the share's trading price and underlying values. Information is primarily distributed through quarterly interim reports, the annual report and various presentations in Norway and abroad. All reports and press releases, together with a detailed description of the company and our activities, are available on Odfjell's website at: <http://www.odfjell.com>

The financial calendar for 2002 is outlined on page 2.

## RISK Adjustments

The following RISK adjustments have been set for the Odfjell-share:

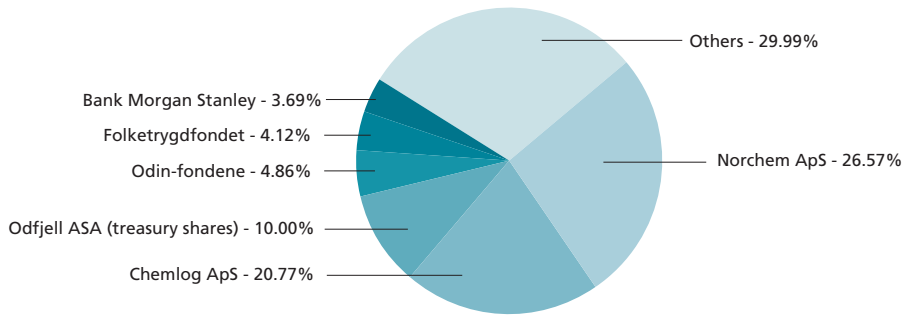
1 January 2002	minus	NOK 8.00 per share
1 January 2001	minus	NOK 4.00 per share
1 January 2000	minus	NOK 4.00 per share
1 January 1999	minus	NOK 4.00 per share
1 January 1998	minus	NOK 4.00 per share
1 January 1997	minus	NOK 3.00 per share
1 January 1996	minus	NOK 2.00 per share
1 January 1995	minus	NOK 1.50 per share
1 January 1994	minus	NOK 1.25 per share
1 January 1993		NOK 0.00 per share

In accordance with the Norwegian tax reform that came into force on 1 January 1992, the price paid for shares acquired prior to 1 January 1989 may be adjusted upwards to NOK 61.64 for A-shares and NOK 59.45 for B-shares.

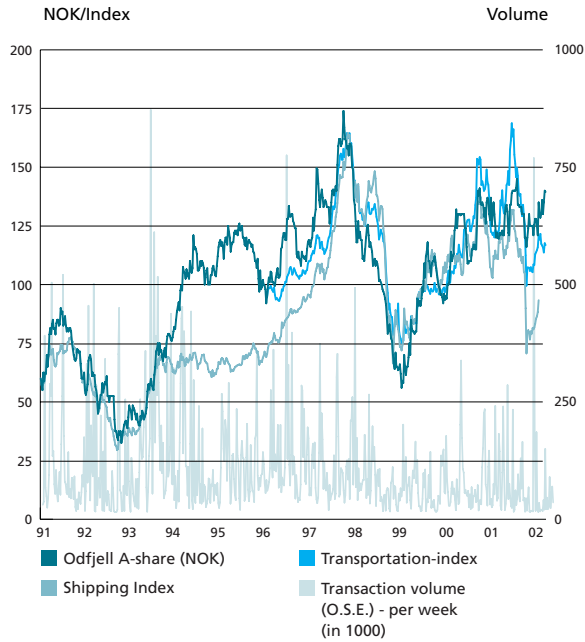
## INVESTOR RELATIONS

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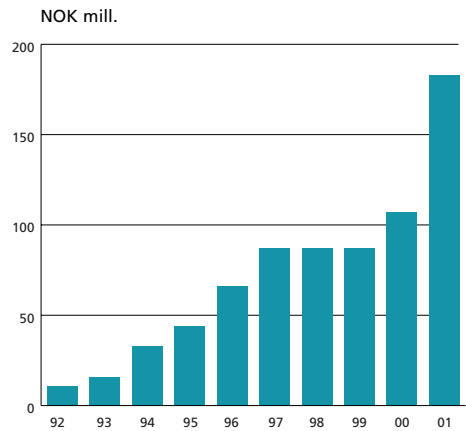
### SHAREHOLDER STRUCTURE



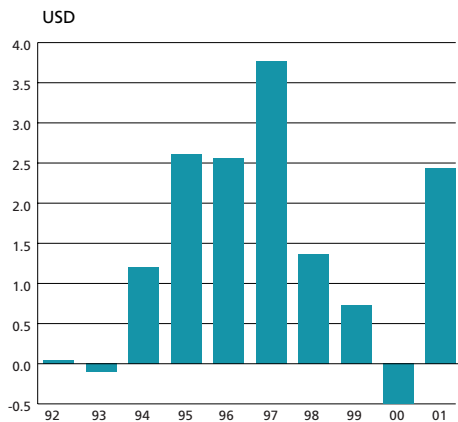
### SHAREPRICE DEVELOPMENT



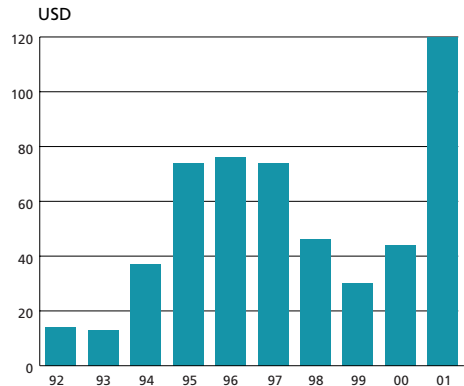
### DIVIDEND



### EARNINGS PER SHARE



### CASH FLOW PER SHARE



**THE 20 LARGEST SHAREHOLDERS AS PER 31 DECEMBER 2001**

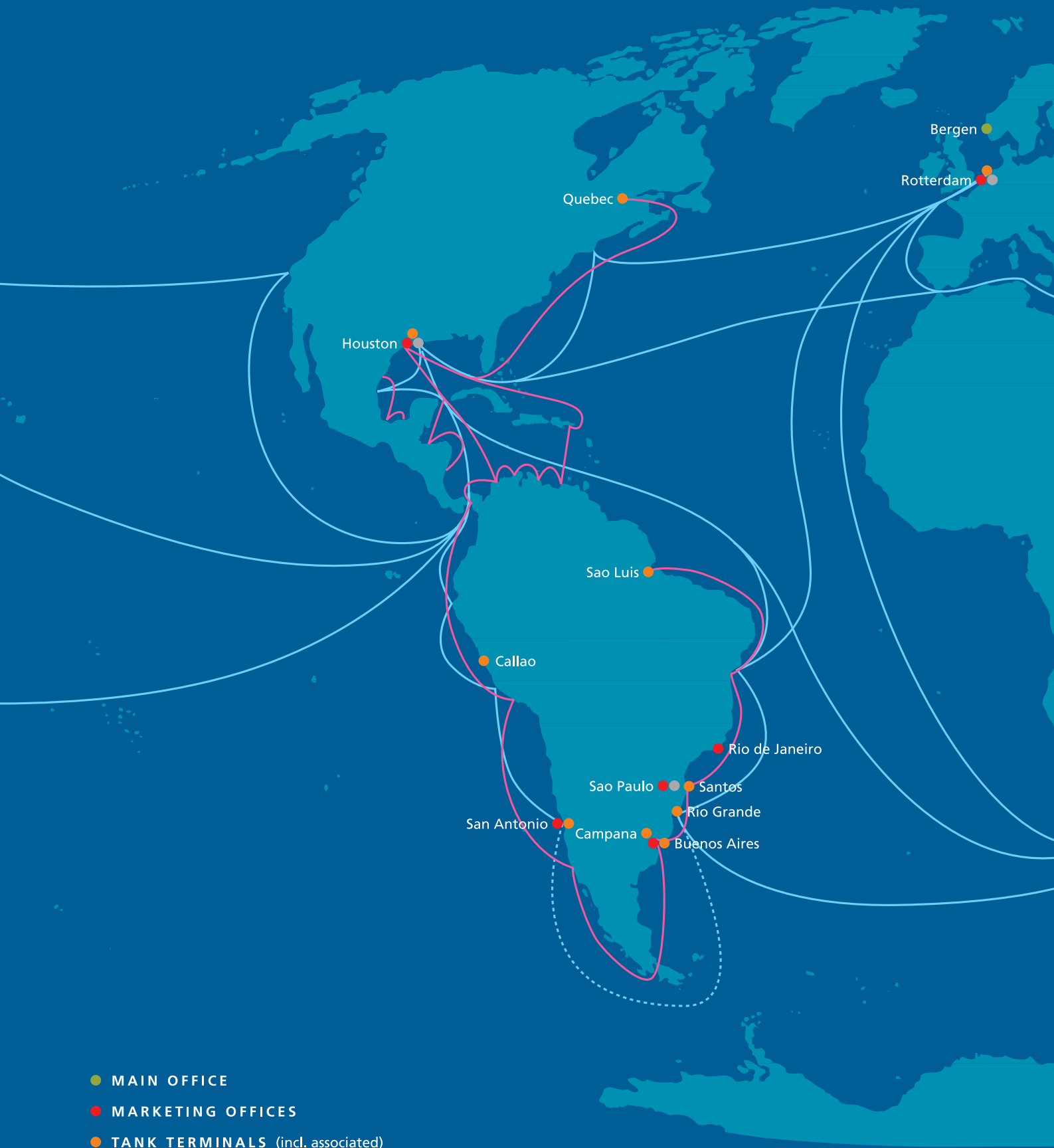
<i>NAME</i>	<i>A-SHARES</i>	<i>B-SHARES</i>	<i>TOTAL</i>	<i>PERCENT OF VOTES</i>	<i>PERCENT OF SHARES</i>
1 Norchem ApS	6 491 623	260 294	6 751 917	36.74%	26.57%
2 Chemlog ApS	3 798 774	1 479 673	5 278 447	21.50%	20.77%
3 Odfjell ASA (Own shares)	832 600	1 708 349	2 540 949	4.71%	10.00%
4 Odin-fondene	53 000	1 181 691	1 234 691	0.30%	4.86%
5 Folketrygdfondet	533 600	513 500	1 047 100	3.02%	4.12%
6 Bank Morgan Stanley	492 500	445 000	937 500	2.79%	3.69%
7 A/S Rederiet Odfjell	874 368		874 368	4.95%	3.44%
8 Odfjell Shipping (Bermuda) Ltd	223 100	388 200	611 300	1.26%	2.41%
9 Svenska Handelsbanken	218 398	232 900	451 298	1.24%	1.78%
10 ABN AMRO Bank	229 700	198 400	428 100	1.30%	1.68%
11 Kommunal Landspensjonskasse	182 750	215 700	398 450	1.03%	1.57%
12 SIS Segaintersettle	208 227	90 200	298 427	1.18%	1.17%
13 Ingeborg Berger	101 820	153 770	255 590	0.58%	1.01%
14 Skagen-fondene	248 200		248 200	1.40%	0.98%
15 Mathilda A/S	150 000	77 568	227 568	0.85%	0.90%
16 Storebrand	156 354	32 700	189 054	0.88%	0.74%
17 Boston Safe Dep. & Trust Co.	187 000		187 000	1.06%	0.74%
18 JP Morgan Chase	170 960	10 400	181 360	0.97%	0.71%
19 Lehman Brothers	154 750		154 750	0.88%	0.61%
20 Bankers Trust	150 000		150 000	0.85%	0.59%
Total 20 largest shareholders	15 457 724	6 988 345	22 446 069	87.49%	88.34%
Other shareholders	2 211 147	752 280	2 963 427	12.51%	11.66%
<b>Total</b>	<b>17 668 871</b>	<b>7 740 625</b>	<b>25 409 496</b>	<b>100.00%</b>	<b>100.00%</b>
International shareholders	13 042 139	3 545 744	16 587 883	73.81%	65.28%

**SHARE CAPITAL HISTORY**

<i>YEAR</i>	<i>EVENT</i>	<i>AMOUNT NOK</i>	<i>SHARE CAPITAL AFTER EVENT, NOK</i>
1916	Established	517 500	517 500
1969	Capitalisation bonus issue	382 500	900 000
1969	Merger with A/S Oljetransport	900 000	1 800 000
1981	Capitalisation bonus issue	1 800 000	3 600 000
1984	Capitalisation bonus issue	3 600 000	7 200 000
1985	Merger with Skibsaksjeselskapet Selje	3 320 000	10 520 000
1985	Merger with Odfjell Tankers & Terminals A/S	2 000 000	12 520 000
1985	Capitalisation bonus issue	6 260 000	18 780 000
1985	Public offering	9 390 000	28 170 000
1986	Capitalisation bonus issue	2 817 000	30 987 000
1988	Capitalisation bonus issue	6 197 400	37 184 400
1989	Capitalisation bonus issue	7 436 880	44 621 280
1989	International private placement	10 000 000	54 621 280
1990	Capitalisation bonus issue	54 621 280	109 242 560
1994	Capitalisation bonus issue	109 242 560	218 485 120
2000	Private placement	49 267 340	267 752 460
2001	Redemption of treasury shares	-13 657 500	254 094 960

**Captain Bjarne G. Kalland,  
Master, M/T Bow Cedar**





- MAIN OFFICE
- MARKETING OFFICES
- TANK TERMINALS (incl. associated)
- TANK CONTAINERS
- GLOBAL TRADE LANES
- REGIONAL TRADE LANES AMERICA
- REGIONAL TRADE LANES ASIA





Dalian  
Ulsan/Onsan  
Tokyo  
Shanghai  
Ningbo

Dubai  
Riyadh

Mumbai

Manila

Singapore

Durban

Melbourne

# Chemical Transportation, Storage and Logistics

*Petrochemicals have become a part of modern day life, and in many ways we are now dependent on such products. The petrochemical sector has seen solid growth, and the worldwide use of chemicals has increased considerably. While the industrial nations have been the driving forces behind this growth, developing economies around the world also account for major increases in consumption.*

Historically, the production of petrochemical products has been based in the US and Europe. However, production capacity has been growing in Asia, South America, South Africa and particularly the Arabian Gulf where Saudi Arabia plays a leading role. These areas tend to produce commodity type chemicals, whilst the production of speciality petrochemicals is generally concentrated in the US and Europe.

The industry originated in areas which had natural resources needed to produce petrochemicals. Also today most of the industry is located in such places.

Historically, much of the petrochemical production has been coal-based.

Naphtha is another raw material that is widely used, particularly in Asia. Nevertheless, the most commonly used and most competitive raw materials are derived from natural gas. Most new plants these days are built in areas where natural gas is readily available, which is why we are seeing major increases in production capacity around the Arabian Gulf.

The petrochemical business is truly international; with production and consumption world-wide. Recently we have seen the concentration of larger and global players, although most countries have developed their own chemical industry.

As a result, the petrochemical industry is looking for service partners with the ability to provide a wide range of logistics services to carry chemical products from production facilities to end-customers. Today, a true logistics partner must be global both in its operations and the range of services it provides.

Odfjell provides the petrochemical industry with a worldwide network of shipping services and transports chemicals on a global basis. Operating through offices at central locations around the world, the company commands a global market share of around 23% in the core chemical tanker segment, with trade lanes in all major areas, when such services are required.

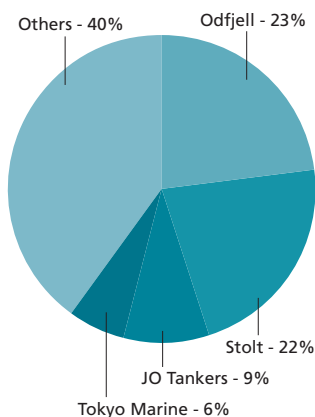
A chemical tanker has to accommodate the different needs and requirements for the particular trade in which it operates. Vessels serving the global trade-lanes can be divided into vessels with coated and vessels with stainless steel cargo tanks.

The coated vessels carry commodity-type chemicals and clean petroleum products, vegetable oils or caustic soda. This type of tonnage generally carries commodity chemicals out of the US Gulf and the Arabian Gulf to Asia. Return cargoes also tend to be vegetable oils and clean petroleum products.

The largest and most advanced vessels can handle the most specialized chemicals, and are designed to accommodate the needs for the transport of small consignments. The cargoes in this category often require stainless steel stowage, and may also have special handling requirements in terms of temperature and pressure

## THE CHEMICAL TANKER MARKET

Vessels over 10 000 tdw., total approximately 9.5 million tdw.



## ORGANIC CHEMICALS



### Raw Materials

COAL  
GAS  
CRUDE OIL

### Basic Products

BTX  
ETHYLENE  
PROPYLENE  
METHANE  
BUTADIENE

### Derivatives

EDC  
STYRENE  
GLYCOL  
MTBE  
INDUSTRIAL ALCOHOLS  
POLYESTER

### End Products

PAINT  
FIBRES  
PLASTICS  
DETERGENTS  
OIL ADDITIVES  
RUBBER



during transit. Odfjell has increasingly invested in this latter type of vessels.

A global and long-term operator needs access to an efficient mix of vessels to meet current and changing market requirements.

Odfjell carries over 500 different generic products every year, ranging from various organic chemicals such as alcohols, acrylates, aromatics as well as fuel oil, vegetable oils, lubricating oils and inorganic chemicals like sulphuric and phosphoric acids and caustic soda.

Frequent sailings to all the main destinations used by the industry means that our parcel tankers offer a unique and flexible service whereby customers can choose between small shipments from 100 to 150 tons and full cargoes of around 40 000 tons. The combination of so-

called contract of affreightments and spot cargoes enables customers to plan the regularity of their shipments either to meet required delivery schedules or to take advantage of sudden price changes in the market.

Odfjell's strategy involves consolidating loading and unloading operations. Investing in and operating regional trade lanes and tank terminals play an important role in this respect.

Chemical tank terminals are an integral part of the chemical transportation chain and their services constitute a natural link between our traditional shipping services and inland modes of transportation such as barges, rail-cars, trucks, ISO-containers and pipelines. The tank terminal receives, stores and distributes liquid bulk chemicals, serving all these different modes of transportation.

## Global Trade

- Leading global operator
- 62 vessels and 10 nb's on order
- Revenue \$621 million
- 73% of revenue/73% of EBITDA
- Total assets \$1.2 billion



The Odfjell fleet consists of about 88 vessels out of which 62 are operated in a global network of shipping services. Headquarter for the commercial and operational management of the global trade activities is in Bergen, Norway. Odfjell has overseas offices throughout the world with the purpose of serving the customers at their home turf. Several of these offices have a dual role as both commercial and operational issues can be dealt with. In our global trade we carried in excess of 16 million tons of cargo in 2001.

The vessels operated in our global trades consist of a variety of vessel types – both in size, sophistication, number of tanks, tank configuration and other criteria of importance for a ship's capability. Asset and fleet utilization are therefore critical success factors in the daily running of the total fleet.

Flexibility and inter-changeability of vessels between

routes and trades have always been an important factor for Odfjell. Some of the global trades involve a "round the world" service taking as much as 200 days, servicing ports in Europe, the US, Asia Pacific and Africa. Our 14 state-of-the-art 37 500 tdw. fully stainless steel vessels constitute an important backbone to this service. Another two sister vessels will join this series within the end of 2003. Our fleet newbuilding program also consists of a series of eight specialised chemical tankers each of 39 500 tdw. The vessels will all have 40 tanks made of stainless steel. These vessels will be delivered from 2002 through 2005. Odfjell is well positioned to meet the very stringent future demands as to quality required by the major oil and chemical companies.

Odfjell has been a supporter of high standards of chemical tankers since the inception of this industry and has therefore taken a proactive approach towards international regulatory bodies and major customers in order to improve safety. The three to four largest oil- and chemical companies typically inspect every ship once a year. Not only the technical condition of the vessel is important to these customers, but also the quality of the people onboard, and the procedures and manuals form important criteria.

<b>GLOBAL TRADE</b>	Figures in	2001	2000	1999	1998	1997
Gross revenue	USD mill.	621	532	429	458	521
Operating result before depreciation and gain (loss) on sale of fixed assets (EBITDA)	USD mill.	150	81	65	78	100
Operating result (EBIT)	USD mill.	94	29	34	48	97
Total assets	USD mill.	1 172	1 231	1 000		
Volume shipped	1 000 tons	16 066	14 902	11 037	11 619	11 326
Number of products shipped		545	443	404	389	368
Number of parcels shipped		4 818	5 138	4 669	5 306	5 356
Port calls		3 699	3 316	2 606	2 486	2 367
Number of vessels		62	63	50	49	50
Total deadweight	1 000 tons	2 124	2 117	1 613	1 567	1 596

**Benjamin C. Buscado jr., Able Seaman,  
M/T Bow Cedar (during break)**





## Regional Trade

- Asia/Americas/Brazil/Chile
- 26 vessels
- Revenue \$103 million
- 12% of revenue/7% of EBITDA
- Total assets \$136 million



Volumes traded and shipped regionally are increasing steadily. As buyers of petrochemicals require products delivered on shorter notice and with less lead-time, the major petrochemical producers are now building petrochemical production complexes closer to their markets. Consequently, the demand for modern quality tonnage trading regionally is on the rise. Transshipment, i.e. onward distribution of cargoes from inbound vessels in global trade to the final destinations, also remains a very important part of the regional trades.

The vessels in regional trade require the same sophistication as those employed in global trade. Therefore, though smaller in size, the regional tankers have to be designed in much the same way as tankers in global trade. They comprise up to about 30 tanks, either of stainless or coated steel, with heating, cooling, and nitrogen purging capabilities. As many regional ports are unable to receive larger tankers, vessels trading regionally are typically in the 5-15 000 tdw. range. They serve receivers in ports on a high frequency basis, typically discharging smaller quantities.

In addition to wanting a major position in the increasingly important and growing regional trades, Odfjell's regional vessel operations also serve to offer our global customers transshipment to restricted ports. Consolidation of loading and discharging operations for the global fleet is also of great importance. By reducing port calls and thereby reducing risk of delays, we are able to offer a more reliable and predictable service to our customers.

### Asia

Odfjell Asia in Singapore continued during 2001 to develop a regional operation in the Asia-Pacific region. We now operate a fleet of 12 chemical tankers in the 6 000 to 12 000 tdw. range. The ships are trading intra North East Asia and intra South East Asia, and we are also offering scheduled regular services between these two regions. Odfjell Asia carried 1.5 million tons of cargo in 2001.

Petrochemical trade to and from China is increasing, and more and more ports for transfer of petrochemical products are being introduced.

Odfjell Asia is also running regular parcel services between Asia-Pacific and Australia/New Zealand, and additional Asia-Pacific services are under consideration.

### US Gulf/Canada/ Caribbean/Central America

Odfjell Americas operates six vessels out of Houston, Texas. The services include bi-weekly sailings to and from Mexico and Canada, and monthly sailings to Central America, Caribbean and the west coast of South America. The vessels vary in size from about 8 000 to about 16 000 tdw. and carried about 1.0 million tons of cargo in 2001.

As Houston is the homeport, Odfjell Terminals (Houston) is the hub in the US Gulf for Odfjell America's services. This combination offers synergies and added benefits to our customers, who can import from and export to any corner of the world via Odfjell Terminals (Houston), by means of vessels employed in the region and those trading intercontinental. Additional benefits and value are derived from associated terminals in Canada and Chile.

### South America

Odfjell owns 50% of the Brazilian shipping company Flumar. Operating out of Rio de Janeiro, Brazil, the company's core business is transportation of bulk liquid chemicals and gases primarily on the Brazilian coast and within the Mercosul area. Though less frequent, services are also provided to Central America and the west coast of South America. Presently, the company operates four chemical tankers and two LPG vessels, ranging in size from 4 400 to 12 450 tdw. Combined, Odfjell and Flumar are able to provide our customers with enhanced service capabilities. Furthermore, the extensive network of associated terminals in Brazil, Argentina and Chile adds important value to our customers' logistical requirements. Flumar carried 1.2 million tons of cargo in 2001.

Through the 50/50 joint venture company, Odfjell y Vapores, we carried along the Chilean coast 1.3 million tons of cargo in 2001, primarily sulphuric acid.

REGIONAL TRADE	Figures in	2001	2000	1999
Gross revenue	USD mill.	103	72	60
Operating result before depreciation and gain (loss) on sale of fixed assets (EBITDA)	USD mill.	14	9	6
Operating result (EBIT)	USD mill.	6	2	2
Total assets	USD mill.	136	125	130
Volume shipped	1 000 tons	5 017	4 731	-
Number of vessels		26	22	13
Total deadweight	1 000 tons	289	222	103



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## Tank Terminals

- 6 owned at strategic locations
- 8 associated
- Revenue \$89 million
- 10% of revenue/17% of EBITDA
- Total assets \$264 million



In total, our tank terminal network now employs more than 860 people and offers close to 2.6 million cbm of storage space or about 860 tanks in 14 ports around the world. This makes us one of the world-leaders in combined shipping- and storage services. We have a strategy to expand the tank terminal activities along Odfjell's major shipping lanes. We also focus on strategic ports in newly industrialized countries, in order to improve the development of chemical markets.

In addition to being profitable investments on a stand-alone basis, our tank terminals also play an important operational role in our cargo-consolidation programme to reduce the time our ships spend in port.

Commercially, the combination of shipping and tank terminals gives Odfjell an excellent position to offer complete logistical packages to our customers. The demand for combined service has steadily increased as a result of the industry's ongoing pursuit of improving efficiency in the supply chain.

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### Odfjell Terminals (Rotterdam) BV – Rotterdam, the Netherlands

- 1 540 000 cbm
- 300 tanks
- 100% ownership
- Petrochemical industrial distillation plant



Located in the heart of Rotterdam harbour, the most important chemical distribution centre in Europe, Odfjell Terminals (Rotterdam) has a total storage capacity of about 1 540 000 cbm, and around 300 storage tanks. It is one of the largest facilities of its kind in the world. The tank terminal stores both chemicals and mineral oil products. The chemical storage capacity is 610 000 cbm, while the mineral oil capacity is about 930 000 cbm. In addition to the storage business, the facility has a PID, petrochemical industrial distillation plant, which retains a large market share in the independent product distillation market in northwest Europe. The company's business is therefore divided in three market segments; chemical storage, mineral oil storage and petrochemical distillation. This provides a diversified contract portfolio as well as a great degree of flexibility since the storage capacity can be shifted from one segment to another, including servicing the distillation business.

The tank terminal has excellent infrastructure, with four jetties for seagoing vessels and 11 berths for barges. It also has extensive facilities for handling of trucks, rail cars and ISO-containers. The site has its own water treatment plant that also serves third parties.

The facility is already one of the most important tank terminals for Odfjell in the Rotterdam-Antwerp area, and our goal is to make it the primary hub for our global trade to and from Europe. By combining efforts from the terminal and shipping activities, both our customers and Odfjell will be able to gain benefits through improved efficiency and commercial integration.

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### Odfjell Terminals (Houston)

#### LP - Houston, Texas, USA

- 255 000 cbm
- 88 tanks
- 100% ownership
- Large stainless steel capacity



Houston is the major international hub for import and export of chemicals in the US. The Houston tank terminal was built by Odfjell in 1983 and has since the mid 1990's been through a considerable expansion period, increasing the capacity by close to 70% over the last five years. The expansion has improved the profitability through a better utilization of already existing infrastructure.

The tank terminal comprises 88 tanks ranging from 350 cbm to 9 000 cbm and has a total capacity of about 255 000 cbm. 61 tanks are constructed from mild steel or have epoxy/zinc coatings, with the remaining 27 constructed from stainless steel, giving a total stainless steel capacity of 65 000 cbm. The tank terminal has the largest stainless steel storage capacity of any privately owned tank terminal in the world. The facilities' unused land and existing infrastructure provide good opportunities for further expansion, with potential storage capacity of around 350 000 cbm in the existing area.

Odfjell Terminals (Houston) is the hub for Odfjell's global and regional trade to and from the US Gulf. The realisation of synergies has been prioritised and the company's joint transportation and storage contracts have helped in this respect. The advantages of such services to our customers as well as to our own overall efficiency are many, and we will further continue our joint marketing efforts and operations in the years to come.

**Peter Schönberger, Operator,  
Odfjell Terminals (Rotterdam) BV**



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#### **Odfjell Terminals (Dalian) Co Ltd**

- Dalian, China
- 60 000 cbm
- 35 tanks
- 64% ownership
- The most advanced chemical tank terminal in China



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Odfjell Terminals (Dalian) is located in Dalian on the northeastern coast of China. The tank terminal has 35 tanks with a capacity of about 60 000 cbm, constructed in compliance with stringent quality and environmental requirements. From its start in 1998, the development of the tank terminal's business has been very positive, and the diversified customer base gives the terminal a good performance. With a 64% stake, Odfjell is the main shareholder and also the managing partner of the terminal. Dalian Port Authority (36%) is the other shareholder in the company.

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#### **Oil tanking Odfjell Terminal Singapore Pte Ltd - Singapore**

- 131 000 cbm
- 35 tanks
- 50% ownership
- Expansion possibilities



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As one of the busiest ports in the world, Singapore plays a major role in the distribution of petrochemicals in Asia. Singapore also has a high concentration of refinery capacity as well as a large and diversified chemical production. Further growth is secured through its prime location, good infrastructure and a stable economy and government. Oil tanking Odfjell Terminal Singapore is located on Jurong Island, where most of Singapore's development of petrochemical industry is concentrated.

The tank terminal, which became operational in September 2001, has a total capacity of 131 000 cbm in 35 tanks, ranging from 800 cbm to 18 000 cbm. The stainless steel capacity is around 5 000 cbm. More than 100 000 cbm of the capacity is committed on long-term contracts. With access to additional land, the tank terminal can eventually grow to about 300 000 cbm. Two new ship docks are under construction, and the tank terminal operates and has access to another two docks.

The flexible storage and transfer services offered by the terminal, along with excellent marine facilities will allow Odfjell to create a hub for the global and regional shipping services in Asia.

The tank terminal is a 50/50 joint venture, in which Oil tanking is the managing partner. Oil tanking GmbH, a worldwide storage operator, already owns a large mineral oil terminal on Jurong Island.

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#### **VOTTN - Ningbo, China**

- 63 500 cbm
- 36 tanks
- 12.5% ownership
- A sophisticated chemical tank terminal



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This tank terminal started operations in 1994. Located close to Shanghai, Ningbo is a key port for importing chemicals to the central east coast of China. The terminal serves vessels, barges, rail cars and trucks and currently has a capacity of about 63 500 cbm. Odfjell has a 12.5% stake in the tank terminal, with the other partners being Vopak, Helm AG and certain local partners.

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#### **Odfjell Terminals (Onsan) Co Ltd**

- Onsan, Korea
- 109 500 cbm
- 39 tanks
- 55% ownership
- Under construction, with expansion possibilities



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Early in 2002, Odfjell ASA signed a Memorandum of Understanding with Korea Petrochemical Industry Company (KPIC) to acquire 55% of their chemical tank terminal project in Onsan, Korea, and together with KPIC to establish a Joint Venture with the purpose to own and operate the new facility. The tank terminal, which is currently under construction, has a strategic location in an important petrochemical distribution and transshipment hub in Northeast Asia. Odfjell is one of the largest carriers of bulk liquid chemicals in and out of Korea with a significant number of port calls and transshipment operations in the region.

The tank terminal, currently named Onsan Tank Terminal (OTT), will in its first phase have 39 tanks with a total storage capacity of 109 500 cbm and will otherwise have ample land for future expansions. The new Joint Venture company will be the owner of one jetty and will have access to a second jetty, each with the capability to handle two vessels at the time. The total investment on a 100% basis is estimated to be about USD 40 million. The terminal will become operational in the middle of April 2002 with Odfjell as the managing partner.

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#### **Associated Tank Terminals - South America**

Odfjell's involvement with tank terminals started in South America, where the first terminal of the group was built in Buenos Aires in 1969. Today, eight chemical tank terminals spread along the coasts of Brazil, Argentina, Chile and Peru, has a 35% share of the chemical storage market in the region. The Odfjell family owns these privately, their operational

headquarter being in Sao Paulo. The three Brazilian tank terminals are located in Santos, Rio Grande and São Luís. In Argentina, the group has two tank terminals, one in Buenos Aires and the other, a new state-of-the-art tank terminal in Campana, about 80 km upriver from Buenos Aires. The Chilean tank terminal is located in San Antonio. The latest additions to the group is a 25 000 cbm chemical tank terminal in Callao, Peru and a 50 000 cbm tank terminal to be built in Bahia Blanca, Argentina.

The extensive tank terminal activities in South America provide an excellent complement to Odfjell's six million tons per year shipping activities within the region. Where practicable, shipping and storage services are marketed jointly, ensuring that we create logistical solutions as comprehensive as possible for our customers.

<b>TANK TERMINALS</b>	Figures in	2001	2000	1999	1998	1997
Gross revenue	USD mill.	89	59	32	28	27
Operating result before depreciation and gain (loss) on sale of fixed assets (EBITDA)	USD mill.	35	25	16	13	13
Operating result (EBIT)	USD mill.	23	16	11	8	9
Total assets	USD mill.	264	236	129		
Tank capacity	1 000 cbm	2 155	1 917	354	315	255

## Tank Containers

- Start-up in 1999
- 5 000 containers
- Revenue \$34 million
- 4% of revenue/2% of EBITDA
- Total assets \$ 29 million



Our tank container activity is organised through Hoyer-Odfjell whose business is transportation of chemicals and other liquids in tank containers. The company has been in operation for three years and has become an important player in this market. Through Hoyer-Odfjell we are able to offer our customers more integrated and cost-efficient transport solutions for their smaller parcels. Tank containers are primarily being used for transportation of chemicals and liquids in small quantities and to locations with limited infrastructure.

The tank container business is attended to by a joint venture with Hoyer GmbH in Germany. Hoyer-Odfjell's

head office is in Rotterdam, but the tank container business is based on a network of branch offices, as well as agencies in certain countries. The activities in the branch offices have, as far as practically possible, been integrated with Odfjell's existing activities. The purpose of this has been to co-ordinate the marketing, making it easier for us as a supplier of logistic services to provide our customers with integrated and cost-effective transport solutions.

The main goal of Hoyer-Odfjell has been to expand and become global, thereby achieving economies of scale. Substantial investments in personnel, organisation and equipment have thus been made in the company. The number of tank containers has increased from 2 600 to about 5 000 since start-up three years ago.

Future growth in demand for tank container services is expected to be considerable, with a large potential being Asia and Latin America.

<b>TANK CONTAINERS</b>	Figures in	2001	2000	1999
Gross revenue	USD mill.	34	33	30
Operating result before depreciation and gain (loss) on sale of fixed assets (EBITDA)	USD mill.	3	(2)	(1)
Operating result (EBIT)	USD mill.	-	(3)	(1)
Total assets	USD mill.	29	21	13
Number of units		5 000	5 000	3 500



**Pedro C. Seva Jr.,  
Chief Steward, M/T Bow Cedar**





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## Logistics

The industries served by Odfjell are changing. Concentration is on consolidation, streamlining production, removing inefficiencies and thereby reducing costs. Focus is on core business and on outsourcing non-core activities and functions that require specialized skills and high levels of competency.

Odfjell Logistics is established to uncover synergies, develop solutions and create added value to our customers as well as to Odfjell. One important aspect of value is reduced risk. Another is ease and speed of

execution, through integrated, multi modular combinations and solutions.

Odfjell has expanded substantially through acquiring assets and systems, and is today in a position to offer multi modular transportation arrangements to meet the customers requirements for such services. Odfjell Logistics is the coordinator of the various modes and will work with customers on designing optimal logistical arrangements. The goal is to streamline product flows and remove bottlenecks and non-optimal practices that are adding to the logistical cost.

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## Ship Management

*Odfjell is a fully integrated shipping company incorporating all functions required to ensure the provision of reliable high-quality transportation services. Owning vessels and taking responsibility for chartering, operations and ship management ensure effective co-ordination and common priorities across all our operations. As ships account for close to 80% of our total fixed assets, it is vital that the fleet is managed and operated efficiently and assets are protected and values maintained.*

### Vessels

Our ship maintenance programme ensures safe and efficient operation, a long useful life and high second-hand values. The maintenance is managed through our computerised Planned Maintenance System, which is certified by Det Norske Veritas (DNV). Surface protection and maintenance of tanks, structures and machinery are based on thorough assessments, with periodical dry-docking carried out normally every 30 months.

Our ship management division takes care of Odfjell's vessels and also nine vessels owned by National Chemical Carriers Ltd Co in Saudi Arabia. This includes crewing, technical operation and maintenance, purchasing, safety assurance and insurance. We also work closely with Ceres Hellenic Shipping Enterprises in Greece, who manages 18 of our vessels.

### Crew

The safe operation of chemical tankers depends on highly qualified officers and crew. Most of our vessels are registered with the Norwegian International Ship Register and are manned primarily by Norwegian senior officers and Filipino crew, with many years' experience from chemical tankers.

Odfjell pays considerable attention to recruiting qualified officers and crew and, at any given time more than 100 seafarers are working as trainees or cadets.

### Risk Management

To enhance safety and control the risks associated with our business we have established a separate Risk Management section.

Every year Odfjell carries out regular internal audits of all ships. Customers make inspections through the Chemical Distribution Institute (CDI) and the Oil Companies International Marine Forum (OCIMF). Periodical surveys are carried out by various classification societies, flag states and port states. DNV performs ISM Code inspections of our vessels' quality systems.

When ships or offices report critical situations, accidents, non-conformances or possible improvements through our Safety and Improvement Reporting System (SAFIR), proper response is prepared and implemented. Our Quality Board, at senior management level, takes action on important issues. We view this system as an effective tool in our work to increase safety and to prevent injuries, damage and losses.

### Communication

An in-house Information Technology and Communication network provides ship-to-shore communication and the electronic exchange of databases. All vessels and offices are connected to this system, thus ensuring swift communication and rapid exchange of information needed to operate and manage our vessels safely and efficiently.

# Health, Safety and Environmental Protection

*Odfjell's policy is to maintain and develop the company's position as a supplier of high-quality and efficient logistics services involving low environmental risks. The company has adopted a long-term approach for providing global logistics services for the chemical industry, and a conscientious HSE (health, safety and environmental protection) programme is therefore essential for ensuring long-term profitability, stable employment and a safe working environment.*

Odfjell is part of the supply chain that extends from the production of chemicals to their consumption. Our customers require effective environmental systems and initiatives as part of their own efforts in this respect. We are also subject to various handling requirements for chemicals initiated by the authorities and other regulatory bodies. Our internal/external training and safety and quality work procedures are based on preventive actions to reduce the environmental risk of the chemicals that we transport and store. We also focus on improving energy efficiency.

## Organisation

Odfjell's Quality Board which comprise members of senior management follow up health, environmental and safety issues. The execution of our environmental policy is delegated to the heads of the group's various business divisions. Furthermore, the company's active involvement in national and international regulatory bodies and committees reflects our emphasis on contributing to the further development of regulations within areas that fosters sound environmental standards and high levels of safety.

## Fleet

Ocean-going transportation is very energy-efficient compared to other forms of transport and the efficiency of our fleet has been improved. Due to our newbuilding program and sale of older vessels we had a reduction in CO<sub>2</sub> emissions per

nautical mile and dead-weight ton of about 10% in the late 1990s. During 2000 we acquired a number of larger, energy-efficient ships. The result of this was a further reduction of 8% of CO<sub>2</sub> emissions per nautical mile and tdw. The world's first "intelligent engine", fitted onboard our Bow Cecil, has been successfully tested and approved for operation by DNV, both in "Fuel economy Mode" and in "Low emission Mode".

Speed and the associated bunker fuel consumption is systematically followed up, with any deviation being analysed and corrective measures implemented. Modern self-polishing anti-fouling paint ensures that the smoothness of the hull is fully maintained between the dry-dockings. Propellers are polished during dry-dockings and when otherwise found appropriate.

The procedures set out in the company's Safety & Quality Management System are adhered to when dealing with solid waste and discharging of oily water from the engine room, waste from the galley, and water used to clean the tanks. This system is approved by DNV as part of the company's overall quality assurance certification programme. Equipment for handling waste and residues is renewed as new requirements are issued. Odfjell works with reputable suppliers to develop improved systems to recover oil, which can then be used to generate power onboard. All ships feature approved sewage purification installations.

The latest additions to our fleet

are fitted with optimised cargo discharge pumps and tank-wells designed to minimise cargo residues in the tanks after discharging. Gases are not emitted into the atmosphere during loading, as the vessels are equipped with pipe systems that return vapour to onshore tanks. Each cargo tank is also fitted with a separate ventilating system with pressure and vacuum control valves to prevent gas emissions while products are in transit.

The company's Safety and Improvement Reporting system is used to report onboard HSE matters and plays an important and valuable role in company analyses and for the transfer of experience. The number of reported lost workday injury cases during 2001 (Lost Time Injury Frequency) was 3.96 per million worked hours compared to 7.3 in 2000.

Odfjell prioritises co-operation with suppliers, research institutions, classification societies and shipyards on the development of new and more environmentally friendly ships.

## Tank Terminals

Odfjell's focus on the use of the best possible systems and technology when constructing and upgrading terminals ensures that we are well placed to meet future challenges in terms of safety and environmental issues as well as profitability. Tank terminals are fitted with effective pressure-control systems to prevent evaporation of gases to the air. Further, special tank bottoms with leak detection devices and liners in

the tank bays prevent ground contamination in case of any accidents. Each terminal has its own environmental committee, which reviews procedures and potential areas for improvement.

Odfjell Terminals (Baytank) is a Responsible Care<sup>®</sup> partner. This is recognition from the Chemical Manufacturers Association of companies that have gained

distinction in the petrochemical industry for their commitment to environmental standards and safety over and above current regulations. This is an ongoing area of focus for our operations.

#### Future Plans

We are committed to pursuing a proactive environmental protection policy and we are developing an

environmental management system based on the environmental standard ISO 14001. This will be integrated into our Safety & Quality Management System during 2002. Odfjell's environmental profile will thereby be further developed as a strong competitive advantage in the market, to the benefit of shareholders, customers, employees and society at large.

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## Senior Management



#### **BJØRN SJAASTAD**

PRESIDENT/CEO

Born 1957.

Mr. Sjaastad has been with the company since 1989 and has held his present position since 1990.



#### **JARLE HAUGSDAL**

SENIOR VICE PRESIDENT,  
ODFJELL SEACHEM

Born 1961. Mr. Haugsdal joined Odfjell in 1996 and has held the current position since September 2000. He previously held the position as SVP, Finance/Accounts/IT.



#### **JAN HAMMER**

SENIOR VICE PRESIDENT, BUSINESS  
DEVELOPMENT AND PLANNING/ICT

Born 1957. Mr. Hammer has been with the company since 1985. He has previously held various management positions within Odfjell, both in chartering and terminal activities.



#### **GUDMUND VALEN**

SENIOR VICE PRESIDENT,  
REGIONAL TRADE ASIA

Born 1939. Mr. Valen has been with the company since 1966. He has held various senior management positions within Odfjell, both in chartering and terminal activities.



#### **BRIT A. BENNETT**

VICE PRESIDENT, HUMAN RESOURCES

Born 1951. Ms. Bennett joined the company in September 2000. She has previously held the position as Executive Consultant in Pricewaterhouse Coopers, Personnel Manager in the bank and oil industry, and Executive Manager in Bergen Municipality.



#### **ATLE KNUTSEN**

SENIOR VICE PRESIDENT, ODFJELL LOGISTICS  
AND TANK TERMINALS (temporarily)

Born 1950. Mr. Knutsen has been with the company since 1972. He has held various management positions within Odfjell and has held his current position since September 2000.



#### **HANS LUND**

SENIOR VICE PRESIDENT,  
QUALITY ASSURANCE

Born 1938. Mr. Lund has been with the company since 1971. He previously held the position as Director, Ship Management.



#### **C. P. MOL**

CHIEF EXECUTIVE OFFICER AND MANAGING  
DIRECTOR, HOYER-ODFJELL BV

Born 1952. Mr. Mol joined Hoyer-Odfjell in September 2000. Previously Mr. Mol held the position as Operation Director for VOPAK followed by a Managing Director position at the Europort Oil Terminal.



#### **HAAKON RINGDAL**

SENIOR VICE PRESIDENT,  
FINANCE/ACCOUNTS

Born 1954. Mr. Ringdal joined Odfjell in January 2001. He came from a similar position with another major shipping company. He has previous experience from the finance/accounts area within shipping, banking, property and insurance.



#### **JAN DIDRIK LORENTZ**

SENIOR VICE PRESIDENT,  
SHIP MANAGEMENT

Born 1947. Mr. Lorentz joined Odfjell in 1996. Previous position as Regional Manager for Det Norske Veritas (DNV).



#### **ESPEN BJELLAND**

VICE PRESIDENT, INVESTOR RELATIONS/  
CORPORATE SECRETARY

Born 1960. Mr. Bjelland has been with the company since 1992 and has held the current position since September 2000. He previously held the position as Financial Manager.

# Fleet Overview

<i>GLOBAL TRADE</i>	<i>VESSEL</i>	<i>YEAR BUILT</i>	<i>TDW</i>	<i>CBM</i>	<i>STAINLESS STEEL, CBM</i>	<i>NUMBER OF TANKS</i>
<b>OWNED:</b>	Bow Favour	2001	37 438	40 515	40 515	47
	Bow Century	2000	37 438	40 515	40 515	47
	Bow Fortune	1999	37 395	40 515	40 515	47
	Bow Cecil*	1998	37 345	40 515	33 236	47
	Bow Flora	1998	37 369	40 515	33 236	47
	Bow Cardinal	1997	37 446	41 487	34 208	52
	Bow Faith	1997	37 479	41 487	34 208	52
	Bow Cedar	1996	37 455	41 608	34 329	52
	Bow Fagus	1995	37 375	41 608	34 329	52
	Bow Clipper	1995	37 166	41 492	34 213	52
	Bow Flower	1994	37 221	41 492	34 213	52
	Bow Sea	1978	27 950	34 656	21 035	43
	Bow Hunter	1983	23 002	25 026	21 031	28
	Bow Pioneer	1982	23 016	25 965	20 969	28
	Bow Eagle	1988	24 728	32 458	19 662	25
	Bow Viking	1981	33 590	40 956	21 745	36
	Bow Fighter	1982	34 982	41 184	6 299	34
	Bow Lancer	1980	35 100	42 468	6 252	34
	Bow Heron	1979	35 289	42 109	5 882	31
	Bow Cheetah	1988	40 258	47 604	-	29
	Bow Leopard	1988	40 249	47 604	-	29
	Bow Lion	1988	40 272	47 604	-	29
	Bow Panther	1986	40 263	47 604	-	29
	Bow Puma	1986	40 092	47 604	-	29
	Bow Petros	1984	39 722	47 963	-	28
	Bow Transporter	1983	39 738	47 963	-	28
	Bow Mariner	1982	39 821	47 963	-	28
	Bow Lady	1978	32 225	41 354	3 077	42
	Bow Princess	1976	32 362	42 480	1 400	42
	Bow Queen	1975	32 363	41 703	816	42
	Bow Peace	1987	45 655	52 173	2 167	23
	Bow Power	1987	45 655	52 173	2 167	23
	Bow Pride	1987	45 655	52 173	2 167	23
	Bow Prosper	1987	45 655	52 173	2 167	23
	Bow Prima	1987	45 655	52 173	2 167	23
	<b>TIME-CHARTERED/POOL:</b>	NCC Jubail	1996	37 499	41 488	34 209
NCC Mekka		1995	37 272	41 588	34 257	52
NCC Riyad		1995	37 274	41 492	34 213	52
NCC Tihamah		1977	28 088	34 656	21 035	43
NCC Yamamah		1977	28 053	34 656	21 035	43
NCC Jizan		1976	28 024	34 656	21 035	43
NCC Jouf		1976	28 026	34 656	21 035	43
NCC Madinah		1976	28 053	34 656	21 035	43
NCC Najran		1976	28 000	34 656	21 035	43
NCC Asir		1983	23 001	24 965	20 969	28
NCC Arar		1982	23 002	24 965	20 969	28
NCC Baha		1988	24 728	32 458	19 662	25
Bow Sky		1977	28 083	34 656	21 035	43
Bow Spring		1976	28 060	34 656	21 035	43
Bow Saturn		1976	28 030	34 656	21 035	43
Bow Merkur		1975	27 952	34 656	21 035	43
Fertility L		1987	45 507	52 173	2 167	23
Fraternity L		1987	45 507	52 173	2 167	23
Clipperventure L		1981	31 745	42 080	-	26
Conquestventure L		1980	31 766	42 080	-	26
Courageventure		1980	31 729	42 080	-	26
Crystalventure		1980	31 676	42 080	-	26
Maasslot L		1982	38 039	48 866	-	22
Maasstad L		1983	38 039	48 866	-	22
Maasstroom L		1983	38 039	48 866	-	22
North Defiance		2001	17 395	17 423	18 236	20
Brage Atlantic		1995	17 460	19 587	19 587	22
<b>Number of vessels: 62</b>			<b>2 124 471</b>	<b>2 514 672</b>	<b>949 306</b>	

	<i>YARD</i>	<i>DELIVERY</i>	<i>TDW</i>	<i>OWNER</i>
<b>ON ORDER:</b>	Florø Yard no. 143	6/2002	37 500	Odfjell
	Florø Yard no. 144	12/2003	37 500	Odfjell
	NB Szczecin - B588/III/1	5/2002	39 500	Ceres
	NB Szczecin - B588/III/2	10/2002	39 500	Odfjell
	NB Szczecin - B588/III/3	3/2003	39 500	Odfjell
	NB Szczecin - B588/III/4	8/2003	39 500	Ceres
	NB Szczecin - B588/III/5	2/2004	39 500	Odfjell
	NB Szczecin - B588/III/6	7/2004	39 500	Odfjell
	NB Szczecin - B588/III/7	1/2005	39 500	Ceres
NB Szczecin - B588/III/8	6/2005	39 500	Ceres	
<b>Number of newbuildings: 10</b>			<b>391 000</b>	

<i>REGIONAL TRADE</i>	<i>VESSEL</i>	<i>YEAR BUILT</i>	<i>DWT</i>	<i>CBM</i>	<i>STAINLESS STEEL, CBM</i>	<i>NUMBER OF TANKS</i>
<b>OWNED:</b>	Bow Master	1999	6 046	7 036	7 036	14
	Bow Mate	1999	6 046	7 036	7 036	14
	Bow Pilot	1999	6 046	7 036	7 036	14
	Bow Sailor	1999	6 046	7 036	7 036	14
	Bow Apollo	1981	6 291	6 742	3 504	22
	Bow Marino	1988	11 289	12 415	6 385	17
	Bow Giovanni	1987	11 289	11 091	5 091	15
	Bow Antisana	1989	8 192	9 899	5 777	22
	Bow Gorgonilla	1989	8 192	9 899	5 777	22
	Bow Andes (50 %)	1977	28 060	34 756	21 136	43
	Bow Pacifico (50%)	1982	18 657	22 929	10 849	31
	Owl Trader	1982	12 450	14 482	8 070	22
	Angelim (50 %)	1985	10 259	10 136	6 500	18
	Aracuria (50 %)	1984	10 259	10 159	6 500	18
Jatai (50 %, LPG)	1979	4 452	4 031	-	3	
<b>TIME-CHARTERED/POOL:</b>	Bow de Jin	1999	11 500	12 500	12 500	20
	Bow de Silver	2000	11 500	12 500	12 500	20
	Bow Wave	1999	8 500	9 300	9 300	20
	Bow Wind	1999	8 500	9 300	9 300	20
	Sutra Satu	1990	8 417	8 434	8 434	14
	Sunshine Sea	2000	16 121	17 270	17 270	34
	Fairchem Yone	1995	11 668	12 542	12 542	20
	Jacaranda (50%)	1978	9 970	9 924	5 877	17
	Aragas (50 %, LPG)	1983	9 300	8 026	-	5
<b>Number of vessels:</b>		<b>24</b>	<b>249 050</b>	<b>274 479</b>	<b>195 456</b>	

<i>TANK TERMINALS</i>	<i>LOCATION</i>	<i>SHARE</i>	<i>CBM</i>	<i>STAINLESS STEEL, CBM</i>	<i>NUMBER OF TANKS</i>
Odfjell Terminals (Rotterdam) BV	Rotterdam, NL	100 %	1 537 000	20 450	300
Odfjell Terminals (Houston) LP	Houston, USA	100 %	254 559	65 000	88
Odfjell Terminals (Dalian) Ltd	Dalian, China	64 %	59 700	5 750	35
Odfjell Terminals (Onsan) Co Ltd	Onsan, Korea	55 %	109 500	0	39
Oiltanking Odfjell Terminal Singapore Ltd	Singapore	50 %	131 000	5 000	35
VOTTN Ltd (Ningbo)	Ningbo, China	12.5 %	63 500	7 900	36
			<b>2 155 259</b>	<b>104 100</b>	<b>533</b>

#### *TANK CONTAINERS*

5 000 units operated as per 31 December 2001.

\* Vessel beneficially owned through finance lease.



# Glossary

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**ADR:** American Depository Receipt - an exchange system for foreign shares in the USA.

**BALLAST:** A voyage with no cargo on board to get a ship in position for next loading port or dry docking.

**BALLAST TANK:** A tank that is filled with sea water when a vessel sails in ballast, or in order to provide stability.

**BARGING:** Transfer of cargo to/from a ship from/to a barge.

**BROKER:** An independent intermediary who negotiates freight contracts between owners and charterers as well as the sale and purchase of vessels.

**BUNKERS/BUNKERING:** Fuel, to power a ship's engine. Bunkering is to take on board bunkers.

**CAP:** Condition Assessment Program, Det norske Veritas' voluntary rating system for vessels describing and quantifying the standard of a vessel.

**CHARTER PARTY (C/P):** Agreement between a shipowner and a charterer, outlining terms and conditions governing the transportation. The agreement may be for one or several voyages, or for a certain period of time.

**CHARTERER:** The party paying for the transportation. It may be the cargo owner, supplier or receiver of the cargo.

**CLASSIFICATION SOCIETY:** An independent international organisation, e.g. Det norske Veritas, controlling and verifying that the technical condition, the safety and quality of a vessel complies with its own rules, as well as those of national authorities.

**COATING:** Paint protecting the inside of a vessel's tanks. Usually epoxy or zinc based paints.

**COFR:** Certificate of Financial Responsibility. Certificate required by US Coast Guard for tonnage transporting oil products in the US economic zone (due to OPA 90). The certificate confirms that the owner can cover the full financial responsibility up to a specified maximum amount for any pollution caused by the owner's ships in US waters.

**CONTRACT OF AFFREIGHTMENT (COA):** An agreement between an owner and a charterer to transport given quantities of cargo during a given period of time and the owner is basically free to decide whichever vessel he will use.

**DAILY COSTS:** Expenses for crew as well as all other expenses directly connected with the running of the vessel, including insurance.

**DEADWEIGHT TON (DWT or TDW):** A measure of the weight carrying capacity of the ship. The total dwt is the weight of the cargo the ship can carry plus bunkers, fresh water, spare parts etc.

**DEEP-SEA (GLOBAL):** Sea-borne trade that moves on intercontinental trade routes.

**DEMURRAGE:** Compensation paid by the charterer, supplier or receiver of the cargo for each day or pro rata for time spent in port during loading/discharging, in excess of the laytime stipulated in the Charter Party.

**DOUBLE HULL:** The ship has an inner and an outer hull. The distance between these two can be up to 2 meters. Such construction increases the safety during a possible grounding or collision. In this way leakage may be avoided. The double hull is also used for ballast.

**DRY DOCK:** Putting a vessel into a dry dock for inspection and repairs of underwater parts, and painting of vessels bottom. Done on a regular basis.

**FREIGHT RATE:** Agreed transportation cost, stipulated either per metric ton of cargo, cubic meter of cargo or as a lump sum for the total cargo.

**IMO:** International Maritime Organisation. The international UN advisory body on transport by sea.

**INORGANIC CHEMICALS:** Chemicals which molecular structure contain no carbon atoms (other than as part of a carbonate-group), and are derived from sources other than hydrocarbons, such as sulphuric acid, phosphoric acid and caustic soda.

**ISMC:** International Safety Management Code. The first formalised initiative by IMO to provide a universal standard for the safety management systems of ships. Planned to be implemented by all countries.

**KNOT:** A measure of the speed of the vessel. 1 knot= 1 nautical mile per hour, that is 1,85 km/h.

**LIBOR:** London Interbank Offered Rate

**MARPOL:** The International Conventions governing Marine Pollution Prevention. It is a part of IMO.

**M/T:** Motor Tanker.

**MTBE:** Methyl tert butyl ether. Used as additive in gasoline.

**NAFTA:** North American Free Trade Agreement. Free trade common market consisting of Canada, the USA, Mexico and soon Chile.

**NET REVENUE FROM SHIP OPERATION:** Gross freight revenues minus voyage costs. Usually expressed in USD per day.

**NIS:** Norwegian International Ship Register

**OECD:** Organisation for Economic Co-operation and Development, an information-gathering body. The 24 members are mainly industrialised countries in Western Europe, North America and the Asia/Pacific region.

**OFF-HIRE:** The time a vessel according to the charter party is not gainfully employed and not generating an income for its owner (e.g. time used for repairs).

**OPA-90:** The US Oil Pollution Act of 1990. An American federal law that imposes far reaching requirements on shipping companies, vessels and crews when trading in US waters.

**OPERATOR:** A person in a shipping company whose duties amongst other things is to take care of the contact between the ship and the charterer, give instructions to the ship and the port agents concerning loading and discharging of cargo, and arranging purchase of bunkers etc.

**ORGANIC CHEMICALS:** Chemicals containing carbon, and normally derived from hydrocarbon sources, usually either crude oil, natural gas or coal. Often referred to as petrochemicals. Can be further divided into aromatic hydrocarbons, alcohols and glycols, monomers and esters, phenols, halogenated compounds, ketones, and saturated hydrocarbons.

**PARCEL TANKER:** Tanker designed for the transportation of several different cargoes simultaneously.

**PETROCHEMICALS:** See organic chemicals.

**POOL:** A co-operation between owners putting their vessels into a operation where net revenues are divided according to a predetermined key.

**SEAQ:** Stock Exchange Automated Quotation. System for purchase and sale of foreign shares, operated by the London Stock Exchange.

**SEGREGATION:** The division of a ship's cargo space into individual tanks.

**SEP:** Safety and Environmental Protection, classification system used by Det norske Veritas.

**SHIP MANAGEMENT:** The administration of a vessel, including services like technical operation, maintenance, crewing and insurance.

**SHORT-SEA (REGIONAL):** Sea-borne trade that moves on regional trade routes (not intercontinental).

**SPOT RATE:** Freight rate for a voyage agreed on the basis of current market level.

**STCW:** International convention on standards of training, certification and watchkeeping.

**TANK CONTAINER:** A 25 m<sup>3</sup> cylindrical tank within a standard 20 feet container frame. Suitable for transportation on container vessels as well as trucks and rail cars designed for container transportation.

**TIME CHARTER (T/C):** The ship owner hires out a vessel complete with the crew for a fee, payable as a specific sum per day or a specific sum per dwt per month. The party that hires the vessel pays for bunkers, port and canal charges and any other voyage related costs.

**TON:** A gross registered ton is a volume of 100 cubic feet (2,83 cubic meters). Gross registered tonnage is basically the volume of the ship's closed areas, excluding the bridge, the galley and a few other rooms. Net registered tonnage is the gross tonnage less volumes needed for the operation of the ship (deck storage room, engine room etc.), i.e. the volume available for cargo.

**TRADE:** The geographical area where a ship mainly trades.

**TRADING DAYS:** The number of days a ship is not off-hire.

**TRANSHIPMENT:** Transfer of cargo to/from a ship from/to another ship. For example, cargo from a vessel within global trade to a ship within regional trade bound for final destination/harbor.

**VOYAGE CHARTER:** The transportation of cargo from the port(s) of loading to the port(s) of discharge. Payment is normally per ton of cargo, and the ship owner pays for bunkers, port and canal charges and other voyage related costs.

**VOYAGE COSTS:** Expenses directly related to the voyage, such as bunkers, port charges, canal dues, etc.

# Offices and Addresses

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## MAIN OFFICE

**Odfjell ASA -  
Odfjell Seachem AS**  
Conrad Mohrs veg 29,  
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(Chartering/Operations)  
Tlx: 42060 odshp n

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