

FINANCIAL CALENDAR

25 April 1996	Annual General Meeting
13 June 1996	Report for the first four months of 1996
18 October 1996	Report for the first eight months of 1996
Mid February 1997	Preliminary results of 1996

The Annual General Meeting will be held at the company's office, Conrad Mohrs veg 29, 5032 Minde, Norway on Thursday 25 April 1996, at 3.00 p.m. Shareholders wishing to attend the Annual General Meeting should notify the company by Wednesday 17 April 1996, according to § 4 in the Articles of Association.



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KEY FIGURES/FINANCIAL RATIOS

STORLI GROUP	Amount in	1995	1994	1993	1992	1991	1990	1989
From Profit and Loss Statement								
Operating result	NOK mill.	465	259	91	88	321	336	237
Depreciation	NOK mill.	- 205	-284	-283	-274	-247	-230	-149
Profits from sale of assets	NOK mill.	0	0	0	0	56	121	119
Net financial items	NOK mill.	- 71	-37	-140	-28	-96	-148	-105
Net profit before taxes	NOK mill.	394	221	-49	60	225	188	131
From Balance Sheet								
Current assets	NOK mill.	1 434	1 245	1 181	1 187	951	894	754
Vessels and other fixed assets	NOK mill.	3 599	3 162	3 157	3 028	2 824	2 704	1 967
Total assets	NOK mill.	5 033	4 407	4 337	4 215	3 774	3 597	2 722
Current liabilities	NOK mill.	321	210	225	191	175	240	230
Long term liabilities	NOK mill.	3 157	2 893	2 943	2 782	2 385	2 439	1 481
Shareholders' equity *	NOK mill.	1 555	1 304	1 169	1 242	1 214	918	1 011
Total liabilities and shareholders' equity	NOK mill.	5 033	4 407	4 337	4 215	3 774	3 597	2 722
Profitability								
Earnings per share incl. profit from sale of assets (1)	NOK	17.94	10.03	-2.34	2.66	10.18	8.25	6.01
Earnings per share excl. profit from sale of assets (2)	NOK	17.94	10.03	-2.34	2.66	7.60	2.70	0.56
Cash flow per share incl. profit from sale of assets (3)	NOK	27.31	23.03	10.63	15.19	21.49	18.76	12.85
Cash flow per share excl. profit from sale of assets (4)	NOK	27.31	23.03	10.63	15.19	18.91	13.21	7.40
Return on total assets (5)	%	12.4%	8.0%	2.6%	5.3%	11.1%	12.9%	11.3%
Return on equity (6)	%	27.6%	17.9%	-4.1%	4.9%	18.1%	17.2%	13.6%
Financial Ratios								
Average number of shares	mill.	21.85	18.32	10.92	10.92	10.92	10.92	9.59
Net cash flow incl. profit from sale of assets (7)	NOK mill.	597	503	232	332	470	410	281
Net cash flow excl. profit from sale of assets (8)	NOK mill.	597	503	232	332	413	289	162
Interest-bearing debt	NOK mill.	2 734	2 564	2 673	2 499	1 947	1 797	1 375
Bank deposits and securities	NOK mill.	1 275	1 066	1 237	1 153	891	794	638
Debt repayment capability (9)		2.5	3.0	6.2	4.1	2.6	3.5	4.6
Current ratio (10)		4.5	6.0	5.3	6.2	5.5	3.7	3.3
Equity ratio (11)	%	31%	30%	27%	29%	32%	26%	37%

Baytank (Houston) Inc. was not consolidated in 1989. Historical figures per share is adjusted for bonus issue 1:1 in 1994.

* - Figures prior to 1991: Book equity plus 72% of equity with deferred tax liability.

1. Net profit before taxes less minority interest divided by number of shares per 31.12.1995.

2. Net profit before taxes less minority interest less profit from sale of assets divided by number of shares per 31.12.1995.

3. Net profit before taxes plus depreciation less minority interest divided by number of shares per 31.12.1995.

4. Net profit before taxes plus depreciation less minority interest less profit from sale of assets divided by number of shares per 31.12.1995.

5. Net profit before taxes plus financial expenses divided by average balance of total assets.

6. Net profit before taxes divided by average book equity and minority interest.

7. Net profit before taxes plus depreciation less minority interest.

8. Net profit before taxes plus depreciation less minority interest less profit from sale of assets.

9. Interest-bearing debt less bank deposits and securities, divided by net cash flow (8).

10. Current assets divided by current liabilities.

11. Book equity plus minority interest divided by total assets.

STORLI - A BRIEF PRESENTATION



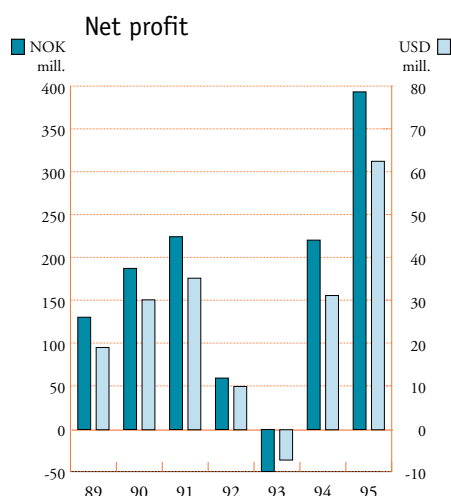
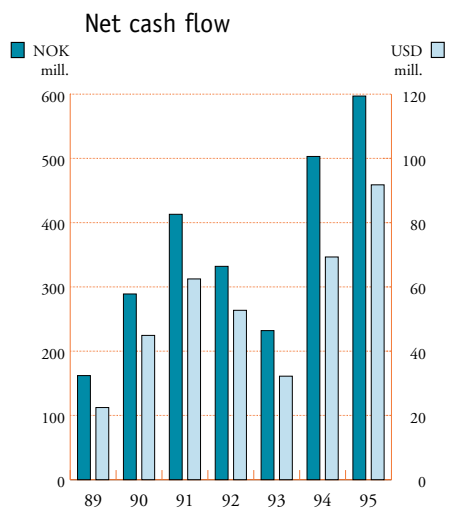
Storli is a major world-wide carrier of all types of chemicals. Storli's strategy is focused on ownership and management of chemical tankers and chemical tank terminals.

Storli is a fully integrated shipping company, handling all related functions, such as ship management, operation and chartering. The company is one of the four leading players in the world-wide parcel tanker trade. Through its wholly owned subsidiary, Odfjell Tankers, the company operates a fleet of 47 chemical tankers, aggregating approx. 1.5 million dwt. Storli is the owner of 28 of these vessels. The fleet operates in world-wide trade, and is committed to the long-term shipping requirements of the petrochemical industry through Contracts of Affreightment with many of the world's chemical giants.







Storli's tank terminal Baytank in Houston and the newly established terminals at Ningbo and Dalian in the People's Republic of China, has increasingly become an integrated part of Storli's operations.

Storli's in-house Ship Management department is dedicated to meeting the customers' stringent requirements as to quality. The vessels are operated by Norwegian senior officers with foreign crew.

Storli, founded in 1916 as a family business, went public in 1985 and obtained a listing on the Oslo Stock Exchange the following year. Since the company was founded, operations have been governed by high standards as to quality and safety, often in excess of what has been required by national and international regulations.



HIGHLIGHTS

- 
Improvements in the rates and volumes throughout the year.
- 
Net pre-tax profit of NOK 394.4 mill. Net cashflow of NOK 596.7 mill.
- 
Earnings before tax per share of NOK 17.94 and cashflow before tax per share of NOK 27.31.
- 
Delivery of M/T "BOW CLIPPER" from Kværner Govan, Scotland and M/T "BOW FAGUS" from Kværner Florø, Norway.
- 
Ordering of two advanced chemical tankers, each of 37,250 dwt. at Kværner Florø for delivery in 1998 with an option for two further vessels for delivery in 1999.
- 
Increased tank terminal activities through approved expansions at Baytank, USA and Ningbo, China as well as construction of a new terminal in Dalian, China.



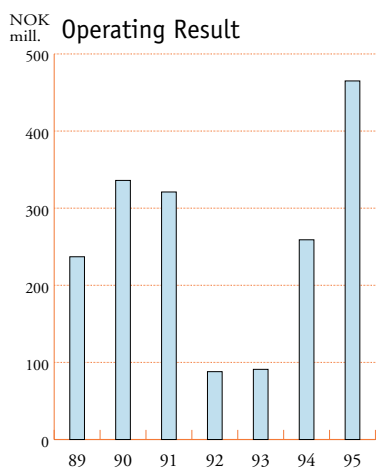




THE BOARD OF DIRECTORS' REPORT

1995 was a good year for Storli. Earnings were substantially up following a continuation of last year's positive trend in the chemical tanker market. Whereas the profit increase in 1994 primarily was based on volume, the 1995 improvements are based on higher rates as well.

Operating Result

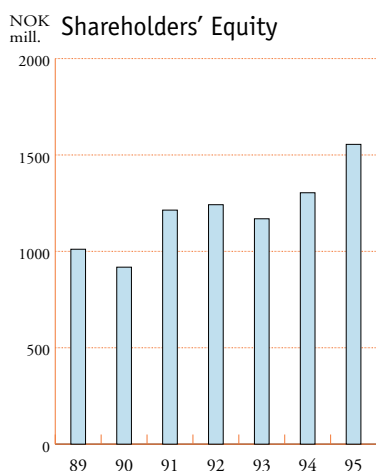


1995 has been a special year in that our fleet increased by six ships, five of which are newbuildings. At year-end Storli operated a fleet of approx. 1.5 mill. dwt. This is a 17 per cent increase over the same period last year. Consequently, we also increased our market share during 1995.

In 1995 we strengthened our involvement in tank terminals through the expansion of Baytank and Ningbo, China, facilities. Furthermore, we will participate in the construction of a new terminal in Dalian, North China.

Storli's group pre-tax profit came to NOK 394.4 mill. compared to NOK 221.5 mill. in 1994. The extension of the depreciation period for ships has improved the profit by NOK 99.6 mill. The operating profit increased to NOK 465.4 mill from NOK 258.8 mill. in 1994. T/C earnings rose by 22 per cent

Shareholders' Equity



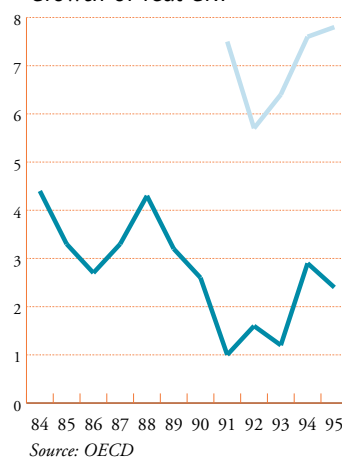
compared with the previous year. Storli's cash position is favourable. Cash and liquid instruments amount to a total of NOK 1,207.8 mill., which corresponds to 47 per cent of the outstanding interest-bearing debt. Book equity at year end amounted to NOK 1,555 mill, representing an increase of NOK 250.8 mill. over the previous year. Storli appears to be favourably positioned for the years to come.

WORLD ECONOMY AND THE CHEMICAL MARKET

The OECD countries experienced a somewhat slower growth in 1995 than the year before. The growth was 2.4 per cent compared with 2.9 per cent in 1994. This is slightly below the average growth for the last 10 years. Industrial production was up by 3.7 per cent compared to 3.4 per cent in 1994.

Economic growth of the newly industrialised countries in the Far East, and China in particular, has become important to the shipping industry, and perhaps particularly so to the chemical tanker industry. In these countries, GNP growth was between 6 and 10 per cent in 1995, which is approximately the same level as the year before. Growth in industrial production in 1995 also remained at last year's level of approx. 7 per cent.

Growth of real GNP



Source: OECD

Dynamic Asian Economics
OECD Area

As 1996 commenced, the economies within the OECD countries, as well as those of the newly industrialised Far East countries, were characterised by steady growth, which in turn should have a positive effect on demand for maritime freight services.

In terms of physical volume, the increase in world seaborne trade for 1995 is estimated at 3.8 per cent, which is identical to the 1994 level.

CHEMICAL TANKER MARKET

The chemical tanker trade is becoming increasingly global. The large American and European producers are establishing themselves internationally, while at the same time increasing their domestic production capacity. Demand for transportation of chemicals is largely determined by the stage of development of national economies. The growth in both GNP and industrial production has caused an increase in do-

The two new spherical tanks at Baytank, Houston, USA.

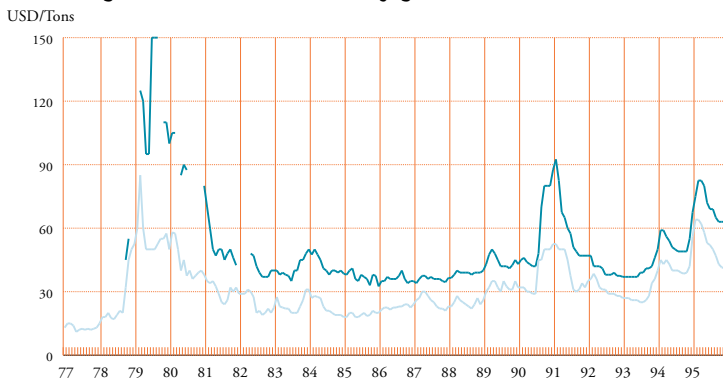


domestic consumption as well as in the transport of chemicals, and, consequently, both volumes and rates were up in 1995.

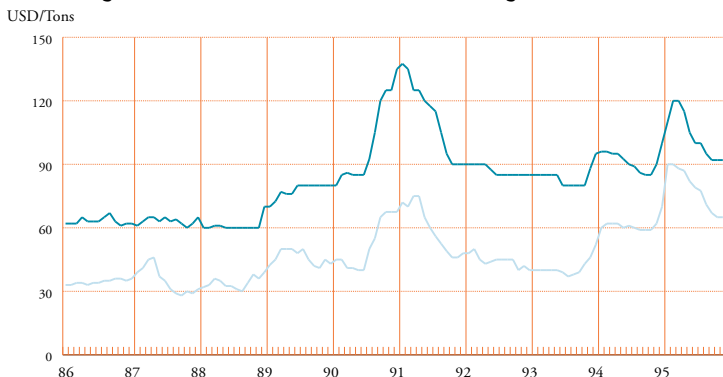
Storli's vessels are engaged in world-wide trade, and the upswing in activity in 1995 is reflected in all geographical areas. The greatest increase in volume was in exports from the main production areas of the US, Europe and the Middle East to countries in the Far East.

The fleet of dedicated chemical tankers over 10,000 dwt increased by 4 per cent in 1995. Scrapping was insignificant, and additional tonnage was ordered, amounting to 1,085,000 dwt at year-end. However, the lead time for delivery of chemical tankers is long, and the fleet additions will therefore be spread evenly over the next few years. Assuming ships are scrapped when they are 25 years old, the annual net additions will amount to 4 per cent over the next three years.

Freight Rates - 3000 tons easy grade chemicals



Freight Rates - 1000 tons stainless steel grade chemicals



Source: Quincannon

- Houston/Rotterdam
- Houston/Far East

A number of advanced product tankers for easy chemicals have also been ordered. These are expected to have a limited effect on our market.

The structure of the chemical tanker market is basically unchanged since 1994, with the four largest operators controlling about 70 per cent of the fleet (above 10,000 dwt in size). Storli is satisfactorily established within the industry, with an approximate market share of 22 per cent. All of our main competitors are based abroad.

OPERATIONS

At year-end 1995, Storli operated a fleet of 47 ships. During the year we increased our average capacity by 15 per cent. We transported a total of 9.9 mill. tons of cargo, spread over 4,500 parcels and serviced more than 400 customers with over 450 different types of cargo. Furthermore, we made 2,275 port calls, and passed through the Suez and Panama canals a total of 204 times.

Our industry is becoming increasingly complex, with rising requirements from customers and authorities. Our results are determined by our own efficiency and fleet utilisation as well as by volumes and rates. T/C earnings are therefore composed of rates, volumes, logistics, and efficiency.

Bunker prices were high throughout 1995, varying between USD 76 and USD 113.5 per ton. The average price was approx. USD 96 per ton.

We currently operate 11 ships for National Chemical Carriers (NCC), our pool partner. Storli is entrusted with the marketing, operation, technical upkeep and staffing of these ships. NCC will contribute one further newbuilding in 1996. The ships are operated in individual pools, consisting of similar ship types. Each ship receives its relative share of pool earnings, based on the actual number of days on hire.

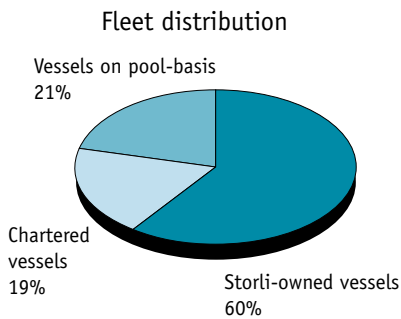
During the year, Storli acquired 50 per cent of the property at Conrad Mohrs veg 29 from Bergens Skillingsbank. These premises are the company's headquarters, and Storli is now the sole owner.





FLEET

Two newbuildings were delivered to Storli in 1995 ("BOW CLIPPER" 7/95 and "BOW FAGUS" 11/95), and two further ships were delivered to NCC ("NCC RIYAD" 1/95 and "NCC MEKKA" 5/95). The vessels have performed excellently and have helped to strengthen our position in a growing market. All ships are of 37,250 dwt and have cargo tanks of homogenous, acid-resistant steel, with a total of 52 segregations each.



In December 1995 we ordered two further sister-vessels from Kværner Florø for delivery in May and November 1998. At the same time we secured an option on two additional sister-vessels for delivery in 1999.

The series of sister-vessels has now reached a total of 11. The remaining Kværner Florø programme consists of the following deliveries:

Yard no.	Owner	Est. delivery
132	Storli	April 1996
133	NCC	November 1996
134	Storli	May 1997
135	Storli	November 1997
136	Storli	May 1998
137	Storli	November 1998

During 1995 we bought "BOW EXPLORER" (31,500/75), which was previously time chartered. She underwent extensive repairs and upgrading in 1995, and consequently increased the number of off-hire days. The vessel now operates to a high standard.

We time chartered the newly built "BOW TRIBUTE", a coated chemical tanker of 40,000 dwt., delivered from Japan in December 1995. In addition, we time chartered the 31,500 dwt. "LADY INA", built in 1975, which we had also time chartered previously. Throughout the year a small number of vessels were chartered on a voyage basis. The two 16,000 dwt. chemical tankers currently being built for Blue Flag Navigation have been further delayed. The ships will probably be delivered to Storli for time charter during 1997.

During the year we docked 12 ships, which is 2 more than average. The extent to which ships are docked is largely dictated by the authorities and customers' increasing demands for higher quality. Altogether, the fleet was offhire 517 days in 1995, compared to 496 days in 1994.

TANK TERMINAL ACTIVITIES

For a large and global business there are synergies between the operation of ships and the operation of terminals. This is particularly the case in newly industrialised countries where the infrastructure is often inadequate. Investment in tank terminals in these areas provides an opportunity to enter the market at an early point. In addition, such investments will produce increased transport volumes, which in turn will have an impact on the utilisation and profitability of the vessels. Customers will also experience a considerable synergy.

Baytank - Houston, USA

The upswing of recent years continued in 1995, resulting in a profit of USD 2.9 mill., compared to USD 1.3 mill. in 1994. The profit increase in 1995 is primarily due to better utilisation of tank capacity. Moreover, terminal earnings were boosted by the start-up of two specially constructed spherical tanks for storing acetaldehyde. The tanks have been leased on a 10-year contract basis to PMI Trading Ltd., which is a subsidiary of the Mexican state oil company PEMEX.

Baytank has a total capacity of 171.000 cbm. This will increase by approx. 27,000 cbm in 1996 as a result of the building of six new tanks. The additional capacity will be operative in the autumn of 1996.

VOTTN - Ningbo, China

1995 was the first full year of operation, and the company already has largely succeeded in establishing itself as a terminal of high standards. Ningbo is developing into an important chemicals transit point for the Shanghai area with total imports of approx. 420,000 tons in 1995.

Storli's share of the profit for 1995 was a satisfying USD 330,000. The positive result was achieved on account of extensive demand for storage capacity. However, the demand subsided somewhat towards the end of the year. It has been decided that the

terminal capacity should be increased from 24,400 cbm to 65,450 cbm. Completion of this expansion is planned for 1997. In 1995 Storli increased its stake in the terminal from 10 to 12.5 per cent.

DMTTC - Dalian, China

In order to participate in the anticipated growth in China, the company decided to invest in yet another Chinese terminal - at Dalian in the northern part of the country. In the future, Dalian will become an important point of consolidation for our shipping activities in the Far East.

The Chinese authorities have selected Dalian as one of four main harbours to benefit from considerable investment in the infrastructure. Its favourable geographical location means the terminal will be a service centre for distribution in northern and mid-China, as well as an important point of transit in a growing Intra Far East market.

In its first stage the terminal will have a capacity of approx. 60,000 cbm in 35 tanks. The terminal will be named Dalian Marine Tank Terminal Company. Total investments for the first stage of construction will be around USD 30 mill.

The terminal will be built in compliance with strict quality and environmental requirements with due regard to safety and efficiency. With our 44 per cent stake, Storli is the main shareholder, and will be responsible for the terminal's development, technology and operation. In addition to Storli, the other participants in this project will be Dalian Port Authority, Mitsui & Co. Ltd. and Van Ommen.

It is planned that the terminal will start operating in 1997.

OPERATIONS/SAFETY/ENVIRONMENT

Storli wishes to maintain a stable long-term policy of operations. Our objective is to offer high quality service at all stages so that we may satisfy our customers' need for the safe and efficient transport of chemicals. In addition, we have to comply with increasingly stricter national and international regulations. This requires high standards within the areas of manning, technology and organisational administration.

Our maintenance policy is based on a regular long-term preventative maintenance programme. Our vessels are normally docked every 30 months, and maintenance work is also carried out continuously while at sea.

In order to further develop our overall quality, we have established a quality programme which includes organisational matters. In February 1994 we obtained accreditation of quality from Det norske Veritas. This process was continued in 1995 and in the course of 1996 all our ships will be certified. The quality programme covers SEP (Safety and Environmental Protection) as well as compliance with ISO 9002. The handling of nonconformists is a central element in the programme. Through SAFIR (Safety and Improvement Reporting) we identify the nonconformists, determine the cause, and implement corrective measures. The Quality programme is an excellent device which contributes to the improvement and further development of our overall efficiency and profitability.

In November 1993, following increased international focus on safety at sea, a new international quality standard was formulated through IMO. The standard was called "The ISM Code - International Safety Management Code" and was incorporated in SOLAS (Safety of Life at Sea), chapter 9. All vessels above 500 grt are required to meet the new standard by 1 July 1998. Storli already complies with this standard.

Storli is keenly aware of environmental issues, and the prevention and containment of pollution at sea is a major concern. There were no accidents having any significant environmental impact this year.

Storli is in favour of increased quality control both by customers and government authorities. Our customers regularly carry out extensive inspections of our ships, routines and systems. We believe that over time this will give us a competitive edge.

ORGANISATION

Storli attaches great importance to a personnel policy which ensures that we have qualified staff ashore as well as aboard our ships at all times. The ships are chiefly manned with Norwegian officers with long experience in operating chemical tankers. When hi-



Completion of yard no. 132
at Kverner Florø, Norway.

ring our Philippine crews, we put great emphasis on continuity and experience.

We have a long-term mariner staffing policy, and because we consider recruiting to be essential we operate an extensive training program for trainee officers and cadets. Furthermore, we attach great importance to on-board training and the running of relevant courses.

At year end Group employees totalled 1550 individuals.

FINANCES

Result

In 1995 the group achieved a pre-tax profit of NOK 394.4 mill, compared to a profit of NOK 221.5 mill. in 1994. This result includes foreign currency net gains amounting to NOK 30.5 mill., compared with NOK 39.4 mill in 1994.

The level of rates achieved as expressed in USD, is approx. 22 per cent higher than the previous year. Operating expenses expressed in NOK for comparable tonnage increased by 3 per cent compared with 1994. A total of 12 ships were docked during the year.

Accounting standards

In accordance with international accounting standards and the principles stipulated in the proposed new Norwegian Accounting Act, the company has decided to enter the first year's instalments under long-term debt, and to use the current exchange rate for all foreign currency amounts. Compared with the accounting standard used in 1994 these changes represent a NOK 54 mill. increase in foreign currency gains.

In view of the expected useful life of the company's specialised chemical tankers, and in line with the standard practice within the industry, the period of depreciation has been changed from 20 years to 25 years. This increased the 1995 profit by NOK 99.6 mill.

Foreign currency

The profit and loss accounts and balance sheet are influenced by the USD/NOK exchange rate. In 1995 the average exchange rate was NOK 6.34, which is approx. 10 per cent down from 7.05 in

1994. This negatively impacted the operating profit by about NOK 97 mill.

The company's current assets and debt are expressed in USD. In 1995 the USD exchange rate fell from NOK 6.76 to NOK 6.32 at year-end. This change gave rise to foreign currency gains of NOK 87.5 mill. on the company's long-term debt. For the same reason, a foreign currency loss of NOK 57.5 mill. arose on the company's net current assets. Additionally, currency gains of NOK 0.5 mill. were realised on forward contracts entered into in order to secure the company's operating expenses.

All of Storli's revenues are in USD. Ship values are similarly stipulated in USD. Consequently, it is Storli's policy to use the USD as its principal currency, and to reduce all other foreign currency exposure.

Liquidity

The company's liquid reserves have increased further in 1995, amounting to NOK 1,207.8 mill. at year-end. This improvement is due to a positive net cash flow from operations, reduced partly by a lower USD exchange rate at year-end. Payments related to investments amounted to NOK 627.8 mill. in 1995. Total outstanding debt has increased by NOK 375.3 mill., of which NOK 98.2 mill. is attributable to deferred taxes.

Financing

In June 1995 the company took over a convertible loan of NOK 25 mill. from company directors and executives. With a right of conversion in April 1998, April 1999, and April 2000, at the rate of NOK 125, NOK 130 and NOK 135 respectively. There were a total of 31 lenders.

Equity base

At year-end the company had a total book equity of NOK 1,555.0 mill. Because our fleet is made up of specialised ships with only a limited second-hand market, we have adhered to our previous practice of making no value adjustments of equity. However, the Board is of the opinion that the market value of the fleet significantly exceeds the book value.

Profit for the year

Group pre-tax profit came to NOK 394.4 mill. After estimated deferred tax of NOK 105.1 mill. for

*The Board of Directors of Skibsaksjeselskapet Storli.
From left: Per Ivar Gjørum, B.D. Odfjell jr (Chairman),
Terje Storeng, Jørgen Faye and Bjarte Kvåle.*



1995, the profit for the year amounted to NOK 289.3 mill. The portion of profits attributable to minority interests was NOK 2.5 mill.

In 1995 the parent company had a profit of NOK 258.1 mill, and a further NOK 1.5 mill. will come in the form of Group contributions. In line with the company's shareholder policy, the Board proposes a dividend of NOK 2.- per share for approval at the General Meeting, or the equivalent of NOK 43.7 mill, compared to NOK 32.8 mill. the previous year. The Board further recommends an allocation of NOK 172.6 mill. towards free reserves and NOK 43.3 mill. towards statutory reserves.

MISCELLANEOUS



At year-end the company had 1,703 shareholders. The Chairman of the Board, along with companies under his control, owns 7,600,885 shares. No other shareholders own 20 per cent of the company or more. Board members Terje Storeng, Jørgen Faye and Per Gjørum own 3,168, 300 and 60 shares respectively. The Managing Director, along with a company under his control, owns 29,800 shares. The Auditor owns no shares in the company.

Total remuneration to the Board of Directors amounted to NOK 375,000 for 1994. The Managing Director's 1995 salary was NOK 1,426,979. The Auditor's fee for 1995 amounted to NOK 830,000, of which NOK 140,000 was for advisory services.

PROSPECTS

Storli's strategy is firmly based on world-leadership in the transportation of chemicals.

1995 witnessed encouraging developments in the market for chemical tankers, resulting in an improvement in the underlying balance of supply and demand, despite the fact that only an insignificant amount of tonnage was scrapped.

The positive demand in 1995 is expected to continue in 1996. The demand curve in the Far East appears steeper than elsewhere.

The number of chemical tankers on order has increased and now constitutes 16 per cent of the existing fleet. Newbuilding deliveries will be spread evenly over the next few years. Provided scrapping is maintained at a moderate level, we expect the equation between supply and demand to remain virtually unchanged in 1996. In the long term, this balance will depend on the extent to which tonnage is scrapped and demand is maintained. Stricter quality requirements from customers and government authorities may also have a greater impact in this respect.

Storli's newbuilding programme is well adapted to market developments, and both the portfolio and character of our fleet, as well as the quality of our personnel are satisfactory.

The Board expects a favourable result also in 1996.

Bergen 31 December 1995

23 February 1996

Terje Storeng

B.D. Odfjell jr.
Chairman of the Board

Jørgen Faye

Per Ivar Gjørum

Bjarte Kvåle

Bjørn Sjaastad
Managing Director

The Board of Directors of
Skibsaksjeselskapet Storli

PROFIT AND LOSS STATEMENT

NOK 1 000	Note	Storli		Storli Group	
		1995	1994	1995	1994
Operating Income (Cost):					
Gross freight revenue		2 981 811	2 564 102	3 011 930	2 590 002
Voyage cost		(916 556)	(833 547)	(874 142)	(798 203)
Freight income time-charter basis		2 065 255	1 730 555	2 137 788	1 791 799
Distributed to participating owners		(507 741)	(396 335)	(525 058)	(410 702)
Result on a time-charter basis	2	1 557 514	1 334 220	1 612 730	1 381 097
Operating cost	3	(646 612)	(564 226)	(625 021)	(562 919)
Time-charter cost	4	(231 258)	(218 416)	(233 594)	(220 622)
Net Result from Vessels' Operation		679 644	551 578	734 115	597 556
Other income	5	23 434	19 665	180 053	167 612
Other cost	5	-	-	(129 888)	(125 337)
General and administrative cost	3	(110 250)	(93 879)	(114 110)	(96 947)
Depreciation	10	(183 284)	(262 411)	(204 787)	(284 108)
Operating Result		409 544	214 953	465 383	258 776
Financial Income (Cost):					
Interest received		78 440	59 794	72 389	61 341
Interest and fees paid		(175 495)	(101 894)	(190 553)	(126 836)
Other financial income (cost)		16 741	(11 195)	16 767	(11 195)
Currency gain (loss)	6	30 155	40 324	30 461	39 378
Net financial income (cost)		(50 159)	(12 971)	(70 936)	(37 312)
Net Result before Taxes		359 385	201 982	394 447	221 464
Taxes	19	(101 244)	(58 189)	(105 110)	(59 432)
Net Result for the Year		258 141	143 793	289 337	162 032
Revaluation and Adjustments:					
Dividend allocation		(43 697)	(32 773)	(43 697)	(32 773)
Contribution from subsidiaries		1 467	815	-	-
Legal reserve	16	(43 326)	(35 435)	(43 326)	(35 446)
General reserve	16	(172 585)	(76 400)	(199 774)	(91 467)
Minority interest, portion of result	14	-	-	(2 540)	(2 346)
Total		(258 141)	(143 793)	(289 337)	(162 032)

BALANCE SHEET

ASSETS

NOK 1 000	Note	Storli		Storli Group	
		1995	1994	1995	1994
Current Assets:					
Cash and bank deposits	7,23	854 816	813 546	892 523	852 352
Bonds etc.	23	315 233	173 411	315 233	173 411
Shares	8	9 258	9 258	9 275	9 275
Bunkers etc.	23	35 794	31 879	36 079	32 134
Short term receivables	23	152 611	156 059	181 208	177 979
Total Current Assets		1 367 712	1 184 153	1 434 318	1 245 151
Fixed Assets:					
Bank deposits	9,23	58 144	31 095	58 144	31 095
Shares in subsidiaries	8	8 800	8 694	-	-
Other shares	8	4 565	3 718	4 565	3 720
Loans to subsidiaries	9	242 101	239 034	-	-
Other long term receivables	9,23	46 694	43 782	65 819	44 793
Deferred tax benefit	20	-	2 769	-	2 769
Vessels	10,11	2 880 509	2 170 550	2 880 509	2 170 550
Newbuildings	10,11	41 209	390 365	41 209	390 365
Tank terminal	10,11	-	-	482 399	483 961
Office equipment and cars	10,11	7 350	4 337	8 906	6 260
Real estate	10,11	50 782	21 754	57 352	28 550
Total Fixed Assets		3 340 154	2 916 098	3 598 903	3 162 063
Total Assets		4 707 866	4 100 251	5 033 221	4 407 214

Bergen 31 December 1995

23 February 1996

The Board of Directors of
Skibsaksjeselskapet Storli

Terje Storeng

Per Ivar Gjærum

B.D. Odfjell jr.
Chairman of the Board

Bjarte Kvåle

Jørgen Faye

Bjørn Sjaastad
Managing Director



LIABILITIES AND SHAREHOLDERS' EQUITY

NOK 1 000	Note	Storli		Storli Group	
		1995	1994	1995	1994
Current Liabilities:					
Dividend allocation		43 697	32 773	43 697	32 773
Taxes payable		1	-	12 632	603
Employee taxes etc.	23	23 500	20 319	24 324	30 854
Other short term liabilities	23	206 399	137 672	239 820	144 954
Due to subsidiaries	6	18 278	5 923	-	-
Total Current Liabilities		291 875	196 687	320 473	209 184
Long Term Liabilities:					
Deferred tax liabilities	20	415 773	317 299	415 773	317 619
Other long term liabilities	22	-	8 653	2 176	10 772
Convertible loan		25 000	-	25 000	-
Mortgage debt	13	2 347 188	2 165 491	2 713 748	2 564 331
Total Long Term Liabilities		2 787 961	2 491 443	3 156 697	2 892 722
Total Liabilities		3 079 836	2 688 130	3 477 170	3 101 906
Minority interests	14	-	-	1 013	1 027
Shareholders' Equity:					
Share capital	15, 16	218 485	218 485	218 485	218 485
Legal reserve	16	86 691	43 365	87 097	45 614
Temporary restricted reserve	16	30 037	60 074	30 050	60 083
Total Undistributable Reserve		335 213	321 924	335 632	324 182
Distributable Reserve (General Reserve)	16	1 292 817	1 090 197	1 219 406	980 099
Total Shareholders' Equity	16	1 628 030	1 412 121	1 555 038	1 304 281
Total Liabilities and Shareholders' Equity		4 707 866	4 100 251	5 033 221	4 407 214
Secured liabilities	17	2 406 724	2 218 059	2 776 444	2 616 899
Guarantees	18	445 594	476 137	68 233	68 160

CASH FLOW STATEMENT

NOK 1 000	Storli		Storli Group	
	1995	1994	1995	1994
Cash from/used in operations:				
Net result for the year	258 141	143 793	289 337	162 032
Profit/loss from sale of fixed assets	(150)	-	(150)	(310)
Depreciation	183 284	262 411	204 787	284 108
Currency (gain) loss	(30 155)	(40 324)	(30 461)	(39 378)
Changes in deferred tax liability	101 243	58 189	105 110	58 406
Minority interests' portion of income	-	-	(2 540)	(2 346)
Cash generated by operations	512 363	424 069	566 083	462 512
Changes in current assets/liabilities	75 144	(110 493)	84 595	(113 056)
Net current cash developments from operations A	587 507	313 576	650 678	349 456
Cash from/used on investments:				
Investment in fixed assets	(577 138)	(436 478)	(627 838)	(476 074)
Sale of fixed assets	1 311	-	1 315	969
Reduction (increase) long term receivables	(33 981)	(25 980)	(48 920)	130 305
Net change from investments B	(609 808)	(462 458)	(675 443)	(344 800)
Cash from/used on financing activities:				
New loans	1 978 478	1 005 178	1 978 478	1 038 978
Debt repayments	(1 660 813)	(763 300)	(1 667 133)	(932 300)
Currency adjustments	(80 966)	(115 062)	(71 814)	(111 601)
Dividend allocation	(32 773)	(16 386)	(32 773)	(16 386)
Contribution from subsidiaries	1 467	815	-	-
Net change from financing activities C	205 393	111 245	206 758	(21 309)
Net changes in funds (A+B+C)	183 092	(37 637)	181 993	(16 653)
Cash position 1 January	986 957	1 024 594	1 025 763	1 042 416
Cash position 31 December	1 170 049	986 957	1 207 756	1 025 763



ACCOUNTING PRINCIPLES

1 ACCOUNTING PRINCIPLES

All items in the financial statement have been reported, valued and accounted for in accordance with the Companies Act and Generally Accepted Accounting Principles in Norway. During the last years material changes in Norwegian GAAP have been implemented which have brought Norwegian GAAP in line with the International Accounting Standards (IAS).

a. Consolidation

The consolidated accounts consist of Skibsaksjeselskapet Storli and subsidiaries referred to in note 8. Common accounting principles is applied to all companies in the Storli Group. Intra-Group transactions (receivables, liabilities etc.) have been eliminated.

Foreign subsidiaries have been converted to NOK based on the rate of exchange prevailing at 31 December, both with respect to the profit and loss account and the balance sheet. Conversion differences are recorded directly to the equity.

b. Current assets

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

c. Fixed assets - depreciation

Fixed assets are depreciated based upon the straight line method. From 1995 the depreciation period for vessels has been changed from 20 years to 25 years. The effect on the profit and loss account is shown in note no. 10.

d. Newbuilding contracts

Newbuildings include payments made under the contracts together with other costs directly associated with the newbuilding program. In 1995 interests during the construction period has been expensed. The effect on our profit and loss account is shown in note no. 10

e. Shares

Shares in public companies are classified as current assets and valued at the lower of historical and current cost.

f. Limited partnerships etc.

Storli has only majority owned limited partnerships included in the accounts, and two wholly owned Isle of Man companies. These companies have been reported on a gross basis. Deferred tax and tax payable is treated as a part of Storlis tax and deferred tax

and tax payable in the balance report. The following companies are included in Storli:

Odfjell Tankers KS
Minde Chartering KS
Slaney Shipping Company Limited
West Coast Maritime Limited

g. Pension and accrued pension liability

Storli's pension obligations are mainly covered through life insurance companies. The present value of the liabilities have been calculated based on actuarial principles. The difference between present value of the calculated liabilities and the pension premium fund is included under long term assets or long term liabilities. In addition we have made separate pension arrangements with some former employees. Uncovered pension liabilities are calculated and included in the above calculation. Change in net pension liability is expensed in the profit and loss account.

h. Taxes and deferred tax liabilities

Taxes are calculated based on the company financial result in the profit and loss statement and consists of taxes payable and deferred taxes. The calculation of deferred taxes are based on the temporary differences between the result in the profit and loss statement and the tax statement. Deferred taxes are listed as long term liability.

i. Foreign currency

All revenues are denominated in USD. Most of the costs are in foreign currencies. Assets and liabilities are valued at year end exchange rate. From 1995 long term assets and liabilities are valued at year end exchange rate. The effect on our accounts is shown in note no. 6.

j. Periodical costs

Storlis vessels are normally drydocked every 30 month. All related costs are expensed in the period they occur.

k. Long term mortgage debt

From 1995 mortgage debt due next year is included under long term debt. The balance sheet for 1994 has been rearranged accordingly.



2 RESULT ON A TIME-CHARTER BASIS:

Gross freight revenue represents freight earned for all vessels operated by Odfjell Tankers KS. Voyage costs are the related costs for the same vessels. Distributing to participating owners represents net earning paid to external participating owners. Result on a time-charter basis represents net earning for the Storli owned and time-chartered vessels.

3 OPERATING COST: (NOK 1 000)

Operating cost are related to the operation of the vessels and represents wages, repair, maintenance, insurance etc. for vessels owned by Storli. General and administrative cost for Storli is reported separately. Included are the following; salaries, wages, social and pension costs:

	1995	1994
Storli	288 576	263 461
Subsidiaries	60 626	58 310
Storli Group	349 202	321 771

4 TIME-CHARTER COST:

Time-charter cost represents hire paid for vessels hired by Odfjell Tankers KS according to the fleet list on page 37.

5 OTHER INCOME AND OTHER COST:

Other income for the parent company represents management fee and rental income from real estate. For the Storli Group other income also include external income from foreign subsidiaries. Other cost represents operating, general and administrative cost for the foreign subsidiaries.

6 CURRENCY GAIN (LOSS): (NOK 1 000)

The accounting policies related to balance sheet items in foreign currencies is stated in note no. 1.

	Storli		Storli Group	
	1995	1994	1995	1994
Repayment of debt	17 412	(14 921)	17 412	(11 732)
Forex contracts	466	5 496	466	5 496
Mortgage debt - long term receivables	56 128	155 386	56 128	150 979
Result of changes in the accounting principles per 1 January	13 912	-	13 912	-
Cash and bank deposits	(50 489)	(98 694)	(50 489)	(98 486)
Other current assets - liabilities	(7 274)	(6 943)	(6 968)	(6 879)
Currency gain (loss)	30 155	40 324	30 461	39 378

Changes in accounting principles in 1995 has resulted in currency gain of NOK 54 mill. compared to principles used previously.

7 CASH AND BANK DEPOSITS:

Included in this item is approx. NOK 6.7 mill. of tax withheld from employees.

8 SHARES: (NOK 1 000)

Company name	Share capital	Our share	No. of shares	Nominal value	Market value	Cost	Book value		
							1995	1994	
Shares (current):									
Nomadic Shipping AS	104 750	9.76%	1 022 000	10 220	13 082	9 258	9 258	9 258	
Total shares (current)					13 082	9 258	9 258	9 258	
Shares in subsidiaries:									
Odfjell Tankers AS	1 000	100%	1 000	1 000		970	970	970	
Minde Chartering AS	100	100%	100	100		567	567	567	
Jacob Christensens Assuranceforrning AS	50	100%	50	50		100	100	-	
Odfjell Tankers (USA) Inc., Houston	USD 10	100%	1 000	USD 10		3	3	3	
Odfjell Tankers BV, Rotterdam	NLG 60	100%	60	NLG 60		6 581	6 581	6 582	
Odfjell Tankers (S) Pte Ltd., Singapore	SGD 100	100%	100 000	SGD 100		83	83	83	
Odfjell Tankers (Japan) Ltd., Tokyo	JPY 10 000	100%	200	JPY 10 000		489	489	489	
Slaney Shipping Company Ltd.	GBP 0.1	100%	100	GBP 0.1		1	-	-	
West Coast Maritime Ltd.	GBP 0.1	100%	100	GBP 0.1		1	-	-	
Chemical Tankers (Delaware) Inc.	USD 1	100%	1	USD 1		7	7	-	
Total shares in subsidiaries						-	8 802	8 800	8 694
Other shares									
V.O.Tank Terminal Ningbo Co. Ltd., China	CNY 29 000	12.5%	36 250	CNY 3 625		4 565	4 565	3 540	
Asian Chemical Tankers Pte Ltd., Singapore	SGD	50%				-	-	178	
Total other shares						4 565	4 565	3 718	
Total						22 625	22 623	21 670	
Eliminated in the consolidated accounts							(8 783)	(8 677)	
Group							13 840	12 993	

Wholly owned companies indirectly owned through subsidiaries: Odfjell Tankers (Brasil) Representacoes Ltda., Sao Paulo, Odfjell Tankers Guaranty Company and Baytank (Houston) Inc., Houston.

9 LONG TERM RECEIVABLES: (NOK 1 000)

	Storli		
	1995	1994	
Bank deposits:			
The deposits serve as security for mortgage debt related to Baytank (Houston) Inc.	USD 9 200	58 144	31 095
Loans to subsidiaries:			
Odfjell Tankers (Japan) Ltd., Tokyo	JPY 45 695	2 787	3 107
Baytank (Houston) Inc., Houston	USD 37 866	239 314	235 927
Total Storli		242 101	239 034
Other long term receivables:			
Onshore and seagoing personnel		1 027	1 798
Storli's share of long term receivables in limited partnerships		10 771	11 314
Accured pension funds		7 945	-
Other		26 951	30 670
Total Storli		46 694	43 782



10 FIXED ASSETS: (NOK 1 000)

	Cost 1 Jan.	Invested (Sale) book value	Accumulated depreciation prior years	Deprecation this year	Book value 31 Dec.
Storli:					
Vessels and newbuildings	4 360 257	542 326	(1 799 342)	(181 523)	2 921 718
Office equipment and cars	18 926	4 075	(14 588)	(1 063)	7 350
Real estate	27 691	29 726	(5 937)	(698)	50 782
Total Storli	4 406 874	576 127	(1 819 867)	(183 284)	2 979 850
Subsidiaries:					
Tankterminal	807 310	18 959	(323 349)	(20 521)	482 399
Office equipment and cars	7 415	354	(5 492)	(721)	1 556
Real estate	9 758	35	(2 962)	(261)	6 570
Total subsidiaries	824 483	19 348	(331 803)	(21 503)	490 525
Storli Group:					
Vessels and newbuildings	4 360 257	542 326	(1 799 342)	(181 523)	2 921 718
Tankterminal	807 310	18 959	(323 349)	(20 521)	482 399
Office equipment and cars	26 341	4 429	(20 080)	(1 784)	8 906
Real estate	37 449	29 761	(8 899)	(959)	57 352
Storli Group	5 231 357	595 475	(2 151 670)	(204 787)	3 470 375

In 1995 the company extended its depreciation period for vessels from 20 to 25 years. The ordinary depreciation is therefore reduced from 5 to 4 percent p.a.. The effect of this change is a reduction in depreciation of NOK 99.5 mill. for 1995.

In 1995 the company has expenced interest and other financial cost related to the newbuilding program of NOK 24.9 mill.

11 INVESTMENT AND SALE OF FIXED ASSETS: (NOK 1 000)

Storli:	1991		1992		1993		1994		1995	
	I	S	I	S	I	S	I	S	I	S
Vessels and newbuildings	358 384	80 758	405 465	-	265 614	-	435 724	-	542 326	-
Office equipment and cars	4 324	163	1 857	478	2 880	788	622	-	4 074	1 161
Real estate	166	-	-	-	1 220	-	132	-	29 726	-
Total Storli	362 874	80 921	407 322	478	269 714	788	436 478	-	576 126	1 161
Subsidiaries:										
Vessels and newbuildings	-	-	-	2 876	-	-	-	-	-	-
Tank terminal	16 570	-	24 024	80	46 686	-	38 410	939	50 307	-
Office equipment and cars	478	-	790	302	227	-	1 186	30	358	4
Real estate	-	-	-	-	-	-	-	-	35	-
Total subsidiaries	17 048	-	24 814	3 258	46 913	-	39 596	969	50 700	4
Storli Group:										
Vessels and newbuildings	358 384	80 758	405 465	2 876	265 614	-	435 724	-	542 326	-
Tank terminal	16 570	-	24 024	80	46 686	-	38 410	939	50 307	-
Office equipment and cars	4 802	163	2 647	780	3 107	788	1 808	30	4 432	1 165
Real estate	166	-	-	-	1 220	-	132	-	29 761	-
Total Storli Group	379 922	80 921	432 136	3 736	316 627	788	476 074	969	626 826	1 165

12 CONVERTIBLE LOAN:

The convertible loan of NOK 25 mill. from the Board of Directors and management can be converted to shares per 30 April 1998, 30 April 1999 and 28 April 2000 at the rate of NOK 125, NOK 130 and NOK 135 per share respectively.

13 MORTGAGE DEBT: (NOK 1 000)

	Storli	Storli Group
Total mortgage debt	2 347 188	2 713 748
Repayment schedule of total mortgage debt:		
1996	196 183	199 343
1997	196 183	199 343
1998 and following years	1 954 822	2 315 062

14 MINORITY INTERESTS:

Managing Director has minority interest i Minde Chartering KS, with a 2% ownership.

15 SHARE CAPITAL: (NOK 1 000)

	Storli	
	1995	1994
A-shares 14 873 760 each NOK 10	148 738	148 738
B-shares 6 974 752 each NOK 10	69 747	69 747
Total Share Capital	218 485	218 485

The B-shares are identical to the A-shares, except that the B-shares do not carry voting rights.

16 CHANGES IN SHAREHOLDERS' EQUITY: (NOK 1 000)

	Storli		Storli Group	
	1995	1994	1995	1994
Share capital				
Per 1 January	218 485	109 243	218 485	109 243
Bonus issue	-	109 242	-	109 242
Per 31 December	218 485	218 485	218 485	218 485
Legal reserve				
Per 1 January	43 365	7 930	45 614	9 235
Added(used) this year	43 326	35 435	41 483	36 379
Per 31 December	86 691	43 365	87 097	45 614
Temporary restricted reserve				
Per 1 January	60 074	90 111	60 083	90 125
Transferred to distributable reserve (20%)	(30 037)	(30 037)	(30 033)	(30 042)
Per 31 December	30 037	60 074	30 050	60 083
Distributable reserve (general reserve)				
Per 1 January	1 090 197	1 093 002	980 099	960 055
From temporary restricted reserve	30 037	30 037	30 033	30 042
From (to) profit and loss account	172 585	76 400	199 774	91 467
Bonus issue	-	(109 242)	-	(109 242)
Adjustment	(2)	-	9 500	7 777
Per 31 December	1 292 817	1 090 197	1 219 406	980 099
Total shareholders' equity	1 628 030	1 412 121	1 555 038	1 304 281

17 SECURED LIABILITIES: (NOK 1 000)

	Storli		Storli Group	
	1995	1994	1995	1994
Collateralized debt	2 347 188	2 153 163	2 716 908	2 552 003
Collateralized guarantees	59 536	64 896	59 536	64 896
Total secured liabilities	2 406 724	2 218 059	2 776 444	2 616 899
Book value - assets pledged as collateral	2 550 879	2 358 464	3 034 840	2 841 427

18 GUARANTEES ON BEHALF OF: (NOK 1 000)

	Storli		Storli Group	
	1995	1994	1995	1994
Baytank (Houston) Inc., Houston	369 720	398 840	-	-
Other subsidiaries	8 150	9 648	-	-
Uncalled committed capital in limited partnerships	47 292	47 292	47 802	47 802
Other guarantees	20 431	20 357	20 431	20 357
Total guarantees	445 594	476 137	68 233	68 159



19 TAXES: (NOK 1 000)

Deferred taxes is calculated based on the temporary differences between book value and tax value including the tax loss carried forward (see spesification below).

In accordance with the accounting standard for tax treatment, positive and negative temporary differences which are reversed or can be reversed within a given period is eliminated and recorded at net value. Deferred tax is calculated based on the temporary differences and tax losses carried forward.

In accordance with the accounting standard for tax treatment in relation to negative temporary differences which can not be settled must be classified as deferred taxes in the balance sheet.

Below is a spesification of the differences between the profit and loss statement before taxes and the basis for the tax calculation.

	Storli		Storli Group	
	1995	1994	1995	1994
Net result before taxes	359 385	201 982	394 447	221 464
Contribution from subsidiaries	1 467	815	-	-
Permanent differences	1 048	5 021	1 063	(4 923)
Changes in temporary differences	(81 991)	(5 608)	(81 381)	(5 999)
Utilisation of loss carried forward	(279 904)	(202 210)	(280 007)	(201 978)
Basis for tax calculation	5	0	34 122	8 564
Taxes payable:				
Norway	(1)	-	(18)	(4)
Abroad	-	-	(3 849)	(1 195)
Total taxes payable	(1)	-	(3 867)	(1 199)
Deferred taxes:				
Norway	(101 243)	(58 189)	(101 243)	(58 233)
Abroad	-	-	-	-
Total deferred taxes	(101 243)	(58 189)	(101 243)	(58 233)
Taxes	(101 244)	(58 189)	(105 110)	(59 432)

20 DEFERRED TAX LIABILITY: (NOK 1 000)

	Storli		Storli Group	
	1995	1994	1995	1994
Deferred Tax:				
Debt reserve	-	131 881	-	133 213
Loss on bonds etc.	-	(24 397)	-	(24 397)
Interest swap	21 061	-	21 061	-
Total short term items	21 061	107 484	21 061	108 816
Fixed assets	1 183 378	938 381	1 183 378	938 381
Vessels Classification Fund	-	138 901	-	138 901
Profit and loss account	165 353	206 692	165 353	206 692
Accured Pension Fund	9 063	-	9 063	-
Other long term temporary differences	106 050	21 657	106 050	21 657
Total long term items	1 463 844	1 305 631	1 463 844	1 305 631
Total temporary differences	1 484 905	1 413 115	1 484 905	1 414 447
Loss carried forward for tax purposes	-	(279 905)	-	(280 232)
Basis for calculation of temporary differences and loss carried forward	1 484 905	1 133 210	1 484 905	1 134 215
Tax rate	28%	28%	28%	28%
Deferred tax liability	415 773	317 299	415 773	317 619
Deferred tax benefit:				
Accrued pension liability	-	9 891	-	9 891
Tax rate	28%	28%	28%	28%
Deferred tax benefit	-	2 769	-	2 769

21 LOSS CARRIED FORWARD: (NOK 1 000)

	Storli		Storli Group	
	1995	1994	1995	1994
Loss carried forward	-	279 905	-	279 905

22 PENSION COST AND ACCRUED PENSION LIABILITY: (NOK 1 000)

	Storli	
	1995	1994
Pension cost:		
Present value current year service cost	4 250	4 009
Interest cost on pension liabilities prior years	4 155	3 874
Return on pension plan assets	(4 660)	(4 005)
Net periodic pension cost	3 745	3 878
Employees social expenses	528	88
Total periodic pension cost	4 273	3 966
Accrued pension liability:		
Actuarial present value of benefit obligation	(75 977)	(71 056)
Actuarial value of pension premium fund	80 884	62 403
Unrecognized gain -(loss)	3 037	
Accrued pension funds -(liability)	7 944	(8 653)
Accrued employers social cost	1 120	1 237
The above calculation is based on the following assumptions:		
Discount rate	6.00%	6.00%
Asset return	7.00%	7.00%
Inflation	2.50%	2.50%
Salary progression	2.50%	2.50%
Pension indexation	2.50%	2.50%

23 USD EXPOSURE FOR BANK DEPOSITS, RECEIVABLES AND DEBT: (NOK 1 000)

			Storli Group	
			1995	1994
Cash and bank deposits	USD	140 561	888 350	761 885
Bonds etc	USD	49 879	315 233	173 441
Short term receivables	USD	24 849	157 046	145 449
Long term bank deposits	USD	9 200	58 144	31 096
Other long term receivables	USD	4 362	27 568	11 519
Total receivables	USD	228 851	1 446 341	1 123 390
Employee taxes etc.	USD	(1 621)	(10 245)	(13 662)
Other short term liabilities	USD	(21 176)	(133 837)	(58 343)
Mortgage debt	USD	(427 722)	(2 703 205)	(2 252 183)
Total liability	USD	(450 519)	(2 847 287)	(2 324 188)
Net liability	USD	(221 668)	(1 400 946)	(1 200 798)

24 OFF - BALANCE SHEET ITEMS:

At year end the company had currency exchange contracts for sale of USD 5 mill. with maturity in 1996.

The company had per 31 December no interest rate contract with maturity after 1996.





AUDITOR'S REPORT

We have audited the annual financial statements of Skibsaksjeselskapet Storli for 1995, showing a net income for the year of NOK 258 141 000 for the parent company and a consolidated net income for the year of NOK 289 337 000. The annual financial statements, which comprise the Board of Directors' report, the profit and loss accounts, the balance sheet, cash flow statement, notes to the accounts and consolidated accounts, are presented by the company's Board of Directors and its Managing Director.

Our responsibility is to examine the company's annual financial statements, its accounting records and other related matters.

We have conducted our audit in accordance with relevant laws, regulations and Norwegian generally accepted auditing standards. We have performed those audit procedures which we have considered necessary to confirm that the annual financial statements are free of material misstatements. We have examined selected parts of the evidence supporting the accounts and assessed the accounting principles applied, the estimates made by management and the content and presentation of the annual financial statements. To the extent required by Norwegian generally accepted auditing standards, we have reviewed the company's internal control and the management of its financial affairs.

The Board of Director's proposal for the allocation of the net income and transfers between equity accounts complies with the provisions of the Norwegian Joint-Stock Companies Act.

In our opinion, the annual financial statements have been prepared in accordance with the requirements of the Norwegian Joint-Stock Companies Act and present fairly the financial position of the company and group as of December 31st 1995 and the result of its operations for the financial year, in conformity with Norwegian generally accepted accounting principles.

Bergen, March 8th 1996
ERNST & YOUNG-BERGEN AS

Karl Erik Svanevik
State Authorized Public Accountant (Norway)

Note: The translation into English has been prepared for purpose of information only.

ANALYTICAL INFORMATION

Freight rates

Storli's results are influenced by the freight rates. A change of USD 1,000 per day will, on an annual basis, affect the results by approx. NOK 83 mill.

due to a net debt position, this has a negative accounting effect. On the other hand a stronger USD exchange rate influences both the results as well as the real equity positively.

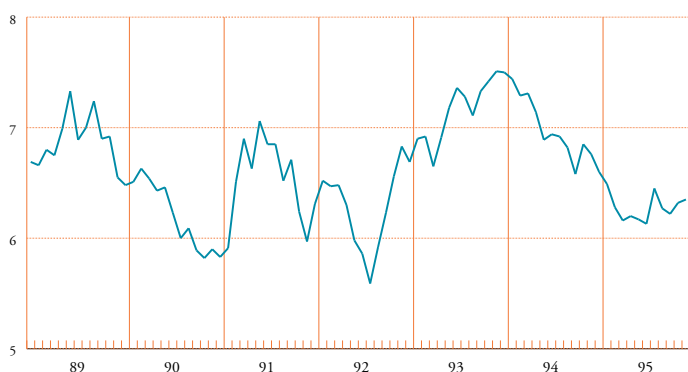
Interest

The Storli Group's outstanding mortgage debt and liquidity reserves are USD based. The debt is fixed for short term periods through interest rate agreements. Changes in the floating LIBOR rates of 1% will influence net financial items in 1996 by approx. NOK 11 mill., at a constant debt level.

Bunkers

Bunkering costs represented about 36% of the voyage expenses in 1995. A variation in bunker prices of USD 1 per ton annually will lead to approx. NOK 2.5 mill. change in voyage expenses for the vessels where Storli has a direct economic interest.

Exchange Rate (USD/NOK)

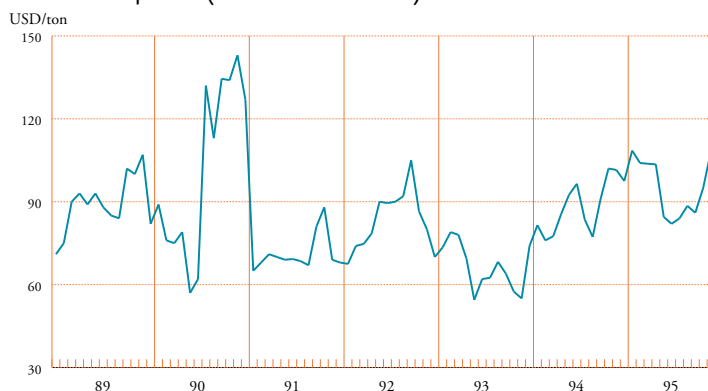


Rates of exchange

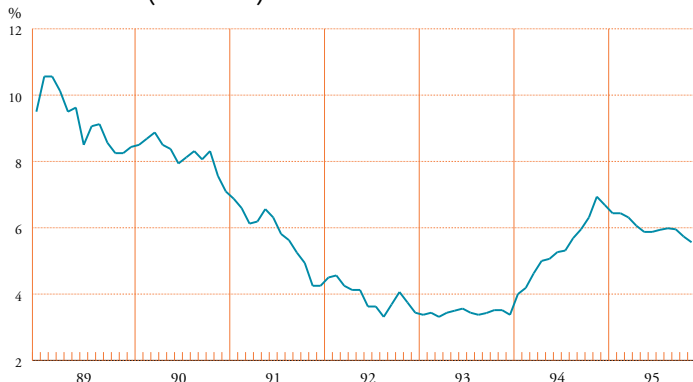
Storli is a USD based company. All revenues are denominated in USD and ship values are also expressed in USD. Storli therefore has as policy to maintain USD as its principal currency, and to reduce all other currency risks. The different items of the profit and loss statement will be influenced by the exchange rate between USD and NOK. An increase of NOK 0.10 in the average exchange rate will improve net result before tax by approx. NOK 14 mill.

On the other hand, a stronger USD exchange rate compared to NOK translates into a currency loss on the USD denominated mortgage loans and currency gain on the Group's current assets. Overall,

Bunker prices (380 cst Rotterdam)



USD Libor (6 months)



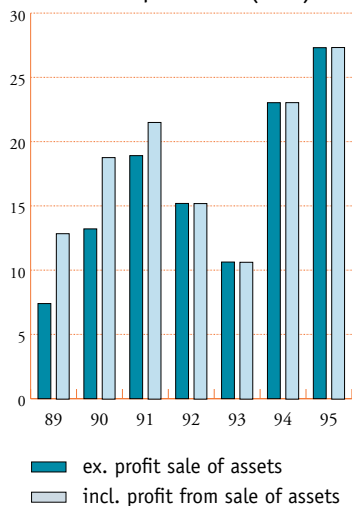
Financing

The company finances its vessels with loans from some of the world's leading commercial banks, traditionally with a mortgage as security. Some of the vessels are unencumbered. The average repayment profile of the mortgage debt related to the existing vessels (excl. newbuildings) is approx. 7 years with an even repayment profile. The newbuilding program is financed on a long term basis with an average repayment profile of approx. 15 years.



SHAREHOLDER INFORMATION

Cash flow per share (NOK)



Shareholder policy

Storli's objective is to give a long-term competitive yield to its shareholders. The company emphasises a friendly dividend policy for its shareholders, based upon the company's performance, current investment programs as well as the tax situation. Return on capital will primarily be realised through share price developments.

Reporting of results

Storli attaches great importance to ensuring that essential information concerning the company's development is released without delay to our shareholders and the stock market. Storli issues interim reports of accounts on a four-month basis. The financial calendar for the next year is outlined on the inside of the cover.

Share price development

At the close of 1995, the price of Storli's A-shares was NOK 95.00, compared to the corresponding figure for 1994 of NOK 118.00. The drop in price was 19.5 per cent. B-share prices were NOK 94.00 and NOK 114.00 respectively, which was a decrease of 17.5 per cent. During the

same period the shipping-index on the Oslo Stock Exchange rose by 2.5 per cent. In 1995 the turnover totalled 11,700,513 shares, constituting 7,423,258 A-shares and 4,277,255 B-shares. Compared to the previous year, this represented an increase of approx. 28%. During 1995 the Storli A-share was traded at the Oslo Stock Exchange 246 out of 251 trading days. In addition to being listed on the Oslo Stock Exchange, the Storli shares were traded on SEAQ International, which is a trading system for foreign shares on the London Stock Exchange. In 1994 an ADR-program for the Storli share was established in the USA, which enables the shares to be traded in USD.

RISK-regulation

For the Storli-share the following RISK-regulation has been established:

- Per 1 January 1996 negative NOK 2.00 per share*
 - Per 1 January 1995 negative NOK 1.50 per share
 - Per 1 January 1994 negative NOK 2.49 per share
 - Per 1 January 1993 NOK 0.00 per share
- * *calculated*

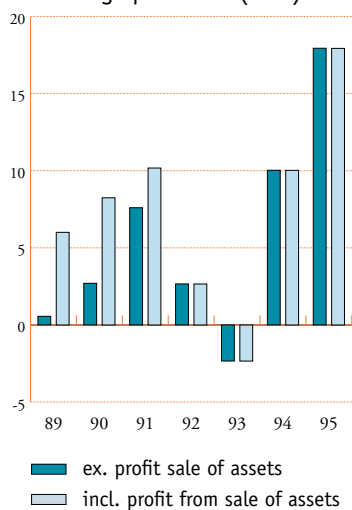
Shareholders

At the end of 1995 there were 1,262 holders of Storli A-shares, and 723 holders of Storli B-shares. Adjusted for shareholders owning both categories, the total number of shareholders was 1,703.

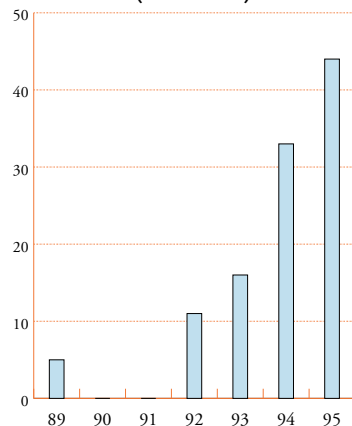
Foreign quota

Foreign investors are entitled to own up to one-third of the total number of A-shares and all of the B-shares in the company. At the close of 1995, 10.8 per cent of the A-shares and 23.7 per cent of the B-shares were owned by foreign investors, which is equivalent to 14.9 per cent of the total share capital. At the end of 1994 14.0 per cent of the shares were held by foreign investors.

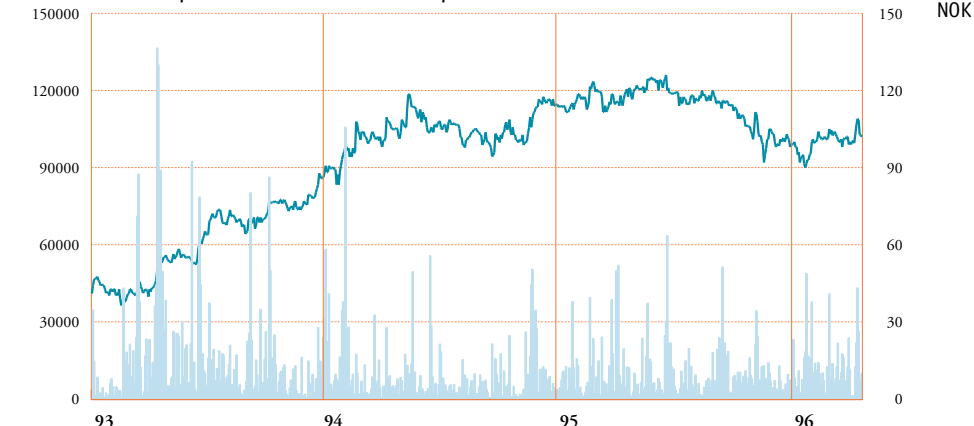
Earnings per share (NOK)



Dividend (NOK mill.)



Volume Share price and volume development

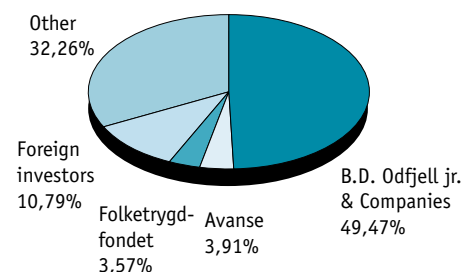


DISTRIBUTION

Number of shares	Shareholders		Shares	
	Number	Percent	Number	Percent
1 - 1.000	909	67,3%	327 180	2,2%
1.001 - 5.000	274	20,3%	712 511	4,8%
5.001 - 50.000	138	10,2%	2 134 941	14,4%
50.001 - 100.000	11	0,8%	737 855	5,0%
100.001 -	18	1,3%	10 961 273	73,7%
Total	1 350	100,0%	14 873 760	100,0%

Number of shares	Shareholders		Shares	
	Number	Percent	Number	Percent
1 - 1.000	577	73,0%	134 200	1,9%
1.001 - 5.000	106	13,4%	264 590	3,8%
5.001 - 50.000	84	10,6%	1 572 054	22,5%
50.001 - 100.000	6	0,8%	401 644	5,8%
100.001 -	17	2,2%	4 602 264	66,0%
Total	790	100,0%	6 974 752	100,0%

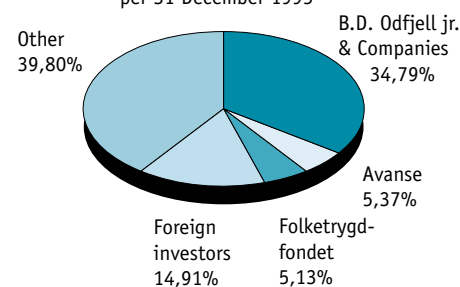
Shareholder structure A-shares
per 31 December 1995



SHARE CAPITAL HISTORY - SKIBSAKSJESELSKAPET STORLI

Year	Event	Amount NOK	Share capital after event, NOK
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

Shareholder structure A+B-shares
per 31 December 1995



THE 20 LARGEST SHAREHOLDERS AS PER 31 DECEMBER 1995

Name	A-shares	B-shares	Total	Percent of votes	Percent of shares
1 B.D. Odfjell jr. & controlled companies	7 357 591	243 294	7 600 885	49,47%	34,79%
2 Avanse-fondene	582 300	591 800	1 174 100	3,91%	5,37%
3 Folketrygd-fondet	531 100	589 000	1 120 100	3,57%	5,13%
4 Gjensidige	458 104	367 500	825 604	3,08%	3,78%
5 Uni Storebrand	312 204	504 500	816 704	2,10%	3,74%
6 Kommunal Landspensjonskasse	236 400	366 200	602 600	1,59%	2,76%
7 Svenska Handelsbanken	207 300	224 100	431 400	1,39%	1,97%
8 Norsk Hydros Pensjonskasse	0	418 800	418 800	0,00%	1,92%
9 Odfjell Shipping (Bermuda) Ltd.	23 680	282 500	306 180	0,16%	1,40%
10 Odin-fondene	107 700	190 600	298 300	0,72%	1,37%
11 Vital Forsikring	262 140	35 920	298 060	1,76%	1,36%
12 ABN AMRO Bank	123 800	170 900	294 700	0,83%	1,35%
13 Skandinaviske Enskilda Banken	32 600	258 200	290 800	0,22%	1,33%
14 Morgan Guaranty Trust	191 936	51 300	243 236	1,29%	1,11%
15 Orkla	38 000	201 000	239 000	0,26%	1,09%
16 Ingeborg Berger, London	73 920	153 770	227 690	0,50%	1,04%
17 Alfa Livsforsikring	213 000	14 000	227 000	1,43%	1,04%
18 DnB Investor-fondene	114 214	101 804	216 018	0,77%	0,99%
19 Chase Manhattan Bank	192 732	0	192 732	1,30%	0,88%
20 DnB Investeringselskap	56 000	130 000	186 000	0,38%	0,85%
Total 20 largest shareholders	11 114 721	4 895 188	16 009 909	74,73%	73,28%
Other shareholders	3 759 039	2 079 664	5 838 703	25,27%	26,72%
Total	14 873 760	6 974 852	21 848 612	100,00%	100,00%

Foreign shareholders	1 605 004	1 652 456	3 257 460	10,79%	14,91%
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CORPORATE STRUCTURE

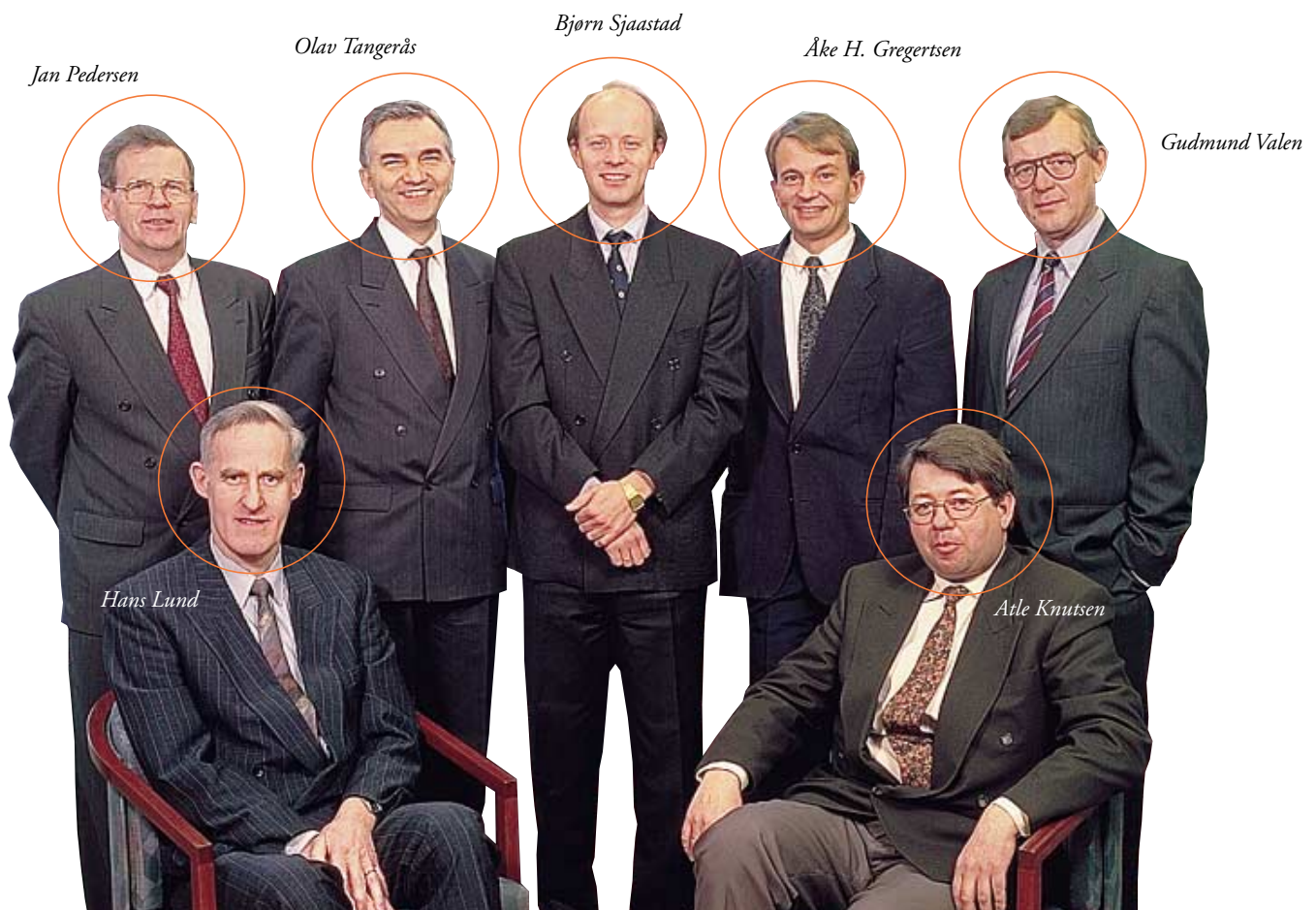
Storli is a fully integrated shipping company, handling all related functions, such as ship management, operation and chartering. The company is one of the four leading players in the world-wide parcel tanker trade. Through its wholly owned subsidiary, Odfjell Tankers, the company operates a fleet of 47 chemical tankers, aggregating approx. 1.5 million dwt. Storli is the owner of 28 of these vessels. The fleet operates in world-wide trade, and is committed to the long-term shipping requirements of the petrochemical industry through Contracts of Affreightment with many of the world's chemical giants.

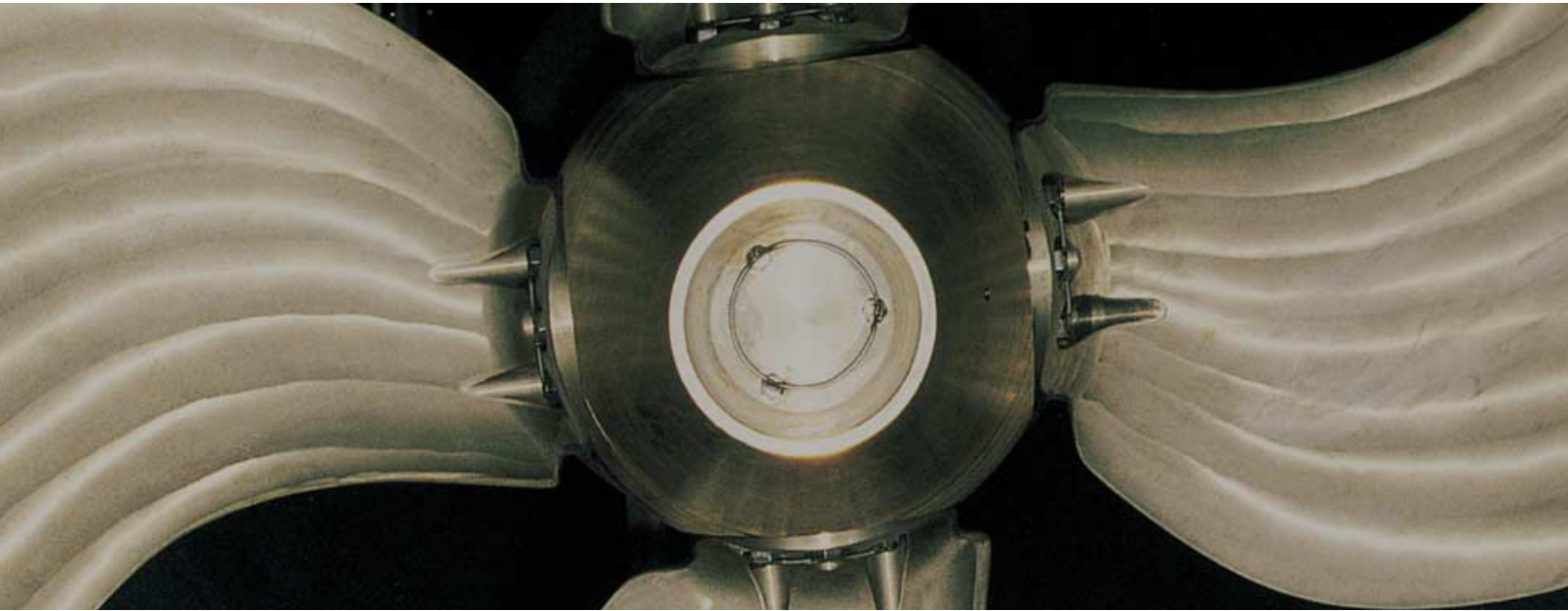
Odfjell Chartering (formerly Minde Chartering) is responsible for the world-wide marketing and chartering of the Odfjell Tankers fleet of chemical tankers. The company has developed overseas representation since 1975 and gradually established marketing and chartering offices in 13 major market areas.

Odfjell Tankers is responsible for the operation of all vessels employed by the Group. The fleet is com-

prised of Storli's own vessels, pool-operated vessels owned by third parties, and chartered-in tonnage. Odfjell Tankers is the contractual partner with our customers as well as with most of the time-charter tonnage. Operations and chartering evaluate the total utilisation of the fleet and then plan and implement the routing of the vessels. The tasks of Odfjell Tankers include loading and discharging of the vessels, coordination with the ships' masters and our own operation teams in key areas as well as cooperation with local agents. Cargo related rules and regulations are monitored by Odfjell Tankers together with freight and demurrage processing.

The Ship Management department is responsible for all functions regarding the technical operation of Storli's own vessels, as well as the eleven vessels owned by our pool partner, National Chemical Carriers Ltd., Saudi Arabia. This includes crewing, technical operation and maintenance, purchasing and insurance. At year-end 1995 the ship management division was responsible for the operation of thirtyone vessels.





Management

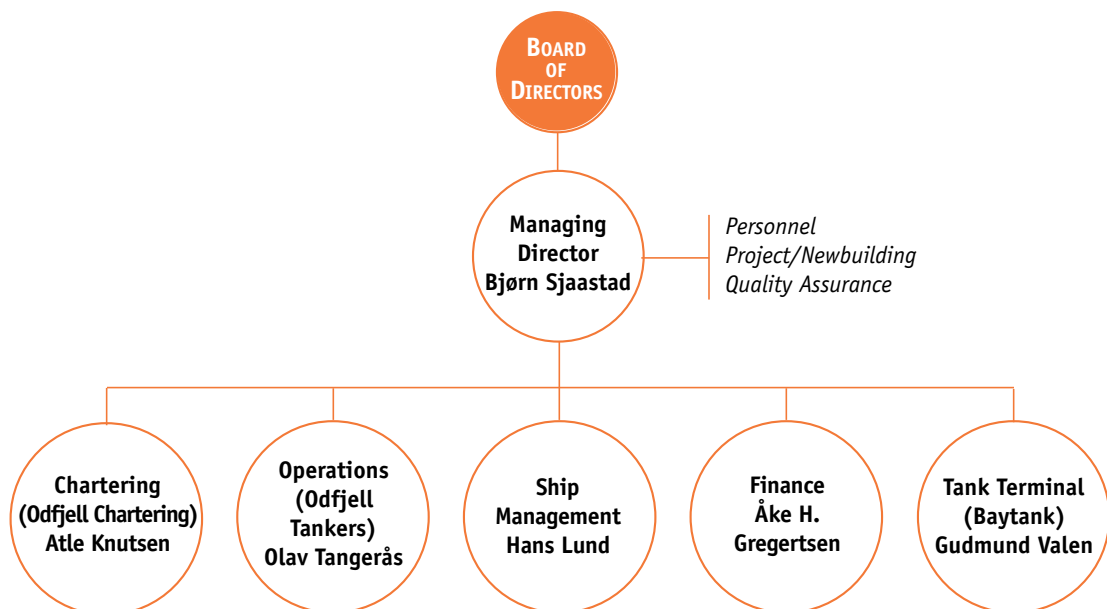
Bjørn Sjaastad	<i>Managing Director</i>
Atle Knutsen	<i>Director, Chartering</i>
Olav Tangerås	<i>Director, Operations</i>
Hans Lund	<i>Director, Ship Management</i>
Åke H. Gregertsen	<i>Director, Finance & Accounts</i>
Gudmund Valen	<i>Director, Baytank</i>
Jan Pedersen	<i>Director</i>

The Board of Directors

B.D. Odfjell jr.	<i>Chairman</i>
Jørgen Faye	
Per Ivar Gjørø	
Bjarte Kvåle	
Terje Storeng	

Number of employees as of 31 December 1995

Head office	149
Branch offices	61
Baytank	113
Vessel crew members:	
Norwegian	452
Foreign	775
Total	1,550





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TANK 4 S

TANK

TANK



OPERATING PHILOSOPHY AND SAFETY

Storli's strategy is to operate as a fully integrated shipowning company, incorporating all the functions required to ensure the efficient provision of our transportation services, at a high level of quality. By conducting the functions for Chartering, Ship Management and Operations ourselves, in addition to ownership, we ensure effective liaisons and common priorities throughout the scope of our activities.

The operation of chemical parcel tankers imposes an exceptional demand for effort and expertise on Ship Management as well as on the crew, thus great importance is attached to this part of the organisation. Most of our vessels are registered with the Norwegian International Ship Register (NIS). The vessels are manned by Norwegian officers and Philippine crew. All our officers and crew possess the necessary practical experience needed for working on chemical tankers.

Recruitment

Storli emphasises the need to ensure that both qualified officers and crews are recruited. For many years the company has had its own system for recruiting and training of junior officers. This program is expanded as the size of our fleet has increased.

In addition we also established in 1991 a number of probationary and cadet positions to secure ample resources. During 1995 a total of 102 persons were included in the program, of them 18 cadets.

Technical Operation

The vessels maintenance programs are based on high standards of quality and a long life span. The program is certified by the classification societies as Planned Maintenance System. Corrosion protection and maintenance of the inner structure of the ballast tanks and void space are planned based on thorough evaluations and carried out normally at the dry-dockings every 30th month. Vessels which have been through Condition Assessment Program (CAP) according to DnV have achieved four points on a scale where five points are maximum.

Safety

Currently certification of the vessels operating systems are carried out according to ISO 9002 and DnV's Safety and Environmental Protection (SEP). We expect this program, which involve all our vessels, to be finished in the middle of 1996. This certification meets the standards of the IMO/Solas ISM Code which will have to be implemented on all vessels above 500 grt. by 1 July 1998.

We have established a system of formal reports (SAFIR reports) from the vessels. This system is integrated in our Total Quality System and facilitate trans-

fer of experience related to critical situations, accidents, variances, and possible improvements. The SAFIR system has been an important tool in ensuring continuous high levels of safety and quality at sea.

Communication

Most communication between the vessels and land based organisation is done through E-mail.

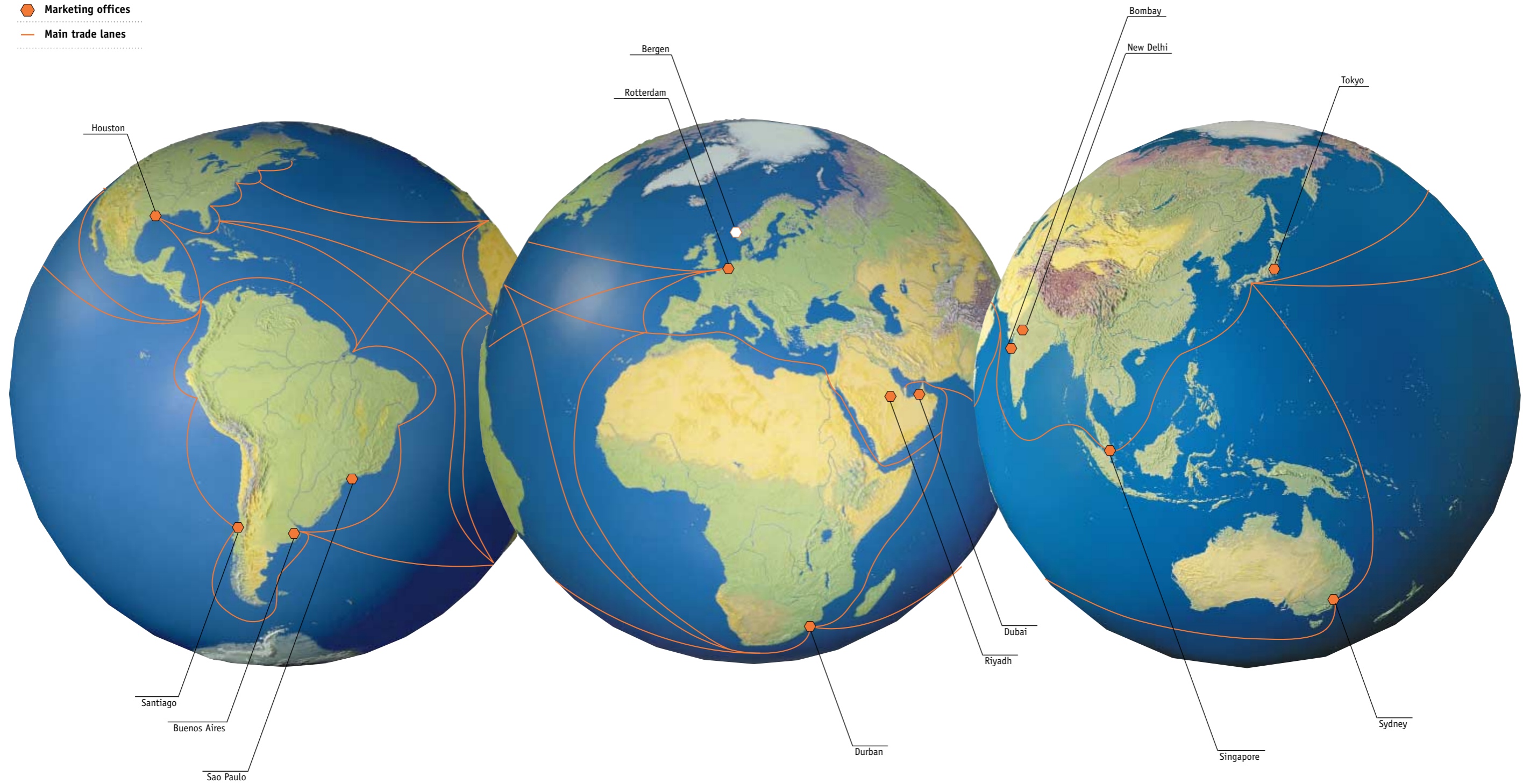
Inspections

During 1995 a total of 21 vessels have been inspected by 8 of our most important customers. In addition, 12 vessels have been inspected according to Chemical Distribution Institute (CDI) standard. The CDI inspections are carried out by approved inspectors which adhere to common standards approved by the customers. These inspections will in the future gradually replace the inspections our customers today carry out themselves.



WORLD WIDE SERVICES

- Head office
- Marketing offices
- Main trade lanes



THE CHEMICAL TANKER MARKET

The parcel tanker market is mainly catering to the transport of organic and inorganic chemicals. The annual trade volume is estimated at about 55 million tons world-wide. In addition to that, the chemical tanker fleet serves the vegetable oil industry as well as lubricating oils, alcohol's and the increasing MTBE industry. The main tradelanes are to the Far East, Middle East and South America from both the US and Europe as well as the Transatlantic route.

History

The chemical trade dates back to the late 50's and the early 60's, and started off with smaller purpose-built tankers and larger converted tankers. Since then, the industry has increased tremendously and is today a mature and well regulated industry. Vessel sizes have increased from ships in the 4.000 dwt. class up to 40.000 dwt. capacity, and the degree of sophistication has improved considerably. At the same time the production areas have developed from being mainly a US industry into a global industry. Production takes place in the US, Europe, the Middle East and the Far East, which also means that there is a substantial level of cross trading.

The markets

The main building blocks for chemicals are coal, gas and crude oil. The main production areas are located in the US, Europe, the Middle East and the Far East. The areas where we experience the strongest increases in production are in the Middle East and the Far East, whilst we see the strongest growth in demand for chemicals in the Far East area. It is estimated that this area will have an average annual growth of 8% in GNP for the period up to year 2000. In developing countries, the growth in chemical demand is normally superseding the GNP growth by a factor of 2,5, which indicates very strong demand for both imported as well as regional production of chemicals.

In the pure chemical carrier segment of the parcel business there are four major operators representing about 70% of the capacity. Storli, through Odfjell Tankers, has about 22% of the total market capacity and ranks as number two in this market segment. The Storli group is serving the chemical industry globally being one of only two groups providing world-wide services.

The company has expanded its total annual capacity by 5,5 vessels through 1995, which capacity has been added by way of newbuildings. Over the next three years, the new contracted tonnage into this

segment represents about 16% of the existing fleet. Storli and its pool partner NCC have six more newbuildings coming through 1998, which represents 15% of the present fleet capacity.

The state of the chemical tanker market is a balance between supply and demand. It is normally the supply side which impacts the markets at the negative end. As we have seen an average growth in transportation of chemicals exceeding 5% annually over the past 15 years, we have seen the earnings being severely impacted by an oversupply of tonnage in this period. The size of the chemical tanker fleet doubled from 1981 to 1986; from about 3 million dwt. to 6 million dwt., counting vessels from 8.000 dwt. up to 40.000 dwt., a fact that took the chemical tanker market through the worst times of this industry. Over the past 10 years there has been a slower increase in tonnage, though the recent years' newbuilding programmes are now starting to impact the supply side. The comparable fleet is now at about 8 million dwt. As we are entering the end of the 1990's, the activity on the scrapping side will be equally important as the new additions to balance the growth. We do, however, not foresee any distinct growth in scrapping as long as the freight market maintains its present level.

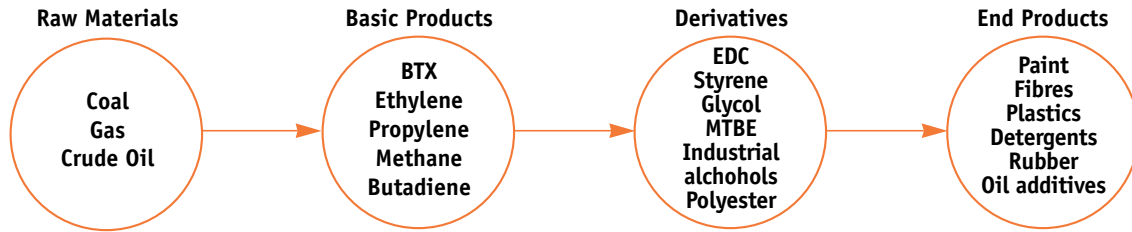
In 1995 the Storli Group transported close to 10 million tons of cargo consisting of about 4.500 parcels and 400 different products, mainly within the categories of organic and inorganic chemicals as well as vegetable oils and clean petroleum products. Odfjell Tankers/Storli operates a fleet of 47 vessels with an aggregated dead-weight of approx. 1,5 million dwt. The average age is 12,5 years.

The activity level through the year has been somewhat unstable with the best activity during the first four months. The very strong trade that brought both products prices and freight levels to a high level during the last four months of 1994 and the first four months of 1995, faded off during the middle of the year. The reason being full inventories and a





ORGANIC CHEMICALS



reduction in chemical prices. As inventory levels wore off and the commodity prices found its new balance point, activities gradually increased during the last four months of the year. The level of activity is expected to be sustained through 1996.

The chemical tanker market is demanding in terms of quality requirements both onboard and onshore. The chemical tankers are the pipeline between producers and customers and transport the majority of the products in small lot sizes to satisfy the industry's need for high frequencies and low inventories. The average lot size during 1995 has been slightly in excess of 2.000 tons. Equally important as the freight rate per metric ton, is the utilisation of the fleet/tanks. In principle a sophisticated chemical tanker is never empty and the optimum utilisation of the capacity is provided for through high numbers of Contracts of Affreightment (CoA) and spot market business. The Group's CoA-ratio for 1995 was close to 50%. Estimate for 1996 is a CoA coverage of approx. 55%.

The parcel tanker

A chemical tanker is one of the most demanding type of vessel a shipbuilding yard can build. Such ships have a great number of independent cargo tanks with a variety of volume capacities in order to serve the demand for any cargo parcel size.

It is increasingly common for new chemical tankers to have cargo tanks made of acid resistant stainless steel, although mild steel tanks coated with zinc or epoxy are often used in wing tanks and for easy chemicals. Double hull has been a standard in the industry for many years. The number of tanks in special built chemical tankers vary from around twenty in less sophisticated vessels up to more than fifty separate cargo tanks in the state of the art chemical tankers. All tanks have their own submerged cargo pump with separate cargo lines.

Parcel tankers are distinguished by a considerable number of tanks with independent loading and discharging systems, which enable the vessels to carry anywhere from 20 to 52 different cargoes at the

same time. The tanks are made of either stainless steel, or black steel protected with zinc or epoxy coatings. Generally, vessels with tanks made of stainless steel are highly versatile for the carriage of "difficult" cargoes. The necessary requirements for segregation and tank sizes lead to high newbuilding costs, especially when compared to ordinary tankers of similar size.

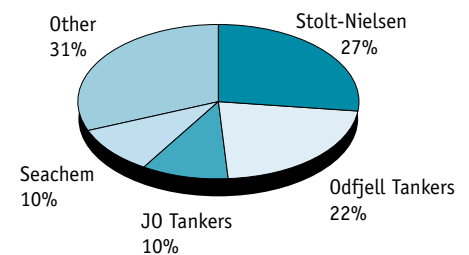
Loading and discharging a chemical tanker is controlled by automatic systems and monitored by complex systems for safe cargo handling and environmental control. The most modern chemical tankers have unobstructed and simple cargo tank interior as well as smooth material for all parts which are in contact with the cargo, in order to facilitate safe and efficient gasfreeing and tank washing. Furthermore there are facilities for heating and/or cooling of the cargo as well as tank drying plants for rapid dehumidification of the cargo tanks. Vapour return lines from each tank are used to avoid cargo vapour emission during loading.

A sophisticated chemical tanker of approx. 37.000 dwt. with around 50 stainless steel cargo tanks cost almost as much as building a new VLCC.

This is caused by the complexity of the vessel, the magnitude of tanks and equipment as well as the quality of materials. To build a product tanker of comparable size will cost around one-half of a chemical tanker because of the easier structure and the fact that a product tanker only have a few coated tanks and segregations.

Chemical tankers are governed by stringent international and national rules and regulations. Furthermore the ships are inspected by our customers and classification societies on a regular basis. This is not a new element but a requirement the industry has lived with for the last decades.

The Chemical Tanker Market



TANK TERMINALS

For a large and global business there are synergies between the operation of ships and the operation of terminals. This is particularly the case in newly industrialised countries where the infrastructure is often inadequate. Investment in tank terminals in these areas provides an opportunity to enter the market at an early point. In addition, such investments will produce increased transport volumes, which in turn will have an impact on the utilisation and profitability of the vessels. Customers will also experience a considerable synergy.

Baytank - Houston, USA

Baytank is a tank terminal for the distribution and storage of bulk chemicals, strategically located at the entrance to the Houston ship channel, one of the major hubs of the world for the production and export of chemicals.

Baytank services both vessels, barges, rail-cars and trucks and is a state-of-the-art terminal designed in accordance with the highest standards of safety, quality and flexibility. Baytank is particularly unique with respect to its pressurised tanks, the nitrogen compensation system as well as an advanced vapour-return system. Baytank has permission to handle and store more than 600 different chemicals. The terminal is highly flexible with its deepwater docks with continuous concrete aprons. Baytank also has bunkering facilities.

The terminal consists of 65 tanks ranging in size from 350 cbm to 9,000 cbm, and has a total capacity aggregating 171,000 cbm. The tanks are made of stainless steel, or black steel protected with zinc or epoxy coatings. So far the total investment amounts

to more than USD 120 million. Unused land, and the considerable investment already made in the Baytank terminal infrastructure, provide good opportunities for further expansion. Within the existing area Baytank has the potential storage capacity of about 350,000 cbm.

The American petrochemical industry experienced a healthy 1995. Improvement in the World economy resulted in an increase in export of chemicals out of the Houston area. Import of chemicals also increased and we expect this tendency to continue as a consequence of further regional specialisation globally.

Baytank made a profit of USD 2.9 mill., compared to USD 1.3 mill. in 1994.

The terminal had high level of activity with close to 100 per cent occupancy rate throughout the year. Throughput traffic from railcars to vessel increased in 1995 as compared to previous years. The number of vessels and barges handled was higher in 1995 than in 1994. Traffic from railcars was at the same level as the year before while the number of tank-



Work in progress to complete Bay 14 at Baytank.

trucks increased substantially. Total volume which went through the terminal was up 16 per cent as compared to 1994.

Two new stainless-steel pressurised tanks came on line in May 1995. These tanks are build based on a long term contract with PMI, Mexico. A new rail-car scale as well as 1,800 foot of new rail tracks has been built in connection with this expansion. During the spring of 1995 we decided to complete Bay 14 with the construction of 6 new tanks. The construction started in the summer of 1995 and is expected to be operational in September 1996. This expansion together with the two PMI tanks represent an increase in capacity of approx. 22.5 per cent. The expansion is based on Baytank's philosophy to be concerned with safety and environmental issues.

In addition to performing general terminal services, Baytank has an important function in our cargo consolidation programme to reduce vessel laytime in port. This increases vessel turnaround in port, which in turn enhances the productivity of our ships. Baytank also functions as a "home base" for Odfjell Tankers in the US Gulf area. This synergy concept was confirmed through several joint transportation-/terminal projects during 1995.

The development of Baytank's organisation as well as improved cost control had high priority during 1995. The organisation has during the last years developed it's own Total Quality Management system and was awarded the ISO 9002 certification from DnV in September 1995.

Baytank achieved the following result in 1995, compared with the last two years:

(USD MILL.)	1995	1994	1993
Revenue	23.2	20.3	19.1
Expenses	(13.6)	(12.4)	(11.5)
Depreciation	(3.2)	(3.0)	(2.9)
Operation result	6.4	4.9	4.7
Net interest	(3.5)	(3.6)	(3.5)
Result	2.9	1.3	1.2

VOTTN - Ningbo, China

1995 was the first full year of operation, and the company already has largely succeeded in establishing itself as a terminal of high standards. Ningbo is developing into an important chemicals transit point for the Shanghai area with total imports of approx. 420,000 tons in 1995.

Storli's share of the profit for 1995 was a satisfying USD 330,000. The positive result was achieved on account of extensive demand for storage capacity. However, the demand subsided somewhat towards the end of the year. It has been decided that the terminal capacity should be increased from 24,400 cbm plus to 65,450 cbm. Completion of this expansion is planned for 1997. In 1995 Storli increased its stake in the terminal from 10 to 12.5 per cent.

DMTTC - Dalian, China

In order to participate in the anticipated growth in China, the company decided to invest in yet another Chinese terminal - at Dalian in the northern part of the country. In the future, Dalian will become an important point of consolidation for our shipping activities in the Far East.

The Chinese authorities have selected Dalian as one of four main harbours to benefit from considerable investment in the infrastructure. Its favourable geographical location means the terminal will be a service centre for distribution in northern and mid-China, as well as an important point of transit in a growing Intra Far East market.

In its first stage the terminal will have a capacity of approx. 60,000 cbm in 35 tanks. The terminal will be named Dalian Marine Tank Terminal Company. Total investments for the first stage of construction will be around USD 30 mill.

The terminal will be built in compliance with strict quality and environmental requirements with due regard to safety and efficiency. With our 44 per cent stake, Storli is the main shareholder, and will be responsible for the terminal's development, technology and operation. In addition to Storli, the other participants in this project will be Dalian Port Authority, Mitsui & Co. Ltd. and Van Ommeren.

It is planned that the terminal will start operating in 1997.



FLEET OVERVIEW - ODFJELL TANKERS

STORLI'S VESSELS	YEAR BUILT	DWT	CBM	STAINLESS STEEL CBM OF TANKS	NUMBER
Bow Clipper	1995	37 250	41 200	34 100	52
Bow Fagus	1995	37 250	41 200	34 100	52
Bow Flower	1994	37 250	41 200	34 100	52
Bow Fortune	1975	28 060	34 756	21 136	43
Bow Sea	1978	28 060	34 756	21 136	43
Bow Sky	1977	28 060	34 756	21 136	43
Bow Spring	1976	28 060	34 756	21 136	43
Bow Star	1976	28 060	34 756	21 136	43
Bow Sun	1977	28 060	34 756	21 136	43
Bow Lady	1978	32 300	41 354	3 077	42
Bow Princess	1976	32 300	42 278	1 400	42
Bow Queen	1975	32 300	41 887	816	42
Bow Fighter	1982	35 100	41 193	6 353	34
Bow Heron	1979	35 100	42 107	5 884	31
Bow Lancer	1980	35 100	42 476	6 253	34
Bow Leopard	1988	40 263	47 593	-	29
Bow Lion	1988	40 263	47 593	-	29
Bow Panther	1986	40 263	47 593	-	29
Bow Eagle	1988	24 700	32 458	19 663	25
Bow Hunter	1983	23 077	25 002	21 009	28
Bow Pioneer	1982	23 077	25 002	21 009	28
Bow Mariner	1982	39 800	47 965	-	28
Bow Petros	1984	39 800	47 965	-	28
Bow Transporter	1983	39 800	47 965	-	28
Bow Saphir	1982	18 657	22 929	10 849	31
Bow Viking	1981	33 695	40 593	21 745	36
Bow Explorer	1975	31 500	36 683	-	34
Owl Trader	1982	12 450	14 482	8 070	22
Number of vessels: 28		889 655			

TIME-CHARTERED VESSELS

Bow Gerd	1975	31 500	36 683	-	34
Lady Ina	1975	31 500	36 683	-	34
Bow Trader	1969	21 723	22 972	17 842	26
Bow Tribute	1995	41 330	48 746	-	20
Bow Trident	1992	41 330	48 746	-	20
Bow Trigger	1993	41 330	48 746	-	20
Bow Triumph	1992	41 330	48 746	-	20
Chuy	1983	24 083	28 765	14 244	27
Number of vessels: 8		274 126			

VESSELS ON MANAGEMENT/POOL-BASIS

NCC Riyad	1995	37 250	41 200	34 100	52
NCC Mekka	1995	37 250	41 200	34 100	52
NCC Jizan	1976	28 060	34 756	21 136	43
NCC Jouf	1976	28 060	34 756	21 136	43
NCC Madinah	1976	28 060	34 756	21 136	43
NCC Najran	1976	28 060	34 756	21 136	43
NCC Tihamah	1977	28 060	34 756	21 136	43
NCC Yamamah	1977	28 060	34 756	21 136	43
NCC Baha	1988	24 700	28 291	19 663	21
NCC Arar	1982	23 077	25 002	21 009	28
NCC Asir	1983	23 077	25 002	21 009	28
Number of vessels: 11		313 714			

Total number of vessels: 47

1 477 495

NEWBUILDINGS

YARD	OWNER	DWT	DELIVERY	
Yard no. 132	Florø	Storli	37 250	4/1996
Yard no. 133	Florø	NCC	37 250	11/1996
Yard no. 134	Florø	Storli	37 250	5/1997
Yard no. 135	Florø	Storli	37 250	11/1997
Yard no. 136	Florø	Storli	37 250	5/1998
Yard no. 137	Florø	Storli	37 250	11/1998
Option	Florø	Storli	37 250	5/1999
Option	Florø	Storli	37 250	11/1999



GLOSSARY

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. 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.

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 can 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.

GATT: General Agreement on Tariffs and Trade. International free-trade agreement.

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.

ISM: 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 by June 1998.

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

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

M/T: Motor Tanker.

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

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

OECD: Organization for Economic Cooperation 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.

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

SEAO: 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.

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

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. A deadweight ton (dwt) is a measure of the weight carrying capacity of the ship, and the total dwt is the weight of the cargo the ship can carry plus bunkers, fresh water, spare parts etc.

TRADE: The geographical area where a ship mainly trades.

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

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.

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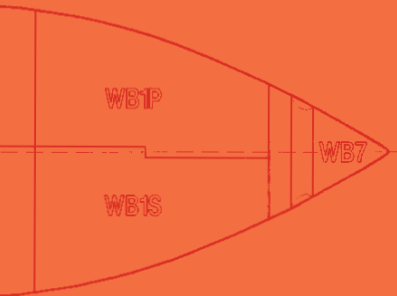
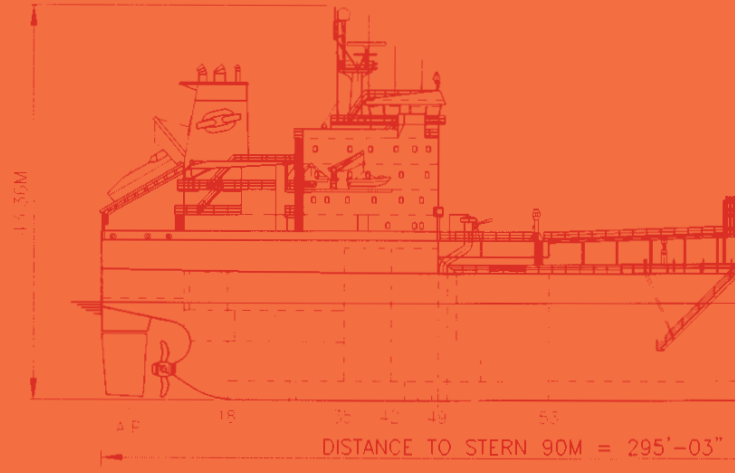
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