



BELSHIPS

PRELIMINARY FIGURES 2001

REPORT 4TH QUARTER 2001

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4TH QUARTER 2001

FINANCIAL PERFORMANCE

Belships recorded operating income of USD 6,652,000 (2000: USD 12,857,000) in the fourth quarter of 2001. Operating income for the year totalled USD 36,848,000 (USD 57,243,000). The company's operating result in the fourth quarter was USD -1,503,000 (USD 1,101,000), while the operating profit for the year was USD 1,711,000 (USD 1,559,000). The decline in operating income in relation to the previous year is attributed primarily to a lower level of activity in the company's large bulk operations, while profit performance was affected by a general weakening of the markets where Belships operates. The fourth-quarter net result totalled USD -2,235,000 (USD -614,000), while the net result for the year was USD -1,844,000 (USD -3,269,000).

SEGMENTAL RESULTS

The product carrier business generated an operating profit of USD 377,000 (1,636,000) in the fourth quarter. The operating profit for the year totalled USD 3,994,000 million (USD 2,584,000).

The gas tanker business recorded an operating result in the fourth quarter of USD -1,090,000 (USD -138,000), while the accumulated operating result as of the fourth quarter was USD

-826,000 (USD 57,000).

The Panmax/Capsized bulk business generated an operating result of NOK -763,000 (USD -332,000) in the fourth quarter.

The operating result for the year totalled USD -1,787,000 (USD -1,770,000).

The Handymax bulk business generated an operating profit of USD 288,000 (USD 555,000) in the fourth quarter, while the accumulated operating profit as of the fourth quarter was USD 948,000 (USD 1,942,000).

The ship management business recorded an operating result of USD -147,000 (USD -110,000) in the fourth quarter and an operating result for the year of USD 102,000 (USD -161,000).

OPERATIONS

The turn around in the world economy started already when growth slowed early in 2001. This development was greatly accelerated, however, by the tragic events in the USA in September. This resulted in a lower demand for shipping services and weaker rates in the segments where Belships operates.

The product carrier market started the year strongly, but it subsequently showed a weakening trend. An active effort to secure earnings through time charters and freight forward agreements made it possible to maintain a satisfactory result for this segment.

At Gibson Tankers a poor market resulted in weak results for the 6,000 cbm vessels operating in a pool managed by the Dutch company A. Veder. The 3,200 cbm vessels were on fixed time charters throughout the year, while the MT Quentin sailed in the spot market at loss-making rates.

In the dry cargo sector, the MS Belnor was sailing on a time charter at a fixed rate throughout the entire year. The Capsize vessel, the MS Belmaj, sailed in a pool managed by Bocimar. The rates in this segment declined dramatically after the summer, which led, together with our interest in the pool's operator activities, to negative results.

The spot market activities of the operating company, Belships Trading, were reduced gradually throughout the year. The efforts to establish a long-term cargo basis continues, and the contract for transporting coal for the Videocon project in India became legally binding for Belships during the first half of the year. In order to cover this obligation in part, a long-term charter was entered into for a Panmax bulk carrier with delivery at the end of 2003, with an option to buy the vessel. During the year conflicts have arisen in connection with the progress and construction of the power plant in India that is supposed to receive the coal to be delivered under this contract. This creates some uncertainty about the project.

FINANCIAL POSITION AND OTHER MATTERS

At 31 December Belships' liquid assets totalled USD 9.5 million, as compared with USD 9.8 million at the end of the previous quarter. The mortgage debt was reduced by USD 11.4 million during the year and totalled USD 63.9 million at 31 December. The book value per share excluding minority interests was NOK 7.03, and the book value of the shareholders' equity was equivalent to 26.7% of assets.

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

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

FUTURE OUTLOOK

In the tanker sector an extensive newbuilding programme will most likely result in further pressure on the rates in the near future. One of the OBO carriers was sold for delivery in the first quarter of 2002 at a gain in the accounts of USD 0.3 million. The gas cooperation with A. Veder is under revision with the aim of enhancing commercial competence in Gibson Gas Tankers. The market outlook for the segment is, however, uncertain.

The fleet growth in the dry cargo sector is declining, and we have seen some increase in the rates and values so far in 2002. We expect a further strengthening of the market in the time to come.

Oslo, 27th February 2002

The Board of BELSHIPS ASA

Income statement

<i>USD 1 000</i>	2001	2000	2001	2000
	Oct - Dec	Oct - Dec	Jan - Dec	Jan - Dec
Operating income	6 652	12 857	36 848	57 243
Charterhire expenses	-1 627	-5 528	-12 204	-31 702
Operating expenses	-3 794	-3 328	-13 404	-13 038
General administrative expenses	-1 431	-1 301	-4 913	-4 831
Ordinary depreciation on ships	-1 303	-1 503	-5 210	-6 017
Total operating expenses	-8 155	-11 660	-35 731	-55 588
Operating result before sale of ships	-1 503	1 197	1 117	1 655
Gain/-loss on sale of ships	0	-96	594	-96
Operating result	-1 503	1 101	1 711	1 559
Share dividend, interest income	185	319	440	527
Interest expenses	-810	-1 416	-3 631	-5 982
Net currency exchange gain/-loss	-11	-462	192	971
Other financial items	-2	-130	-385	-310
Net financial items	-638	-1 689	-3 384	-4 794
Result before tax	-2 141	-588	-1 673	-3 235
Taxes	-94	-26	-171	-34
Result	-2 235	-614	-1 844	-3 269
Hereof minority interests	559	333	863	178
Hereof majority interests	-1 676	-281	-981	-3 091
Earnings per share (majority interest)	-0.07	-0.01	-0.04	-0.15

Balance sheet

<i>USD 1 000</i>	2001	2000
	31 Dec	31 Dec
Assets		
Intangible assets	3 050	3 153
Ships	73 555	81 061
Other fixed assets	3 925	3 750
Current assets	13 667	20 431
Total assets	94 197	108 395
Equity and liabilities		
Equity (excl. minority interests)	19 130	20 112
Minority interests	6 043	6 306
Long-term liabilities	64 892	76 245
Short-term liabilities	4 132	5 732
Total equity and liabilities	94 197	108 395

Cash flow statement

<i>USD 1000</i>	2001	2000	
	Jan - Dec	Jan - Dec	
Funds generated from operations			
Result before taxes	-1 674	-3 235	
- Gain/ + loss on sale of fixed assets	-594	40	
Ordinary depreciation on ships	5 210	6 017	
Depreciation on capitalised dry docking costs	1 561	1 223	
Tax payable	68	34	
Diff. between capital. pension and paid-in and drawn out	0	116	
1 Change in bunkers, trade debtors and trade creditors	1 677	-664	
2 Change in other short-term items	660	-1 333	
Net flow from operations	6 908	2 198	
Funds flow from investments			
Investments in fixed assets	-2 765	-2 008	
Sale proceeds from fixed assets disposals	4 094	10 531	
Change in other investments	-311	-462	
Net cash flow from investments	1 018	8 061	
Funds flow from financing			
Received payments from raising new long-term debt	0	833	
Repayment of long-term debt	-11 353	-12 736	
Share issue in consolidated companies (minority interest)	600	0	
Share issue	0	5 506	
Net cash flow from financing	-10 753	-6 397	
Net change in liquidity reserves	-2 827	3 862	
Liquid reserves at beginning of period	12 378	8 516	
Liquid reserves at end of period	9 551	12 378	
Calculation of cash flow statement	(A)	(B)	(B-A)
	2001	2000	
	Jan - Dec	Jan - Dec	
1) Change in bunkers, trade debtors and creditors			
Bunkers	70	291	221
Trade debtors	872	2 328	1 456
Total	942	2 619	1 677
2) Change in other short-term items			
Other receivables (short-term)	3 174	5 434	2 260
Public taxes and duties payable	-275	-285	-10
Other short-term liabilities	-3 857	-5 447	-1 590
Total	-958	-298	660

Key financial figures

		2001	2000
		31 Dec	31 Dec
Cash flow	USD 1000	4 838	3 000
Interest coverage ratio		0.49	0.30
Current ratio	%	330.76	356.44
Equity ratio	%	26.72	24.37
Earnings per share (majority interest)	USD	-0.04	-0.15
Cash flow per share	USD	0.20	0.09

Segment information

Jan - Dec 2001

<i>USD 1 000</i>	Product tank	Gas	Panmax/ Capesize bulk	Handymax bulk	Ship management	Adm. a.o.	TOTAL
Net freight income	7 113	12 016	11 986	3 171	0	374	34 660
Other operating income	895	0	0	68	1 209	16	2 188
Total operating income	8 008	12 016	11 986	3 239	1 209	390	36 848
Charterhire expenses	0	0	-12 211	0	0	7	-12 204
Operating expenses	-2 834	-8 688	-589	-1 220	332	-405	-13 404
General admin. expenses	-960	-970	-590	-242	-1 439	-712	-4 913
Ordinary depreciations	-814	-3 184	-383	-829	0	0	-5 210
Operating result before sale of ship:	3 400	-826	-1 787	948	102	-720	1 117
Gain on sale of ships	594	0	0	0	0	0	594
Operating result	3 994	-826	-1 787	948	102	-720	1 711
Share dividends/interest income	88	82	32	25	18	195	440
Interest expenses	-445	-1 470	-200	-916	0	-600	-3 631
Currency exchange gain/-loss	0	370	0	0	-4	-174	192
Other financial items	90	-313	-20	-1	89	-230	-385
Net financial items	-267	-1 331	-188	-892	103	-809	-3 384
Result before taxes	3 727	-2 157	-1 975	56	205	-1 529	-1 673
Operating income per 31 Dec '00	7 992	12 445	29 887	6 226	628	65	57 243
Operating income per 31 Dec '01	8 008	12 016	11 986	3 239	1 209	390	36 848
Operating result per 31 Dec '00	2 584	57	-1 770	1 942	-161	-1 093	1 559
Operating result per 31 Dec '01	3 994	-826	-1 787	948	102	-720	1 711

Segment information

Jan - Mar 2001

USD 1 000	Prod.- tank	Panm./		H.max bulk	Ship mgmt.	Adm. a.o.	Total
		Gas	Cape. bulk				
Net freight income	2 251	3 702	8 831	690	0	0	15 474
Other operating income	284	0	0	5	230	2	521
Total operating income	2 535	3 702	8 831	695	230	2	15 995
Charterhire expenses	0	0	-8 397	0	0	0	-8 397
Operating expenses	-682	-1 932	-257	-257	104	-3	-3 027
Gen. admin. expenses	-230	-213	-136	-64	-344	-221	-1 208
Ordinary depreciations	-203	-796	-96	-207	0	0	-1 302
Op. result before sale ships	1 420	761	-55	167	-10	-222	2 061
Gain on sale of ships	594	0	0	0	0	0	594
Operating result	2 014	761	-55	167	-10	-222	2 655

Apr - Jun 2001

USD 1 000	Prod.- tank	Panm./		H.max bulk	Ship mgmt.	Adm. a.o.	Total
		Gas	Cape. bulk				
Net freight income	1 582	3 207	1 374	846	0	0	7 009
Other operating income	198	0	34	29	329	7	597
Total operating income	1 780	3 207	1 408	875	329	7	7 606
Charterhire expenses	0	0	-1 167	0	0	0	-1 167
Operating expenses	-730	-2 132	-95	-340	16	2	-3 279
Gen. admin. expenses	-210	-209	-205	-69	-250	-188	-1 131
Ordinary depreciations	-204	-796	-96	-207	0	0	-1 303
Op. result before sale ships	636	70	-155	259	95	-179	726
Gain on sale of ships	0	0	0	0	0	0	0
Operating result	636	70	-155	259	95	-179	726

Jul - Sep 2001

USD 1 000	Prod.- tank	Panm./		H.max bulk	Ship mgmt.	Adm. a.o.	Total
		Gas	Cape. bulk				
Net freight income	1 915	2 705	570	782	0	0	5 972
Other operating income	146	0	0	17	368	92	623
Total operating income	2 061	2 705	570	799	368	92	6 595
Charterhire expenses	0	0	-1 013	0	0	0	-1 013
Operating expenses	-691	-2 266	-135	-302	148	-58	-3 304
Gen. admin. expenses	-200	-210	-141	-55	-352	-185	-1 143
Ordinary depreciations	-203	-796	-95	-208	0	0	-1 302
Op. result before sale ships	967	-567	-814	234	164	-151	-167
Gain on sale of ships	0	0	0	0	0	0	0
Operating result	967	-567	-814	234	164	-151	-167

Oct - Dec 2001

USD 1 000	Prod.- tank	Panm./		H.max bulk	Ship mgmt.	Adm. a.o.	Total
		Gas	Cape. bulk				
Net freight income	1 365	2 402	1 211	853	0	374	6 205
Other operating income	267	0	-34	17	282	-85	447
Total operating income	1 632	2 402	1 177	870	282	289	6 652
Charterhire expenses	0	0	-1 634	0	0	7	-1 627
Operating expenses	-731	-2 358	-102	-321	64	-346	-3 794
Gen. admin. expenses	-320	-338	-108	-54	-493	-118	-1 431
Ordinary depreciations	-204	-796	-96	-207	0	0	-1 303
Op. result before sale ships	377	-1 090	-763	288	-147	-168	-1 503
Loss on sale of ships	0	0	0	0	0	0	0
Operating result	377	-1 090	-763	288	-147	-168	-1 503

Jan - Mar 2000

USD 1 000	Prod.- tank	Panm./		H.max bulk	Ship mgmt.	Adm. a.o.	Total
		Gas	Cape. bulk				
Net freight income	1 231	3 177	9 666	1 902	0	0	15 976
Other operating income	119	0	0	22	133	12	286
Total operating income	1 350	3 177	9 666	1 924	133	12	16 262
Charterhire expenses	0	0	-9 215	-603	0	0	-9 818
Operating expenses	-620	-2 407	-67	-532	44	-27	-3 609
Gen. admin. expenses	-251	-237	-213	-56	-196	-222	-1 175
Ordinary depreciations	-254	-796	-96	-358	0	0	-1 504
Op. result before sale ships	225	-263	75	375	-19	-237	156
Gain on sale of ships	0	0	0	0	0	0	0
Operating result	225	-263	75	375	-19	-237	156

Apr - Jun 2000

USD 1 000	Prod.- tank	Panm./		H.max bulk	Ship mgmt.	Adm. a.o.	Total
		Gas	Cape. bulk				
Net freight income	1 592	3 201	7 551	1 369	0	0	13 713
Other operating income	138	0	23	21	138	33	353
Total operating income	1 730	3 201	7 574	1 390	138	33	14 066
Charterhire expenses	-818	0	-7 909	20	0	0	-8 707
Operating expenses	-621	-1 955	-158	-377	46	27	-3 038
Gen. admin. expenses	-184	-227	-191	-231	-195	-242	-1 270
Ordinary depreciations	-223	-796	-96	-357	0	0	-1 472
Op. result before sale ships	-116	223	-780	445	-11	-182	-421
Gain on sale of ships	0	0	0	0	0	0	0
Operating result	-116	223	-780	445	-11	-182	-421

Jul - Sep 2000

USD 1 000	Prod.- tank	Panm./		H.max bulk	Ship mgmt.	Adm. a.o.	Total
		Gas	Cape. bulk				
Net freight income	1 954	3 128	7 198	1 446	0	0	13 726
Other operating income	177	0	7	22	123	3	332
Total operating income	2 131	3 128	7 205	1 468	123	3	14 058
Charterhire expenses	-137	0	-7 522	10	0	0	-7 649
Operating expenses	-652	-1 843	-126	-488	45	0	-3 064
Gen. admin. expenses	-215	-254	-195	-64	-190	-166	-1 084
Ordinary depreciations	-289	-796	-95	-358	0	0	-1 538
Op. result before sale ships	838	236	-733	568	-22	-163	724
Gain on sale of ships	0	0	0	0	0	0	0
Operating result	838	236	-733	568	-22	-163	724

Oct - Dec 2000

USD 1 000	Prod.- tank	Panm./		H.max bulk	Ship mgmt.	Adm. a.o.	Total
		Gas	Cape. bulk				
Net freight income	2 618	2 939	5 471	1 422	0	-11	12 439
Other operating income	163	0	-29	22	233	28	417
Total operating income	2 781	2 939	5 442	1 444	233	17	12 856
Charterhire expenses	17	0	-5 555	11	0	0	-5 527
Operating expenses	-688	-1 958	15	-517	41	-221	-3 328
Gen. admin. expenses	-221	-323	-138	71	-384	-307	-1 302
Ordinary depreciations	-253	-796	-96	-358	0	0	-1 503
Op. result before sale ships	1 636	-138	-332	651	-110	-511	1 196
Loss on sale of ships	0	0	0	-96	0	0	-96
Operating result	1 636	-138	-332	555	-110	-511	1 100

Fleet list

As at 31 December 2001					
Ship	Ownership	Built year	Dwt	Employment	T/C-period
Product carriers/OBO					
M/T Belgrace	63 %	1984/87	40 900	Spot	
M/S Belguardian	20 %	1987	43 500	Spot	
M/S Belgallantry	20 %	1987	43 500	Sold 02/02	
M/S Belgreeting	20 %	1987	43 500	Spot	
Gas					
M/T Lanrick	60 %	1992	3 215 ¹⁾	T/C to 04/02	
M/T Etrick	60 %	1991	3 215 "	T/C to 10/02	
M/T Traquair	60 %	1982	6 616 "	Pool	
M/T Yarrow	60 %	1982	6 568 "	Pool	
M/T Eldon	60 %	1982	6 077 "	Pool	
M/T Quentin	60 %	1977	2 280 "	Spot	
Capesize bulk					
M/S Belmaj	25 %	1990	149 516	Pool	
Panmax bulk, chartered tonnage					
Newbuilding		2003	76 000	Delivery 10/03	10/11
Handymax bulk					
M/S Belnor	100 %	1996	47 600	T/C to 02/03	
<i>1) Capacity in cubic meter</i>					
Number of ships					
Type	Owned tonnage	Newbuilding	Commercial management	Total fleet	
Handysize product carriers/ OBO	1.2		2.8	4.0	
Gas	3.6		2.4	6.0	
Capesize bulk	0.3		0.7	1.0	
Panmax bulk		1.0		1.0	
Handysize bulk	1.0			1.0	
Total	6.1	1.0	5.9	13.0	



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