Annual report 2001

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BELSHIPS

Contents

Financial Calendar 2002

Annual general meeting	7 May
Result for the 1st quarter	7 May
Result for the 2nd quarter	20 August
Result for the 3rd quarter	5 November

Belships – an introduction

Belships is a shipping company quoted on the Oslo Stock Exchange and is active in the product tank, gas and dry cargo markets.

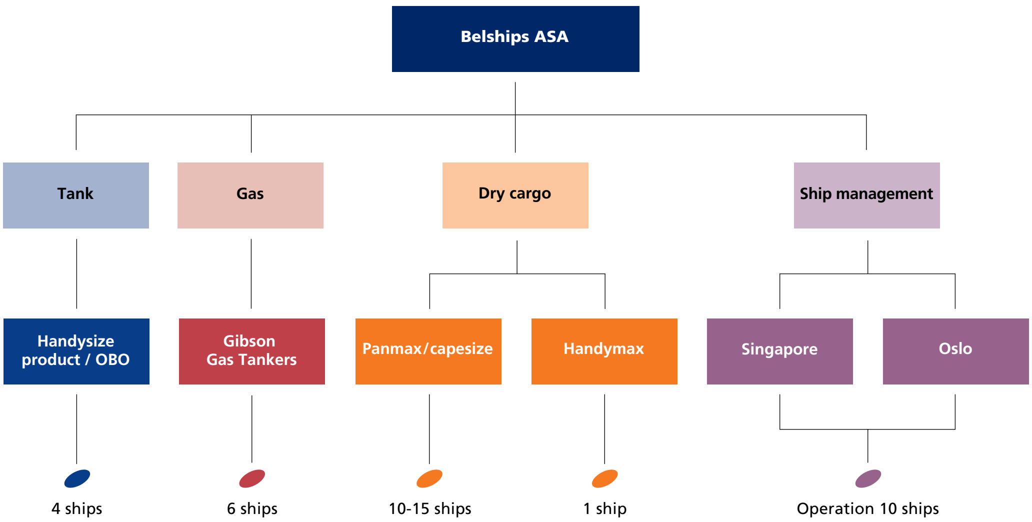
Handysize product tank
Belships has four product tankers of its own, which are managed by the wholly owned subsidiary Belships Tankers. The fleet carries refined petroleum products, mainly between the industrialised countries.

Gas
Belships owns 60% of Gibson Gas Tankers, based in Edinburgh. The company owns 6 gas tankers of between 2 000 and 7 000 cbm. The ships carry industrial and petroleum gasses such as butane, propane, etc.

Panmax and capesize dry cargo
Through the wholly owned subsidiary Belships Trading, Belships is involved as an operator in the panmax dry cargo market. The company takes cargo positions and covers them with chartered ships. The panmax fleet mainly carries commodities such as coal, ore and grain all over the world. Belships also has an ownership stake in a capesize ship.

Handymax dry cargo
Belships owns one handymax dry cargo ship. The handymax dry cargo fleet carries mostly semi-finished goods for industry and operates all over the world.

Ship management
Belships is involved in ship management through Belships Management in Singapore and in Oslo. The companies are responsible for ship management both for Belships own ships and on behalf of other shipping companies.



Financial highlights

USD 1 000		**2001**	2000	1999
Operating income		**36 848**	57 243	39 059
Operating result		**1 711**	1 559	-1 636
Net result for the year		**-1 844**	-3 269	-7 222
Cash flow		**4 838**	3 000	-1 768
Total assets		**94 197**	108 395	119 346
Equity		**25 173**	26 418	24 182
Interest coverage ratio		**0.49**	0.30	-0.25
Current ratio	%	**330.74**	356.44	239.08
Equity ratio	%	**26.72**	24.37	20.26
Earnings per share	USD	**-0.08**	-0.16	-0.50

Directors' report

The global economy began to slow early in the year and slipped into full-blown recession following the tragic events in the USA in September. This resulted in reduced demand for shipping services and weaker rates in the segments in which Belships operates.

Financial performance

Belships generated operating income of USD 36 848 000 (2000: USD 57 243 000) and an operating result of USD 1 711 000 (USD 1 559 000). The drop in operating income was due primarily to lower levels of activity at the Panmax/Capesize bulk business but there was also a general decline in the group's other markets. The group's net result for the year was USD -1 844 000 (USD -3 269 000).

The parent company generated an operating result of NOK 1 875 000 and a net result for the year of NOK -24 073 000 after writing off loans to subsidiaries by NOK 19 205 000. The board recommends that the whole of this loss be set against the company's share premium reserves.

The annual accounts have been prepared on a going concern basis in accordance with § 3-3 of the Financial Reporting Act (Norway).

Segmental results

The product carrier business generated an operating result of USD 3 994 000 (USD 2 584 000), the gas carrier business an operating result of USD -826 000 (USD 57 000), the Panmax/Capesize bulk business an operating result of USD -1 787 000 (USD -1 770 000), the Handymax bulk business an operating result of USD 948 000 (USD 1 942 000) and the ship management business an operating result of USD 102 000 (USD -161 000).

Operations

The market for the product carrier began the year at a high level but trended downwards. However, active work to secure employment on time charters and forward freight agreements made it possible to maintain satisfactory results in this segment.

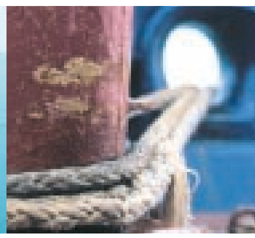
In Gibson Gas Tankers the 6 000 cbm gas carriers sailing in the pool managed by Dutch company Anthony Veder generated poor results due to a weak market. The 3 200 cbm gas carriers operated under firm time charters throughout the year while the M/T Quentin was employed in the spot market at loss-making rates.

Handymax bulker M/S Belnor operated on a time charter at a fixed rate throughout the year while Capesize bulker M/S Belmaj sailed in a pool managed by Bocimar. The combination of falling Capesize rates after the summer and our small stake in the pool's operating business resulted in losses.

The Panmax operation Belships Trading gradually wound down its spot market business during the year. Work on establishing a long-term cargo base continued, with the contract for the transportation of coal for the Videocon project in India becoming legally binding for Belships during the first half of the year. To cover part of its commitment under this contract, Belships entered into a long-term charter for a Panmax newbuilding due to be delivered at the end of 2003, which includes an option to purchase the vessel. However, disputes over the progress and construction of the power station in India intended to take the coal transported under the contract have led to a degree of uncertainty about the project.

Environment and safety

Belships gives high priority to minimising pollution from its vessels and focuses on continual improvement in the safety and environmental performance of its operations. The group has therefore embarked on an active drive to raise standards both at sea and on shore. Belships meets all mandatory environmental and safety standards, both national and international, and the companies in the group offer a good working environment.



Organisation

Belships' head office in Oslo handles the bulk of the group's commercial activities and insurance while other technical management activities are based in Singapore, except in the case of the gas carrier fleet which is run from Edinburgh. The group had 409 employees at the year-end: 38 office staff and 371 seafaring personnel. Absence through illness was low during the year and there were no serious occupational injuries.

Financial position and other matters

At the year-end the group had liquid assets of USD 9.5 million (USD 12.4 million) and its mortgage debt had been reduced by USD 11.4 million to USD 63.9 million. The group had net assets (excluding minority interests) of NOK 7.03 per share and an equity ratio of 26.7%.

Estimates from shipbrokers suggest that the market value of some of Belships' vessels is below their book value. However, the limited liquidity of the market makes it difficult to ascertain the vessels' true value. Belships does not believe it necessary to write down their book value.

During the fourth quarter Belships agreed to sell its stake in oil company Pelican AS. The transaction was completed in February 2002 and will result in a capital gain for accounting purposes of USD 1.8 million in the first-quarter 2002 accounts. The NOK 41.0 million proceeds of the sale will be used largely for debt repayments.

In March 2002 Belships ASA agreed to take over a 50% stake in Elkem Chartering AS, which has overall responsibility for Elkem's overseas transportation needs as well as a substantial portfolio of other freight contracts. Elkem Chartering carried 2.9 million tons of cargo in 2001 and generated operating income of NOK 400 million. The company will share offices with Belships and the parties expect the deal to result in synergy gains.

Outlook

High level of newbuilding deliveries in the tanker market is expected to put further pressure on rates in the short term. One of the OBO carriers has been sold for delivery in the first quarter of 2002, triggering a capital gain for accounting purposes of USD 0.3 million.

Belships' involvement in the Anthony Veder gas carrier pool is being reviewed in a bid to make better use of the commercial expertise at Gibson Gas Tankers. The outlook for this segment is uncertain.

The rapid growth in dry bulk tonnage is now slowing and there has been a slight increase in rates and vessel values so far in 2002. Belships expects the market to continue to strengthen.

Oslo, 22 March 2002
The Board of **Belships ASA**

Asbjørn Larsen
Chairman

Sverre Jørgen Tidemand
Man. director

James Stove Lorentzen

Chris Rytter jr.

Åsmund Simonsen

Income statement

Note	1 January-31 December USD 1 000	Consolidated **2001**	 2000	 1999
	Operating income			
	Gross freight income	**39 008**	69 104	43 478
	Voyage expenses	**-4 347**	-13 249	-5 800
	Net freight income	**34 661**	55 855	37 678
	Other operating income	**2 187**	1 388	1 381
2	Total operating income	**36 848**	57 243	39 059
	Operating expenses			
	Charterhire expenses	**-12 204**	-31 702	-15 333
	Depreciations on capitalized docking expenses	**-1 561**	-1 223	0
9	Other operating expenses	**-11 843**	-11 815	-14 065
10	General administrative expenses	**-4 913**	-4 831	-5 255
3	Ordinary depreciations ships	**-5 210**	-6 017	-6 042
	Total operating expenses	**-35 731**	-55 588	-40 695
	Operating result before sale of ships	**1 117**	1 655	-1 636
2	Gain/(-loss) on sale of ships	**594**	-96	0
	Operating result	**1 711**	1 559	-1 636
	Financial income and expenses			
	Share dividends, interest income	**440**	527	409
	Interest expenses	**-3 631**	-5 982	-6 275
	Other financial items	**-385**	-310	-318
	Currency exchange gain /(-loss)	**192**	971	588
	Net financial items	**-3 384**	-4 794	-5 596
	Result before taxes	**-1 673**	-3 235	-7 232
14	Taxes	**-171**	-34	10
	Net result for the year	**-1 844**	-3 269	-7 222
12	Hereof minority interests	**863**	178	1 026
	Hereof majority interests	**-981**	-3 091	-6 196
11	Earnings per share	**-0.08**	-0.16	-0.50
11	Diluted earnings per share	**-0.08**	-0.16	-0.49

Balance sheet

Note	Per 31 December USD 1 000	Consolidated **2001**	 2000	 1999
	FIXED ASSETS			
	Intangible assets			
14	Deferred tax assets	**3 050**	3 153	3 153
	Fixed assets			
3	Ships	**73 555**	81 061	96 830
3	Other fixed assets	**820**	1 394	1 027
	Total fixed assets	**74 375**	82 455	97 857
	Financial assets			
5	Shares	**3 058**	2 310	2 310
4	Other long-term receivables	**47**	46	830
	Total financial assets	**3 105**	2 356	3 140
	Total fixed assets	**80 530**	87 964	104 150
	Current assets			
	Bunkers	**70**	291	218
4	Trade debtors	**872**	2 328	1 737
4	Other receivables	**3 174**	5 434	4 725
	Bank deposits	**9 551**	12 378	8 516
	Total current assets	**13 667**	20 431	15 196
	Total assets	**94 197**	108 395	119 346
	EQUITY			
	Paid-in capital	**19 130**	20 112	17 698
	Retained capital	**0**	0	0
	Minority interests	**6 043**	6 306	6 484
12	Total equity	**25 173**	26 418	24 182
	LIABILITIES			
	Provision for liabilities			
8	Pension obligations	**947**	876	842
	Other long-term liabilities			
4	Mortgage debt	**63 945**	75 294	87 966
	Other long-term debt	**0**	75	0
	Total long-term debt	**63 945**	75 369	87 966
	Short-term liabilities			
14	Tax payable	**79**	69	3
	Public taxes and duties payable	**275**	216	237
4	Other short-term liabilities	**3 778**	5 447	6 116
	Total short-term liabilities	**4 132**	5 732	6 356
	Total liabilities	**69 024**	81 977	95 164
	Total equity and liabilities	**94 197**	108 395	119 346

Consolidated

Oslo, 22 March 2002
The Board of **Belships ASA**

Asbjørn Larsen
Chairman

Sverre J. Tidemand
Man. director / member

Chris Rytter jr.
Member

Åsmund Simonsen
Member

James Stove Lorentzen
Member

Cash flow statement

1 January-31 December	Consolidated		
USD 1 000	**2001**	2000	1999
Funds generated from operations			
Result before taxes	**-1 673**	-3 235	-7 232
– gain/ +loss from sale of fixed assets	**-594**	40	0
Write-down of receivables, shares and ships	**0**	0	1 169
Ordinary depreciations	**5 210**	6 017	6 042
Depreciations on capitalised docking expenses	**1 561**	1 223	0
Tax payable	**68**	34	0
Difference between capitalized pensions and paid in and drawn out	**0**	116	136
Change in bunkers, trade debitors and trade creditors	**1 677**	-664	-790
Change in other short-term items	**660**	-1 333	1 631
Cash flow from operations	**6 909**	2 198	956
Funds flow from investment			
Investments in fixed assets	**-3 422**	-2 008	0
Sale proceeds from fixed assets disposals	**4 457**	10 531	4 985
Change in other investments	**-18**	-462	912
Net cash flow from investments	**1 017**	8 061	5 897
Funds flow from financing			
Received payments from raising new long-term debt	**0**	833	688
Repayment of long-term debt	**-11 353**	-12 736	-5 325
Share issue in consolidated company (minority share)	**600**	0	0
Share issue	**0**	5 506	0
Net cash flow from financing	**-10 753**	-6 397	-4 637
Net change in liquid reserves	**-2 827**	3 862	2 216
Liquid reserves at 1 January	**12 378**	8 516	6 300
Liquid reserves at 31 December	**9 551**	12 378	8 516

Calculation of cash flow statement

Change in bunkers, trade debitors and trade creditors	(A)	(B)	(B-A)
Bunkers	**70**	291	221
Trade debitors	**872**	2 328	1 456
Total	**942**	2 619	1 677
Change in other short-term items			
Other receivables	**3 174**	5 434	2 260
Public taxes and duties payable	**-354**	-285	69
Other short-term liabilities	**-3 778**	-5 447	-1 669
Total	**-958**	-298	660

Notes to the accounts

1 Accounting policies

The accounts have been prepared in accordance with Norwegian accounting regulations and standards. All amounts in the notes are in USD 1 000 unless otherwise stated.

A) Basis of consolidation
The group accounts include the parent company Belships ASA and the subsidiaries listed in note 6 in the parent company account. The group accounts are prepared on the basis of uniform accounting policies, with subsidiaries applying the same policies as the parent company. Inter-company transactions, profit and balances are eliminated.

The cost to the parent company of shares in a subsidiary is offset against the subsidiary's equity at the time of acquisition. Any difference between the cost of the shares and the net book value of the subsidiary's assets at the time of acquisition is allocated to the relevant assets and debts to bring them in line with market value. Any part of the premium/discount that cannot be allocated to specific assets in this way is reported as goodwill and amortised on a straight-line basis over five years. Investments in subsidiaries and associates are reported using the cost method in the parent company accounts.

Minority interests are computed as part of booked equity in the subsidiaries adjusted for market values at time of acquisition and presented as a part of the consolidated equity. Minority shareholders' share of the result is included in accordance with the entity method.

B) Investments in other companies
Some of Belships' activities relate to investments in limited partnerships. These investments are included in the parent company and group accounts using the proportional consolidation method, which means that assets, liabilities, income and expenses are included in the accounts line by line on the basis of Belships' percentage interest in each partnership. The partnerships accounted for using this method are listed in note 7. Holdings of between 20% and 50% in jointly controlled limited companies (joint ventures) are also included in the accounts on the basis of proportional consolidation.

C) Financial current assets
Financial current assets are carried at the lower of cost and net realisable value.

D) Classification of balance sheet items
Assets intended for long-term ownership or use are classified as fixed assets and others as current assets, with all accounts receivable within one year classified as current assets. Liabilities due within 12 months, are classified as short-term liabilities except for mortgage debt, which in full is classified as long-term liabilities.

Current assets are reported at the lower of cost and net realisable value, while current liabilities are carried at the nominal value at drawdown date.

E) Depreciable assets
Depreciable assets are recorded in the balance sheet at cost less depreciation on a straight-line basis over their estimated useful economic life. Vessels other than gas carriers are depreciated on a straight-line basis over 25 years from new, and gas carriers over 30 years. No account is taken of their residual scrap value. Direct maintenance of tangible fixed assets is charged directly against profit under operating expenses, while upgrades and improvements are added to the cost of the asset and depreciated accordingly.

Depreciation of goodwill is charged against operating result under other operating expenses. Depreciation of office equipment and vehicles is charged against operating result under administrative expenses.

In accordance with Norwegian accounting regulations, fixed assets are written down if expected total nominal cash flows are lower than booked values.

F) Leasing
The company distinguishes between financial and operating leases. Rights and obligations in respect of ships hired in on the basis of financial leases are included in the balance sheet under ships and long-term liabilities respectively. The interest element of rental payments is included under interest expenses and the capital element is treated as a reduction in the liability. The lease obligations are the remaining part of the principal.

G) Accounts receivable
Trade and other accounts receivable are included in the balance sheet at their nominal value less a provision for anticipated bad debts determined on the basis of a case-by-case assessment.

H) Bunkers and other inventories
Inventories are carried at the lower of cost and net realisable value on a first-in/first-out basis less an allowance for obsolescence.

I) Accrual of freight income
Income and expenses relating to voyages in progress at the year-end are recognised on the basis of the number of days the voyage lasts each side of the year-end.

J) Foreign exchange
Monetary items denominated in other currency than USD are translated at the closing rates of exchange. Both realised and unrealised exchange gains/losses are included in the income statement under financial items.

K) Pensions
The company capitalises its pension obligations/assets in line with the relevant Norwegian Accounting Standard. Net pension expenses comprise the pension benefits accrued during the period adjusted for projected future wage growth, interest payable on the pension obligations and the estimated return on pension scheme assets. The assumptions behind these calculations are detailed in note 8.

L) Tax
The tax charge in the income statement comprises both the tax payable for the period and the change in deferred tax. Deferred tax is calculated as 28% of temporary timing differences between values for accounting and tax purposes and tax losses brought forward at the end of the year. Temporary timing differences that reverse or may reverse during the same period are offset and reported net. Deferred tax on premiums over book value paid on the acquisition of subsidiaries is ignored.

The present value of deferred tax relating to temporary timing differences at companies covered by Norway's special tax scheme for shipowning companies is considered immaterial as the company does not expect the taxable income that these differences represent to materialise in the foreseeable future. This assessment is based on the company's liquid assets, its dividend policy, the fleet's market value, the distributable taxed equity in those parts of the group not covered by the new tax scheme, and the company's intention to continue that part of its business covered by the scheme. The operating results of the companies within the shipping taxation scheme are not subject to taxation before such results are

Accounting policies (continued)

distributed as dividend. Net financial income is subject to taxation on the current year.

Deferred tax assets which are assumed to be recoverable on the basis of anticipated future earnings, are capitalized in the balance sheet. Further details can be found in note 14.

M) Translation of the accounts of foreign companies
The income statements of subsidiaries which are not booked in USD are translated into USD at the average rates of exchange, and the monetary items in their balance sheets at the closing rates. Ships and other fixed assets are translated into USD to historical rates. Differences arising from translation to USD are booked as currency exchange gain or loss.

N) Classification and maintenance expenses
Belships capitalises periodic maintenance expenses. Classification-related upgrades and improvements in connection with the dry-docking of vessels are capitalised and depreciated over the period through to the next classification/dry-docking (30 months on average). When vessels are purchased and newbuildings are delivered, a proportion of the price paid is deducted and capitalised as classification expenses. When vessels are sold, capitalised expenses are charged against profit as part of the capital gain/loss on the sale. Other maintenance expenses are charged directly against profit.

O) Reporting by segments
The specification by segments is in accordance with the company's internal reporting. The activity is split in 5 segments: handysize product, gas, panmax/ capesize bulk, handymax bulk and ship management.

P) Related party transactions
Transactions with related parties are carried out at market terms. See note 15 for further information.

Q) Contingent gains and losses
Provisions are made for contingent losses deemed probable and quantifiable. Contingent gains are not recognised.

R) Cash flow statement
The cash flow statement has been prepared using the indirect method. Liquid assets includes cash, bank deposits and other short-term investments which can be converted to cash within 3 months.

S) Result per share
Result per share is calculated by dividing the consolidated result by a weighted, average number of shares in the reporting period.

2 Segment information

	Handysize product	Gas	Panmax/ Capesize bulk	Handymax bulk	Ship management	Administration	Total
Operating income	8 008	12 016	11 986	3 239	1 209	390	36 848
Operating expenses	-3 794	-9 658	-13 390	-1 462	-1 107	-1 110	-30 521
Depreciation on ships	-814	-3 184	-383	-829	0	0	-5 210
Result before gain on sale of ships	3 400	-826	-1 787	948	102	-720	1 117
Gain on sale of ships	594	0	0	0	0	0	594
Operating result	3 994	-826	-1 787	948	102	-720	1 711
Ships	8 918	42 567	4 981	17 089	0	0	73 555
Mortgage debt	5 720	28 000	3 325	16 400	0	10 500	63 945

Operating income per segment	2001	2000	1999
Handysize product	**8 008**	7 992	5 318
Gas	**12 016**	12 445	11 686
Panmax / capesize bulk	**11 986**	29 887	15 827
Handymax bulk	**3 239**	6 226	5 421
Ship management	**1 209**	628	554
Other operating income	**390**	65	253
Total operating income	**36 848**	57 243	39 059

3 Ships and other fixed assets

	Goodwill	Other fixed assets	Total other fixed assets	Ships
Cost as at 31 December 2000	300	2 124	2 424	107 556
Additions 2001	0	657	657	0
Capitalized dry docking costs 2001	0	0	0	2 765
Disposals 2001	-300	-304	-604	-3 996
Cost as at 31 December 2001	0	2 477	2 477	106 325
Ordinary depreciation at 31 December 2000	0	1 236	1 236	26 495
Depreciation	0	803	803	5 211
Depreciation on capitalized dry docking costs	0	0	0	1 560
Disposals	0	-241	-241	-496
Accumulated depreciation at 31 December 2001	0	1 798	1 798	32 770
Book value at 31 December 2001	0	679	679	73 555
Other fixed assets		141	141	
Total book value at 31 December 2001	0	820	820	73 555

All depreciable assets are depreciated on a straight line basis.
The economic lifetime is estimated as follows:

– Ships	25-30 years
– Goodwill	5 years
– Other fixed assets	3-5 years

Some of the company's vessels have an estimated market value that is lower than their book value based on broker estimates. Due to the limited liquidity in the market, it is, however, difficult to establish the fair value of the vessels. There is no need, in the company's opinion, to write down the vessels.

Specification of ships	Built year	Ownership	Costprice	Book value
Product tankers / OBO				
M/T Belgrace	1984/87	63%	8 849	3 881
M/S Belguardian	1987	20%	2 661	1 679
M/S Belgallantry	1987	20%	2 661	1 679
M/S Belgreeting	1987	20%	2 661	1 679
Capesize bulk				
M/S Belmaj	1990	25%	6 764	4 981
Handymax bulk				
M/S Belnor	1996	100%	23 104	17 089
1 **Gas**				
M/T Lanrick	1992	60%	11 606	8 874
M/T Ettrick	1991	60%	11 760	9 034
M/T Eildon	1982	60%	11 328	8 444
M/T Traquair	1982	60%	10 315	6 365
M/T Yarrow	1982	60%	11 864	8 326
M/T Quentin	1977	60%	2 752	1 524
Total			106 325	73 555

1 *The ships are included 100% in the financial statement, and 40% at minority interests.*

4 Receivables and liabilities

Receivables due later than 12 months	**2001**	2000	1999
Other long-term receivables	**47**	46	830

All short-term receivables are due within 12 months.

Mortgage debt	Currency	Loan amount in USD
M/S Belnor	USD	16 400
M/S Belmaj	USD	3 325
M/T Belgrace	USD	2 519
Anchor Holding	USD	10 500
M/S Belguardian	USD	1 067
M/S Belgallantry	USD	1 067
M/S Belgreeting	USD	1 067
The GGT-ships	USD	28 000
Total mortgage debt as at 31 December 2001		63 945

Repayment schedule	2002	2003	2004	2005	2006	Thereafter	Total
Mortgage debt on ships	13 529	4 654	5 912	6 400	33 450	0	63 945

Interest rates on mortgage debts have been fixed on a short term basis (3-12 months) between 2.83% and 4.20% inclusive margin at the year-end.

In the consolidated accounts, ships and mortgage debt have a book value of USD 73.6 million and USD 63.9 million respectively. The loan agreements have certain covenants. The covenants are mainly related to the ships' market value, insurance values, and minimum working capital. All the covenants were fulfilled at 31 December 2001, except for the coventant related to minimum market value of M/S Belnor which was, however, fulfilled during 1st quarter 2002 by extraordinary instalment on the loan and improved market value of the ship. The general partners are fully liable for the debt in the underlying limited partnerships. Reference is made to Note 7 regarding uncalled limited partnership capital.

Current receivables and short-term liabilities

Current receivables consist mainly of earned, not received freight revenues, and receivables related to operation of the ships. Other short term liabilities mainly include short term liability related to the ordinary operation of the ships.

Charter obligations

Belships has entered into an eight-years timecharter of a Panmax bulk carrier for delivery during the second half of 2003 at a fixed rate of appx. USD 10 000/day. Belships had at year-end no ships chartered for periods in excess of 12 months.

5 Shares

For further specification of shares, please see note 6 in the parent company accounts.

6 Financial market risk

The market risk is mainly related to operation of own and chartered ships. The company's transaction currency is USD, which means that income and expenses are created in that currency. Consequently, the currency risk is limited. Due to limited use of interest hedging agreements the company is exposed to fluctuations of the interest market. See note 4.

The credit risk, as well as the liquidity risk are considered as low.

Consolidated

7 Participation in other companies

The following companies are jointly controlled companies and are included on a proportionally consolidated basis:

	Belstar KS 80%	Belgrace KS 63%	Belmaj KS 25%	Total
Result	-18	2 112	-419	1 675
Fixed assets	0	3 881	4 981	8 862
Current assets	0	1 387	254	1 641
Committed capital	0	7 000	2 389	9 389
Paid-in capital	0	5 630	2 075	7 705
Uncalled capital	0	1 370	314	1 684
Long-term liabilities	0	2 519	3 325	5 844
Short-term liabilities	0	325	59	384

M/S Belstar was sold in December 2000. The owning company Belstar KS was winded up in November 2001.

8 Pensions

Employees in the company are members of the company's own pension fund. At 31 December 2001, 15 Norwegian employees are members of the existing service pension scheme. In addition the service pension scheme includes 12 former employees. The service pension scheme is defined as a net scheme which releases the company's liabilities from any changes in the National Insurance Fund. The company has, based upon the new accounting standard, chosen to treat the service pension scheme as a benefit plan. The company's legal obligation will not be affected by such accounting treatment.

In addition the company has uninsured pension obligations. This relates to early retirement pensions, pensions to former Board members and pensions to people who, for various reasons, have not been included in the service pension scheme. A total of 19 people are covered by these arrangements.

The pension calculations are prepared by an independant actuary.

The assumptions from 2000 have not been changed.

		2001	2000	1999
	Assumptions			
	Discount rate	**6.00%**	6.00%	6.00%
	Future wage adjustment	**3.30%**	3.30%	3.30%
	Pension adjustment/G-adjustment	**2.50%**	2.50%	2.50%
	Return on pension fund	**7.00%**	7.00%	7.00%
	Average remaining earning period	**15.65**	15.75	15.10
	Voluntary retirement before / after 45 years	**2% / 0%**	2% / 0%	2% / 0%
	Composition of the net pension expenses			
	Present value of the year's pension earnings (incl. social security tax)	**141**	159	189
	Interest charge on accrued pension obligations	**209**	208	260
	Amortization of unrecognized pension obligations	**3**	2	19
	Return on pension funds	**-167**	-167	-190
	Net pension expenses	**186**	202	278
	Composition of the net pension obligations	**31.12.01**	31.12.00	31.12.99
1	Gross pension obligations	**3 745**	3 775	4 429
	Pension funds	**-2 515**	-2 522	-2 858
	Not amortized plan/estimate on change	**-283**	-377	-729
	Net pension obligations	**947**	876	842
1	Of which net uncovered pension obligations	**1 712**	1 796	2 022

9 Other operating expenses

	2001	2000	1999
Crew expenses	**5 464**	6 659	6 383
Maintenance expenses	**4 153**	2 882	5 472
Insurance	**717**	726	826
Management fees	**416**	504	378
Other operating expenses	**1 093**	1 044	1 006
Total	**11 843**	11 815	14 065

10 Salaries, number of employees and loans to employees

	2001	2000	1999
Salaries	**2 115**	2 075	2 369
Social security tax	**194**	205	277
Pension expenses	**303**	202	278
Other allowances	**704**	942	325
Total	**3 316**	3 424	3 249

Average number of employees in 2001 was 37. Loans to employees at 31 December 2001 amounted to 43. See note 11 in the parent company's account for information about allowances to the managing director.

Fees to the auditor

Remuneration for auditor services	**82**	87	94
Other fees	**10**	18	17

11 Earnings per share

	2001	2000	1999
Earnings per share	**-0.08**	-0.16	-0.50
Diluted earnings per share	**-0.08**	-0.16	-0.49

Earnings are calculated as result for the year (-1 844) divided by average number of shares during the year (24 483 000). Diluted earnings per share is based on options to employees. See note 7 in Financial statement to the parent company.

12 Equity

	Paid-in		Retained		
	Share capital	Share premium res.	Other equity	Minority interests	Total equity
Equity as at 31 December 2000	6 610	13 502	0	6 306	26 418
Share issue in consolidated company (minority share)	0	0	0	600	600
Result for the year	0	-982	0	-863	-1 845
Equity as at 31 December 2001	6 610	12 520	0	6 043	25 173

Please see the equity note in the parent company accounts for further information regarding share capital, share options a.o.

13 Subsequent events

M/S Belgallantry was sold for delivery in the first quarter of 2002 at a gain in the accounts of USD 0.3 million.

In the fourth quarter a contract was entered into to sell the company's ownership interests in the oil company Pelican AS. The transaction was implemented with final effect in February 2002, and it will give a gain of USD 1.8 million in the accounts in the first quarter 2002. The sales price for the shares was NOK 41.0 million.

14 Taxes

	2001	2000	1999
Taxes payable	**68**	34	10
Changes in deferred taxes	**103**	0	0
Taxes	**171**	34	10

Calculation of deferred taxes is based on temporary differences existing between statutory books and tax values which exist at the end of the year.

Deferred tax as at 31 December	2001	2000	1999
Temporary differences on fixed assets	**4 873**	5 771	9 313
Deferred sales gains	**2 391**	3 039	4 203
Accruals according to generally accepted accounting principles	**-5 948**	-8 187	-8 954
Pension obligations	**-947**	-876	-842
Tax loss carried forward	**-35 008**	-33 321	-35 393
Net temporary differences	**-34 639**	-33 574	-31 673
Deferred tax liabilities / (assets) before remuneration (28%)	**-9 699**	-9 401	-8 868
Remuneration	**-1 089**	-1 108	-1 226
Deferred tax liabilities / (assets)	**-10 788**	-10 509	-10 094
Deferred tax assets included in the Balance sheet	**-3 050**	-3 153	-3 153
Deferred tax assets not included the Balance sheet	**-7 738**	-7 356	-6 941

In accordance with generally accepted accounting principles for taxes, tax reducing temporary differences and tax increasing temporary differences that are reversed, or can be reversed in the same period are assessed and the amount recorded net.

The Belships-group has capitalised part of its deferred tax assets. Given the progress with the group's earnings projections, the Belships-group has decided to capitalise deferred tax assets of USD 3.1 million, equivalent to approximately one third of the estimated total deferred tax assets. The group's tax loss carryforward is mainly etablished during the last six years.

The net present value of deferred tax liabilities associated with temporary timing differences under the shipping taxation scheme is considered to be immaterial. This consideration is based on the company's liquidity reserves, dividend policy, the ships market value and free equity in the part of the group which are outside the new system and the intention to continue the shipping taxation activity.

The shipping taxation scheme

Temporary differences amount to -16 319 at 31.12.01. Tonnage tax amounting to 57 has been provided for as at 31 December 2001. Tax financial loss carried forward within the shipping taxation regime amounts to 2 051 at 31.12.01. Reference is made to note L) under Accounting policies.

15 Related parties

Belships rents offices from a company where Belships' main shareholders have a controlling interest. The rental agreement was renewed in 1997 and is in force for 10 years. The rental for 2001 amounted to 206. The main shareholders in Belships are main shareholders in the shipbroker company Lorentzen & Stemoco AS. Belships is regularly doing business with this company. The transactions are based on market terms.

No loans or deposit securities are given to the company's shareholders, the management or related parties.

16 Environmental issues

The company has not been charged any penalties due to breach of environmental rules and regulations and is not committed to implement any specific actions in that respect. For further information related to environmental matters, please see the Directors´ report.

17 Contingencies

The Board is not aware of any material contingent liabilities as at 31 December 2001.

Income statement

Note	1 January - 31 December NOK 1 000	Belships ASA 2001	2000	1999
	Operating income			
	Gross freight income	**36 071**	30 646	22 297
	Voyage expenses	**-1 722**	-1 319	-1 168
	Net freight income	**34 349**	29 327	21 129
	Other operating income	**0**	250	581
	Total operating income	**34 349**	29 577	21 710
	Operating expenses			
	Timecharter hire	**-9 256**	0	0
9	Other operating expenses	**-13 977**	-10 979	-7 490
11	General administrative expenses	**-5 655**	-7 375	-8 229
2	Ordinary depreciation ships	**-7 227**	-7 227	-7 227
	Total operating expenses	**-36 115**	-25 581	-22 946
	Operating result before sale of ship	**-1 766**	3 996	-1 236
	Gain on sale of ships	**3 641**	0	0
	Operating result	**1 875**	3 996	-1 236
	Financial income and expenses			
	Share dividends	**2 748**	469	0
	Interest income from subsidiaries	**6 499**	6 943	5 490
	Other interest income	**1 758**	2 738	1 680
	Interest expenses	**-13 643**	-17 774	-15 873
	Other financial items	**-2 511**	-188	-757
4	Write-down financial current assets	**-19 205**	-40 000	0
	Write-down financial fixed assets	**0**	0	-7 225
	Currency exchange gain/ -loss	**-3 594**	-20 021	-10 746
	Net financial items	**-27 948**	-67 833	-27 431
	Result before taxes	**-26 073**	-63 837	-28 667
12	Taxes	**2 000**	0	0
	Net result for the year	**-24 073**	-63 837	-28 667
	Earnings per share	**-0.98**	-3.14	-1.98
	Diluted earnings per share	**-0.98**	-3.14	-1.95

Balance sheet

Belships ASA

Note	Per 31 December NOK 1 000	2001	2000	1999
	FIXED ASSETS			
	Intangible assets			
12	Deferred tax assets	**22 000**	20 000	20 000
	Fixed assets			
2	Ships	**138 578**	144 677	152 665
2	Other fixed assets	**4 340**	4 372	4 810
	Total fixed assets	**142 918**	149 049	157 475
	Financial assets			
6	Shares in subsidiaries	**115 730**	107 785	92 211
6	Shares in associated companies	**18**	288	288
	Intercompany balances	**5 819**	7 500	7 894
6	Other shares	**20 033**	14 885	14 885
3	Other long-term debts	**384**	5 010	4 786
	Total financial assets	**141 984**	135 468	120 064
	Total fixed assets	**306 902**	304 517	297 539
	Current assets			
	Trade debtors	**0**	21	2 094
4	Intercompany balances	**92 081**	134 515	141 265
3	Other debtors	**7 987**	9 745	6 232
	Total receivables	**100 068**	144 281	149 591
5	Liquid reserves	**51 308**	46 207	34 761
	Total current assets	**151 376**	190 488	184 352
	Total assets	**458 278**	495 005	481 891
	EQUITY			
	Paid-in capital			
	Share capital	**48 966**	48 966	28 966
	Share premium reserve	**151 888**	175 961	206 954
	Total paid-in capital	**200 854**	224 927	235 920
	Retained capital			
	Other equity	**0**	0	5 410
7	Total equity	**200 854**	224 927	241 330
	LIABILITIES			
	Provisions			
8	Pension obligations	**6 682**	5 783	4 678
	Other long-term liabilities			
3	Mortgage debt	**242 100**	255 653	229 232
	Short-term liabilities			
	Public taxes and duties payable	**2 475**	1 908	1 896
	Other short-term liabilities	**6 167**	6 734	4 755
	Total short-term liabilities	**8 642**	8 642	6 651
	Total liabilities	**257 424**	270 078	240 561
	Total equity and liabilities	**458 278**	495 005	481 891

Oslo, 22 March 2002
The Board of **Belships ASA**

Asbjørn Larsen
Chairman

Sverre J. Tidemand
Man. director / member

Chris Rytter jr.
Member

Åsmund Simonsen
Member

James Stove Lorentzen
Member

Cash flow statement

1 January - 31 December	Belships ASA		
NOK 1 000	**2001**	2000	1999
Cash generated from operations			
Result before tax	**-26 073**	-63 837	-28 668
– gain/ +loss from sale of fixed assets	**-120**	-125	6 076
Write-down of receivables, shares and ships	**19 205**	40 000	2 560
Ordinary depreciations	**7 227**	7 227	7 227
Depreciations on capitalised docking expenses	**754**	761	0
Difference between capitalized pensions and paid in and drawn out	**1 563**	1 105	-3 253
Change in bunkers, trade debitors and trade creditors	**21**	2 073	-2 844
Change in other short-term items	**24 987**	-34 772	20 183
Cash flow from operations	**27 564**	-47 568	1 281
Cash flow from investment			
Investments in fixed assets	**-2 739**	-635	-530
Sale proceeds from fixed assets disposals	**345**	444	155
Change in other investments	**-6 516**	-15 119	9 744
Net cash flow from investments	**-8 910**	-15 310	9 369
Cash flow from financing			
Received payments from raising new long-term debt	**0**	26 421	16 410
Repayment of long-term debt	**-13 553**	0	0
Share issue	**0**	47 241	0
Dividend received	**0**	469	0
Group relief transfer	**0**	193	925
Net cash flow from financing	**-13 553**	74 324	17 335
Net change in liquid reserves	**5 101**	11 446	27 985
Liquid reserves at 1 January	**46 207**	34 761	6 776
Liquid reserves at 31 December	**51 308**	46 207	34 761

Calculation of Cash Flow Statement

Change in bunkers, trade debitors and trade creditors	(A)	(B)	(B-A)
Trade debitors	**0**	21	21
Total	**0**	21	21
Change in other short-term items			
Other receivables	**159 273**	184 260	24 987
Public taxes and duties payable	**-2 475**	-1 908	567
Other short-term liabilities	**-6 167**	-6 734	-567
Total	**150 631**	175 618	24 987

1 Accounting Principles

As the accounting principles for the parent company are same as for the group, please see note 1 in the consolidated accounts. Investments in subsidiaries and jointly controlled companies are accounted for in the parent company using the cost method. All amounts in the notes are in NOK 1 000 unless otherwise stated.

2 Fixed assets

	Ship	Other fixed assets	Total fixed assets
Cost at 31 December 2000	181 710	11 979	193 689
Additions	1 882	857	2 739
Disposals	0	-486	-486
Cost at 31 December 2001	183 592	12 350	195 942
Accumulated depreciation at 31 December 2000	37 033	8 614	45 647
Ordinary depreciation	7 227	664	7 891
Depreciation on capitalized dry docking expenses	754	0	754
Disposals	0	-261	-261
Accumulated depreciation at 31 December 2001	45 014	9 017	54 031
Book value at 31 December 2001	138 578	3 333	141 911
Other fixed assets	0	1 007	1 007
Total book value at 31 December 2001	138 578	4 340	142 918

All depreciable assets are depreciated on a straight line basis. The economic lifetime is estimated as follows:

– Ships	25-30 years
– Other fixed assets	3-5 years

3 Receivables and liabilities

Receivables due later than 12 months	**2001**	2000	1999
Other long-term receivables	**384**	5 010	4 786

All short-term receivables are due within 12 months.

Belships (Far East) Shipping (Pte) Ltd
Belships receivable of USD 3.4 million has in previous years been written down in full in the company accounts, since there is uncertainty whether Belships (Far East) will be able to repay the amount due. The write-down has been eliminated at group level. As reported in former annual reports, the company is negotiating with the authorities in Norway and Singapore as to the tax residence of Belships (Far East). The outcome of the negotiations has not yet been determined, but it is not expected that the company will incur further taxes payable.

Mortgaged assets	Currency	Loan balance NOK 1 000
M/S Belnor	USD	147 600
Shares in Gibson Gas Tankers Ltd	USD	94 500
Total mortgage debt at 31 December 2001		242 100

Book value on the mortgaged assets amounts to 219 816.

Repayment schedule	2002	2003	2004	2005	2006	Thereafter	Total
Mortgage debt Belnor	38 250	9 000	9 000	9 000	82 350	0	147 600
Other mortgage debt	14 400	0	0	18 000	62 100	0	94 500

Interest rates on mortgage debts in the parent company have been fixed on a short term basis (3-6 months) at the year-end. All the covenants were fulfilled at 31 December 2001, except for the coventant related to minimum market value of M/S Belnor which was, however, fulfilled during 1st quarter 2002 by extraordinary instalment on the loan and improved market value of the ship.

Belships has provided the following security for companies within the group:
– Belgrace AS' stake of uncalled capital in Belgrace KS
– Belmaj AS' stake of uncalled capital in Belmaj KS

4 Intercompany balances

	Receivables	2001	2000	1999
1	Consolidated companies	**92 081**	134 515	141 265
	Jointly controlled companies	**1 465**	2 669	4 076
	Total	**93 546**	137 184	145 341

1 *Receivables from consolidated companies have in 2001 been written down by 19 205.*

5 Restricted deposits

In connection with financing of M/S Belnor, USD 1.0 million is provided as a restricted deposit.

Restricted deposits for taxes withheld for employees amounted to 849 at yearend.

6 Shares

		Business office	Time of purchase	Costprice	Ownership/ Voting share	Company's share capital	Number of shares owned	Par value in total	Book value
	Shares in associated companies								
	Belships (Far East) Shipping Pte Ltd	Singapore	09.01.84	1 055	50%	SGD 500	250 000	SGD 250	0
	Western Obo AS	Oslo	07.09.87	18	36%	50	18	18	18
	Total shares in associated companies								18
	Shares in consolidated companies								
	Belships Management AS	Oslo	09.12.85	50	100%	50	1	50	50
	Belships Man. (Singapore) Pte Ltd	Singapore	31.12.83	12 075	"	SGD 60	500	SGD 60	12 075
	Belships Tankers AS	Oslo	18.08.88	825	"	250	250	250	825
	Belcargo AS	Oslo	22.09.77	301	"	150	200	150	301
	Belstar AS	Oslo	31.08.92	50	"	50	50	50	50
	Belships Bulk AS	Oslo	29.11.90	50	"	50	50	50	50
	Belships Bulk Management AS	Oslo	15.06.93	4 469	"	2 586	200	2 586	0
	Belships Finans AS	Oslo	02.11.92	50	"	50	50	50	50
	Western Obo II AS	Oslo	07.07.87	50	"	50	50	50	50
1	Belships Rederi AS	Oslo	01.01.93	50	"	50	50	50	50
	North East Maritime Corp. AS	Oslo	21.10.93	611	"	1 000	1 000	1 000	611
	Belships Trading AS	Oslo	27.01.93	19 675	"	2 700	2 700	2 700	19 675
	Belships Trading Asia Pte Ltd	Singapore	10.09.98	458	"	SGD 100	100 000	SGD 100	458
	Labaco Pte Ltd	Singapore	01.09.01	247	"	SGD 50	50 000	SGD 50	247
2	Gibson Gas Tankers Ltd	Edinburgh	06.12.96	106 785	60%	GBP 1 145	686 959	GBP 687	81 238
	Total shares in consolidated companies								115 730
	Other shares								
	AS Pelican	Høvik	21.09.92	55 458	9.9%	26 460	164 320	164	19 506
	Greenshields Shipping Ltd.	Isle of Man	04.04.97	527	2.4%	USD 316	75	USD 7.5	527
	Total other shares								20 033
	Total shares classified as fixed assets								135 781

1 *Belships Rederi AS, which is wholly owned by Belships ASA, owns 100% of the shares in Belgrace AS, Belmaj AS, Belanina AS and 20% of Bel Obo Shipping Ltd. The companies are included in the consolidated accounts and are under the tax system for shipping activities.*

2 *Belships has until 31 March 2007, an option to sell 40% of the shares back to Anchor Holding Plc at cost price plus accumulated interest. Anchor Holding Plc has a similar call option to purchase the shares at same terms. As a consequence, Belships has shown GGT as a 60% subsidiary in the Financial statements.*

7 Equity

	Share capital	Paid-in Share premium res.	Retained Other equity	Total
Equity as at 31 December 2000	48 966	175 961	0	224 927
Result for the year	0	-24 073	0	-24 073
Equity as at 31 December 2001	48 966	151 888	0	200 854

The company's 24 483 000 shares with a nominal value NOK 2.00 were held by 442 shareholders at 31 December 2001.

Options

The members of the Board and the employees have with effect from next Annual general meeting option to purchase total 227 000 shares in Belships ASA. Up to the Annual general meeting in 2003 the shares can be purchased at NOK 5.00 and 6.50 per share.

Authority to issue shares

At the general meeting on 3 May 2001 the board received prolonged authorisation to issue up to 4 million new shares. The authorisation has not been used and is only valid to the next Annual general meeting.

	The 20 largest shareholders in Belships at 28 December 2001	Number of shares	Percentage
1	Sonata AS	9 871 461	40.32%
2	Jasto Invest AS	5 014 927	20.48%
3	Rederiaktiebolaget Dalen	1 274 000	5.20%
4	Longbow Limited	1 200 000	4.90%
5	Consensio AS	1 059 832	4.33%
6	Enskilda Securities, s/a Anchor Holding plc	904 000	3.69%
7	Tidinvest AS	606 376	2.48%
8	Otto Grieg Tidemand	580 681	2.37%
9	Tine pensjonskasse	540 000	2.21%
10	Caiano Invest AS	274 500	1.12%
11	Jenssen & Co. AS	157 397	0.64%
12	Part Invest AS	150 000	0.61%
13	Atalanta AS	123 000	0.50%
14	Tidships AS	113 897	0.47%
15	Carlings AS	100 000	0.41%
16	Axel Stove Lorentzen	97 040	0.40%
17	Colonial Shipping Invest AS	88 060	0.36%
18	Treschow dødsbo Gerhard Aage	79 889	0.33%
19	Sverre J. Tidemand	79 011	0.32%
20	Landesbank Schleswig-Holstein	76 100	0.31%
	Total 20 largest shareholders	22 390 171	91.45%

	Number of shares owned by Board members in Belships ASA	
	Asbjørn Larsen, chairman	4 500
	Åsmund Simonsen	2 588
*	Sverre J. Tidemand	12 530 901
*	James Stove Lorentzen	5 054 308
	Chris Rytter jr.	0

* Includes shares owned by family and companies with ownership by a Board member of more than 50%. Shares owned by companies in which a Board member has negative majority are also included.

8 Pensions

Assumptions	**2001**	2000	1999
Discount rate	**6.00%**	6.00%	6.00%
Future wage adjustment	**3.30%**	3.30%	3.30%
Pension adjustment / G-adjustment	**2.50%**	2.50%	2.50%
Return on pension fund	**7.00%**	7.00%	7.00%
Average remaining earning period	**15.65**	15.75	15.10
Voluntary retirement before / after 45 years	**2% / 0%**	2% / 0%	2% / 0%

Composition of the net pension expenses			
Present value of the year's pension earnings (incl. social security tax)	**1 276**	1 411	1 516
Interest charge on accrued pension obligations	**1 789**	1 735	1 962
Amortization of unrecognized pension obligations	**20**	20	148
Return on pension funds	**-1 505**	-1 484	-1 518
Net pension expenses	**1 580**	1 682	2 108

	Composition of the net pension obligations	**31.12.01**	31.12.00	31.12.99
1	Gross pension obligations	**32 177**	31 300	33 374
	Pension funds	**-22 641**	-22 321	-22 866
	Not amortized plan / estimate on change	**-2 854**	-3 196	-5 830
	Net pension obligations	**6 682**	5 783	4 678
1	Of which net uncovered pension obligations	**13 885**	13 913	14 116

See note 8 in the consolidated accounts for more details about pensions. In the parent company 7 Norwegian employees are members of the existing service pension scheme as at 31 December 2001. In addition the service pension scheme includes 9 former employees. 16 people are not included in the service pension scheme and receive their pension from Belships ASA.

9 Other operating expenses

	2001	2000	1999
Crew expenses	**4 128**	3 651	3 410
Maintenance expenses	**2 965**	2 402	2 469
Insurance	**920**	751	-915
Management fees	**1 756**	1 727	1 461
Other operating expenses	**4 208**	2 448	1 065
Total	**13 977**	10 979	7 490

10 Related parties

See note 15 in the consolidated accounts for more details. The rental of offices amounted to 356 i 2001.

11 Salaries, number of the employees a.o.

Salary expenses	2001	2000	1999
Salaries	**3 723**	3 679	3 420
Social security tax	**725**	688	615
Pension expenses	**1 602**	1 682	2 108
Other allowances	**200**	643	716
Transferred to consol. companies	**-2 768**	-2 048	-2 182
Total	**3 482**	4 644	4 677

Average number of employees in 2001 was 7.

Remuneration	Man. director	The Board
Salary	939	0
Pension expenses	87	0
Other allowances	123	255
Share options	20 000	96 000

Managing director has a right to early retirement at the age of 60.

Auditor
The auditor's remuneration for 2001 is expected to amount to 220.
Consulting fees to the auditor amounted to 77.

Loans to employees
Loans to employees amounted to 384 as at 31 December 2001.

12 Taxes

The company has not had payable taxes for the past 3 years.

Calculation of deferred taxes is based on temporary differences existing between statutory books and tax values which exist at the end of the year.

Deferred tax as at 31 December	2001	2000	1999
Temporary differences on fixed assets	**43 860**	51 087	65 541
Deferred sales gains	**21 517**	26 897	33 621
Accruals according to generally accepted accounting principles	**-127 967**	-127 683	-86 883
Pension obligations	**-6 682**	-5 783	-4 678
Tax loss carried forward	**-216 518**	-206 193	-211 270
Net temporary differences	**-285 790**	-261 675	-203 669
Deferred tax liabilities / (assets) before remuneration (28%)	**-80 021**	-73 269	-57 027
Remuneration	**-9 805**	-9 805	-9 805
Deferred tax liabilities / (assets)	**-89 826**	-83 074	-66 832
Deferred tax assets included in the Balance sheet	**-22 000**	-20 000	-20 000
Deferred tax assets not included in the Balance sheet	**-67 826**	-63 074	-46 832

In Belships ASA NOK 22 million are capitalised as deferred tax assets. The tax loss carried forward is mainly etablished during the last six years. See note 14 in the consolidated accounts for more details about taxes.

Tax basis for the year result for Belships ASA	2001	2000	1999
Result before taxes	**-26 074**	-63 837	-28 667
Change in temporary differences	**15 672**	55 817	-100 012
Permanent differences / other	**77**	32	85
Group relief transfer and dividend	**0**	193	925
Tax basis for the year	**-10 325**	-7 795	-127 669

Auditor's report

To the Annual Shareholders' Meeting of Belships ASA

We have audited the annual financial statements of Belships ASA as of 31 December 2001, showing a loss of NOK 24 073 000 for the parent company and a loss of USD 1 844 000 for the group. We have also audited the information in the directors' report concerning the financial statements, the going concern assumption, and the proposal for the appropriation of the loss. The financial statements comprise the balance sheet, the statements of income and cash flows, the accompanying notes and the consolidated accounts. These financial statements are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and on other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and auditing standards and practices generally accepted in Norway. Those standards and practices 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and auditing standards 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 have been prepared in accordance with law and regulations and present the financial position of the Company and of the Group as of 31 December 2001, and the results of its operations and its cash flows for the year then ended, in accordance with accounting standards, principles and practices generally accepted in Norway
- the Company's management has fulfilled its obligation in respect of registration and documentation of accounting information as required by law and accounting standards, principles and practices generally accepted in Norway
- the information in the directors' report concerning the financial statements, the going concern assumption, and the proposal for the appropriation of the loss is consistent with the financial statements and comply with law and regulations.

ARTHUR ANDERSEN & CO.
Eirik Tandrevold (sign)
State Authorised Public Accountant (Norway)

Oslo, 22 March 2002

(Translation from Norwegian)

Organisation

Belships ASA

Board of Directors
Asbjørn Larsen, *chairman*
Sverre Jørgen Tidemand
James Stove Lorentzen
Åsmund Simonsen
Chris Rytter jr.

Management
Sverre Jørgen Tidemand, *Man.director*
Jo Eric von Koss, *Financial director*
Einar Skogstad, *Commercial director*
Stein H. Runsbech, *Commercial director*

Finance/accounting
Osvald Fossholm, *Financial manager*
Edwin Johansen, *Accounting manager*

Belships Trading AS *(Panmax / capesize bulk)*
Tor Lauritzsen, *Operations manager*
Ove B. Staurset, *Accounting manager*

Belships Tankers AS *(Handysize product)*
Per S. Kleppe, *Chartering manager*
Ove B. Staurset, *Accounting manager*

Belships Management (Singapore) Pte Ltd
(Ship management, Singapore)
Yap Soon Huat, *Man. director*
Anthony Sng, *Financial manager*

Belships (India) *(Representative)*
Lalit Badhwar, *Man. director*

Gibson Gas Tankers Ltd *(Gas, Edinburgh)*
Chris Spencer, *Man. director*
Stuart Rae, *Financial manager*

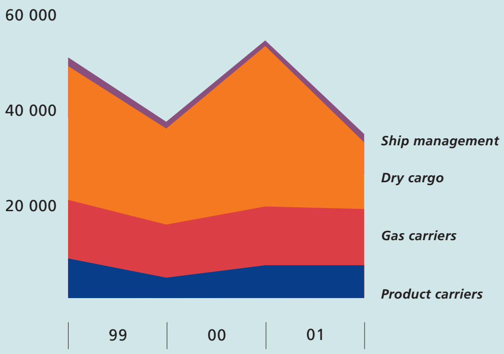

BELGUARDIAN

Management report

The dry cargo market weakened significantly in 2001 and particularily for the larger vessels. The rates for the small gas carriers held up at satisfactory levels during 1st quarter but weakened thereafter with a temporary rally towards the end of the year. The market for product carriers continued to strengthen into the first months of 2001, but weakened thereafter.

The dry cargo business accounted for 41% of operating income (63% in 2000), the gas carrier business for 33% (22%), the product carrier business for 22% (14%) and the ship management business for 3% (1%).

OPERATING INCOME
USD 1000



Dry cargo

USD mill.	**2001**	2000	1999
Income on T/C basis	**15.2**	36.1	21.2
Operating result	**-0.9**	0.1	0.7
Owned ships (per 31.12.)	**1.3**	1.3	2.1
Chartered ships (per 31.12)	**0.7**	2.7	3.9

Handymax (35-55 000 dwt), Panmax (55-80 000 dwt) and Capesize (over 80 000 dwt) dry bulk carriers carry mainly raw materials (such as coal, iron ore and other minerals), grain and semi-finished goods (such as steel, cement, fertilisers and timber). Most modern Panmax vessels have a capacity of more than 70 000 dwt and are standardised rather than specialised vessels.

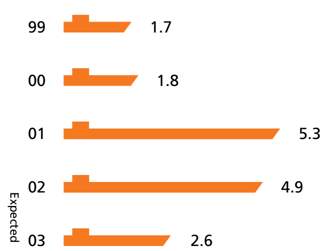
Demand is closely related to the need for raw materials in industry, the world grain trade and global economic growth.

The dry bulk market weakened significantly in 2001, with rates decreasing throughout the year. Global steel production was down 2.5% on 2000 despite strong growth in China's output, there was substantial growth in the bulker fleet, and demand for tonnage in terms of ton-miles grew by barely more than 1%.

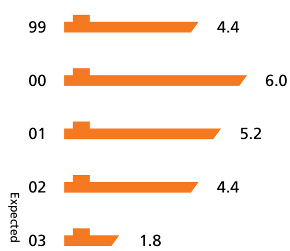
Although China stepped up its coal exports from 55 to 90 million tons, most headed to the nearby markets of Japan, South Korea and Taiwan and so this growth had little impact in terms of ton-miles. The Capesize segment was particularly hard hit as these cargoes were transported mainly by Panmax and Handymax tonnage.

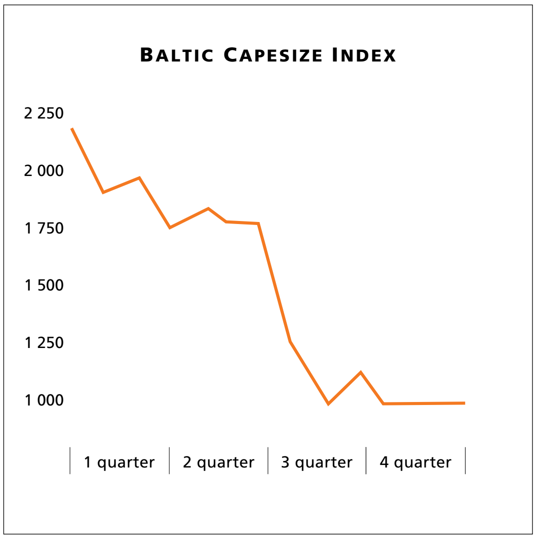
World aluminium production was down around 3% on 2000 and grain exports around 10%. Coal was the only segment to show growth, climbing from 523 to

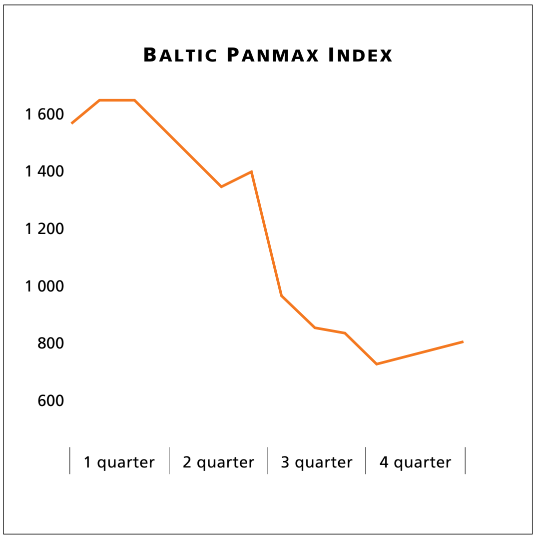
NEWBUILDING DELIVERIES
Handymax Mill. dwt



NEWBUILDING DELIVERIES
Capesize Mill. dwt







some 560 million tons. Vessel values reflected the plight of the freight markets and fell 15-20% during the year. However, growing interest among potential buyers of dry bulk tonnage was noted towards the end of the year, especially in the Capesize segment.

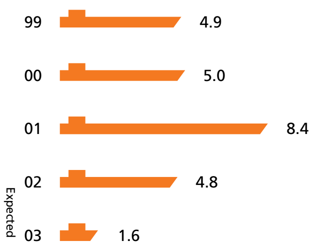
The Baltic Capesize Index fell from 2 200 to below 1 000 during the year.

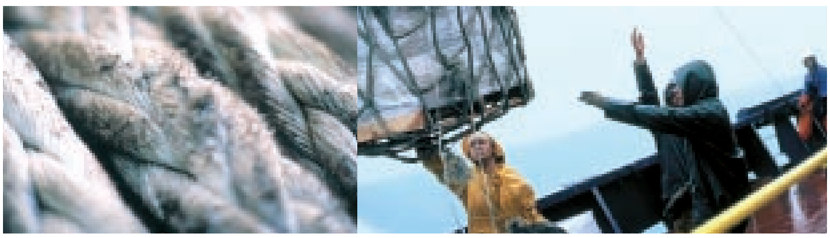
The M/S Belmaj continued to sail in the pool managed by Bocimar. The pool has now been renamed Cape International after joining forces with ABC-Zodiac. The M/S Belmaj generated average earnings of USD 10 300/day during the year. Belships has a small stake in the Cape International pool, which generated a loss in 2001 but is expected to post better results in 2002 as the market recovers. Capesize vessels were achieving 12-month time charter rates of USD 17 000/day at the beginning of the year but some vessels were being fixed at rates as low as USD 6 000/day in the spot market towards the end of the year. The M/S Belmaj functioned satisfactorily throughout 2001, with running costs (excluding dry-docking costs) at around USD 5 000/day.

An estimated 23 Capesize newbuildings or 4 million dwt are due to be delivered in 2002 and a further 20 in 2003. More than 4 million dwt is expected to be scrapped in each of these years and so the Capesize fleet is not expected to be larger in the near future.

The Baltic Panmax Index fell from around 1 600 to around 850 in 2001. The Panmax operation Belships Trading started the year with four vessels on time charters, all of which were returned to their owners during the year. The remaining freight contracts were

NEWBUILDING DELIVERIES
Panmax Mill. dwt



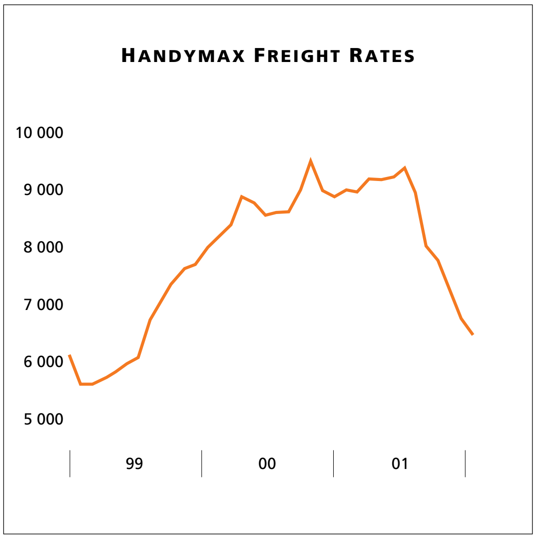


releted, activity in Singapore was gradually reduced and it was decided to wind down activity in the spot market until a fresh cargo base has been established.

Work on this was set in motion, with the contract for the transportation of coal for the Videocon project in India becoming legally binding for Belships during the first half of the year. To cover part of its commitment under this contract, Belships entered into a long-term charter for a Panmax newbuilding due to be delivered at the end of 2003, which includes an option to purchase the vessel. However, disputes over the progress and construction of the power station in India is intended to take the coal transported under the contract have led to a degree of uncertainty about the project.

The Handymax segment held up best in 2001, with the Baltic Handymax Index falling from around 950 to just under 700 during the year and time charter rates for Handymax tonnage from USD 9 000/day to around USD 6 500/day. M/S Belnor, the company's sole exposure to the Handymax bulk market in 2001, was fixed on a two-year time charter in February 2001 at USD 9 000/day. The vessel's running costs (excluding dry-docking costs) averaged USD 2 600/day. The vessel spent 15 days off-hire for dry-docking during the year.

In March 2002 Belships ASA agreed to take over a 50% stake in Elkem Chartering AS, a Handymax bulk charterer and operator with overall responsibility for Elkem's overseas transportation needs as well as a substantial portfolio of other freight contracts. Elkem



Chartering carried 2.9 million tons of cargo in 2001 and generated operating income of NOK 400 million. The company will share offices with Belships and the parties expect the deal to result in synergy gains.

The dry bulk market has performed well so far in 2002 and Belships anticipates further improvements in the freight market in late 2002 and early 2003 given the prospects of recovery in the global economy and limited newbuilding deliveries.

Gas carriers

USD mill.	**2001**	2000	1999
Income on T/C basis	**12.0**	12.4	11.6
Operating result	**-0.8**	0.1	-1.5
Owned ships (per 31.12.)	**6**	6	6

Small gas carriers (below 10 000 cbm) carry butane, propane, propylene and other petrochemical gases on short and medium trades. Most vessels feature refrigeration facilities that allow gases to be condensed and carried in liquid form. Demand depends primarily on the general state of the global economy, but also on temporary marginal factors in the chemical industry.

Belships has a 60% stake in the Scottish company Gibson Gas Tankers Ltd (GGT), which owns and operates a fleet of six gas carriers of 2-7 000 cbm. The fleet carries primarily petrochemical gases (such as propylene and vinyl chloride monomer) and liquefied petroleum gases (such as propane and butane). GGT is a fully integrated shipping company with ten employees handling the chartering, operation and technical management of its vessels. There is also a subsidiary in Sri Lanka responsible for crewing (other than the fleet's British officers).

GGT's vessels are all semi-refrigerated and so they can carry gases cooled to as low as -48°C and condensed under pressure into a concentrated liquid form.

Rates for small gas carriers held up at satisfactory levels during the first quarter of 2001 thanks to buoyant demand for both LPG and petrochemical gases. However, demand fell back during the spring and summer, resulting in limited activity in the spot market in both Europe and the Far East. The weak market also led to waiting time between cargoes.

The downturn during the summer was due primarily to the general slowdown in the global economy, resulting in the stockpiling of LPG and reduced demand for petrochemical gases. LPG stocks in the USA, Japan and Europe hit historical highs. The market rallied temporarily towards the end of the year due to cold weather in Europe and the Mediterranean.

The 3 000 cbm carriers M/T Ettrick and M/T Lanrick were employed on fixed time charters during the year. The M/T Ettrick was fixed at a rate of USD 205 000/month until October 2001 and then had her charter extended until October 2002 at a rate of USD 175 000/month. The vessel passed her second special survey in November within budget.

The M/T Lanrick's charter was renewed by Anthony Veder in March 2001 for a further 12 months at a rate of USD 205 000/month, up from USD 185 000/month. The vessel's earnings were hit by unscheduled maintenance due to rudder damage, resulting in 20 days off-hire.

The 6-7 000 cbm gas tankers continue to sail in a pool managed by the Anthony Veder group. GGT has three vessels in the pool – the M/T Yarrow, M/T Eildon and M/T Traquair. Earnings for these vessels were 9% down on 2000, with the M/T Traquair generating earnings of USD 215 000/month, the M/T Yarrow USD 203 000/month and the M/T Eildon USD 195 000/month after 30 days off-hire for her fourth special survey. The M/T Eildon spent an additional 20 days in dock for repairs to two of her generators but this was covered by her insurance.

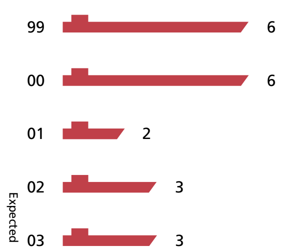
The M/T Quentin was employed on a time charter at a rate of USD 128 500/month until March 2001 before undergoing her fifth special survey during the summer. The cost of this was substantially over budget due to the need to replace large amounts of steel in her tanks and renew cargo lines and valves. The market for this vessel was extremely difficult during the summer and she spent long periods without employment during the autumn. Earnings for the year as a whole were down 3% on 2000.

All in all it was a much weaker year than 2000 for the gas carrier business. However, Gibson Gas Tankers continued to benefit from the cost-cutting programme launched in 1999, which included replacing British middle-ranking officers with personnel from the Baltic States. The vessels' running costs were generally in line with budget, with the exception of the M/T Quentin and M/T Eildon.

The high levels of newbuilding deliveries seen over the last three years are now receding and the number of semirefrigerated vessels on order has decreased. However, the Erika incident has undermined charterers' confidence in older tonnage, prompting them to introduce more stringent certification requirements. This is resulting in higher running costs in terms of classification surveys and more frequent inspections. There are signs of an increase in the scrapping of older tonnage but this has yet to have any impact on rates.

The market for small gas carriers was significantly consolidated during the year when Kosan Tankers teamed up with Tschudi & Eitzen to set up a pool for vessels below 3 000 cbm.

Newbuilding Deliveries
Number of ships



Product carriers

USD mill.	**2001**	2000	1999
Income on T/C basis	**8.0**	8.0	5.3
Operating result	**4.0**	2.6	0.4
Owned ships (per 31.12.)	**1.2**	1.4	1.4
T/C-ships	**2.8**	3.6	3.6

Handysize product carriers (35-50 000 dwt) carry mainly refined petroleum products, vegetable oils and various chemicals. Demand is cyclical and fuelled primarily by the OECD countries, although demand in Asia is coming to play an ever more important role.

The product carrier market continued to strengthen into 2001. Strong growth in imports into the USA, which suffered shortages of both crude oil and refined petroleum products in the middle of the winter season, resulted in continued scope for arbitrage trades between Southeast Asia and the US West Coast. Shortages of natural gas combined with growing demand for power pushed up gas prices, leading in turn to higher levels of demand for alternative products imported from virtually every corner of the world. This resulted in an all-time high market scenario in January and February.

A shortage of fuel oil in the USA led US refineries to step up the production of fuel oils at the expense of petrol. This resulted in a growing need to import petrol ahead of the summer season and opened the door to arbitrage activity on both transatlantic and transpacific trades.

2001 was also a year of uncertainty due to the slow-down in the global economy and freight rates in general trended downwards during most of the year. The weaknesses in the global economy proved to be more pronounced than most of anticipated, with a sharp drop in demand sending both freight rates and oil prices tumbling during the second half. The tragic events of 11 September further undermined the freight market, with the reduced demand for aviation fuels as a direct consequence of the terrorist attacks hitting the product carrier market particularly hard.

The oil market was dominated by OPEC's attempts to keep oil prices within a band of USD 22-28/bbl by adjusting its production quotas. Oil prices averaged USD 26/bbl during the first nine months of the year but fears of reduced demand after 11 September caused prices to drop a further USD 5/bbl during the fourth quarter. The average price during the year was USD 23/bbl and so OPEC succeeded in its efforts to keep prices in the USD 22-28/bbl band.

There was limited growth in product tanker tonnage in 2001 but there are currently 230 vessels on order, equivalent to 9.4 million dwt or 23% of the existing fleet.

M/T Belgrace carried refined petroleum products in the Far East throughout the year. The vessel was employed in the spot market during the first half but was then fixed on a time charter in August for the rest of the year. T/C income averaged USD 18 100/day and running costs USD 4 900/day. The vessel functioned satisfactorily in technical terms but the appearance of small cracks in the deck had to be repaired and led to 11 days off-hire.

The OBO carriers M/S Belgallantry, M/S Belgreeting and M/S Belguardian were all employed in the transportation of crude oil and refined petroleum products during the year, primarily in the Far East.

M/S Belgallantry was fixed on a 12-month time charter to Thai company PTT in February, carrying oil from an offshore production field to various onshore installations in Thailand. Short voyages and frequent pumping operations resulted in more wear and tear on the vessel's pump systems than traditional forms of employment. The vessel underwent its third special survey in November as planned, leading to a total of 48 days off-hire. In December PTT agreed to purchase the vessel for USD 10.3 million for delivery in February 2002.

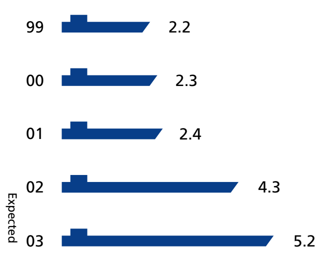
M/S Belgreeting carried refined products across the Pacific from South Korea to the US West Coast at the beginning of the year and was then employed in the Far and Middle East before being fixed on a voyage from the Persian Gulf to West Africa towards the end of the year.

M/S Belguardian spent the first half of the year carrying refined products from the Far East to the US West Coast. After a spell in the Persian Gulf the vessel was then employed in the Atlantic before embarking on a voyage from the USA to the Far East. T/C income for the three OBO carriers averaged USD 15 500/day and running costs USD 6 200/day.

Reflecting its stringent vessel maintenance and safety standards, Belships chose to bring forward the M/S Belgreeting's third special survey and carry out unscheduled maintenance on the M/S Belguardian during the year, with both vessels dry-docking in China.

2002 looks set to bring continued low levels of economic growth and so limited demand for tanker tonnage. Combined with high newbuilding deliveries, this would suggest a weaker freight market than in 2001.

Newbuilding Deliveries
Mill. dwt



Ship management

USD mill.	**2001**	2000	1999
Income	**1.2**	0.6	0.6
Operating result	**0.1**	-0.2	-0.2
Number of ships (average)	**10**	8	8

Belships Management (Singapore) Pte Ltd in Singapore and Belships Management AS in Oslo are home to the group's technical and maritime expertise. Both companies focus on tankers and bulkers in line with the rest of the group and have amassed substantial management expertise in these segments. Belships Singapore handles the day-to-day operation of the vessels while Belships Oslo deals with insurance and accidents.

Belships aims to provide a high-quality service at every level. Belships Singapore has been accredited under ISO 9002 for several years and was one of the very first companies to be certified under the Det Norske Veritas Safety, Environment and Pollution (SEP) Standard.

2001 was an eventful year. Belships Management began with seven vessels but was managing ten by the year-end: one product tanker and nine dry bulkers. There were no significant problems with the technical operation of these vessels. Six were dry-docked within budget and eight spent no time off-hire, with the other two off-hire for only about a day. Running costs for vessels under our management are stable, with a little pressure on pay and other costs. A strong US dollar will help to put a damper on cost growth but we expect to see a tighter insurance market in the years ahead. Besides the operation of the above fleet, Belships Management provided services for a total of 41 other vessels during the year.

As part of the drive to increase the recruitment base for seafaring personnel, a crewing company called SNC Management Co Ltd was set up in Shanghai in conjunction with Cosco Shanghai Manning Co Ltd. Besides securing access to experienced Chinese seamen at a competitive cost, this will help to build up Belships' activities in China, a market believed to have substantial growth potential. Belships sold its shares in crewing company Pogun Shipping Ltd in Manila during the year.

In line with the company's safety, quality and environmental policies, Belships Singapore completed its preparations for the certification of its environmental management system under ISO 14001:1996 and the upgrading of its quality management system from ISO 9002:1994 to ISO 9001:2000 in May 2001, with both certificates expected to be awarded in 2002. The company is also certified under the ISM Code. All vessels underwent ISM audits during the year, with only minimal improvements being required. There were no serious pollution incidents in 2001.

The company had 12 employees at the end of the year. One additional employee is expected to be recruited in 2002 to strengthen the crewing and QA department.



The Belships share

Shareholder policy

Belships wants to obtain the optimum price for the company's shares by effective and profitable management of the company's resources. A competitive yield is to be obtained by increasing the value of the company's shares and a dividend distribution that is related to the company's results and future prospects. Our clear objective is that the Belships share will be an interesting and competitive investment option. The company keeps the Oslo Stock Exchange, the equity market and shareholders continuously informed through interim reports, annual reports and notifications of important developments. Belships regards up-to-date and accurate information as necessary for the share to obtain a price that reflects the company's underlying value and future prospects. When there is an increase in share capital with an issue of new shares for a cash payment, the company's shareholders will have pre-emption rights to the new issue. The board will propose a private placement or share issue as a settlement in connection with investments only when this takes account of existing shareholders' long-term interests.

Risk

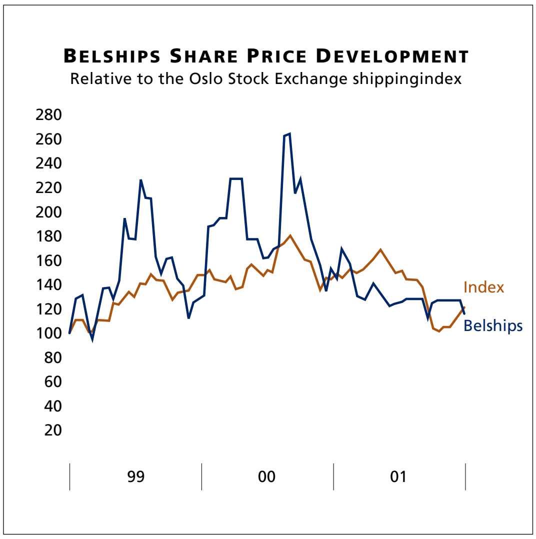
The following RISK amounts have been established:

per 1 January 2002	0.00 NOK
per 1 January 2001	0.00 NOK
per 1 January 2000	-0.39 NOK
per 1 January 1999	0.00 NOK
per 1 January 1998	0.00 NOK
per 1 January 1997	-0.30 NOK
per 1 January 1996	-0.50 NOK
per 1 January 1995	-0.55 NOK
per 1 January 1994	-0.50 NOK
per 1 January 1993	-1.00 NOK

The alternative entry value as at 1 January 1992 is 34.13.

The share capital

At the general meeting on 3 May 2001 the board received an extension of the authorization to issue up to 4 million new shares. This authorization has not been utilized. At the same Annual general meeting, the board received authorization to issue up to 314 000 share options to employees and 154 000 share options to the board members. The options must be declared within 1 to 2 years after the date of this general meeting.



Share price performance and liquidity

Throughout 2001 the development in shareprice performance and trading volume of the Belships share has been negative. The main reason for this is, in our opinion, mainly due to the general downturn in the world economy, which was reflected in the stockmarket. However, we consider that the performance of the Belships share does not reflect the underlying value of the company and we will increase our efforts so that the company's share obtains a more accurate price and becomes an interesting and competitive investment option.

The volume traded during 2001 corresponds to about 6% of the company's shares. The main shareholders percentage at 31.12.01 was 65%, compared to 59% at the end of 2000. The number of market days on which the Belships share was traded was 57 in 2001 compared with 86 in 2000.

Year	Turnover NOK mill.	Turnover in shares	Number of transactions	Number of days traded
1997	63.3	3 137 000	405	152 of 250
1998	18.6	1 926 000	179	84 of 251
1999	4.2	988 000	196	77 of 252
2000	15.6	2 164 121	551	86 of 251
2001	6.3	1 543 826	123	57 of 249

Share capital development

Year	Type of change	Amount	Share par value	Number of shares	Share capital
1935	Founded	1 650 000	100.00	16 500	1 650 000
1968	Bonus issue	1 650 000	100.00	33 000	3 300 000
1989	Share split	0	10.00	330 000	3 300 000
1991	Bonus issue 1:1	3 300 000	10.00	660 000	6 600 000
	Share split 5:1	0	2.00	3 300 000	6 600 000
1993	Bonus issue 1:1	6 600 000	2.00	6 600 000	13 200 000
	Private placements	9 724 000	2.00	11 462 000	22 924 000
1994	Private placement	234 000	2.00	11 579 000	23 158 000
1995	Private placement	4 000 000	2.00	13 579 000	27 158 000
1996	Private placement	1 808 000	2.00	14 483 000	28 966 000
2000	Private placement	20 000 000	2.00	24 483 000	48 966 000

Key financial figures

Consolidated

	USD 1 000		**2001**	2000	1999
	Income statement				
	Operating income		**36 848**	57 243	39 059
	Operating result before sale of ships		**1 117**	1 655	-1 636
	Operating result		**1 711**	1 559	-1 636
	Result before taxes		**-1 673**	-3 235	-7 232
	Net result for the year		**-1 844**	-3 269	-7 222
	Balance sheet				
	Fixed assets		**80 530**	87 964	104 150
	Current assets		**13 667**	20 431	15 196
	Total assets		**94 197**	108 395	119 346
	Equity		**25 173**	26 418	24 182
	Provisions		**947**	876	842
	Long-term liabilities		**63 945**	75 369	87 966
	Short-term liabilities		**4 132**	5 732	6 356
	Total equity and liabilities		**94 197**	108 395	119 346
	Liquidity				
1	Liquid reserves at 31 December		**9 551**	12 378	8 516
2	Cash flow		**4 838**	3 000	-1 768
	Interest expense		**-3 631**	-5 982	-6 275
3	Interest coverage ratio		**0.49**	0.30	-0.25
4	Current ratio	%	**330.74**	356.44	239.08
5	Net result ratio	%	**5.31**	4.80	-2.45
	Capital				
	Share capital at 31 December		**6 610**	6 610	4 279
	Equity ratio	%	**26.72**	24.37	20.26
6	Return on total assets	%	**1.93**	2.41	-0.75
7	Return on equity	%	**-7.15**	-12.92	-27.28
	Key figures shares				
	Market price at 31 December	USD	**0.40**	0.51	0.51
	Number of shares at 31 December	1 000	**24 483**	24 483	14 483
	Average number of shares	1 000	**24 483**	20 316	14 483
	Earnings per share	USD	**-0.08**	-0.16	-0.50
	Cash flow per share	USD	**0.20**	0.15	-0.12
	Price/ earnings ratio		**-5.31**	-3.16	-1.03
	Price/ cash flow ratio		**2.02**	3.44	-4.20

1 *Bank deposits*
2 *Net result for the year + depreciation and write-down + change deferred taxes*
+ unrealised currency exchange loss/(-gain)
3 *Result before taxes + interest expense + unrealised currency exchange loss/(-gain) / interest expense*
4 *Current assets in percent of short-term liabilities*
5 *Result before taxes + interest expense/ operating income*
6 *Result before taxes + interest expense/ average total capital*
7 *Net result for the year/ average equity*

Fleet list

As at 31 December 2001 Ship	Ownership	Built year	Dwt	Operation	T/c-period
Product carriers / OBO					
M/T Belgrace	63%	1984/87	40 900	Spot	
M/S Belguardian	20%	1987	43 500	Spot	
M/S Belgallantry	20%	1987	43 500	Sold 02/02	
M/S Belgreeting	20%	1987	43 500	Spot	
Gas					
M/T Lanrick	60%	1992	3 215 cbm	T/C to 04/02	
M/T Ettrick	60%	1991	3 215 cbm	T/C to 10/02	
M/T Traquair	60%	1982	6 616 cbm	Pool	
M/T Yarrow	60%	1982	6 568 cbm	Pool	
M/T Eildon	60%	1982	6 077 cbm	Pool	
M/T Quentin	60%	1977	2 280 cbm	Spot	
Capesize bulk					
M/S Belmaj	25%	1990	149 516	Pool	
Panmax bulk, chartered tonnage					
Newbuilding		2003	76 000	Delivery 10/03	10/11
Handymax bulk					
M/S Belnor	100%	1996	47 600	T/C to 02/03	

Number of ships

Type	Owned tonnage	Newbuilding	Commercial management	Total fleet
Handysize product tank / OBO	1.2		2.8	4.0
Gas	3.6		2.4	6.0
Capesize bulk	0.3		0.7	1.0
Panmax bulk		1.0		1.0
Handysize bulk	1.0			1.0
Total	6.1	1.0	5.9	13.0


NO SMOKING

Articles of Association

Adopted by the statutory general meeting on 7 October 1935, last amended 26 April 2000

§1 The name of the company is Belships ASA. The company is a public limited company.

§2 The company's registered business office is in Oslo.

§3 The objective of the company is shipping, charter brokerage and purchase and sale of vessels, offshore operations, participation in the exploration for and the production of petroleum, trade and industry as well as participation in companies of any sort with similar objectives.

§4 The company's share capital is NOK 48 966 000 distributed between 24 483 000 registered, fully paid-up shares with a nominal value of NOK 2.

§5 The company's board consists of three (3) to seven (7) members, possibly with deputies depending on the decision of the general meeting. Each year the board elects a chairman among the board members.

The company is bound by the joint signatures of two (2) members of the board or by the signature of the managing director alone provided that he/she is a member of the board.

The board may authorise others to sign on behalf of the company per procurationem.

The managing director is appointed by the board.

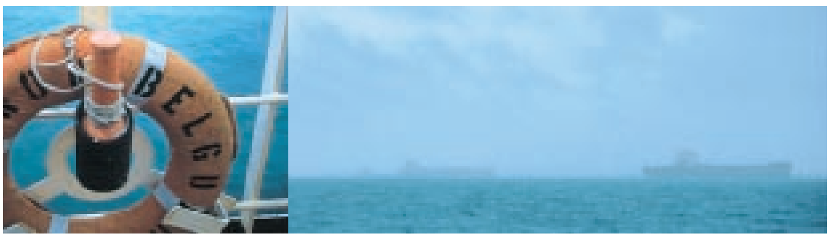
§6 An ordinary general meeting of the company shall be held before the end of June each year. The ordinary general meeting shall consider and decide on the following matters:

1. Approval of the annual accounts and the annual report, including the distribution of dividends.
2. Other matters which are required by law or the Articles of Association to be dealt with by the general meeting.

§7 The company's shares shall be registered with the Norwegian Central Securities Depository (VPS).

Dividends are to be disbursed to persons registered as shareholders on the day that the dividend is agreed upon.

In the notice of the general meeting, it may be decided that shareholders who wish to take part in the general meeting, either in person or by proxy, must notify the company to this effect by a deadline of up to two (2) days before the general meeting, stating the number of shares they represent, and where appropriate who will be acting as proxy and on behalf of how many shares.



Terms and expressions

Capesize
Vessel exceeding 80 000 dwt

Charterer
Hirer of a vessel

Charterhire
Hire expenses for a ship

Charterparty
An agreement to hire a vessel

Dry bulk
Cargo as grain, coal, ore or steel

Dwt
Dead weight tons – The maximum weight a vessel can carry as cargo and stores

Handymax
Vessels between 35 000 and 55 000 dwt

Handysize
Vessels between 10 000 and 55 000 dwt

Income on T/C-basis
Freight income after deduction of all voyage related expenses such as loading- and discharging expenses, bunkers etc.

LPG vessels
Vessels for transportation of liquid gas refrigirated to minus 48 degrees Celcius.

OBO-carriers
Vessels for carrying oil and oil products or drycargo as grain, coal and ore (Oil - Bulk - Ore)

Off-hire
The period during which a vessel is temporarily out of operation in relation to the terms of the relevant charterparty with a loss of agreed hire under this as a consequence

Operating expenses
Crew expenses and all expenses in connection with vessel's technical operation including insurance

Operator
The holder of a freight contract with a cargo shipper and/or the manager of tonnage

Panmax
Vessels between 55 000 and 80 000 dwt

Pool
A joint sailing agreement

Product
Refined oilproducts

Spot market
Markets for vessels operating on a tramp basis

Time Charter (T/C)
An agreement to let a vessel which is manned and ready for operation for an agreed period

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