



BELSHIPS

REPORT AS AT 31 MARCH 2000

1 ST QUARTER 2000

FINANCIAL PERFORMANCE

Belships generated operating income for the first quarter of USD 16.0 million (1999: USD 8.0 million). The increase was attributable primarily to greater activity in Panmax bulk and generally higher rates in all the group's segments. Belships recorded an operating result for the period of USD -0.1 million (USD -1.2 million), with all parts of the group improving their performance. The net result for the period was USD -1.5 million (USD -2.4 million).

The product carrier business generated an operating result of USD 0.2 million (USD 0.0 million), the gas carrier business an operating result of USD -0.3 million (USD -0.5 million), the Panmax/Capesize bulk business an operating result of USD 0.1 million (USD -0.3 million), the Handymax bulk business an operating result of USD 0.4 million (USD -0.1 million) and the ship management business an operating result of USD 0.0 million (USD 0.0 million).

OPERATIONS

A better market balance brought higher rates in all the group's segments.

The Handymax bulkers M/S Belnor and M/S Belstar were fixed on time charters in March running through the summer at rates of USD 9,750 and USD 9,000 per day respectively, up USD 1,250 and USD 1,500 on their previous fixtures.

The Capesize bulker M/S Belmaj continued on its charter, which expires in the autumn.

Belships Trading improved its performance in the first quarter, but high bunker prices and an unexpectedly strong market mean that further improvements in the second quarter are not anticipated.

The product carrier M/T Urai continued on its long-term bareboat charter while the other product carriers sailed in the spot market at rates slightly above

the 1999 average.

At Gibson Gas Tankers, the M/T Lanrick's time charter was extended in March by 12 months at a rate of USD 185,000 per month, up USD 16,500 on 1999. The market for the three 6,000 cbm vessels the pool managed by Anthony Veder improved during the period but will not give full impact on the results until later this year. The first-quarter results were adversely affected by two gas carriers having to dry-dock during the period on account of rudder problems.

FINANCIAL POSITION AND OTHER MATTERS

Belships' liquid assets climbed from USD 8.5 million on 31 December 1999 to USD 8.7 million on 31 March 2000 and its mortgage debt decreased from USD 88.0 million to USD 86.9 million. Shareholders' equity at the end of the quarter was equivalent to 19.4% of assets and USD 1.6 or NOK 13.5 per share. Belships intends to strengthen its equity base through a NOK 50 million rights issue in the second quarter. The issue has been underwritten by the company's principal shareholders.

The fleet's estimated market value at the end of the quarter was USD 1.3 million above its book value, an improvement since the start of the period when its market value was on a par with its book value.

OUTLOOK

The markets in which Belships operate are improving and the recovery is expected to continue for some time. However, capacity in the shipbuilding sector remains high and may result in a surplus of tonnage in the longer term. It is therefore important for Belships that the long-term freight contracts entered into actually materialise; we expect a final decision to be made in June/July.

Oslo, 26 April 2000

The Board of Directors of BELSHIPS ASA

Statement of income

	2000	1999	1999
USD 1 000	01/01 - 03/31	01/01 - 03/31	01/01 - 12/31
Operating income	16 261	8 079	39 059
Charterhire expenses	-9 818	-2 593	-15 333
Operating expenses	-3 609	-3 636	-14 065
General administrative expenses	-1 175	-1 263	-5 255
Ordinary depreciation ships	-1 504	-1 755	-6 042
Total operating expenses	-16 106	-9 247	-40 695
Operating result	155	-1 168	-1 636
Share dividend and interest income	43	65	409
Interest expenses	-1 469	-1 644	-6 275
Currency exchange gain/ -loss	-27	380	588
Other financial items	1	-77	-318
Net financial items	-1 452	-1 276	-5 596
Result before taxes	-1 297	-2 444	-7 232
Taxes	-8	-2	10
Net result for the period	-1 305	-2 446	-7 222
Hereof minority interests	154	167	1 026

Balance sheet

	2000	1999	1999
USD 1 000	31 March	31 March	1 January
Assets			
Intangible assets	2 835	3 153	3 153
Ships	95 385	101 330	96 830
Other fixed assets	3 511	5 472	4 167
Current assets	14 782	13 218	15 196
Total assets	116 513	123 173	119 346
Shareholders' equity and liabilities			
Shareholders' equity (excl. minority interests)	16 546	18 667	17 698
Minority interests	6 330	7 698	6 484
Long-term liabilities	87 702	92 229	88 808
Short-term liabilities	5 935	4 579	6 356
Total shareholders' equity and liabilities	116 513	123 173	119 346

Key Financial Figures

		2000	1999
		31 March	1 January
Cash flow	USD 1000	225	-1 768
Interest coverage ratio		0.14	-0.25
Current ratio	%	249.06	239.08
Equity ratio	%	19.63	20.26
Earnings per share	USD	-0.08	-0.43

Segment information

1 January - 31 March 2000

USD 1 000	Product tankers	Gas	Panmax/ Capesize bulk	Handymax bulk	Ship Management	Admin. a.o.	TOTAL
Income on timecharter basis	1 231	3 177	9 666	1 902	0	0	15 976
Ship management fees	119	0	0	22	133	11	285
Total operating revenue	1 350	3 177	9 666	1 924	133	11	16 261
Charterhire expenses	0	0	-9 215	-603	0	0	-9 818
Operating expenses	-620	-2 407	-67	-532	44	-27	-3 609
General administrative expenses	-251	-237	-213	-56	-196	-222	-1 175
Ordinary depreciation ships	-254	-796	-96	-358	0	0	-1 504
Operating result	225	-263	75	375	-19	-238	155
Share dividend/ interest income	7	0	19	6	2	9	43
Interest expenses	-256	-457	-78	-486	0	-192	-1 469
Currency exchange gain/ -loss	0	205	0	0	0	-232	-27
Other financial items	-4	0	-6	0	0	11	1
Net financial items	-253	-252	-65	-480	2	-404	-1 452
Result before taxes	-28	-515	10	-105	-17	-642	-1 297
Operating income as at 03/31/99	1 328	2 829	2 678	1 060	167	19	8 079
Operating income as at 03/31/00	1 350	3 177	9 666	1 924	133	11	16 261
Operating result as at 03/31/99	-19	-489	-347	-48	-21	-244	-1 168
Operating result as at 03/31/00	225	-263	75	375	-19	-238	155

Fleet list

As at 31 March 2000					
Ship	Ownership	Built year	Dwt	Operation	Option
Product tankers/OBO					
M/T Belgrace	63 %	1984/87	40 900	Spot	
M/T Urai	20 %	1995	28 500	B/B to 09/10	
M/S Belguardian	20 %	1987	43 500	Spot	
M/S Belgallantry	20 %	1987	43 500	Spot	
M/S Belgreeting	20 %	1987	43 500	Spot	
Gas					
M/T Lanrick	60 %	1992	3 215 ¹⁾	T/C to 04/01	
M/T Ettrick	60 %	1991	3 215 "	T/C to 10/00	
M/T Traquair	60 %	1982	6 616 "	Pool	
M/T Yarrow	60 %	1982	6 568 "	Pool	
M/T Eildon	60 %	1982	6 077 "	Pool	
M/T Quentin	60 %	1977	2 280 "	T/C to 09/00	
Capesize bulk					
M/S Belmai	25 %	1990	149 516	T/C to 09-11/00	
Panmax bulk, chartered tonnage					
M/S Mui Kim		1989	68 774	T/C to 12/00	
M/S Nol Aldebaran		1984	66 822	T/C to 08-09/00	11-13 months ²⁾
M/S Nol Altair		1983	66 764	T/C to 08-10/00	11-13 months ³⁾
Handymax bulk					
M/S Belnor	100 %	1996	47 600	T/C to 07-09/00	
M/S Belstar	80 %	1992	43 400	T/C to 10-12/00	
Ship under commercial management					
M/T Magnolia		1983	84 656	Spot	
<i>1) Capacity in cbm</i>					
<i>2) Belships' option</i>					
<i>3) Belships' and charterer's option</i>					
Number of ships					
Type	Owned tonnage	External management	Chartered tonnage	Commercial management	Total fleet
Handysize product tankers/ OBO	1.4	0.8		2.8	5.0
Gas	3.6			2.4	6.0
Capesize bulk	0.3			0.7	1.0
Panmax bulk			3.0		3.0
Handysize bulk	1.8			0.2	2.0
Aframax				1.0	1.0
Total	7.1	0.8	3.0	7.1	18.0



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