

A N N U A L R E P O R T 2 0 0 0



ODFJELL

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## **FINANCIAL CALENDAR**

8 MAY 2001	<i>Annual General Meeting</i>
9 MAY 2001	<i>Interim report for the first quarter 2001</i>
17 AUGUST 2001	<i>Interim report for the second quarter 2001</i>
7 NOVEMBER 2001	<i>Interim report for the third quarter 2001</i>
13 FEBRUARY 2002	<i>Preliminary year-end results 2001</i>

*Supplementary information on Odfjell can be found on the Internet at:*

**[www.odfjell.com](http://www.odfjell.com)**

## **ANNUAL GENERAL MEETING**

*The Annual General Meeting will be held at 3 pm at the company's office at Conrad Mohrs veg 29, Minde, 5073 Bergen, Norway on Tuesday 8 May 2001. Shareholders wishing to attend the Annual General Meeting must notify the company by Wednesday 2 May 2001 as set out in article 4 of the company's Memorandum and Articles of Association.*

## ODFJELL – A PROFILE



**BJØRN SJAASTAD**  
PRESIDENT/CEO

*Born 1957. Mr. Sjaastad has been with the company since 1989 and has held his present position since 1990.*

Odfjell is a leading player in the global market for transportation of chemicals and related logistical services. Originally set up in 1916, the company pioneered the development of the chemical tanker trade in the middle of the 1950s. Odfjell operates on a long-term industrial basis, with focus on customer requirements and high quality at every stage of the operation. Odfjell owns and operates chemical tankers, tank terminals and tank containers. Priority is given to further developing the company's integrated logistical services.

### **Global Trade**

The intercontinental transportation of chemicals and other liquids is our core business and as one of only two operators we provide a worldwide service. Our operations are fully integrated, with dedicated functions for technical management, operation and chartering. Odfjell currently operates around 25% of the world intercontinental chemical tanker fleet. Our fleet consists of 60 vessels and 11 newbuildings with a total capacity of about 2.5 million tdw. and generated a turnover of USD 532 million in 2000.

### **Regional Trade**

Odfjell has 25 vessels with a total capacity of 263 000 tdw. dedicated to regional trade. Eight vessels are currently operating in the US Gulf, the Caribbean and along the west coast of South America. In Asia, 11 vessels are operated out of Singapore. Through our joint venture with Flumar, six vessels are operated on the east

coast of South America. The objectives are to serve the growing regional markets and to ensure more efficient fleet utilisation through our transshipment activities. Regional trade generated a turnover of USD 72 million in 2000.

### **Tank Terminals**

Odfjell has direct investments in wholly owned tank terminals in Rotterdam, the Netherlands and Houston, USA as well as partially owned terminals in China. We also work closely with six terminals in South America through associated companies. Terminal operation brings substantial synergies with our transportation activities and improves quality control throughout the transport chain. Our tank terminal operations also offer opportunities to develop new markets where the infrastructure for carrying chemicals has been limited to date. Our terminal business generated a turnover of USD 59 million in 2000.

### **Tank Containers**

Odfjell transports chemicals and liquids in tank containers through Hoyer-Odfjell which is a joint venture company. Having started operations on 1 January 1999, the company serves the global market and plays an important role in Odfjell's broad range of integrated transportation services. The tank container operation is still under development and our fleet of tank containers increased from 3 500 to about 5 000 units during the year. Our share of the turnover was USD 33 million in 2000.

### ORGANISATION

THE BOARD OF DIRECTORS

PRESIDENT/CEO

*Business Development and Planning/ICT • Human Resources • Quality Assurance • Finance/Accounts • Investor Relations*

GLOBAL  
TRADE

REGIONAL  
TRADE ASIA

ODFJELL  
LOGISTICS

SHIP  
MANAGEMENT

TANK  
TERMINALS

TANK  
CONTAINERS

# HIGHLIGHTS

## Financial Performance

Turnover: USD 696 million  
EBITDA: USD 112 million  
EBIT: USD 44 million  
Net result: USD (12) million  
Cash flow: USD 57 million

## Consolidation

Odfjell and Ceres agreed to merge the activities of Odfjell and Seachem in 2000. During June and July Odfjell acquired nine vessels and four newbuilding contracts and took over 11 Seachem vessels on pool basis. The total investment was USD 360 million. Consequent to the merger about 4.9 million shares were issued to Chemlog ApS, a company related to Ceres, equalling NOK 1,024.8 mill. in new equity.

## Fleet Development

Delivery of the newbuilding, M/T Bow Century (37 500 tdw.). Ordering of one 37 500 tdw. chemical tanker with delivery in December 2003. The contract value is about USD 50 million.

## Tank Terminals

In June 2000 Odfjell Terminals (Rotterdam) was acquired. The terminal is the largest chemical/

product tank terminal in the Antwerp-Rotterdam-Amsterdam area, and the single largest such terminal in Europe. It has about 300 storage tanks totalling 1 530 000 m<sup>3</sup> capacity, of which 610 000 m<sup>3</sup> is for storage of chemicals and 920 000 m<sup>3</sup> is storage of mineral products. The total investment was about USD 66 million. Odfjell Terminals (Baytank) completed an expansion of storage capacity of 10% in the autumn 2000, boosting total storage capacity to 255 000 m<sup>3</sup>. Total investment was about USD 17 million.

## Tank Containers

The fleet of tank containers at Hoyer-Odfjell increased from 3 500 to 5 000 units during the year.

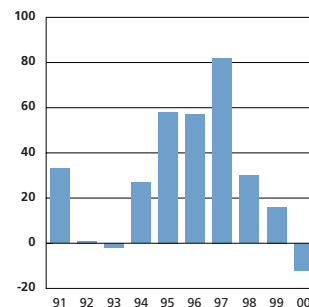
## Organisation

Odfjell Logistics was established, which will promote and deliver multimodal chemical transportation services to our customers.

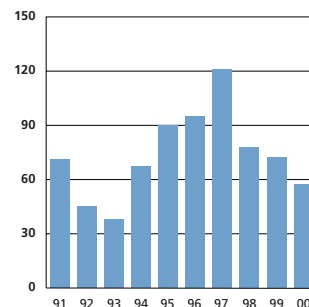
## Stock Repurchases

Through our stock repurchase program about 3.4% of the shares in the company were acquired in 2000.

NET PROFIT  
USD million



NET CASH FLOW  
USD million



Head office in Bergen,  
Norway

## KEY FIGURES/FINANCIAL RATIOS

ODFJELL GROUP	<i>Figures in</i>	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
<b>FROM PROFIT AND LOSS STATEMENT</b>											
Gross revenue	USD mill.	696	551	533	547	546	503	391	344	365	403
EBITDA (1)	USD mill.	112	86	94	113	114	106	77	53	58	79
Depreciation	USD mill.	(69)	(56)	(48)	(39)	(38)	(32)	(40)	(40)	(44)	(38)
EBIT (2)	USD mill.	44	30	46	74	76	74	37	13	14	41
Profit from sale of fixed assets	USD mill.	0	16	12	32	0	0	0	0	0	9
Net financial items	USD mill.	(54)	(30)	(26)	(24)	(19)	(16)	(10)	(15)	(13)	(17)
Net result after tax and minority interest	USD mill.	(12)	16	30	82	57	58	27	(2)	1	33
<b>FROM BALANCE SHEET</b>											
Vessels and other fixed assets	USD mill.	1 292	990	892	712	595	569	468	420	437	473
Current assets	USD mill.	321	281	274	272	245	227	184	157	171	159
Shareholders' equity	USD mill.	530	451	447	373	349	246	193	156	179	203
Minority interest	USD mill.	5	0	0	0	0	0	0	0	0	0
Current liabilities	USD mill.	117	71	70	69	45	51	31	30	28	29
Long-term liabilities	USD mill.	961	749	648	543	445	500	428	392	401	399
Total assets	USD mill.	1 613	1 271	1 166	985	839	796	652	577	608	632
<b>PROFITABILITY</b>											
Earnings per share (3)	USD	-0.50	0.74	1.39	3.77	2.56	2.61	1.20	-0.10	0.04	1.45
Cash flow per share (4)	USD	2.40	3.31	3.58	5.58	4.31	4.09	3.05	1.73	2.06	3.19
Return on total assets (5)	%	3.3	4.8	6.2	11.6	10.9	12.2	7.5	3.3	3.7	9.4
Return on equity (6)	%	-2.4	3.6	7.4	22.7	19.2	26.4	15.5	-1.2	0.5	18.4
Return on capital employed (7)	%	3.8	4.9	7.4	16.5	14.3	16.6	9.7	3.6	3.7	18.3
<b>FINANCIAL RATIOS</b>											
Average number of shares	mill.	23.76	21.85	21.85	21.85	21.85	21.85	21.85	21.85	21.85	21.85
Basic/diluted equity per share (8)	USD	20.50	20.64	20.46	17.07	15.97	11.26	8.83	7.14	8.19	9.29
Cash flow (9)	USD mill.	57	72	78	121	95	90	67	38	45	71
Interest-bearing debt	USD mill.	954	749	647	542	444	434	379	356	361	326
Bank deposits and securities	USD mill.	232	218	213	219	205	202	158	165	166	149
Debt repayment capability (10)		12.7	7.4	5.5	2.7	2.5	2.6	3.3	5.0	4.3	2.5
Current ratio (11)		2.7	4.0	3.9	3.9	5.4	4.5	5.9	5.2	6.1	5.5
Equity ratio (12)	%	33	35	38	38	42	31	30	27	29	32
<b>OTHER</b>											
Employees		2 755	1 743	1 667	1 667	1 711	1 550	1 407	1 333	1 363	1 387
Volume shipped, global trade	1 000 tons	14 902	11 037	11 619	11 326	10 764	9 882	8 923	8 592	8 327	9 266
Number of products shipped, global trade		443	404	389	368	360	364	355	301	350	
Number of parcels shipped, global trade		5 138	4 669	5 306	5 356	4 824	4 497	3 792	3 727	3 665	
Port calls, global trade		3 316	2 606	2 486	2 367	2 095	2 275	2 070	2 311	2 245	
Number of vessels within global trade		63	50	49	50	48	47	41	44	39	39
Volume shipped, regional trade	1 000 tons	4 731	-	-	-	-	-	-	-	-	-
Number of vessels within regional trade		22	13	9	8	-	-	-	-	-	-
Total ton deadweight, fleet within global trade	1 000 tons	2 117	1 613	1 567	1 596	1 528	1 477	1 262	1 306	1 179	1 179
Total ton deadweight, fleet within regional trade	1 000 tons	222	103	71	65	-	-	-	-	-	-
Tank terminals (tank capacity)	1 000 m <sup>3</sup>	1 917	354	315	255	214	195	171	171	150	150
Tank containers (units)		5 000	3 500	-	-	-	-	-	-	-	-

Historical figures per share have been adjusted for bonus share issues.

As from financial year 2000, the reporting currency was changed from NOK to USD. USD-figures for 1998-2000 reflect "true" USD-accounting as presented in the official accounts for 2000.

The conversion from NOK to USD for the years 1991-1997 has been simplified by using the average rate per year for the Profit and Loss Account and the year-end rate for the Balance Sheet. Net financial items for these years does not include unrealised currency items. As a result of the conversion from NOK to USD, the various ratios have been recalculated.

- Operating result before depreciation and profit from sale of fixed assets.
- Operating result before profit from sale of fixed assets.
- Net result after tax and minority interest divided by the average number of shares.
- Net result plus depreciation after minority interest divided by the average number of shares.
- Net result after tax and minority interest plus financial expenses divided by average total assets.
- Net result after tax and minority interest divided by average book shareholders' equity.
- Operating result plus profit from sales of assets divided by average book equity plus net interest-bearing debt
- Shareholders' Equity divided by outstanding number of shares per 31.12.
- Net result after tax and minority interest plus depreciation.
- Interest-bearing debt less bank deposits and securities, divided by net cash flow (9).
- Current assets divided by current liabilities.
- Book equity plus minority interest in percent of total assets.

# THE DIRECTORS' REPORT

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In 2000, Odfjell's consolidated result was a loss of USD 2 million (before currency items, sales gains and taxes) compared with a profit of USD 2 million in 1999.

The major reason for the unsatisfactory result was a bad market for both our regional and global (deep-sea) shipping activities. Demand for chemical transportation was steady, but too much new capacity entered the market. Another negative factor was the surge in bunker prices in 2000 resulting in 50% higher prices than in 1999. Our terminal activities were profitable whilst our tank container business made a loss in 2000.

The company grew considerably in 2000 both with regard to turnover and total assets. Such growth followed our acquisition of the Seachem fleet as well as the tank storage facility in Rotterdam. These acquisitions further enhance our position as a total logistic service provider to the chemical industry. As a consequence of our growth during the year, we made changes to strengthen our organisation. Further, we opened our own crewing office in Manila for recruiting and training of crews.

## **BUSINESS ACTIVITIES**

Our strategy is to continue developing our position as the leading logistic service provider to the chemical industry. We shall achieve this through efficient and safe operation of our deep-sea as well as regional chemical tankers, tank terminals and tank containers. Scale is needed to offer an efficient trading pattern through fleet utilisation and to optimise procurement.

### **Global Trade**

At the end of 2000 we operated 67 vessels, of which 37 were owned. Our world-wide operation covers almost every major trade lane where there is a need for chemical transportation. The merger with Seachem included the purchase of nine vessels and four newbuilding contracts with a

total investment of USD 360 million. We also acquired the operating company Seachem and its contract base, including 11 chemical tankers on long-term floating rate time-charter. The transaction boosted our global market share to 26%.

We continued our fleet development program. In January we took delivery of Bow Century (37 500 tdw.), a chemical tanker with 47 segregations and tanks of stainless steel. In December, we declared an option and placed a contract for a sistervessel at the same yard for delivery in December 2003. In February 2001, five commodity type chemical tankers on time-charter were redelivered to the owner.

Our orderbook for deep-sea newbuildings totals 11 advanced chemical tankers, of which seven are for our own account. The vessels will be delivered at regular intervals from 2001 through 2005, and will replace existing vessels as they retire.

Gross revenue for our deep-sea activities in 2000 was USD 532 million. The operating result (EBIT) was USD 29 million and the total assets at year-end were USD 1,231 million. The market turned positive in the second half of 2000.

### **Regional Trade**

At the end of 2000, Odfjell operated 22 vessels in this business segment, of which 12 were owned. The business is operated in four geographical areas.

Our Asian service with trade lanes in the Singapore-Japan/Korea – Australia/New Zealand range employed nine vessels. This region represents a growth area for our business, as more and new production of chemicals will come on stream in the near future.

Five vessels were employed by Flumar, a 50/50 joint venture company transporting chemicals primarily on the Brazilian coast, where local flag is required. Flumar has a strong market position. For Odfjell, this activity will have financial effect as from 2001 onwards.

BALLAST PUMP RM  
AIR INTAKE

We employ seven vessels in the US Gulf-Caribbean – west coast of South American trade where our market participation remained steady.

Finally, we have a 50/50 joint venture operation in Chile for transportation of sulphuric acid where one vessel has been employed. This business is growing and the Bow Saphir (tbr Bow Pacifico/ 18 657 tdw/built 82) will be sold to the joint venture and enter into this trade in the spring of 2001 as a second vessel.

The financial performance of our regional operations, apart from the Chilean business, was poor in 2000. Gross revenue was USD 72 million, EBIT was USD 2 million and total assets at the end of the year were USD 125 million.

### Tank Terminals

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

Odfjell Terminals' network employs more than 800 people and offers close to 2.4 million m<sup>3</sup> of storage space in about 800 tanks in 11 ports around the world. This makes us the world-leader in combined shipping- and storage services.

The strategy of Odfjell Terminals is to expand the terminal activities along Odfjell's major shipping lanes. In order to foster the development of chemical markets we also focus on strategic ports in newly industrialized countries.

As part of our strategy, Odfjell acquired Botlek Tank Terminal BV in Rotterdam from Vopak in June 2000. The terminal was renamed Odfjell Terminals (Rotterdam) BV. Located in the heart of the port of Rotterdam, the most important chemical hub in Europe, this terminal has a total storage capacity of 1 530 000 m<sup>3</sup> in about 300 storage tanks. It is one of the largest facilities of its kind in the world, and has a market share of 25% in the Rotterdam area.

The total investment was USD 66 million and the annual gross revenue about USD 52 million.

Odfjell Terminals (Baytank) Inc is the hub for our global and regional trade to and from the US Gulf. We have continuously expanded the storage capacity at this facility over the last years. In October 2000, the most recent expansion was completed with a capacity increase of 22 500 m<sup>3</sup>, or about 10%, to 255 000 m<sup>3</sup>.

The financial performance of our terminal



One of the nine Seachem vessels acquired by Odfjell.

activities was satisfactory in 2000. Gross revenue was USD 59 million and EBIT was USD 16 million. The total assets at year-end were USD 223 million.

In February 2001 we entered into an agreement to acquire 50% of Oiltanking GmbH's chemical terminal currently under construction in Singapore. This terminal will initially have 131 000 m<sup>3</sup> of tankage with two jetties for handling of chemical products. A major part of this capacity is committed long-term. Total investment for Odfjell is about USD 32 million and the terminal will be operational from September 2001.

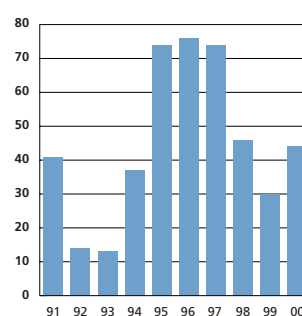
### Tank Containers

Our tank container activity is organised through Hoyer-Odfjell BV, which is 50% owned by Hoyer and 50% by Odfjell. The business enables us to offer our customers integrated and cost effective transportation solutions. Our goal in the initial phase of the operation since start-up in 1999 has been to expand globally, in order to build critical mass and thereby achieving economies of scale. This business has grown from 2 600 containers in 1999 to 5 000 containers in 2000. Our 50% share of gross revenue in 2000 was USD 33 million and EBIT was negative USD 3 million. Our share of the total assets was USD 21 million. The financial performance is not yet satisfactory.

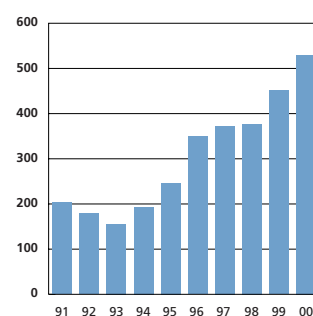
### 2000 RESULT

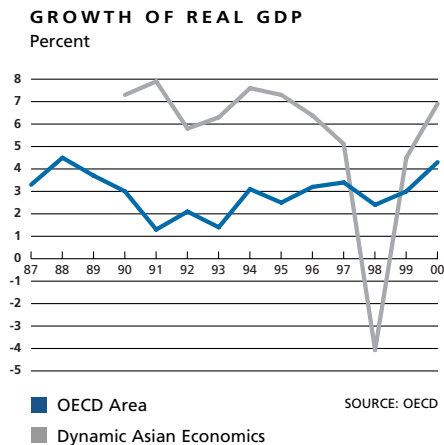
Gross revenue increased to USD 696 million, up from USD 551 million in 1999 primarily due to our merger with Seachem and the acquisition of Odfjell Terminals (Rotterdam). In the fourth quarter gross revenue was USD 207 million, an increase of 40% over the same period in 1999. The operating result before depreciation for 2000 was USD 112 million compared to USD 86 million in 1999. The operating result after depreciation was USD 44 million compared

OPERATING RESULT  
USD million



SHAREHOLDERS' EQUITY  
USD million





to USD 46 million in 1999. The fourth quarter operating result after depreciation was USD 19 million, an increase from USD 6 million in fourth quarter 1999.

The net result for 2000 came in at a loss of USD 12 million compared to a profit of USD 16 million in 1999, including then, a non-recurring sale's profit of USD 16 million. Cash flow was USD 57 million compared to USD 72 million the year before. The fourth quarter result was a profit of USD 5 million, up from USD 1 million in fourth quarter 1999.

The market for our deep-sea activities gradually improved from a low level. Freight rates expressed in USD per day for our fleet increased by about 18% from the first to the fourth quarter. The improvement in the fourth quarter was 6% compared to the third quarter. Our result was negatively impacted by high bunker costs, which increased about USD 31 million, or more than 50% compared to 1999. Operating cost on a comparable fleet basis showed a reduction of about 15% compared to 1999, half of which was due to a stronger USD.

Odfjell Terminals (Baytank) had a positive result of USD 7.7 million before tax. The pre-tax result for Odfjell Terminals (Rotterdam) was USD 5.8 million for the second half of the year.

General and Administrative expenses were about 19% higher than in 1999 due to the growth of our business. This item now includes expenses previously reported under other cost. Due to increased borrowings and higher interest rates net financial cost came in higher than in 1999.

The average USD/NOK exchange rate was 8.78 (1999: 7.80). The strengthening of the USD/NOK rate from 8.04 at year-end 1999 to 8.89 at year-end 2000 negatively impacted our currency hedging portfolio, resulting in a cost of USD 8 million (1999: USD 3 million).

The parent company recorded a loss for the year of NOK 35 million.

The Directors propose to the Annual General Meeting an unchanged dividend of NOK 4 per share, totalling NOK 107.1 million. Furthermore, the Directors propose to cover the dividend and the loss of the parent company, an amount of NOK 142.6 million, from retained earnings. Distributable equity was NOK 2,654.8 million as per 31 December 2000. According to § 3.3 in the Norwegian Accounting Act we confirm that the accounts have been prepared on the assumption of a going concern.

## LIQUIDITY AND FINANCING

Odfjell's cash liquidity is good. At the end of the year, liquid assets amounted to USD 232 million, or about 24 per cent of interest-bearing debt.

The interest-bearing debt was USD 954 million, an increase of USD 212 million. Payments relating to investments amounted to USD 357

*The tank terminal Odfjell Terminals (Rotterdam) BV acquired in June 2000.*



million in 2000. At year-end undrawn credit facilities equalled USD 40 million.

As a consequence of the merger with Seachem we raised new equity corresponding to about 35% of the total acquisition value. In the period June - September 3 353 961 A-shares and 1 572 733 B-shares were issued at NOK 208 per share, totalling NOK 1,024.8 million in new equity.

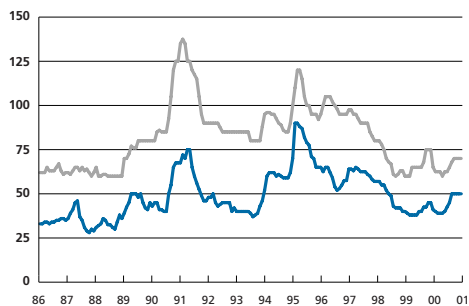
At year-end the total book equity was USD 530 million, equal to USD 20.50 or NOK 182 per share. The equity ratio was 33 per cent. Since our fleet consists of speciality vessels, a market with limited sale and purchase activity, we have not calculated value adjusted shareholders' equity. Transactions done during 2000, however, confirm increased values in excess of book values.

Through our stock repurchase program, in 2000 we acquired 274 000 A-shares at an average price of NOK 126.30 per share and 641 600 B-shares at an average price of NOK 117.85 per share, at a total cost of NOK 110.4 million. So far in 2001, we have acquired additional 284 850 A-shares at an average price of NOK 121.21 per share. Our own shares as of 13 March 2001 represent about 4.5% of the total issued shares in the company.

#### FREIGHT RATES

1 000 tons stainless steel grade chemicals

USD/Ton



■ Houston Rotterdam

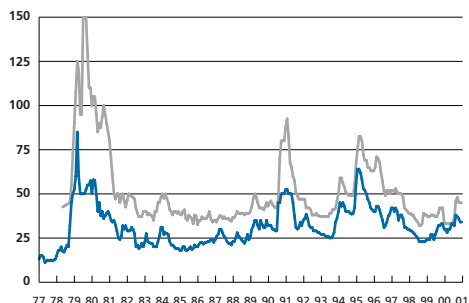
SOURCE: QUINCANNON

■ Houston Far East

#### FREIGHT RATES

3 000 tons easy grade chemicals

USD/Ton



■ Houston Rotterdam

SOURCE: QUINCANNON

■ Houston Far East



#### BERNT DANIEL ODFJELL JR

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



#### PER IVAR GJÆRUM

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



#### BJARTE KVÅLE

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



#### JØRGEN FAYE

Born 1926. Board Member since 1990. Mr. Faye has held various management positions in banking and before retiring Mr. Faye was Deputy Managing Director of Bergen Bank (which later through a merger became Den norske Bank).



#### TERJE STORENG

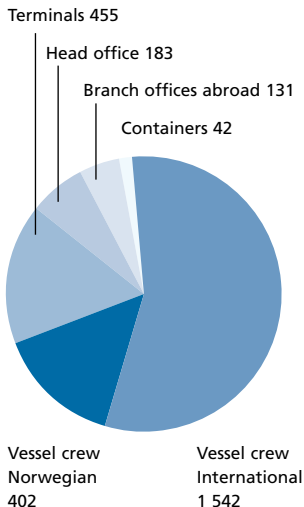
Born 1949. Board Member since 1994. Mr. Storeng is the Managing Director of AIS Rederiet Odfjell, a company held by the Odfjell family.



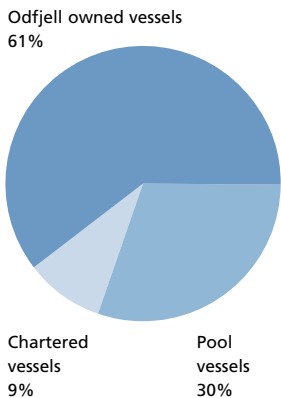
#### PETER G. LIVANOS

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

**EMPLOYEES**  
Per 31 December 2000



**FLEET DISTRIBUTION**  
Global trade



**HEALTH, SAFETY AND ENVIRONMENT**

Odfjell's policy is to maintain and continuously improve the company's position as a supplier of high-quality, environmentally friendly transport services, involving low risks. Stringent environmental and safety requirements underlie all our operations. To pursue a proactive environmental policy we have decided to integrate the environmental standard ISO 14001 into our Safety & Quality Management System.

The recorded absence rate among our employees in the shore organisation was 2.58% during 2000.

In 2000, we have had no accidents with fatal outcome onboard the ships. The reported number of lost workday injury cases was 7.3 per million worked hours (Lost Time Injury Frequency = 7.3). Initiatives have been taken to improve this result.

In November, whilst navigating on the Pearl River, China, one of our ships was involved in a collision. As a result of the collision the other vessel, a small bunker barge sunk and two persons were reported missing. Since then the barge has been salvaged, and clean up of a minor oil spill been carried out. There is yet no official confirmation that the missing persons have been found.

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

During 2000, Det Norske Veritas audited Odfjell's Document of Compliance. Renewals and audits of Safety Management Certificates were carried out onboard the ships according to plan. Own internal auditors have audited all ships owned by Odfjell. The main customers of the company made 88 inspections on board our ships. Of these, 32 were conducted by Chemical

Distribution Institute (CDI), and 56 by Oil Companies International Marine Forum (OCIMF). In addition, inspections were made by the classification societies and port states' controls. Even though costly, Odfjell welcomes this close follow-up on the part of the industry and authorities.

The focus on quality, safety and environmental protection is equally strong when it comes to our terminal activities. With the support of two of its most important customers, Odfjell Terminals (Baytank) was the first terminal in the U.S. to become a partner in the "Responsible Care®" programme. This programme is the Chemical Manufacturers Association's way of bestowing recognition on enterprises that have distinguished themselves by applying environmental and safety standards in excess of current regulations.

**OUTLOOK**


We expect that the chemical tanker market will continue to improve in 2001. This is due to reduced supply of new tonnage combined with a stable growth in demand. The company is presently benefiting from the strong market for clean petroleum tonnage. During the autumn of 2000 a number of freight contracts were renewed at substantially higher rates.


One of the major risk factors is a further weakening of the US economy, and its impact on world chemical movements. The cost of bunker and the USD interest rates are expected to be lower in 2001 compared to 2000.

Through the merger with Seachem and the acquisition of Odfjell Terminals (Rotterdam) we have significantly strengthened our market position as a total logistics service provider.

Bergen, 13 March 2001

THE BOARD OF DIRECTORS OF ODFJELL ASA


  
Per Ivar Gjærum

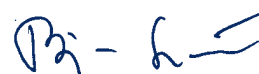
  
B.D. Odfjell jr.  
CHAIRMAN

  
Bjarte Kvåle

  
Jørgen Faye

  
Terje Storeng

  
Peter G. Livanos

  
Bjørn Sjaastad  
PRESIDENT/CEO

**PROFIT AND LOSS STATEMENT**

(USD 1 000)

**OPERATING REVENUE**

<b>(EXPENSES)</b>	NOTE	<b>2000</b>	<b>1999</b>	<b>1998</b>
Gross revenue	2	696 348	551 498	533 012
Voyage expenses		(265 916)	(192 674)	(156 859)
Time-charter expenses	3	(152 175)	(129 585)	(143 950)
Operating expenses	4,6,20	(126 522)	(110 355)	(109 275)
<b>Gross result</b>		<b>151 735</b>	<b>118 884</b>	<b>122 929</b>
General and administrative expenses	4	(39 264)	(32 997)	(29 210)
<b>Operating result before depreciation and gain (loss) on sale of fixed assets</b>		<b>112 471</b>	<b>85 887</b>	<b>93 719</b>
Depreciation	5,6	(68 582)	(56 263)	(48 219)
Gain (loss) on sale of fixed assets		-	16 456	12 223
<b>Operating result</b>	<b>2</b>	<b>43 890</b>	<b>46 080</b>	<b>57 723</b>
<b>FINANCIAL INCOME (EXPENSES)</b>				
Interest income		12 430	13 454	13 832
Interest and fees paid		(58 598)	(41 935)	(36 365)
Other financial items	7	9	854	(204)
Currency gains (losses)	8	(8 135)	(2 837)	(3 614)
<b>Net financial items</b>		<b>(54 294)</b>	<b>(30 464)</b>	<b>(26 351)</b>
<b>Net result before extraordinary items and taxes</b>		<b>(10 405)</b>	<b>15 616</b>	<b>31 372</b>
Taxes	9	(1 564)	599	(1 090)
<b>Net result before minority interests</b>		<b>(11 968)</b>	<b>16 215</b>	<b>30 282</b>
Minority interests		(17)	-	
<b>Net result</b>		<b>(11 951)</b>	<b>16 215</b>	<b>30 282</b>
Earnings per share (USD)	10	(0.50)	0.74	1.39

ODFJELL GROUP


**ASSETS AS PER 31.12.**

(USD 1 000)

<b>FIXED ASSETS</b>	<b>NOTE</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>
Deferred tax assets	9	1 991	523	-
Goodwill	5, 12	15 563	11 409	7 235
Real estate	6, 12	11 237	11 283	9 191
Vessels	6, 12, 20	979 480	826 339	719 136
Newbuildings	6, 12	38 469	10 622	39 492
Tank terminals	6, 12	195 365	111 341	92 164
Office equipment and cars	6, 12	13 006	4 506	2 889
Other shares		-	-	7 775
Other long-term receivables	14, 16	36 850	14 016	14 161
<b>Total fixed assets</b>		<b>1 291 962</b>	<b>990 039</b>	<b>892 043</b>
<b>CURRENT ASSETS</b>				
Short-term receivables	14, 16	79 429	56 055	56 113
Bunkers	16	9 743	7 302	4 446
Investment in shares	17	5 041	4 808	2
Bonds and certificates	16	57 751	69 065	52 882
Cash and bank deposits	16, 19	168 912	143 657	160 184
<b>Total current assets</b>		<b>320 876</b>	<b>280 887</b>	<b>273 627</b>
<b>Total assets</b>		<b>1 612 837</b>	<b>1 270 926</b>	<b>1 165 670</b>



B.D. Odfjell jr.  
CHAIRMAN



Per Ivar Gjærum  
Per Ivar Gjærum



Bjarte Kvåle



Jørgen Faye


**LIABILITIES AND SHAREHOLDERS' EQUITY AS PER 31.12.**

(USD 1000)

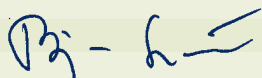
<b>PAID IN EQUITY</b>	<b>NOTE</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>
Share capital	11	36 659	31 097	31 097
Own shares	11	(1 303)	-	-
Share premium	11	109 955	-	-
<b>Total paid in equity</b>		<b>145 311</b>	<b>31 097</b>	<b>31 097</b>
<b>RETAINED EARNINGS</b>				
Other equity	11	384 558	419 967	416 371
<b>Total retained earnings</b>		<b>384 558</b>	<b>419 967</b>	<b>416 371</b>
<b>Total shareholders' equity</b>		<b>529 869</b>	<b>451 064</b>	<b>447 468</b>
<b>Minority interests</b>		<b>5 136</b>	-	-
<b>LONG-TERM LIABILITIES</b>				
Deferred tax liabilities	9	-	-	634
Pension liabilities	15	6 572	-	-
Convertible loan		-	3 049	3 289
Long-term debt	14, 16	954 614	745 704	643 836
<b>Total long-term liabilities</b>		<b>961 186</b>	<b>748 753</b>	<b>647 759</b>
<b>CURRENT LIABILITIES</b>				
Taxes payable	9	3 273	2 416	2 395
Employee taxes payable	16	2 305	1 901	1 786
Dividend payable	11	12 041	10 875	11 499
Other short-term liabilities	16	99 027	55 917	54 763
<b>Total current liabilities</b>		<b>116 646</b>	<b>71 109</b>	<b>70 443</b>
<b>Total liabilities</b>		<b>1 077 832</b>	<b>819 862</b>	<b>718 202</b>
<b>Total liabilities and shareholders' equity</b>		<b>1 612 837</b>	<b>1 270 926</b>	<b>1 165 670</b>
Liabilities secured by mortgages	21	101 598	64 375	25 000
Guarantees	22	1 198	8 033	8 059



Terje Storeng



Peter G. Livanos



Bjørn Sjaastad  
PRESIDENT/CEO

Bergen, 13 March 2001

THE BOARD OF DIRECTORS OF ODFJELL ASA

**CASH FLOW STATEMENT**

(USD 1 000)

	<b>2000</b>	<b>1999</b>	<b>1998</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net result for the year before taxes	(10 405)	15 616	31 372
Taxes paid	(2 359)	(557)	(290)
(Gain) loss on sale of fixed assets	-	(16 456)	(12 223)
Depreciation	68 582	56 253	48 219
Depreciation of capitalised dry-docking cost	17 032	17 497	19 566
Inventory (increase) decrease	(2 441)	(2 856)	1 336
Trade debtors (increase) decrease	(12 195)	(4 071)	4 041
Trade creditors increase (decrease)	5 947	4 861	(1 978)
Difference in pension cost and pension premium paid	737	876	1 100
Other short-term accruals items	25 790	(1 240)	(7 818)
<b>Net cash flow from operating activities</b>	<b>90 688</b>	<b>69 923</b>	<b>83 325</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Sale of fixed assets	-	18 898	15 630
Investment in fixed assets	(357 027)	(167 198)	(197 281)
Investment in trading shares	(1 070)	(4 806)	67
Changes in long-term receivables	(23 871)	157	415
<b>Net cash flow from investing activities</b>	<b>(381 968)</b>	<b>(152 949)</b>	<b>(181 169)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
New long-term debt	213 017	94 181	104 320
Payment of long-term debt	(3 049)	-	-
Share issue	115 518	-	-
Repurchase own shares	(13 385)	-	-
Dividends	(9 714)	(11 499)	(11 946)
<b>Net cash flow from financing activities</b>	<b>302 387</b>	<b>82 682</b>	<b>92 374</b>
<b>Effect on cash balances from currency exchange rate fluctuations</b>	<b>2 834</b>	<b>-</b>	<b>-</b>
<b>Net change in cash and cash equivalents</b>	<b>13 941</b>	<b>(344)</b>	<b>(5 470)</b>
Cash balances as per 01.01	212 722	213 066	218 536
<b>Cash balances as per 31.12</b>	<b>226 663</b>	<b>212 722</b>	<b>213 066</b>

Cash balances include cash and cash equivalents such as bank deposits, bonds and certificates.  
As per 31 December 2000, unutilised credit facilities were USD 40 mill.

## NOTES TO THE GROUP FINANCIAL STATEMENT

### 1 ACCOUNTING PRINCIPLES

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

#### a. Consolidation

The consolidated accounts consist of Odfjell ASA and subsidiaries. Common accounting principles are applied to all companies in the Odfjell Group. Foreign subsidiaries not accounted for in USD are converted at the average rate of exchange for the profit and loss account and at the year-end exchange rate for the balance sheet. Other equity is being adjusted with the differences due to conversion differences.

The Odfjell Group is using the acquisition method when consolidating subsidiaries that have been taken over. Identified excess values have been allocated to those assets to which the value relates. The excess values are depreciated over the assets estimated economic life. Excess values not traceable to material assets have been classified as goodwill. Goodwill is amortised based on an individual evaluation of the underlying activity. Inter-company transactions have been eliminated.

Our share of activities under common control and affiliated companies is, in the Odfjell Group accounts, based on the Gross method, and is included proportionally in each of the lines in the Group's Profit and Loss and Balance Sheet statements.

#### b. Classification of balance sheet items

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

#### c. Revenue and voyage related costs

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

#### d. Periodic maintenance costs

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

#### e. Pension and accrued pension liabilities

Pension obligations are mainly covered through life insurance companies. The present value of the liability has been calculated based on actuarial principles. The net of the present value of the calculated liability and the pension fund

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

#### f. Debt issuance costs

Debt issuance costs are expensed in the year the debt is incurred.

#### g. Taxes and deferred tax liabilities

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

#### h. Public contribution

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

#### i. Current assets

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

#### j. Shares

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

#### k. Foreign currency

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

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

have used historical rates. Currency gains/losses relate to currency hedging contracts only.

#### l. Fixed assets – depreciation

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

#### m. Newbuilding contracts

Newbuildings include payments made under the contracts together with other costs directly associated with the newbuilding program.

#### n. Cash flow statement

The cash flow statement is prepared using the indirect method.

#### o. Financial instruments

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

##### FOREIGN CURRENCY INSTRUMENTS:

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

##### INTEREST RATE INSTRUMENTS:

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

##### BUNKERS:

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

#### p. Related parties

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

#### q. Information about the segments

Odfjell is a leading player in the global market of seaborne transportation of chemicals and related logistical services, including tank terminals and tank containers. The definition of business areas is based on the company's internal reporting. Transactions between the individual business areas are priced at market terms and are eliminated in the consolidated accounts.

#### r. Financial leases

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

**2 GROSS REVENUE AND OPERATING RESULT**

(USD 1 000)

<i>Gross revenue:</i>	2000	1999	1998
Global trade	531 866	429 279	459 749
Regional trade	72 000	59 992	44 647
Tank terminals	59 054	32 203	28 615
Tank containers	33 428	30 024	-
<b>Total gross revenue</b>	<b>696 348</b>	<b>551 498</b>	<b>533 012</b>
<i>Operating result:</i>	2000	1999	1998
Global trade	28 557	33 736	48 517
Regional trade	2 330	2 299	(204)
Tank terminals	15 653	10 595	9 410
Tank containers	(2 650)	(550)	-
<b>Total operating result</b>	<b>43 890</b>	<b>46 080</b>	<b>57 723</b>

**3 TIME-CHARTER EXPENSES**

(USD 1 000)

<i>Time-charter expenses:</i>	2000	1999	1998
Floating TC-expenses (pool-partners)	85 317	70 667	79 863
Other TC-expenses	66 858	58 918	64 087
<b>Total time-charter expenses</b>	<b>152 175</b>	<b>129 585</b>	<b>143 950</b>

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

(USD 1 000)

<i>Salaries and other employee expenses:</i>	2000	1999	1998
Salaries	62 053	52 489	49 577
Social expenses	8 519	7 290	6 787
Pension cost	1 768	1 101	1 323
Other benefits	2 950	1 357	1 306
<b>Total salary expenses</b>	<b>75 290</b>	<b>62 236</b>	<b>58 993</b>
Average number of man-labour years	2 241	1 726	1 682

The salary expenses are included in the following accounts:

<i>Salaries and other employee expenses:</i>	2000	1999	1998
Operating expenses	51 533	42 068	39 193
General and administrative expenses	23 757	20 168	19 800

<i>Compensation and benefits to:</i>	<i>President/CEO</i>	<i>Board of Directors</i>
Salary	308	171
Pension cost	45	17
Other benefits	10	4

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

The President/CEO has the right to request his retirement at the age of 60 and will receive an annual pension from the age of 60 to 65 in an amount equal to 66% of the average annual salary the three preceding years. Annual pension after 65 will be 66% of 24G (presently 24G equals NOK 1 178 160).

Loans to employees amount to USD 1.45 mill. The loans are primarily secured by property mortgages. Interest rates vary from 0-5% per annum.

<i>Auditor's remuneration for:</i>	2000	1999	1998
Auditing	97	94	100
Consulting/legal	250	61	40

## 5 INTANGIBLE FIXED ASSETS

(USD 1 000)

	Cost		Sale book value	Accumulated amortisation		Book value 31.12.2000
	01.01.2000	Investment		prior years	this year	
<b>Total goodwill</b>	<b>14 205</b>	<b>7 722</b>	-	<b>(4 518)</b>	<b>(1 846)</b>	<b>15 563</b>

### Amortisation period:

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

## 6 FIXED ASSETS

(USD 1 000)

	Cost		Sale book value	Accumulated depreciation		Book value 31.12.2000
	01.01.2000	Investment		prior years	this year	
Real estate	13 680	268	-	(2 293)	(418)	11 237
Tank terminals	170 755	92 382	-	(59 659)	(8 113)	195 365
Vessels and newbuildings	961 162	236 395	-	(146 843)	(56 785)	993 929
Periodic maintenance*	22 068	18 984	-	-	(17 032)	24 020
Office equipment and cars	8 766	9 468	-	(3 808)	(1 420)	13 006
<b>Total</b>	<b>1 176 431</b>	<b>357 497</b>	-	<b>(212 603)</b>	<b>(83 768)</b>	<b>1 237 557</b>

Included in vessels' and newbuildings' book value 31.12.2000 is USD 55 943 related to financial leasing.

### Depreciation periods:

Real estate: 50 years; tank terminal: 40 years; vessels: 25 years;  
periodic maintenance cost: 2,5 years; office equipment and cars: 5-10 years.

\* - Periodic maintenance is expensed as an operating expense.

## 7 OTHER FINANCIAL ITEMS

(USD 1 000)

	2000	1999	1998
Other financial income	1 309	306	455
Other financial expenses	(463)	(282)	(659)
Changes in the market value of financial current assets	(837)	830	-
<b>Total other financial items</b>	<b>9</b>	<b>854</b>	<b>(204)</b>

## 8 CURRENCY GAINS (LOSSES)

(USD 1 000)

	2000	1999	1998
Currency hedging contracts	(10 920)	(2 837)	3 614
Long-term receivables and debt	(1 113)	-	-
Cash and bank deposits	2 834	-	-
Other current assets and current liabilities	1 063	-	-
<b>Total currency gains (losses)</b>	<b>(8 136)</b>	<b>(2 837)</b>	<b>3 614</b>

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

**9 TAXES**

(USD 1 000)

<i>Taxes:</i>	<i>2000</i>	<i>1999</i>	<i>1998</i>
Taxes payable, Norway	(51)	(150)	(311)
Taxes payable, Foreign	(1 493)	(407)	(708)
Change in deferred tax, Norway	2 935	1 157	(19)
Change in deferred tax, Foreign	(2 132)	-	(52)
Changes to equity	(823)	-	-
<b>Total tax expenses</b>	<b>(1 564)</b>	<b>599</b>	<b>(1 090)</b>
Tonnage tax (expensed as an operating expense)	710	712	738

<i>Spesification of deferred taxes I(deferred tax assets):</i>	<i>2000</i>	<i>1999</i>	<i>1998</i>
Current items	21 729	-	-
Fixed assets	43 313	461	511
Pension fund	(6 396)	1 303	2 403
Other long-term temporary differences	4 659	285	495
Tax-loss carried forward	(70 959)	(3 919)	(1 147)
<b>Net temporary differences</b>	<b>(7 654)</b>	<b>(1 869)</b>	<b>2 262</b>
Tax rate	28%-35%	28%	28%
<b>Deferred tax assets</b>	<b>(1 991)</b>	<b>(523)</b>	<b>634</b>

*Temporary differences, within the shipping tax system:*

Negative balance for taxed income	298 529	330 464	349 818
Accumulated non-taxable income	57 119	63 221	88 997
<b>Net temporary differences</b>	<b>355 648</b>	<b>393 685</b>	<b>438 814</b>
<b>Deferred tax (deferred tax assets)*</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total deferred tax (deferred tax assets)</b>	<b>(1 991)</b>	<b>(523)</b>	<b>634</b>

\*) *Deferred tax within the Norwegian shipping tax system:*

Given the assumption that the company continues under the shipping tax system, the deferred tax is negligible based on a net present value calculation.

18

**10 EARNINGS PER SHARE**

The weighted average number of shares in 2000 was 23 755 892, not including own shares.

In 1999 and 1998 the comparable figure was 21 848 512. Earnings per share is calculated as net result for the year divided by the weighted average number of shares.

**11 SHAREHOLDERS' EQUITY**

(USD 1 000)

	<i>Share capital</i>	<i>Own shares</i>	<i>Share premium</i>	<i>Other equity</i>	<i>Total equity</i>
<b>Shareholders' equity as per 31 December 1999</b>	<b>31 097</b>	-	-	<b>419 967</b>	<b>451 064</b>
Net result for the year	-	-	-	(11 951)	(11 951)
Own Shares	-	(1 303)	-	(12 082)	(13 385)
Share issue	5 562	-	109 955	-	115 517
Changes to equity	-	-	-	1 144	1 144
Changes in exchange differences	-	-	-	(479)	(479)
Proposed dividend	-	-	-	(12 041)	(12 041)
<b>Shareholders' equity as per 31 December 2000</b>	<b>36 659</b>	<b>(1 303)</b>	<b>109 955</b>	<b>384 558</b>	<b>529 869</b>

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

(USD 1 000)

	1996		1997		1998		1999		2000	
	Inv.	Sale	Inv.	Sale	Inv.	Sale	Inv.	Sale	Inv.	Sale
Real estate	29	-	508	-	1 096	73	2 475	-	268	-
Tank terminals	8 426	-	8 601	-	10 438	-	10 119	-	84 190	-
Vessels and newbuildings	66 657	-	186 982	39 020	165 511	15 500	127 758	18 685	236 395	-
Periodic maintenance costs	-	-	23 890	-	18 919	-	18 162	-	18 984	-
Office equipment and cars	567	22	1 472	75	1 317	57	2 733	213	9 468	-
Goodwill	-	-	8 801	-	-	-	5 951	-	7 722	-
<b>Total</b>	<b>75 679</b>	<b>22</b>	<b>230 254</b>	<b>39 096</b>	<b>197 281</b>	<b>15 630</b>	<b>167 198</b>	<b>18 898</b>	<b>357 027</b>	<b>-</b>

## 13 CONSOLIDATED COMPANIES

<i>Subsidiaries:</i>	<i>Registered office</i>	<i>Share</i>	<i>Voting-rights</i>
Odfjell Chemical Tankers AS	Norway	95%	95%
Odfjell Chemical Tankers II AS	Norway	100%	100%
Odfjell Chemical Tankers III AS	Norway	100%	100%
Odfjell Seachem AS	Norway	99%	99%
Odfjell Tankers Komplementar ASA	Norway	100%	100%
Odfjell Terminals AS	Norway	100%	100%
Odfjell Chartering AS	Norway	100%	100%
Odfjell Insurance AS	Norway	100%	100%
Odfjell Projects AS	Norway	100%	100%
Odfjell Projects II AS	Norway	99%	99%
Odfjell Asia Pte Ltd	Singapore	100%	100%
Odfjell Singapore Pte Ltd	Singapore	100%	100%
Odfjell USA Inc	USA	100%	100%
Chemical Tankers of America Inc	USA	100%	100%
Chemical Tankers (Delaware) Inc	USA	100%	100%
Odfjell Netherlands BV	Netherlands	100%	100%
Odfjell Japan Ltd	Japan	100%	100%
Odfjell Brasil - Representacoes Ltda	Brazil	100%	100%
Odfjell Chemical Tankers Ltd	Bermuda	100%	100%
Odfjell Employment Services Ltd	Bermuda	100%	100%
Naviera Latino Americana SA	Argentina	99%	99%
Dalian Marine Tank Terminal Co Ltd	China	54%	54%

Wholly-owned companies held indirectly through subsidiaries:

Odfjell Americas AS, Odfjell Asia II Pte Ltd, Odfjell Tankers Guaranty Company, Odfjell Terminals (Baytank) Inc and Odfjell Terminals (Rotterdam) BV.

The companies Odfjell Chemical Tankers AS, Odfjell Seachem AS, Odfjell Projects II AS and Naviera Latino Americana SA are directly and indirectly 100% owned by the Group.

### *Other shares:*

Odfjell y Vapores SA	Chile	49%	49%
Odfjell & Vapores Ltd	Bermuda	50%	50%
Norfra Shipping AS	Norway	50%	50%
Hoyer - Odfjell BV	Netherlands	50%	50%
Hoyer - Odfjell T/C Equipment Services BV	Netherlands	50%	50%
V.O.Tank Terminal Ningbo Co Ltd	China	12.5%	12.5%

**14 RECEIVABLES AND DEBT**

(USD 1 000)

<i>Long-term receivables:</i>	2000	1999	1998
Employees	1 455	1 401	305
Pension fund	-	1 142	2 106
Other	35 395	11 474	11 750
<b>Total long-term receivables</b>	<b>36 850</b>	<b>14 016</b>	<b>14 161</b>
<b>of which with a maturity later than one year</b>	<b>26 912</b>	<b>13 528</b>	<b>14 161</b>
<i>Long-term liabilities with a maturity later than 5 years:</i>	2000	1999	1998
<b>Total</b>	<b>274 747</b>	<b>277 147</b>	<b>236 866</b>

*Repayment schedule:*

<b>Long-term interest-bearing debt as per 31.12.2000</b>	<b>954 614</b>
Repayment schedule:	
2001	80 002
2002	109 425
2003	281 925
2004	56 115
2005 and thereafter	427 147

The average term of the company's outstanding long-term interest-bearing debt as per 31 December 2000 was 4.6 years.

<i>Average USD interest rate:</i>	2000	1999	1998
Liabilities to financial institutions	7.08%	5.66%	6.04%
Certificate (swapped from NOK interest rate at 7,72%)	6.97%	-	-
Bonds due	4.10%	3.24%	3.48%
Convertible loans	-	8.00%	8.00%

## 15 PENSION COSTS AND ACCRUED LIABILITIES

(USD 1 000)

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

The pension obligation covers 594 employees, whereof 60 received pension benefits in 2000.

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

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

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

<i>Pension costs:</i>	2000	1999	1998
Present value current year service cost	1 450	1 201	1 183
Interest cost on accrued pension liability	924	700	677
Return on pension plan assets	(842)	(874)	(905)
Implementation effect new pension	-	-	343
Amortised effect of changes in estimates and pension plans, and differences in actual and estimated return on pension plan assets	237	74	24
<b>Net pension cost</b>	<b>1 768</b>	<b>1 101</b>	<b>1 323</b>
Social security tax	189	155	187
<b>Periodic pension cost</b>	<b>1 958</b>	<b>1 256</b>	<b>1 509</b>

<i>Accrued pension liability:</i>	2000	1999	1998
Estimated present value of pension obligation	(17 272)	(12 896)	(12 761)
Estimated value of pension premium fund	12 893	12 806	13 556
Unamortised effect of changes in estimates and pension plans, and differences in actual and estimated return on pension plan assets	1 905	1 232	1 312
<b>Net pension fund (liability)</b>	<b>(2 473)</b>	<b>1 142</b>	<b>2 106</b>
Estimated employer's social cost	(349)	161	297

*The above calculation is based on the following assumptions:*

Discount rate	6.00%	6.00%	6.00%
Expected return on assets	7.00%	7.00%	7.00%
Inflation	3.00%	2.50%	2.50%
Adjustment of wages	3.50%	2.50%	2.50%
Pension indexation	3.00%	2.50%	2.50%

In addition to the above, which includes the majority of the employees in the Group, a further USD 4.1 million relating to foreign subsidiaries has been accrued as pension liabilities in the Group accounts.

**16 FINANCIAL MARKET RISK**

(USD 1 000)

*Balance sheet items:*

Currency exposure - cash balances, receivables and liabilities

<i>Receivables:</i>		2000	1999	1998
Short-term receivables	NOK	1 364	2 542	2 372
Bonds and certificates	NOK	16 504	-	-
Cash balance	NOK	60 365	4 544	6 158
Cash balance	EUR	697	96	-
<b>Total receivables</b>		<b>78 930</b>	<b>7 183</b>	<b>8 531</b>

*Liabilities:*

Long-term liabilities	NOK	-	(3 049)	(3 289)
Long-term liabilities	EUR	(35 340)	-	-
Other short-term liabilities	NOK	(16 595)	(14 498)	(14 779)
<b>Total liabilities</b>		<b>(51 935)</b>	<b>(17 547)</b>	<b>(18 068)</b>
<b>Net liabilities</b>		<b>26 995</b>	<b>(10 364)</b>	<b>(9 537)</b>

*Off-balance sheet items:*

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

Portfolio as per 31 December 2000:

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

	Year 2001	Year 2001	Year 2002-2004	Year 2002-2004
<i>Hedging instruments:</i>	USD mill.	Rate	USD mill.	Rate
Forward sale contracts	103	8.15	304	8.39
Put options purchased			50	7.70
Call options written			100	8.07

In addition, we have sold USD to hedge the currency exposure relating to the contract-price of a newbuilding, to be delivered in December 2003, of NOK 440 mill. and a certificate issue, due November 2001, of NOK 150 mill.

*USD against EURO:*

	Year 2001 USD mill.	Year 2001 Rate
<i>Hedging instruments:</i>		
Forward sale contracts	14	0.89

*ii) Interest rate agreements/derivatives*

<i>Hedging instruments:</i>	USD mill.	Year 2001	Average rate
Forward rate contracts	140	6 months	6.13%

*iii) Bunker fuel instruments/derivatives*

<i>Hedging instruments:</i>	Volume (ton)	Year 2001	Price per ton
Forward price hedging	39,000	1st quarter	USD 115.75

## 17 FINANCIAL CURRENT ASSETS

(USD 1 000)

	Cost price			Book value		
	2000	1999	1998	2000	1999	1998
Total financial current assets	5 070	4 000	-	5 041	4 808	-

## 18 BONDS AND CERTIFICATES

(USD 1 000)

	Currency	Book value	Market value	Average interest rate
Bonds and certificates issued/guaranteed by the government	CAD	205	205	5.79%
	DKK	805	805	7.50%
	EUR	2 918	2 918	5.26%
	JPY	1 641	1 641	1.62%
	USD	10 688	10 688	6.28%
Bonds and certificates issued/guaranteed by financial institutions	NOK	568	568	6.75%
	USD	24 990	24 990	7.11%
	NOK	5 049	5 049	7.40%
Total bonds and certificates	NOK	10 888	10 888	7.50%
		57 751	57 751	

Bonds and certificates issued/guaranteed by financial institutions generally have interest rate adjustments every third month. Bonds and certificates issued/guaranteed by the government are generally fixed rate papers with an average duration of about three years.

## 19 CASH AND BANK DEPOSITS

Included in this item is USD 1.0 million of withholding taxes relating to employees in Odfjell ASA.

## 20 PUBLIC CONTRIBUTIONS

In relation to the newbuilding program in Norway the company has received USD 1.1 million by way of public contribution. Furthermore, the Odfjell Group has received a public contribution of USD 1.2 million from the Norwegian Maritime Directorate in connection with the refund system pertaining to Norwegian seafarers.

## 21 LIABILITIES SECURED BY MORTGAGES

(USD 1 000)

	2000	1999	1998
Book value of loans secured by mortgages	101 598	64 375	25 000
Total liabilities secured by mortgages	101 598	64 375	25 000
Book value of assets mortgaged	129 161	92 355	33 954

## 22 GUARANTEES

(USD 1 000)

	2000	1999	1998
Total guarantees	1 198	8 033	8 059

## 23 RELATED PARTIES

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

Ceres Hellenic Shipping Enterprises Ltd., a company related to Board Member Peter G. Livanos, is responsible for the crewing and technical management of 18 of Odfjell's vessels, while Odfjell is responsible for the commercial management of 11 of Ceres' vessels. These services are priced at market terms.

**PROFIT AND LOSS STATEMENT**

(NOK 1 000)

<b>OPERATING REVENUE (EXPENSES)</b>	NOTE	<b>2000</b>	<b>1999</b>	<b>1998</b>
Gross revenue	2	152 943	128 637	125 546
General and administrative expenses	3	(140 924)	(116 246)	(112 740)
Depreciation	4	(8 616)	(7 231)	(5 016)
Other income (cost)		(20)	(31)	(45)
<b>Operating result</b>		<b>3 383</b>	<b>5 130</b>	<b>7 746</b>
<b>FINANCIAL INCOME (EXPENSES)</b>				
Interest income	5	362 862	209 512	217 882
Interest and fees paid	5	(398 083)	(233 834)	(235 042)
Other financial items	5	3 359	(94)	3 463
Currency gains (losses)	6	(19 381)	(14 079)	(2 590)
<b>Net financial items</b>		<b>(51 242)</b>	<b>(38 495)</b>	<b>(16 286)</b>
<b>Net result before taxes</b>		<b>(47 859)</b>	<b>(33 365)</b>	<b>(8 540)</b>
Taxes	7	12 410	9 022	(147)
<b>Net result</b>		<b>(35 449)</b>	<b>(24 343)</b>	<b>(8 688)</b>
<b>Allocation:</b>				
Proposed dividend	8	(107 101)	(87 394)	(87 394)

**ASSETS AS PER 31.12.**

(NOK 1 000)

<b>FIXED ASSETS</b>	NOTE	<b>2000</b>	<b>1999</b>	<b>1998</b>
Real estate	4, 9	55 872	57 475	58 287
Office equipment and cars	4, 9	26 687	18 165	13 763
Investment in subsidiaries and associates	10	2 779 796	3 395 805	3 395 755
Other shares	10	92 022	136 181	50 780
Loans to subsidiaries	11	5 488 013	2 399 679	4 153 934
Other long-term receivables	12	14 998	22 118	20 004
<b>Total fixed assets</b>		<b>8 457 388</b>	<b>6 029 423</b>	<b>7 692 524</b>
<b>CURRENT ASSETS</b>				
Short-term receivables		27 892	18 072	68 450
Group receivables		271 546	-	-
Bunkers		6 943	7 854	10 055
Investment in shares		44 835	38 621	-
Bonds and certificates	13	513 665	554 990	-
Cash and bank deposits	14	1 234 776	1 053 714	89 919
<b>Total current assets</b>		<b>2 099 657</b>	<b>1 673 251</b>	<b>168 424</b>
<b>Total assets</b>		<b>10 557 045</b>	<b>7 702 674</b>	<b>7 860 948</b>

B.D. Odfjell jr.  
CHAIRMAN

Per Ivar Gjærum

Bjarte Kvåle

Jørgen Faye

ODFJELL ASA

**LIABILITIES AND SHAREHOLDERS' EQUITY AS PER 31.12.**

(NOK 1 000)

<b>PAID IN EQUITY</b>	NOTE	<b>2000</b>	<b>1999</b>	<b>1998</b>
Share capital	8, 15	267 752	218 485	218 485
Own shares	8, 15	(9 156)	-	-
Share premium	8	973 905	-	-
<b>Total paid in equity</b>		<b>1 232 502</b>	<b>218 485</b>	<b>218 485</b>
<b>RETAINED EARNINGS</b>				
Other equity	8	2 654 771	2 912 225	3 023 878
<b>Total retained earnings</b>		<b>2 654 771</b>	<b>2 912 225</b>	<b>3 023 878</b>
<b>Total shareholders' equity</b>		<b>3 887 272</b>	<b>3 130 710</b>	<b>3 242 363</b>
<b>LONG-TERM LIABILITIES</b>				
Deferred tax liabilities	7	2 011	21 743	30 765
Pension liabilities	16	21 997	-	-
Convertible loan		-	24 500	25 000
Long-term debt	12	6 287 205	4 259 080	4 256 000
<b>Total long-term liabilities</b>		<b>6 311 213</b>	<b>4 305 323</b>	<b>4 311 765</b>
<b>CURRENT LIABILITIES</b>				
Employee taxes payable		16 776	14 488	12 898
Dividend payable		107 101	87 394	87 394
Other short-term liabilities		234 682	124 178	135 822
Loan payable to subsidiaries		-	40 581	70 706
<b>Total current liabilities</b>		<b>358 560</b>	<b>266 641</b>	<b>306 820</b>
<b>Total liabilities</b>		<b>6 669 773</b>	<b>4 571 964</b>	<b>4 618 585</b>
<b>Total liabilities and shareholders' equity</b>		<b>10 557 045</b>	<b>7 702 674</b>	<b>7 860 948</b>
Guarantees	17	1 701 212	1 170 085	699 985

Terje Storeng

Peter G. Livanos

Bjørn Sjaastad  
PRESIDENT/CEO

Bergen, 13 March 2001

THE BOARD OF DIRECTORS OF ODFJELL ASA

**CASH FLOW STATEMENT**

(NOK 1 000)

	<b>2000</b>	<b>1999</b>	<b>1998</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net result for the year before taxes	(47 859)	(33 365)	(8 542)
(Gain) loss on sale of fixed assets	20	31	45
Depreciation	8 616	7 231	5 016
Inventory (increase) decrease	911	2 201	(229)
Trade creditors increase (decrease)	18 412	17 991	(1 922)
Difference in pension cost and pension premium paid	6 554	6 832	8 302
Exchange rate fluctuations	93 000	16 531	15 410
Other short-term accruals	(227 633)	(47 972)	(11 874)
<b>Net cash flow from operating activities</b>	<b>(147 979)</b>	<b>(30 520)</b>	<b>6 206</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Sale of fixed assets	-	1 191	89 294
Investment in fixed assets	(15 534)	(12 041)	(15 215)
Investment in trading shares	653 954	(124 072)	(195 412)
Changes in long-term receivables	(2 056)	(8 946)	(652)
Loans to subsidiaries	(2 763 533)	1 478 006	(1 134 912)
<b>Net cash flow from investing activities</b>	<b>(2 127 169)</b>	<b>1 334 138</b>	<b>(1 256 897)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
New long-term debt	1 514 301	299 498	1 286 325
Payment of long-term debt	(24 500)	(500)	-
Share issue	1 023 173	-	-
Own shares	(110 442)	-	-
Group contribution	102	83	83
Dividends	(83 772)	(87 394)	(87 394)
<b>Net cash flow from financing activities</b>	<b>2 318 862</b>	<b>211 687</b>	<b>1 199 014</b>
<b>Effect on cash balances from currency exchange rate fluctuations</b>	<b>96 023</b>	<b>3 479</b>	<b>1 001</b>
<b>Net change in cash balance and cash equivalents</b>	<b>139 737</b>	<b>1 518 784</b>	<b>(50 676)</b>
Cash balances as per 01.01	1 608 704	89 920	140 596
<b>Cash balances as per 31.12</b>	<b>1 748 441</b>	<b>1 608 704</b>	<b>89 920</b>

Cash balances include cash balance and cash equivalents such as bank deposits, bonds and certificates.  
As per 31 December 2000, unutilised credit facilities were NOK 355.8 million.

## NOTES TO THE PARENT COMPANY FINANCIAL STATEMENT

### 1 ACCOUNTING PRINCIPLES

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

#### a. Classification of balance sheet items

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

#### b. Pension and accrued pension liabilities

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

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

#### c. Debt issuance costs

Debt issuance costs are expensed in the year the debt is incurred.

#### d. Taxes and deferred tax liabilities

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

#### e. Current assets

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

#### f. Shares

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

#### g. Foreign currency

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

#### h. Fixed assets – depreciation

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

#### i. Cash flow statement

The cash flow statement is prepared using the indirect method.

#### j. Financial instruments

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

##### FOREIGN CURRENCY INSTRUMENTS:

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

##### INTEREST RATE INSTRUMENTS:

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

#### k. Activities under common control

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

#### l. Related parties

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

## 2 GROSS REVENUE

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

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

(NOK 1 000)

<i>Salaries and other employee expenses:</i>	2000	1999	1998
Salaries	78 316	74 967	70 539
Social expenses	12 219	10 167	9 688
Pension cost	15 533	7 074	8040
Other benefits	1 723	2 905	3 060
<b>Total salary expenses</b>	<b>107 791</b>	<b>95 113</b>	<b>91 327</b>
Average number of man-labour years	191	185	178

The salary expenses are included under General and administrative expenses.

<i>Compensation and benefits to:</i>	<i>President/CEO</i>	<i>Board of Directors</i>
Salary	2 700 000	1 506 009
Pension cost	392 391	152 452
Other benefits	87 502	33 741

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

The President/CEO has the right to request his retirement at the age of 60 and will receive an annual pension from the age of 60 to 65 in an amount equal to 66% of the average annual salary the three preceding years. Annual pension after 65 will be 66% of 24G (presently 24G equals NOK 1 178 160).

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Loans to employees amount to NOK 12,9 mill. The loans are primarily secured by property mortgages. Interest rates vary from 0-5% per annum.

<i>Auditor's remuneration for:</i>	2000	1999	1998
Auditing	640	636	651
Consulting/legal	2 224	475	305

## 4 FIXED ASSETS

(NOK 1 000)

	<i>Cost</i>		<i>Sale</i>	<i>Accumulated depreciation</i>	<i>Depreciation</i>	<i>Book value</i>
	<i>01.01.2000</i>	<i>Investment</i>	<i>book value</i>	<i>prior years</i>	<i>this year</i>	<i>31.12.2000</i>
Real estate	69 937	1 147	-	(12 462)	(2 750)	55 872
Office equipment and cars	32 125	14 387	-	(13 960)	(5 866)	26 686
<b>Total</b>	<b>102 062</b>	<b>15 534</b>	<b>-</b>	<b>(26 422)</b>	<b>(8 616)</b>	<b>82 558</b>

*Depreciation periods:*

Real estate: 50 years and office equipment and cars: 5-10 years.

## 5 OTHER FINANCIAL ITEMS

(NOK 1 000)

	2000	1999	1998
Inter-company interest income	283 853	201 275	212 960
Other interest income	79 008	8 236	4 921
Other financial income	3 705	-	3 554
<b>Total financial income</b>	<b>366 566</b>	<b>209 511</b>	<b>221 435</b>
Inter-company interest expenses	1 643	83	83
Other interest expenses	396 439	233 750	234 958
Other financial expenses	346	94	91
<b>Total financial expenses</b>	<b>398 428</b>	<b>233 927</b>	<b>235 132</b>

## 6 CURRENCY GAINS (LOSSES)

(NOK 1 000)	2000	1999	1998
Instalments long-term debt	-	(929)	29 070
Currency hedging contracts	11 409	-	(19 667)
Long-term receivables and debt	(189 023)	(20 015)	(13 278)
Cash and bank deposits	96 023	3 479	1 001
Other current assets and current liabilities	62 210	3 386	284
<b>Total currency gains (losses)</b>	<b>(19 381)</b>	<b>(14 079)</b>	<b>(2 590)</b>

## 7 TAXES

(NOK 1 000)

Taxes:	2000	1999	1998
Change in deferred tax, Norway	19 732	9 022	(147)
Changes to equity	(7 322)	-	-
<b>Total tax expenses</b>	<b>12 410</b>	<b>9 022</b>	<b>(147)</b>

Taxes payable:	2000	1999	1998
Net result before taxes	(47 859)	(33 365)	(8 540)
Permanent differences	(26 803)	2 530	2 161
Group contribution	102	83	83
Changes temporary differences	34 549	7 969	8 955
Used tax-loss carried forward	-	-	(2 659)
<b>Basis taxes payable</b>	<b>(40 011)</b>	<b>(22 783)</b>	-
<b>Tax 28 %</b>	-	-	-

Spesification of deferred taxes /  
(deferred tax assets):

	2000	1999	1998
Fixed assets	2 047	3 706	3 880
Pension fund (liabilities)	(22 420)	10 470	18 265
Other long-term temporary differences	99 057	94 967	96 436
Tax-loss carried forward	(71 500)	(31 490)	(8 707)
<b>Net temporary differences</b>	<b>7 184</b>	<b>77 653</b>	<b>109 874</b>
Tax rate	28%	28%	28%
<b>Total deferred tax (deferred tax assets)</b>	<b>2 011</b>	<b>21 743</b>	<b>30 765</b>

## 8 SHAREHOLDERS' EQUITY

(NOK 1 000)

	Share capital	Own shares	Share premium	Other equity	Total equity
<b>Shareholders' equity as per 31 December 1999</b>	<b>218 485</b>	-	-	<b>2 912 224</b>	<b>3 130 709</b>
Net result for the year	-	-	-	(35 449)	(35 449)
Own shares	-	(9 156)	-	(101 286)	(110 442)
Share issue	49 267	-	973 905	-	1 023 173
Changes to equity	-	-	-	(13 616)	(13 616)
Proposed dividend	-	-	-	(107 101)	(107 101)
<b>Shareholders' equity as per 31 December 2000</b>	<b>267 752</b>	<b>(9 156)</b>	<b>973 905</b>	<b>2 654 771</b>	<b>3 887 272</b>

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

(NOK 1 000)

	1996		1997		1998		1999		2000	
	Inv.	Sale	Inv.	Sale	Inv.	Sale	Inv.	Sale	Inv.	Sale
Real estate	-	-	3 593	-	7 448	-	1 417	-	1 147	-
Vessels and newbuildings	429 940	-	88 864	3 696 528	-	88 864	-	-	-	-
Office equipment and cars	2 209	-	5 246	449	7 767	430	10 624	1 191	14 387	-
<b>Total</b>	<b>432 149</b>	<b>-</b>	<b>97 703</b>	<b>3 696 977</b>	<b>15 215</b>	<b>89 294</b>	<b>12 041</b>	<b>1 191</b>	<b>15 534</b>	<b>-</b>

**10 SUBSIDIARIES AND JOINT VENTURES**

(NOK 1 000)

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

<i>Company</i>	<i>Registered office</i>	<i>Share</i>	<i>Book value</i>
<i>Subsidiaries:</i>			
Odfjell Chemical Tankers AS	Norway	95%	175 026
Odfjell Chemical Tankers II AS	Norway	100%	1 155 585
Odfjell Chemical Tankers III AS	Norway	100%	100
Odfjell Seachem AS	Norway	99%	24 445
Odfjell Tankers Komplementar ASA	Norway	100%	970
Odfjell Terminals AS	Norway	100%	275 000
Odfjell Chartering AS	Norway	100%	567
Odfjell Insurance AS	Norway	100%	100
Odfjell Projects AS	Norway	100%	100
Odfjell Projects II AS	Norway	99%	87 616
Odfjell Asia Pte Ltd	Singapore	100%	191 520
Odfjell Singapore Pte Ltd	Singapore	100%	82
Odfjell USA Inc	USA	100%	3
Chemical Tankers of America Inc	USA	100%	1 816
Chemical Tankers (Delaware) Inc	USA	100%	7
Odfjell Netherlands BV	Netherlands	100%	6 581
Odfjell Japan Ltd	Japan	100%	489
Odfjell Brasil - Representacoes Ltda	Brazil	100%	88
Odfjell Chemical Tankers Ltd	Bermuda	100%	810 089
Odfjell Employment Services Ltd	Bermuda	100%	109
Naviera Latino Americana SA	Argentina	99%	89
Dalian Marine Tank Terminal Co Ltd	China	54%	49 414
<b>Total shares in subsidiaries</b>			<b>2 779 796</b>

Wholly-owned companies held indirectly through subsidiaries:

Odfjell Americas AS, Odfjell Asia II Pte Ltd, Odfjell Tankers Guaranty Company, Odfjell Terminals (Baytank) Inc and Odfjell Terminals (Rotterdam) BV.

The companies Odfjell Chemical Tankers AS, Odfjell Seachem AS, Odfjell Projects II AS and Naviera Latino Americana SA are directly and indirectly 100% owned by the Group.

*Other shares:*

Odfjell y Vapores SA	Chile	49%	3 793
Odfjell & Vapores Ltd	Bermuda	50%	38
Norfra Shipping AS	Norway	50%	5 000
Hoyer - Odfjell BV	Netherlands	50%	47 632
Hoyer - Odfjell T/C Equipment Services BV	Netherlands	50%	28 096
V.O.Tank Terminal Ningbo Co Ltd	China	12.5 %	7 463
<b>Total shares in other companies</b>			<b>92 022</b>

## 11 LOANS TO SUBSIDIARIES AND JOINT VENTURES

(NOK 1 000)

<i>Loans to subsidiaries and joint ventures:</i>		<i>Currency amount</i>			
	<i>Currency</i>	<i>2000</i>	<i>2000</i>	<i>1999</i>	<i>1998</i>
Odfjell Shipholding AS	USD	-	-	2 074 608	3 760 530
Odfjell Asia Pte Ltd	SGD	7 408	38 154	9 555	89 354
Odfjell Terminals (Baytank) Inc	USD	36 120	321 267	292 931	280 198
Odfjell Japan Ltd	JPY	35 725	2 771	2 811	2 394
Odfjell & Vapores Ltd	USD	2 041	18 153	19 774	21 458
Odfjell Chemical Tankers III AS	USD	139 250	1 238 560	-	-
Odfjell Chemical Tankers AS	USD	435 000	3 869 108	-	-
<b>Total loans to subsidiaries and joint ventures</b>			<b>5 488 013</b>	<b>2 399 679</b>	<b>4 153 934</b>

## 12 RECEIVABLES AND DEBT

(NOK 1 000)

<i>Long-term receivables:</i>	<i>2000</i>	<i>1999</i>	<i>1998</i>
Employees	12 949	11 255	2 315
Pension fund	-	9 176	16 008
Other	2 049	1 687	1 681
<b>Total long-term receivables</b>	<b>14 998</b>	<b>22 118</b>	<b>20 004</b>

<i>Receivables with a maturity later than 1 year:</i>	<i>2000</i>	<i>1999</i>	<i>1998</i>
Loans to subsidiaries	4 893 288	2 375 179	4 134 934
Other long-term receivables	14 398	23 010	21 550
<b>Total</b>	<b>4 907 686</b>	<b>2 398 189</b>	<b>4 156 484</b>

<i>Long-term liabilities with a maturity later than 5 years:</i>	<i>2000</i>	<i>1999</i>	<i>1998</i>
<b>Total</b>	<b>872 138</b>	<b>904 050</b>	<b>864 500</b>

*Repayment schedule:*

<b>Long-term interest-bearing debt as per 31.12.2000</b>	<b>6 287 205</b>
Repayment schedule:	
2001	594 725
2002	889 450
2003	2 423 751
2004	400 275
2005 and thereafter	1 979 004

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

<i>Average USD interest rate:</i>	<i>2000</i>	<i>1999</i>	<i>1998</i>
Liabilities to financial institutions	7.16%	5.87%	6.26%
Certificate (swapped from NOK interest rate at 7,72%)	6.97%	-	-
Convertible loans	-	8.00%	8.00%

**13 BONDS AND CERTIFICATES**

(NOK 1 000)

	<i>Currency</i>	<i>Book value</i>	<i>Market value</i>	<i>Average interest rate</i>
Bonds and certificates issued/guaranteed by the government	CAD	1 823	1 823	5.79%
	DKK	7 159	7 159	7.50%
	EUR	25 950	25 950	5.26%
	JPY	14 600	14 600	1.62%
	USD	95 064	95 064	6.28%
	NOK	5 049	5 049	6.75%
Bonds and certificates issued/guaranteed by financial institutions	USD	222 272	222 272	7.11%
	NOK	44 905	44 905	7.40%
	NOK	96 842	96 842	7.50%
<b>Total bonds and certificates</b>		<b>513 665</b>	<b>513 665</b>	

Bonds and certificates issued/guaranteed by financial institutions generally have interest rate adjustments every third month. Bonds and certificates issued/guaranteed by the government are generally fixed rate papers with an average duration of about three years.

**14 CASH AND BANK DEPOSITS**

Included in this item is NOK 9.1 million of withholding taxes relating to employees.

**15 SHARE CAPITAL AND INFORMATION ABOUT SHAREHOLDERS**

(NOK 1 000)

<i>Share capital:</i>	<i>Number of shares</i>	<i>Nominal value</i>	<i>2000</i>	<i>1999</i>	<i>1998</i>
A-Shares	18 227 721	10	182 277	148 738	148 738
B-Shares	8 547 525	10	85 475	69 747	69 747
<b>Total share capital</b>	<b>26 775 246</b>		<b>267 752</b>	<b>218 485</b>	<b>218 485</b>

32

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

20 largest shareholders as per 31 December 2000:

<i>Name</i>	<i>A-shares</i>	<i>B-shares</i>	<i>Total</i>	<i>Percent of votes</i>	<i>Percent of shares</i>
1 Norchem ApS	6 491 623	260 294	6 751 917	35.61%	25.22%
2 Chemlog ApS	3 353 961	1 572 773	4 926 734	18.40%	18.40%
3 Odin-fondene	623 885	1 681 791	2 305 676	3.42%	8.61%
4 Folketrygdfondet	533 600	513 500	1 047 100	2.93%	3.91%
5 Odfjell ASA (Own shares)	274 000	641 600	915 600	1.50%	3.42%
6 A/S Rederiet Odfjell	874 368	-	874 368	4.80%	3.27%
7 Kommunal Landspensjonskasse	394 650	315 700	710 350	2.17%	2.65%
8 State Street Bank & Trust Co.	155 977	464 235	620 212	0.86%	2.32%
9 Avanse-fondene	161 900	386 800	548 700	0.89%	2.05%
10 Odfjell Shipping (Bermuda) Ltd	179 500	362 700	542 200	0.98%	2.03%
11 Svenska Handelsbanken	218 200	235 300	453 500	1.20%	1.69%
12 Gjensidige NOR	154 948	281 600	436 548	0.85%	1.63%
13 Storebrand	265 104	135 200	400 304	1.45%	1.50%
14 ABN AMRO Bank	203 800	198 400	402 200	1.12%	1.50%
15 Skagen-fondene	300 000	-	300 000	1.65%	1.12%
16 Vital Forsikring	259 290	18 320	277 610	1.42%	1.04%
17 K-fondene	205 800	63 600	269 400	1.13%	1.01%
18 Ingeborg Berger	101 620	153 770	255 390	0.56%	0.95%
19 Bank Leu	145 600	90 000	235 600	0.80%	0.88%
20 Mathilda A/S	135 801	77 568	213 369	0.75%	0.80%
<b>Total 20 largest shareholders</b>	<b>15 033 627</b>	<b>7 453 151</b>	<b>22 486 778</b>	<b>82.48%</b>	<b>83.98%</b>
Other shareholders	3 194 094	1 094 374	4 288 468	17.52%	16.02%
<b>Total</b>	<b>18 227 721</b>	<b>8 547 525</b>	<b>26 775 246</b>	<b>100.00%</b>	<b>100.00%</b>
International shareholders	12 233 766	3 666 701	15 900 467	67.12%	59.38%
Own shares	274 000	641 600	915 600	1.50%	3.42%
Payment own shares (NOK 1 000)	34 676	75 765	110 442		

The Annual General Meeting on 26 May 2000 authorised the Board of Directors to acquire up to 10 per cent of the company's share capital. This authorisation expires on 26 November 2001. The purpose of purchasing own shares is to increase shareholders' value. The Board of Directors regularly considers investments in own shares and when it can be beneficial for the company.

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

	<i>A-shares</i>	<i>B-shares</i>	<i>Total</i>
Chairman of the Board of Directors, Bernt Daniel Odfjell Jr.	875 368	1 000	876 368
Member of the Board of Directors, Jørgen Faye	184	2 616	2 800
Member of the Board of Directors, Per Ivar Gjærum	52	8	60
Member of the Board of Directors, Terje Storeng	17 640	528	18 168
Member of the Board of Directors, Peter G. Livanos	3 353 961	1 572 773	4 926 734
President/CEO, Bjørn Sjaastad	57 800	3 000	60 800
Senior Vice President, Chartering and Operation, Jarle Haugsdal	1 000	1 900	2 900
Senior Vice President, Logistics, Atle Knutsen	2 928	584	3 512
Senior Vice President, Regional Trade, Asia, Gudmund Valen	6 400	5 480	11 880
Senior Vice President, Tank Terminals, Åke Gregertsen	10 999	-	10 999
Senior Vice President, Quality Assurance, Hans Lund	628	24	652

## 16 PENSION COSTS AND ACCRUED LIABILITIES

(NOK 1 000)

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

The pension obligation covers 594 employees, whereof 60 received pension benefits in 2000.

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

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

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

<i>Pension costs:</i>	2000	1999	1998
Present value current year service cost	12 738	9 368	8 926
Interest cost on accrued pension liability	8 116	5 460	5 107
Return on pension plan assets	(7 400)	(6 819)	(6 827)
Implementation effect new pension	-	-	2 588
Amortised effect of changes in estimates and pension plans, and differences in actual and estimated return on pension plan assets	2 079	575	183
<b>Net pension cost</b>	<b>15 533</b>	<b>8 584</b>	<b>9 977</b>
Social security tax	1 664	1 210	1 407
<b>Periodic pension cost</b>	<b>17 197</b>	<b>9 794</b>	<b>11 384</b>
<i>Accrued pension liability:</i>			
Estimated present value of pension obligation	(153 625)	(103 634)	(96 987)
Estimated value of pension premium fund	114 681	102 907	103 025
Unamortised effect of changes in estimates and pension plans, and differences in actual and estimated return on pension plan assets	16 947	9 903	9 970
<b>Net pension fund (liability)</b>	<b>(21 997)</b>	<b>9 176</b>	<b>16 008</b>
Estimated employer's social cost	(3 102)	1 294	2 257
<i>The above calculation is based on the following assumptions:</i>			
Discount rate	6.00%	6.00%	6.00%
Expected return on assets	7.00%	7.00%	7.00%
Inflation	3.00%	2.50%	2.50%
Adjustment of wages	3.50%	2.50%	2.50%
Pension indexation	3.00%	2.50%	2.50%

## 17 GUARANTEES

(NOK 1 000)

	2000	1999	1998
Odfjell Terminals (Baytank) Inc	513 319	469 202	448 875
Other subsidiaries	1 179 391	693 202	243 845
Other guarantees	8 502	7 681	7 265
<b>Total guarantees</b>	<b>1 701 212</b>	<b>1 170 085</b>	<b>699 985</b>

## 18 RELATED PARTIES

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

Ceres Hellenic Shipping Enterprises Ltd., a company related to Board Member Peter G. Livanos, is responsible for the crewing and technical management of 18 of Odfjell's vessels, while Odfjell is responsible for the commercial management of 11 of Ceres' vessels. These services are priced at market terms.

# AUDITOR'S REPORT



To the Annual Shareholders' Meeting of  
Odfjell ASA

■ **Statsautoriserte revisorer**  
**Ernst & Young AS**

Lars Hillsgate 20A  
Postboks 4284 Nygdrottungen  
N-5837 Bergen

■ **Revisort. og Organisasjonsnr.:**  
NO 976 389 387

Tel.: 55 21 30 00  
Faks: 55 21 30 01/55 21 30 02

■ **Ansvarlige partnere i Bergen:**

Dag Dønkeland, Tore Fyllingen, Bjørn Gravdal, Tom W. Home,  
Inge Kr. Husby, Odd Moensen, Karl Erik Svanevik,  
Medlemmer av Den norske Revisorforening

AdvokatSivak. Espen Ommedal  
Medlem av Den Norske Advokatforening (MNA)

## Auditor's report for 2000

We have audited the annual financial statements of the Odfjell ASA as of 31 December 2000, showing a loss of NOK 35 449 000 for the parent company and a loss of USD 11 951 000 for the Group. We have also audited the information in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposal for the coverage of the loss. The financial statements comprise the balance sheet, the income and cash flow statements, the accompanying notes and the Group accounts. These financial statements are the responsibility of the Company's Board of Directors and the Managing Director. Our responsibility is to express an opinion on the financial statements and on other information as required by the Norwegian Act on Auditing and Auditors.

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

In our opinion,

- the financial statements are prepared in accordance with Norwegian law and regulations and present fairly, in all material respects, the financial position of the Company and of the Group as of 31 December, 2000, and the results of its operations and cash flows for the year then ended, in accordance with generally accepted accounting principles
- the company's management fulfilled its duty to properly register and document the accounting information in accordance with Norwegian law and generally accepted accounting principles
- the information in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the coverage of the loss are consistent with the financial statements and comply with Norwegian law and regulations

Bergen, March 13, 2001  
ERNST & YOUNG AS

Karl Erik Svanevik  
State Authorised Public Accountant (Norway)

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

■ Arendal, Bergen, Bodo, Bå, Drammen, Fimnes, Fosnavåg, Fredrikstad, Holmestrand, Hønen, Hønefoss, Kongsberg, Kragerø, Kristiansand, Larvik, Levanger, Lillehammer, Mo i Rana, Moss, Molde, Notodden, Oslo, Otta, Porsgrunn/Skien, Sandefjord, Sandnessjøen, Sorland, Stavanger, Steinkjer, Tromsø, Trondheim, Tvedestrand, Vikersund, Ålesund

# ANALYTICAL INFORMATION

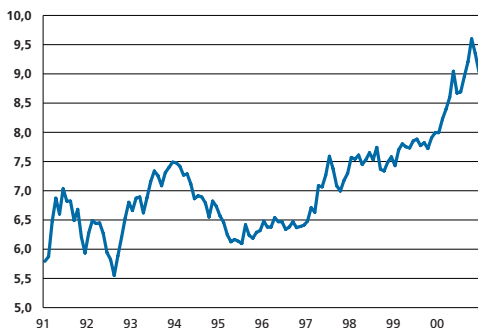
## Time Charter Earnings

Odfjell's earnings are influenced by volume, contract and spot rates and performance. A change of USD 1 000 per day for our deep-sea fleet and USD 500 per day for our regional fleet will impact the annual net result before tax by approximately USD 18 million.

## Exchange Rates

Odfjell's functional currency is the USD and our policy is to manage the non-USD currency exposure. Almost all group revenues are denominated in USD. Items in the profit and loss account are affected by changes in the exchange rate between the USD and other currencies, primarily the NOK and the EURO. A 10% rise in the average exchange rate between the USD and NOK/EUR will increase the annual result before tax by around USD 9 million, before taking into account the effect of our currency hedging positions. Through our hedging activities we have purchased the forecasted consumption of NOK and EUR for 2001. A movement in the exchange rate between the USD and NOK/EUR will therefore have limited effect on the net result for 2001. Such movement will, however, have an impact on certain items of the profit and loss account. An increase in the USD-rate will reduce voyage related expenses, operating expenses and administration expenses, while this will be offset by a negative development of our hedging positions. A decrease in the USD-rate will have the opposite effect.

**EXCHANGE RATE**  
USD/NOK



## Interest

The group's long-term debt is denominated in USD and is primarily based on short-term floating LIBOR interest rates. Cash and marketable securities are mainly denominated in USD. Assuming a constant level of debt, a 1% change in short-term LIBOR interest rates will have an annual effect on the net result before tax of approximately USD 7 million.

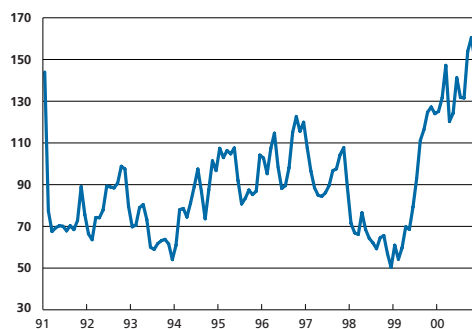
**USD LIBOR**  
6 months in percent



## Bunker

Bunker costs amounted to approximately 42% of voyage costs in 2000. A change in the average bunker prices of USD 10 per ton per year will result in a USD 6 million change in voyage costs for those vessels in which Odfjell has a direct economic interest.

**BUNKER PRICES**  
3.5% barges Rotterdam in USD/ton



## Financing

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



**HAAKON RINGDAL**  
SENIOR VICE  
PRESIDENT,  
FINANCE/ACCOUNTS

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



# SHAREHOLDER INFORMATION

## Shareholder Policy

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

## Share Performance

The Odfjell A-shares were trading at NOK 135 at the year-end 2000, which represented a 35% increase from NOK 101 a year earlier. The B-shares were trading at NOK 120 at the year-end, an increase of 26% from NOK 95 a year earlier. By way of comparison, the Oslo Stock Exchange shipping index fell by 3% and the new transportation index increased by 14% during the year. The A-shares peaked at NOK 143 and fell to NOK 97.50 at its lowest point during the year. Corresponding figures for the B-shares were NOK 138 and NOK 95.

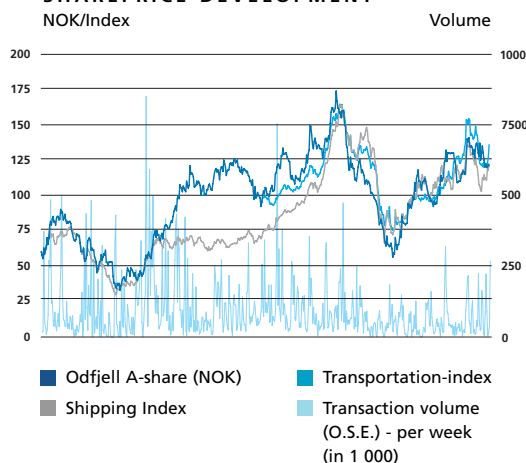
## Trading Volumes

A total of 10 026 209 Odfjell shares were traded during the year, spread over 7 640 958 A-shares and 2 385 251 B-shares and represent about 42% of the average outstanding shares. The A-shares were traded on the Oslo Stock Exchange on 215 out of 246 trading days during the year. In addition to being listed on the Oslo Stock Exchange, Odfjell's shares are traded on SEAQ International, a trading system for foreign shares on the London Stock Exchange. The ADR programme set up in the USA in 1994 enables Odfjell B-shares to be traded in USD.

## Shareholders

At the end of 2000 there were 1 227 holders of Odfjell A-shares and 554 holders of Odfjell B-shares. Taking account of shareholders owning both share classes, the total number of shareholders was 1 407.

**SHAREPRICE DEVELOPMENT**  
NOK/Index



## International Ownership

67.4% of the company's A-shares and 43.0% of the B-shares were held by international investors at year-end, equivalent to 59.6% of the total share capital, up from 47.4% at the 1999 year-end.

## Stock Repurchase Program

Through our stock repurchase program, in 2000 we acquired 274 000 A-shares at an average price of NOK 126.30 per share and 641 600 B-shares at an average price of NOK 117.85 per share, at a total cost of NOK 110.4 million. So far in 2001, we have acquired additional 284 850 A-shares at an average price of NOK 121.21 per share. Our own shares as of 13 March 2001 represent about 4.5% of the total issued shares in the company. The Board of Directors has an authorisation to acquire up to 8.16% of the company's current share capital at a minimum price of NOK 10 (i.e. par value) and a maximum price of NOK 300 per share. This authorisation expires on 26 November 2001.

## Investor Relations

Odfjell attaches great importance to ensuring that shareholders receive swift, relevant and objective information about the company. The aim is to provide shareholders with a good understanding of the company's activities and prospects so that they are in the best possible position to assess the share's trading price and underlying values. Information is primarily distributed through quarterly interim reports, the annual report and various presentations in Norway and abroad. All reports and press releases, together with a detailed description of the company and our activities, are available on Odfjell's website at: <http://www.odfjell.com> The financial calendar for 2001 is outlined on page 2.

## RISK Adjustments

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

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

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

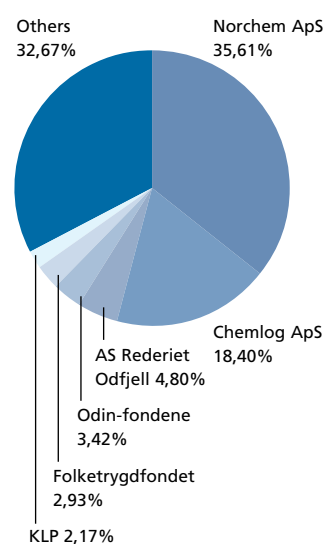


**ESPEN BJELLAND**  
VICE PRESIDENT,  
INVESTOR RELATIONS/  
CORPORATE SECRETARY

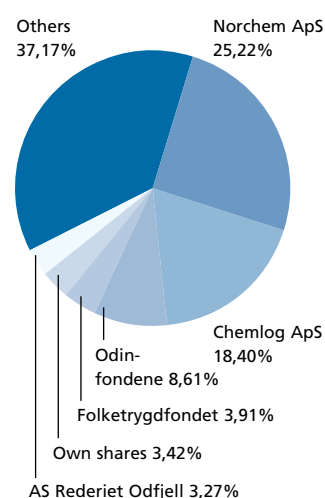
*Born 1960. Mr. Bjelland has been with the company since 1992 and has held the current position since September 2000. He previously held the position as Financial Manager.*

espen.bjelland@odfjell-asa.no  
Ph. +47 5527 4479  
Fax. +47 5528 4741  
ODFJELL ASA  
P.O. Box 25 Minde  
5826 Bergen, Norway

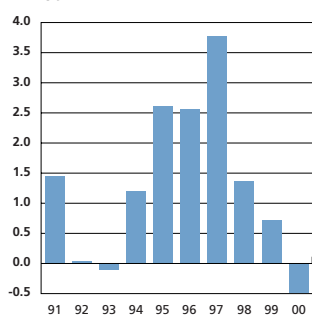
**SHAREHOLDER STRUCTURE**  
A - SHARES Per 31.12.2000



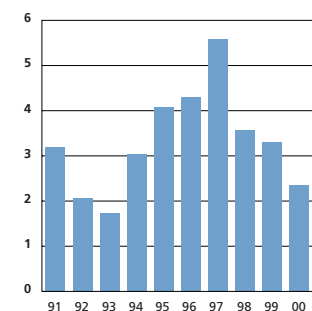
**SHAREHOLDER STRUCTURE**  
A + B - SHARES Per 31.12.2000



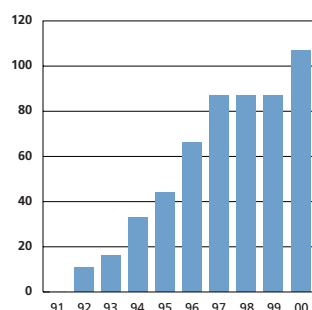
### EARNINGS PER SHARE USD



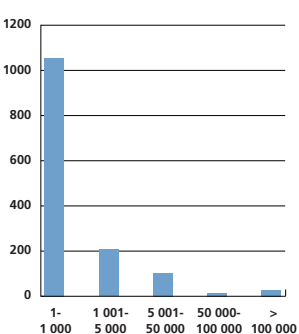
### CASH FLOW PER SHARE USD



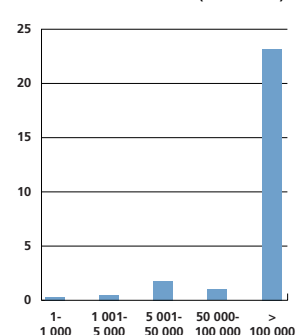
### DIVIDEND NOK mill.



### SHARE DISTRIBUTION Numbers of shareholders



### SHARE DISTRIBUTION Numbers of shares (in million)



### THE 20 LARGEST SHAREHOLDERS AS PER 31 DECEMBER 2000

NAME	A-SHARES	B-SHARES	TOTAL	PERCENT OF VOTES	PERCENT OF SHARES
1 Norchem ApS	6 491 623	260 294	6 751 917	35.61%	25.22%
2 Chemlog ApS	3 353 961	1 572 773	4 926 734	18.40%	18.40%
3 Odin-fondene	623 885	1 681 791	2 305 676	3.42%	8.61%
4 Folketrygdfondet	533 600	513 500	1 047 100	2.93%	3.91%
5 Odfjell ASA (Own shares)	274 000	641 600	915 600	1.50%	3.42%
6 A/S Rederiet Odfjell	874 368	0	874 368	4.80%	3.27%
7 Kommunal Landspensjonskasse	394 650	315 700	710 350	2.17%	2.65%
8 State Street Bank & Trust Co.	155 977	464 235	620 212	0.86%	2.32%
9 Avanse-fondene	161 900	386 800	548 700	0.89%	2.05%
10 Odfjell Shipping (Bermuda) Ltd	179 500	362 700	542 200	0.98%	2.03%
11 Svenska Handelsbanken	218 200	235 300	453 500	1.20%	1.69%
12 Gjensidige NOR	154 948	281 600	436 548	0.85%	1.63%
13 Storebrand	265 104	135 200	400 304	1.45%	1.50%
14 ABN AMRO Bank	203 800	198 400	402 200	1.12%	1.50%
15 Skagen-fondene	300 000	0	300 000	1.65%	1.12%
16 Vital Forsikring	259 290	18 320	277 610	1.42%	1.04%
17 K-fondene	205 800	63 600	269 400	1.13%	1.01%
18 Ingeborg Berger	101 620	153 770	255 390	0.56%	0.95%
19 Bank Leu	145 600	90 000	235 600	0.80%	0.88%
20 Mathilda A/S	135 801	77 568	213 369	0.75%	0.80%
<b>Total 20 largest shareholders</b>	<b>15 033 627</b>	<b>7 453 151</b>	<b>22 486 778</b>	<b>82.48%</b>	<b>83.98%</b>
Other shareholders	3 194 094	1 094 374	4 288 468	17.52%	16.02%
<b>Total</b>	<b>18 227 721</b>	<b>8 547 525</b>	<b>26 775 246</b>	<b>100.00%</b>	<b>100.00%</b>
International shareholders	12 233 766	3 666 701	15 900 467	67.12%	59.38%

### SHARE CAPITAL HISTORY

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
2000	Private placement	49 267 340	267 752 460

# ODFJELL LOGISTICS

*The industries Odfjell is serving are changing. Concentration is on consolidation, streamlining production, removing inefficiencies, reducing costs and strategically positioning for future challenges. Focus is on core business and on outsourcing of non-core activities and functions that require specialized skills and high levels of competencies.*

Odfjell Logistics is established to uncover synergies, develop solutions and create added value to our customers as well as to Odfjell. One important aspect of value is reduced risk. Another is ease and speed of execution, through integrated, multi modular combinations and solutions. In short, in a mature and fiercely competitive industry we strive at leading the way.

The rapid development within information and communication technology is likely taking the streamlining one step further. New technology will open opportunities for a more efficient interaction within the industry, and enable the interface with service providers to be substantially more efficient than what has traditionally been the case. To facilitate multi modal transportation arrangements and associated information flows, Odfjell is in the process of adopting the most advanced information and communication technology.

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

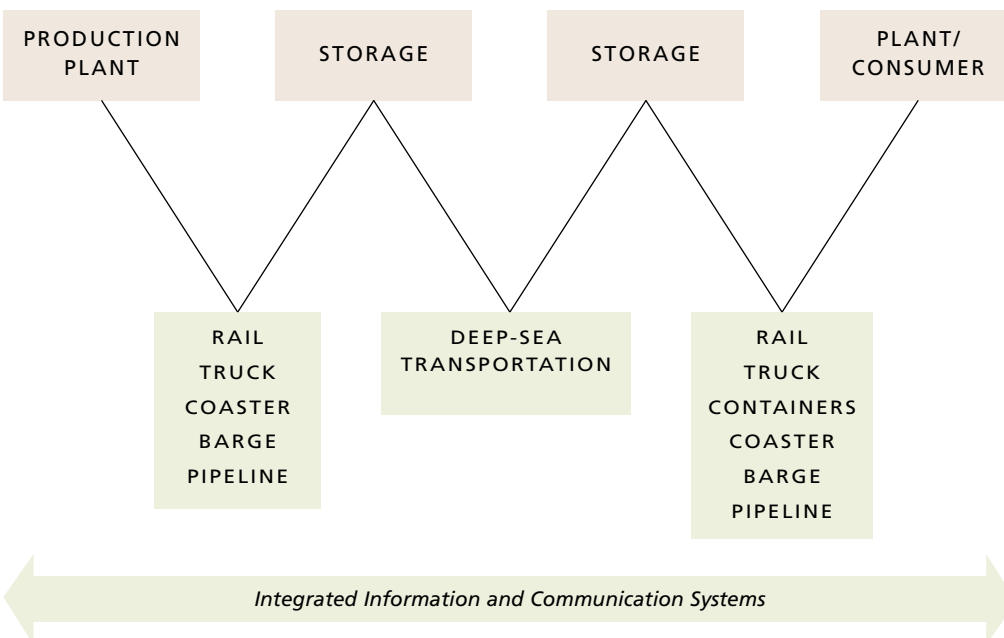
In providing the chemical industry with integrated logistical solutions, Odfjell Logistics will work with partners in geographic areas and modes in which Odfjell may not be involved.



**ATLE KNUTSEN**  
SENIOR VICE  
PRESIDENT,  
ODFJELL LOGISTICS

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

## INTEGRATED LOGISTICAL SOLUTIONS





# GLOBAL TRADE

The Odfjell fleet consists of about 85 vessels out of which 60 are operated in a global network of deep-sea shipping services. The headquarter for the commercial and operational management of the global trade activities is in Bergen, Norway. Odfjell has over several years opened up a total of 14 overseas offices throughout the world with the purpose of serving the customers at their home turf. Several of these offices have a dual role, as both commercial and operational issues can be dealt with.

In Asia Pacific, our offices are centrally located in Tokyo, Seoul, Shanghai, Singapore and Melbourne. For the Middle East/Africa region, We are based in Bombay, Riyadh, Dubai and Durban. In the Americas, the offices are situated in Houston, Sao Paulo, Buenos Aires and Santiago. In addition to Bergen, Rotterdam plays a key role for the vessel operations in the northern European ports. In addition to our own offices, various commercial arrangements enable the company to have representation in most corners of the world, such as London, Taipei and at other locations.

The vessels operated in our global trade consist of a great variety of vessel types – both in size, sophistication, number of tanks, tank configuration and other criteria of importance for a ship's capability. Asset and fleet utilization are therefore critical success factors in the daily running of the total fleet. Other important deciding factors in respect of earnings are to make proper evaluations of the future market and thus determine the best possible balance between contracts of affreightment and the spot market.

Flexibility and inter-changability of vessels between routes and trades have always been an important factor for Odfjell. Some of the global trades involve a 'round the world' service taking

as much as 200 days, servicing ports in Europe, USA, Asia Pacific and Africa. Our 13 state-of-the-art 37 500 tdw. fully stainless steel vessels constitute an important backbone to this service. Another three sister vessels will join this series within the end of 2003, making the series 16 in total. The newbuilding program also consists of a series of eight 40 000 tdw. which is also having fully stainless steel tank layouts. These vessels will be delivered from 2002 to 2005. Odfjell should therefore be well positioned to meet the very stringent future demands as to quality required by the major oil and chemical companies.

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

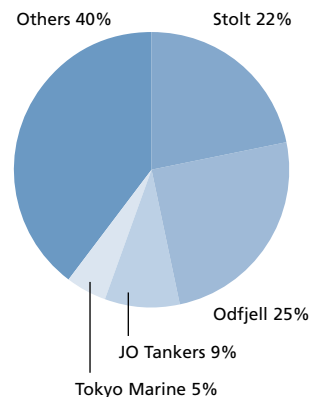
Odfjell's global network of owned and associated terminals, vessels in regional trade as well as our barging activities is an important part of



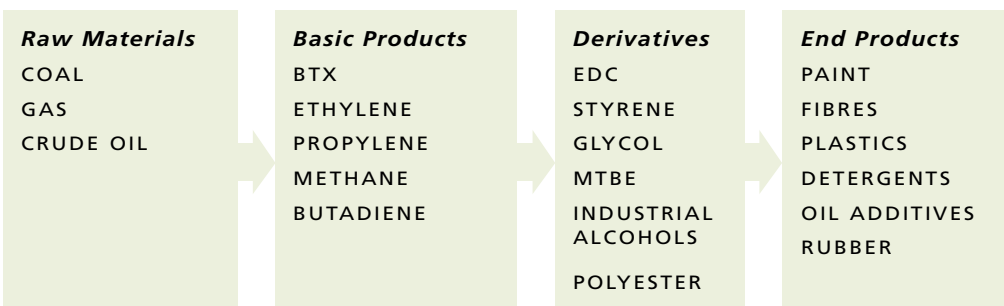
**JARLE HAUGSDAL**  
SENIOR VICE  
PRESIDENT,  
ODFJELL SEACHEM

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

**THE CHEMICAL TANKER MARKET**  
Vessels over 10.000 tdw. total approximately 9.3 million tdw.



## ORGANIC CHEMICALS

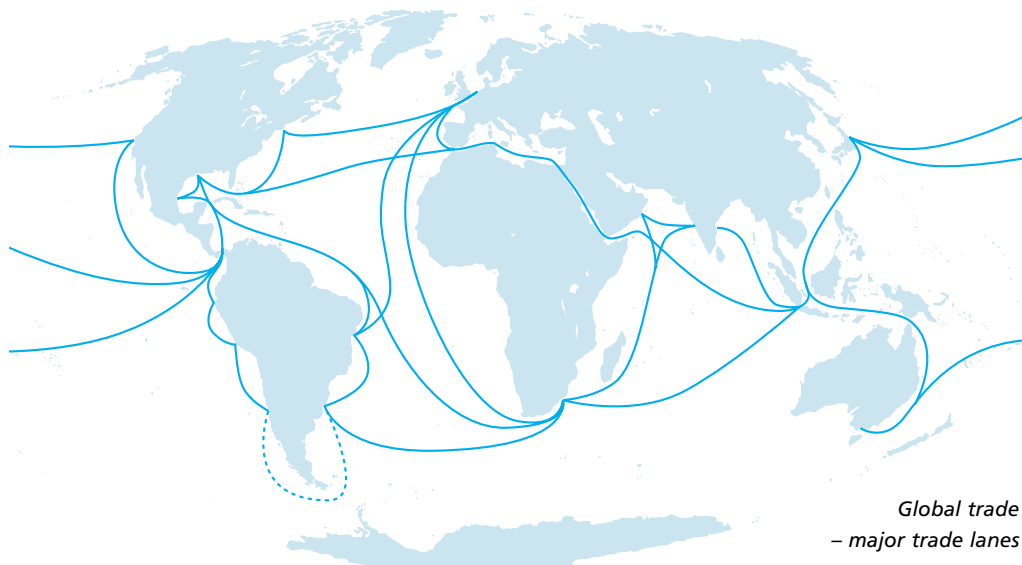


our total logistics concept, enabling us to offer our customers a fully integrated service. In Asia, the regional fleet operated from Singapore has enabled Odfjell to offer our customers delivery of their cargo even into the smallest and most restricted ports in China. Likewise, the terminal in Houston – Baytank, is an important tool as the centre for storage and transshipments of cargoes to/from other nearby terminals, thereby reducing potential delays.

Odfjell carries in excess of 400 different commodities every year. Although chemicals make out the majority of the approximately 15 million tons transported in global trade, lubricating oils, corrosive acids for the fertilizer industry and vegetable oils used for cooking, soaps etc. are examples of other cargoes typically carried by our ships.

There are three main centres for the production and export of chemicals, USA, Europe and the Arabian Gulf. From these three regions, major parts of the world source chemicals of any kind. Over the past 10 years or so, there has been a build-up of chemical plants in the Asia-Pacific region so as to be closer to the end consumers

and to follow suit with a substantial growth. Combined with the construction of chemical plants, the build-up of small tankers to service regional routes has developed with at least the same speed. Despite a heavy build-up of chemical plants in Asia Pacific, the need to ship chemicals over longer hauls has not diminished, rather to the contrary. This has its root in a growing demand in the Asian countries where local production has fallen short in covering demand. The traditional trades have been heavy flows of chemicals from USA and Europe, particularly into Asia Pacific, causing an imbalance in cargoes flows. The recent years have seen certain changes in these traditional patterns. Arbitrage on commodities have resulted in a number of similar products simultaneously being traded both out of and into the same regions.



*Global trade  
– major trade lanes*

## REGIONAL TRADE

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

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

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

Odfjell's regional trades in the Americas and in Asia presently account for about 10 % of the company's turnover.

### **The Far East**

Odfjell Asia in Singapore continued during 2000 to develop a regional operation in the Asia-Pacific region. We now operate a fleet of 10 chemical tankers in the 6 000 to 12 000 tdw. range. The ships are trading intra North East Asia and intra South East Asia, and we are also offering scheduled regular services between these two regions. Odfjell Asia carried a total of 1.1 mill. tons of cargo in 2000.

The focus is very much on China, which is in the process of developing their own petrochemical industry. Petrochemical trade to and from China is increasing, and more and more ports for transfer of petrochemical products are being introduced. A new office, Odfjell Shanghai, was opened in April 2000 to handle marketing, chartering and port operations in China.

Part of the regional concept within Asia-Pacific includes direct ship-to-ship transshipments from and to the Odfjell vessels in global trade, which are serving the region from/to USA, Europe, Middle East, Africa and South America. This enables us to achieve cargo consolidation, and to offer reliable through-transportation to final destination. The amount of cargo transhipped under our control has quadrupled during the last four years, and it is expected that this activity will continue to grow.

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

### *Major trade lanes Far East*



**GUDMUND VALEN**  
SENIOR VICE  
PRESIDENT,  
REGIONAL TRADE  
ASIA

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



Major trade lanes Americas

**US Gulf/Canada/Caribbean/Central America**

Odfjell Americas operates six vessels out of Houston, Texas. The services include bi-weekly sailings to and from Mexico and Canada, and monthly sailings to Central America, Caribbean and the west coast of South America. The fleet varies in size from about 8 000 to about 16 000 tdw. and carried altogether 145 different products and a total of about 1.2 million tons of cargo in 2000. As Houston is the homeport, Odfjell Terminals (Baytank) is the hub in the US Gulf for Odfjell America's services. This combination offers synergies and added benefits to our customers, who can import from and export to any corner of the world via Odfjell Terminals (Baytank), by means of vessels employed in the region and those trading inter-continental. Additional benefits and value are derived from associated terminals in Canada, Peru and Chile.

**South America**

Odfjell owns 50% of the Brazilian shipping company Flumar. Operating out of Rio de

Janeiro, Brazil, the company's core business is transportation of bulk liquid chemicals and gases primarily on the Brazilian coast and within the Mercosul area. Though less frequent, services are also provided to Central America and the west coast of South America. Presently, the company operates four chemical tankers and two LPG vessels, ranging in size from about 4 400 to 12 450 tdw. Combined, Odfjell and Flumar provide customers with complementary and enhanced service capabilities. Furthermore, the extensive network of associated terminals in Brazil, Argentina as well as in Chile and Peru adds important value to our customers' logistical requirements. Flumar carried more than 1.5 million tons of cargo in 2000.

Through the 50/50 joint venture company, Odfjell y Vapores and its vessel M/T Bow Andes, we carried almost 900 000 tons of cargo in 2000, primarily sulphuric acid along the Chilean coast. As the coastal volume will increase strongly, it has been agreed and arrangements have been made to add one more ship under Chilean flag early in 2001.



## TANK TERMINALS

*Tank terminals are an integral part of the chemical transportation chain and their services constitute a natural link between our traditional shipping services and inland modes of transportation such as barges, railcars, trucks, ISO-containers and pipelines. The tank terminal receives, stores and distributes liquid bulk chemicals, serving all these different modes of transportation. The product range is wide, ranging from various organic chemicals such as alcohols, acrylates, aromatics and acids, to fuel oil, vegetable oils, lubricating oils and inorganic chemicals.*

In total, Odfjell Terminals' network now employs more than 800 people and offers close to 2.4 million m<sup>3</sup> of storage space or about 800 tanks in 11 ports around the world. This makes us one of the world-leaders in combined shipping- and storage services. It is the strategy of Odfjell Terminals to expand the terminal activities along Odfjell's major shipping lanes. We also focus on strategic ports in newly industrialized countries, in order to improve the development of chemical markets. In addition to being profitable investments on a stand-alone basis, our terminals also play an important operational role in our cargo-consolidation programme to reduce the time our ships spend in port. Commercially, the combination of shipping and terminals gives Odfjell an excellent position to offer complete logistical packages to our customers. The demand for combined service has steadily increased as a result of the industry's ongoing pursuit of improving efficiency in the supply chain.

In pursuing our strategy, Odfjell acquired Botlek Tank Terminal BV in Rotterdam from Vopak in June 2000. The terminal was renamed Odfjell Terminals (Rotterdam) BV. In February 2001 an agreement was made with Oiltanking GmbH to acquire 50% of their new chemical tank terminal under construction in Singapore. The terminal will be renamed Oiltanking Odfjell Terminal Singapore Pte Ltd.

Odfjell's policy is to give top priority to safety and to environmental protection, and the terminals are operated under this guiding principle. As such, our terminals have ISO 9002 certification and participate in other, local health, safety and environmental initiatives. The Houston terminal is a Responsible Care® partner, and was the first US terminal to enter this programme in 1998. Responsible Care® is a trademark in the US petrochemical industry administered by the Chemical Manufacturers Association for companies which demonstrate

a commitment to safety and environment protection over and above current regulations.

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

Located in the heart of Rotterdam harbour, the most important chemical distribution center in Europe, Odfjell Terminals (Rotterdam) BV has a total storage capacity of 1 530 000 m<sup>3</sup>, and around 300 storage tanks. It is one of the largest facilities of its kind in the world. The terminal stores both chemicals and mineral oil products. The chemical storage capacity is 610 000 m<sup>3</sup>, while the mineral oil capacity is 920 000 m<sup>3</sup>. In addition to the storage business, the facility has a PID, petrochemical industrial distillation plant, which retains a large market share in the independent product distillation market in northwest Europe. The company's business is therefore divided in three market segments; chemical storage, mineral oil storage and petrochemical distillation. This provides a diversified contract portfolio as well as a great degree of flexibility since the storage capacity can be shifted from one segment to another, including servicing the distillation business.

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

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



**ÅKE GREGERTSEN**  
SENIOR VICE PRESIDENT,  
TANK TERMINALS

*Born 1955. Mr. Gregertsen has been with the company since 1991 and has held the current position since 1996. He previously held the position as Director of Finance/Accounts.*

***Odfjell Terminals (Baytank) Inc - Houston, USA***

Houston is the major international hub for import and export of chemicals in the USA, just as Rotterdam is in Europe. The Houston terminal was built by Odfjell in 1983 and has since the mid 1990's been through a considerable expansion period, increasing the capacity by close to 70% over the last five years. The expansion has improved the profitability

through a better utilization of already existing infrastructure.

The terminal comprises 88 tanks ranging from 350 m<sup>3</sup> to 9 000 m<sup>3</sup> and has a total capacity of 255 000 m<sup>3</sup>. 61 tanks are constructed from mild steel or have epoxy/zinc coatings, with the remaining 27 constructed from stainless steel, giving a total stainless steel capacity of 65 000 m<sup>3</sup>. Baytank has the largest stainless steel storage capacity of any privately owned

terminal in the world. The facilities' unused land and existing infrastructure both provide good opportunities for further expansion, with potential storage capacity of around 350 000 m<sup>3</sup> in the existing area. In October 2000, the most recent expansion was completed – nine new stainless steel tanks and one carbon steel tank with a total capacity of 22 500 m<sup>3</sup>.

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

***Oiltanking Odfjell Terminal Singapore Pte Ltd - Singapore***

As one of the busiest ports in the world, Singapore plays a major role in the distribution of petrochemicals in Asia. Singapore also has a high concentration of refinery capacity as well as a large and diversified chemical production. Further



growth is secured through its prime location, good infrastructure and a stable economy and government. Oiltanking Odfjell Terminal Singapore is located on Jurong Island, where most of Singapore's development of petro-chemical industry is concentrated.

The terminal, which will be operational in September 2001, will have a total capacity of 131 000 m<sup>3</sup> in 35 tanks, ranging from 800 m<sup>3</sup> to 18 000 m<sup>3</sup>. The stainless steel capacity will be around 5 000 m<sup>3</sup>. More than 100 000 m<sup>3</sup> of the capacity is committed on secure, long-term contracts. With access to additional land, the terminal can eventually grow to about 300 000 m<sup>3</sup>. Two new shipdocks will be built, and the terminal will manage a third dock for a key customer.

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

The new terminal is a 50/50 joint venture, in which Oiltanking will be the managing partner. Oiltanking GmbH, a world-wide storage operator, already owns a large mineral oil terminal on Jurong Island.

#### **DMTTC - Dalian, China**

Dalian Marine Tank Terminal Co Ltd is located in Dalian on the northeastern coast of China. The terminal has 35 tanks with a capacity of 60 000 m<sup>3</sup>, constructed in compliance with stringent quality and environmental requirements. From its start in 1998, the development of the terminal's business has been very positive, and the diversified customer base gives the terminal a better performance than expected. With a 54% stake, Odfjell is the main shareholder and also the managing partner of the terminal. Dalian Port Authority (36%) and Vopak (10%) are the other shareholders in the company.

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

This tank terminal started operations in 1994 and has managed to establish itself as a terminal with high standards. Located close to Shanghai, Ningbo is a key port for importing chemicals to the central east coast of China. The terminal serves vessels, barges, rail-cars and trucks and currently has a capacity of 65 000 m<sup>3</sup>. Odfjell has a 12.5% stake in the terminal, with the other partners being Vopak, Helm AG and certain local partners.

Both the Dalian and Ningbo terminals are important building blocks for the further development of Odfjell's intra Asia shipping services, and both locations are regular ports of call.

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

Odfjell's involvement with terminals started in South America, where the first terminal of the group was built in Buenos Aires in 1969. Today, six chemical terminals spread along the coasts of Brazil, Argentina and Chile have a 35% share of the chemical storage market in the region. The Odfjell family owns these privately, their operational headquarter being in Sao Paulo. The three Brazilian terminals are located in Santos, Rio Grande and São Luís. In Argentina, the group has two terminals, one in Buenos Aires and the other, a new state-of-the-art terminal in Campana, about 80 km upriver from Buenos Aires. The Chilean terminal is located in San Antonio. The latest additions to the group are a 25 000 m<sup>3</sup> chemical terminal under construction in Callao, Peru and a 50 000 m<sup>3</sup> terminal to be built in Bahia Blanca, Argentina.

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

## TANK CONTAINERS

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



**C. P. MOL**  
CHIEF EXECUTIVE  
OFFICER AND  
MANAGING DIRECTOR,  
HOYER-ODFJELL BV

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

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

The main goal of Hoyer-Odfjell has been to expand and become global, thereby achieving economies of scale. Substantial investments in personnel, organisation and equipment have thus been made in the company. The number of tank containers has increased from 2 600 to about 5 500 since start-up two years ago.

As for most other transport markets, 2000 was a relatively weak year for the tank container sector. The continuous growth of the 1990's came to an abrupt halt as a result of the Asian crisis and a subsequent reduction in trade and demand for transport services. As a new player, therefore, Hoyer-Odfjell has been faced with a relatively difficult market with pressure on rates and the earning potential. However, future growth in demand for tank container services is expected to be considerable, the greatest potential being in transport to and from Asia and Latin America. Hoyer-Odfjell focuses strongly on safety, quality and environmental protection. The company is ISO9002/14001 and SQAS certified and also has a contingency plan that meets the most stringent requirements of the market.



## BUSINESS DEVELOPMENT & PLANNING

*Business Development & Planning (BDP) is a relatively new business unit within the Odfjell organisation with responsibilities for:*

- *Market research and analysis*
- *Long-term fleet development including handling of sale and purchases of vessels*
- *Information and Communication Technology (ICT)*
- *Newbuildings, management of ongoing project and evaluation of new ventures*
- *Project handling*

**T**he most important aspect of our market research effort is to update and improve our own supply and demand model for the monitoring of the global parcel (chemical) tanker market. The model is constantly updated with the situation of the total supply and demand conditions presented internally, at the end of each quarter. The model is based on several databases of which our fleet database containing detailed information of approximately 2000 ships including vessels currently trading, ships in order as well as old and scrapped units. The demand side of the equation is based on current and future expected trade matrixes concerning the most important products shipped by chemical tankers.

Fleet development is also to a great extent an analytical type of task. In view of our market knowledge, including the prospects according to our own market model, ideas for the long-term development of the fleet are presented for the other business units and used as basis for the internal discussions leading to the establishment of our long-term strategy. This is a constant process. Concurrently, we are presented and faced with various sale and purchase opportunities that are evaluated and responded to by BDP.

The current development in the area of ICT is given high attention in our organisation. In principle, ICT gives us two types of opportunities; to improve our own processes so that we become more effective, and secondly to improve the quality of our services and thereby increase the level of customer satisfaction. Our 13- member ICT-department consists of three units, the Technology- Support- and Departmental System groups. One of their main achievements is the development of our Global Odfjell Network that connects all the ships, terminals and offices together and ensures easy internal communication. We have also established a good platform in terms of establishing technology standards. Our future challenge is therefore to ensure the best possible utilization of these ICT investments.

The Newbuilding section consists of a five-member team in Bergen plus site teams at the two yards where we have on-going construction; at Kleven Florø, Norway and at Stocznia Szczecinska in Stettin, Poland. Supervision of on-going construction is labour intensive and requires knowledge, patience and accuracy. Being a market leader, we are constantly faced with business opportunities i.e. anything from single ships in need of employment, other operators wanting pooling of ships or other types of co-operation, re-sale of vessels under construction, yards promoting new designs and specifications. The Newbuilding section plays an important role in the evaluation of such projects.



**JAN HAMMER**  
SENIOR VICE  
PRESIDENT, BUSINESS  
DEVELOPMENT  
AND PLANNING/ICT

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

# SHIP MANAGEMENT

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



**JAN DIDRIK LORENTZ**  
SENIOR VICE  
PRESIDENT, SHIP  
MANAGEMENT

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

## **Vessels**

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

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

## **Crew**

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

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

## **Risk Management**

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

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

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

## **Communication**

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

# HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION

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

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

## Organisation

Odfjell's Quality Assurance Board is the company's highest governing body for environmental issues and comprises members of senior management who discuss ongoing quality and environmental matters, non-conformance reports, audits and statistics related to accidents and the management of the company's operations. Odfjell has opted to delegate the further governing and execution of our environmental policy to the heads of the group's various business divisions. Furthermore, the company's active involvement in national and international regulatory bodies and committees reflects our view as to the importance of our contribution to the further development of regulations within areas that fosters sound environmental standards and high levels of safety.

## Fleet

Ocean-going transportation is very energy-efficient compared to other forms of transport. The efficiency of the Odfjell fleet has been further improved through our newbuilding programme, with CO<sub>2</sub> emissions per nautical mile and dead-weight ton being reduced by around 7% between 1997 and 1998. During 1999 an additional reduction of close to two

percent was achieved. This was largely thanks to the delivery of newbuildings and the sale of older vessels. During 2000 we acquired a number of larger, energy-efficient ships. The result of this is a further reduction of 8.1% of CO<sub>2</sub> emissions per nautical mile and tdw. The world's first "intelligent" engine, fitted onboard our Bow Cecil, has been successfully tested and approved for operation by DNV, both in "Fuel economy Mode" and in "Low emission Mode".

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

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

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

The company's Safety and Improvement



**HANS LUND**  
SENIOR VICE PRESIDENT,  
QUALITY ASSURANCE

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

## HUMAN RESOURCES

*Odfjell's activities are very complex, both from a technological and organisational point of view. Our vessels sail all over the world and requires insight, expertise and decisiveness throughout the Group.*

Reporting system is used to report onboard HSE matters and plays an important and valuable role in company analyses and for the transfer of experience. The number of reported lost workday injury cases during 2000 was 7.3 per million worked hours (Lost Time Injury Frequency = 7.3). Odfjell prioritises co-operation with suppliers, research institutions, classification societies and shipyards on the development of new and more environmentally friendly ships.

### **Tank Terminals**

Odfjell's focus on the use of the best possible systems and technology when constructing and upgrading our terminals ensures that it is well placed to meet future challenges in terms of safety and environmental issues as well as profitability. Tank terminals are fitted with effective pressure-control systems to prevent evaporation of gases to the air. Further, special tank bottoms with leak detection devices and liners in the tank bays prevent ground contamination in case of any accidents. Each terminal has its own environmental committee, which reviews procedures and potential areas for improvement.

Odfjell Terminals (Baytank) is a Responsible Care® partner. This is recognition from the Chemical Manufacturers Association of companies that have gained distinction in the petrochemical industry for their commitment to environmental standards and safety over and above current regulations. This is an ongoing area of focus for our operations.

### **Future Plans**

We are committed to pursuing a proactive environmental protection policy. The decision has therefore been made to integrate the environmental standard ISO 14001 into our Safety & Quality Management System. Odfjell's environmental profile will thereby be further developed as a strong competitive advantage in the market, to society in general and when recruiting new employees.



**BRIT A. BENNETT**  
VICE PRESIDENT,  
HUMAN RESOURCES

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

It is important that Odfjell has a human resources policy ensuring that we always have skilled and highly qualified personnel on board our ships and ashore. The company also aims to build and develop a homogenous corporate culture cutting across cultural and geographical boundaries in the organisation. This includes both our employees working on board our ships, and ashore in different countries.

During the year 2000 we increased our activities both within shipping, containers and terminals. The more we expand, the more important it has become to be aware of our corporate culture, how to keep it alive and build it stronger.

The more complex and differentiated the organisation is, the more important it has also become to focus on total management and cooperation.

Our ships have mainly European officers with high experience in the operation of complicated chemical tankers. We have Filipino crew recruited on the basis of continuity and experience. We have a long-term crewing policy by which we attach great importance to on-board training and specialist courses. We have an extensive recruitment programme for both young officers and trainees.

At year-end 1999 the Group employed 1 743 persons. At the end of 2000 we employed about 2 755 persons.

# FLEET, TERMINAL AND CONTAINER OVERVIEW

GLOBAL TRADE	VESSEL	YEAR BUILT	TDW	CBM	STAINLESS STEEL, CBM	NUMBER OF TANKS
<b>OWNED:</b>	Bow Century	2000	37 500	40 500	40 500	47
	Bow Fortune	1999	37 500	40 500	40 500	47
	Bow Cecil	1998	37 500	40 500	40 500	47
	Bow Flora	1998	37 500	40 500	40 500	47
	Bow Cardinal	1997	37 500	41 200	34 100	52
	Bow Faith	1997	37 500	41 200	34 100	52
	Bow Cedar	1996	37 500	41 200	34 100	52
	Bow Fagus	1995	37 500	41 200	34 100	52
	Bow Clipper	1995	37 500	41 200	34 100	52
	Bow Flower	1994	37 500	41 200	34 100	52
	Bow Sea	1978	28 060	34 756	21 136	43
	Bow Hunter	1983	23 077	25 002	21 009	28
	Bow Pioneer	1982	23 077	25 002	21 009	28
	Bow Eagle	1988	24 700	32 458	19 663	25
	Bow Viking	1981	33 695	40 593	21 745	36
	Bow Fighter	1982	35 100	41 193	6 353	34
	Bow Lancer	1980	35 100	42 476	6 253	34
	Bow Heron	1979	35 100	42 107	5 884	31
	Bow Cheetah	1988	40 263	45 315	-	27
	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 Puma	1986	40 263	45 315	-	27
	Bow Petros	1984	39 800	47 965	-	28
	Bow Transporter	1983	39 800	47 965	-	28
	Bow Mariner	1982	39 800	47 965	-	28
	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 Peace	1987	46 450	49 423	2 118	20
	Bow Power	1987	46 438	49 423	2 118	20
	Bow Pride	1987	46 436	49 423	2 118	20
	Bow Prosper	1987	46 441	49 423	2 118	20
	Bow Prima	1987	46 454	49 423	2 118	20
	<b>TIME-CHARTERED/ POOL:</b>	NCC Jubail	1996	37 500	41 200	34 100
NCC Mekka		1995	37 500	41 200	34 100	52
NCC Riyadh		1995	37 500	41 200	34 100	52
NCC Tihamah		1977	28 060	34 756	21 136	43
NCC Yamamah		1977	28 060	34 756	21 136	43
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 Asir		1983	23 077	25 002	21 009	28
NCC Arar		1982	23 077	25 002	21 009	28
NCC Baha		1988	24 700	28 291	19 663	21
Bow Sky		1977	28 060	34 756	21 136	43
Bow Spring		1976	28 060	34 756	21 136	43
Bow Saturn		1976	28 060	34 756	21 136	43
Bow Merkur		1975	28 060	34 756	21 136	43
Fertility L		1987	45 507	49 423	2 118	20
Fraternity L		1987	45 507	49 423	2 118	20
Clipperventure L		1981	31 745	41 239	-	26
Conquestventure L		1980	31 766	41 239	-	26
Courageventure		1980	31 729	41 239	-	26
Crystalventure		1980	31 676	41 239	-	26
Maasslot L		1982	38 039	47 889	-	24
Maasstad L		1983	38 039	47 889	-	24
Maasstroom L		1983	38 039	47 889	-	24
Brage Atlantic		1995	17 460	19 587	19 587	22
<b>Number of vessels: 60</b>			<b>2 076 204</b>	<b>2 419 236</b>	<b>904 699</b>	

	YARD	DELIVERY	TDW	OWNER
<b>ON ORDER:</b>	Florø Yard no. 142	9/2001	37 500	Odfjell
	Florø Yard no. 143	6/2002	37 500	Odfjell
	Florø Yard no. 144	12/2003	37 500	Odfjell
	NB Szczecin - B588/III/1	3/2002	40 000	Ceres
	NB Szczecin - B588/III/2	8/2002	40 000	Odfjell
	NB Szczecin - B588/III/3	2/2003	40 000	Odfjell
	NB Szczecin - B588/III/4	7/2003	40 000	Ceres
	NB Szczecin - B588/III/5	1/2004	40 000	Odfjell
	NB Szczecin - B588/III/6	6/2004	40 000	Odfjell
NB Szczecin - B588/III/7	12/2004	40 000	Ceres	
NB Szczecin - B588/III/8	5/2005	40 000	Ceres	
<b>Number of newbuildings: 11</b>			<b>432 500</b>	

REGIONAL TRADE	VESSEL	YEAR BUILT	DWT	CBM	STAINLESS STEEL, CBM	NUMBER OF TANKS
<b>OWNED:</b>	Bow Master	1999	6 046	7 036	7 036	14
	Bow Mate	1999	6 046	7 036	7 036	14
	Bow Pilot	1999	6 046	7 036	7 036	14
	Bow Sailor	1999	6 046	7 036	7 036	14
	Bow Apollo	1981	6 291	6 742	3 504	22
	Bow Marino	1988	11 289	12 415	6 385	17
	Bow Giovanni	1987	11 289	11 091	5 091	15
	Antisana	1989	8 192	9 899	5 777	22
	Gorgonilla	1989	8 192	9 899	5 777	22
	Bow Andes (50%)	1977	28 060	34 756	21 136	43
	Bow Pacifico (50%)	1982	18 657	22 929	10 849	31
	Owl Trader	1982	12 450	14 482	8 070	22
	Angelim (50%)	1985	10 259	10 136	6 500	18
	Aracuria (50%)	1984	10 259	10 159	6 500	18
Jatai (50%, LPG)	1979	4 452	4 031	-	3	
<b>TIME-CHARTERED/ POOL:</b>	Bow de Jin	1999	11 500	12 500	12 500	20
	Bow de Silver	2000	11 500	12 500	12 500	20
	Bow Wave	1999	8 500	9 300	9 300	20
	Bow Wind	1999	8 500	9 300	9 300	20
	Sunshine Sea	2000	16 121	17 270	17 270	34
	Fairchem Yone	1995	11 668	12 542	12 542	20
	San Mateo	1988	11 289	11 350	6 150	15
	San Pedro	1988	11 289	11 350	6 150	15
	Jacaranda	1978	9 970	9 924	5 877	17
	Aragas (50%, LPG)	1983	9 300	8 026	-	5
<b>Number of vessels: 25</b>			<b>263 211</b>	<b>288 745</b>	<b>199 322</b>	

TANK TERMINALS	LOCATION	SHARE	CBM	STAINLESS STEEL, CBM	NUMBER OF TANKS
Odfjell Terminals (Rotterdam) BV	Rotterdam, NL	100%	1 530 000	16 650	300
Odfjell Terminals (Baytank) Inc	Houston, USA	100%	255 000	44 512	78
Oiltanking Odfjell Terminal Singapore (under construction)	Singapore	50%	130 000	5 000	35
DMTTC (Dalian)	Dalian, China	54%	59 700	5 750	35
VOTTN (Ningbo)	Ningbo, China	12.5%	62 250	7 900	36
			<b>2 036 950</b>	<b>79 812</b>	<b>484</b>

#### TANK CONTAINERS

5 000 units as per December 2000.

# 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 and the owner is basically free to decide whichever vessel he will use.

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

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

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

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

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

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

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

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

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

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

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

**LIBOR:** London Interbank Offered Rate

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

**M/T:** Motor Tanker.

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

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

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

**NIS:** Norwegian International Ship Register

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

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

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

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

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

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

**PETROCHEMICALS:** See organic chemicals.

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

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

Exchange.

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

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

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

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

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

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

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

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

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

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

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

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

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

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Al-Akariyah Bldg No 1  
Sitteen Street, Malaz Area  
P.O. Box 8931  
Riyadh 11492, Saudi Arabia  
Tel: +966 1 477 3934  
Fax: +966 1 476 4328  
Tlx: 405627 nachca sj

**Odfjell Seoul**  
c/o Dong Joo Intl.Shipping Co.  
Rm. 1206,  
Marine Center Bldg., 12th Fl.  
118, 2-Ka, Namdaemoon-ro  
Chung-Ku, Seoul, South-Korea  
Tel: +82 2 757 5651  
Fax: +82 2 771 7444  
Tlx: 801 33889 DJ

**Odfjell Manila**  
c/o Magsaysay Maritime Corp.  
5th floor,  
520 t.m. Kalaw Street,  
Ermita  
Manila, Philippines  
Tel: +63 2 526 8888  
Fax: +63 2 338 0286

**Odfjell Dubai**  
c/o Sharaf Shipping Agency  
Sharaf Building  
Al Mankhool Road,  
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Tlx: 46608 sharaf em

**BLL c/oTerquim SA**  
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Tlx: 426962 ot hou

**Flumar Transportes Fluviais e  
Maritimos SA**  
Av. Presidente Vargas,  
463-21 andar  
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Fax: +55 21 242 9804

## TANK TERMINALS

**Odfjell Terminals (Baytank) Inc**  
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**Odfjell Terminals  
(Rotterdam) BV**  
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P.O.Box 5010  
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The Netherlands  
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Fax: +31 10 4 160 840

**Dalian Marine  
Tank Terminal Co Ltd**  
1 Gangwan St., Zhongshan  
District  
Dalian 116004, P.R. China  
Tel: +86 411 2629701  
Fax: 86 411262 3707

**Vopak Terminal Ningbo Ltd**  
Jetty No. 16 Zhenhai Port Area  
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District  
Ningbo, P.R. China 315200  
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## TANK CONTAINERS

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**Hoyer-Odfjell Brasil**  
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**Hoyer-Odfjell China**  
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**Hoyer-Odfjell Dubai**  
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