



BELSHIPS

PRELIMINARY FIGURES 2002

REPORT 4TH QUARTER 2002

4TH QUARTER 2002

FINANCIAL PERFORMANCE

Belships recorded an operating income of USD 7,839,000 (2001: USD 6,652,000) and an operating result of USD -1,080,000 (USD -1,503,000) in the fourth quarter of 2002. The gas carrier market weakened further in the fourth quarter, resulting in the negative operating result. The product carrier and dry bulk markets showed positive trends and these segments returned a profit in the quarter.

The group generated a post-tax result of USD -1,067,000 (USD -2,235,000) in the fourth quarter and USD -4,742,000 (USD -1,844,000) for the year. Minority interests in Gibson Gas Tankers accounted for USD -2,104,000 of the result, making Belships' share USD -2,638,000.

SEGMENTAL RESULTS

The product carrier business generated an operating result of USD 228,000 (USD 377,000) in the fourth quarter, the gas carrier business an operating result of USD -837,000 (USD -1,090,000) and the dry bulk business an operating result of USD 74,000 (USD -475,000). Belships acquired a 50% stake in Elkem Chartering which are included in the accounts from 31 October. Elkem Chartering generated an operating result for the group of USD 368,000 in the fourth quarter.

The ship management business generated an operating result of USD -46,000 (USD -147,000).

OPERATIONS

The market for product carriers was relatively weak in 2002, but the rates rose towards the end of the year due to the strike in Venezuela and concerns about war. The two OBO ships, M/S Belgreeting and M/S Belguardian, as well as M/T Belgrace were employed in the spot market or under short timecharters during this period. In February a contract was entered into for sale of the share in the OBO ships, with effect from 28 February 2003. This will give an accounting gain of approximately USD 0.5 million in the first quarter of 2003.

Over a long period China has shown strong growth, however, from a modest base the economy has now become so large that it is seriously impacting world trade growth. This has had a positive effect on the dry bulk market, where ore imports and reduced coal exports due to the country's own needs significantly pushed up the rates for bulk carriers during the second half of the year.

The acquisition of a 50% stake in Elkem Chartering increased Belships' exposure to this sector during the year. This has brought us a large step forward in our endeavour to build up a long-term cargo base. Elkem

Chartering is primarily engaged in the handy size segment operating in the Atlantic, but also has a handymax operation based in the Indian Ocean. Belships' wholly owned handymax ship, M/S Belnor, operated on a fixed timecharter until the middle of November and was employed in the spot market for the rest of the year. The capesize vessel, M/S Belmaj, continued sailing in the Bocimar's pool. The rates in this segment rose sharply during the last few months of the year, but due to time delays this will not be fully reflected in earnings until 2003.

Building up the cargo base in the panmax segment suffered a setback due to continued uncertainty regarding the start-up of the long-term freight contract in India. If this contract is realised we will most probably have to renegotiate the terms. Work on the cargo side of this segment continues and the outlook here is good. The small gas carrier market that Belships is engaged in through its ownership of Gibson Gas Tankers, went from bad to worse during 2002. The ships sailing in a pool administered by Anthony Veder were strongly affected by this through poor rates and long waiting times for cargo. The financial burden on GGT made it necessary to discontinue the pool and for them to be contracted out on timecharter. This work is nearly complete and will improve earnings, though the results will still be weak.

FINANCIAL POSITION AND OTHER INFORMATION

At the end of the fourth quarter, the group had liquid assets of USD 5.5 million, down from USD 7.2 million at the end of the previous quarter, while the mortgage debt was reduced from USD 56.3 million to USD 55.2 million. Shareholders' equity at the end of the period was equivalent to 25.2% of assets or NOK 4.68 per share excluding minority interests.

Broker's estimates for some of the group's ships were, as for the previous quarter, lower than the book value. Based on estimates of discounted future cash flows for the ships, the company did not find it necessary to write down any of the ships as at 31 December 2002.

OUTLOOK

The economic picture and threat of war make the outlook uncertain. Despite this we expect the dry bulk market to return satisfactory earnings in the future. The product carrier market is seeing significant deliveries of newbuildings but this, until now, has been balanced by an increase in the scrapping of older vessels.

Gibson Gas Tankers is dependent on a general increase in the market rates in order to fully service the company's debt. If the coming years' earnings reflect historical averages, the outlook for servicing both debts and equity is satisfactory.

Oslo, 18th February 2003

The Board of BELSHIPS ASA

Income statement

<i>USD 1 000</i>	2002	2001	2002	2001
	Oct - Dec	Oct - Dec	Jan - Dec	Jan - Dec
Operating income	7 839	6 652	22 274	36 848
Charterhire expenses	-2 812	-1 627	-4 564	-12 204
Operating expenses	-3 113	-3 794	-12 051	-13 404
General administrative expenses	-1 783	-1 431	-4 893	-4 913
Ordinary depreciations	-1 211	-1 303	-4 969	-5 210
Total operating expenses	-8 919	-8 155	-26 477	-35 731
Operating result before sale of fixed assets	-1 080	-1 503	-4 203	1 117
Gain/(-Loss) on sales	0	0	1 483	594
Operating result	-1 080	-1 503	-2 720	1 711
Share dividend, interest income	165	185	252	440
Interest expenses	-472	-810	-2 124	-3 631
Net currency exchange gain/(-loss)	187	-11	320	192
Other financial items	43	-2	-389	-385
Net financial items	-77	-638	-1 941	-3 384
Result before taxes	-1 157	-2 141	-4 661	-1 673
Taxes	90	-94	-81	-171
Net result for the period	-1 067	-2 235	-4 742	-1 844
Minority share	-468	-559	-2 104	-863
Majority share	-599	-1 676	-2 638	-981
Earnings per share	-0.04	-0.09	-0.19	-0.08

Balance sheet

<i>USD 1 000</i>	2002	2001
	31 Dec	31 Dec
Assets		
Intangible assets	3 490	3 050
Ships	65 495	73 555
Other fixed assets	1 505	3 925
Current assets	10 496	13 667
Total assets	80 986	94 197
Equity and liabilities		
Equity (excl. minority interests)	16 492	19 130
Minority interests	3 939	6 043
Long-term liabilities	56 733	64 892
Short-term liabilities	3 822	4 132
Total equity and liabilities	80 986	94 197

Cash flow statement

	2002		2001
<i>USD 1000</i>	Jan - Dec		Jan - Dec
Cash generated from operations			
Result before taxes	-4 661		-1 673
- gain/+ loss on sale of fixed assets	-1 483		-594
Ordinary depreciations	4 969		5 210
Depreciations on capitalised docking expenses	1 995		1 561
Taxes payable	81		68
1 Change in bunkers, trade debtors and trade creditors	-1 367		1 677
2 Change in other short-term items	190		660
Net cash flow from operations	-276		6 909
Cash flow from investments			
Investments in fixed assets	-2 300		-3 422
Sale proceeds from fixed assets disposals	7 543		4 457
Change in other investments	-260		-18
Net cash flow from investments	4 983		1 017
Cash flow from financing			
Received payments from raising new long-term debts	760		0
Repayment of long-term debts	-9 504		-11 353
Share issue in consolidated company (minority share)	0		600
Net cash flow from financing	-8 744		-10 753
Net change in liquid reserves	-4 038		-2 827
Liquid reserves at start of period	9 551		12 378
Liquid reserves at end of period	5 513		9 551
Calculation of cash flow statement			
	(A)	(B)	(B-A)
	2002	2001	
	31 Dec	31 Dec	
1) Change in bunkers, debtors and creditors			
Bunkers	428	70	-358
Trade debtors	2 934	872	-2 062
Trade creditors	-1 053	0	1 053
Total	2 309	942	-1 367
2) Change in other short-term items			
Other receivables	1 622	3 174	1 552
Public taxes and duties payable	-329	-354	-25
Other short-term liabilities	-2 440	-3 778	-1 338
Total	-1 148	-958	190

Key financial figures

		2002	2001
		31 Dec	31 Dec
Cash flow	USD 1000	-4 038	-2 827
Interest coverage ratio		-1.35	0.49
Current ratio	%	274.62	330.74
Equity ratio	%	25.23	26.72
Earnings per share	USD	-0.19	-0.08
Cash flow per share	USD	-0.16	-0.12

Segmental results

Jan - Dec 2002

<i>USD 1 000</i>	Dry cargo	Gas	Product- carriers	Ship- management	Admin. a.o.	TOTAL
Net freight income	7 784	8 653	3 788	0	0	20 225
Management fee	315	52	266	1 403	13	2 049
Total operating income	8 099	8 705	4 054	1 403	13	22 274
Charterhire expenses	-4 564	0	0	0	0	-4 564
Operating expenses	-1 729	-8 182	-2 376	247	-11	-12 051
General administrative expenses	-837	-1 137	-584	-1 338	-997	-4 893
Ordinary depreciations	-1 212	-3 084	-673	0	0	-4 969
Operating result before sales	-243	-3 698	421	312	-995	-4 203
Gain/(Loss) on sales	0	-320	37	0	1 766	1 483
Operating result	-243	-4 018	458	312	771	-2 720
Share dividends/interest income	12	4	50	11	175	252
Interest expenses	-542	-1 142	-150	0	-290	-2 124
Net currency exchange gain/(-loss)	0	-103	-2	-46	471	320
Other financial items	-129	0	2	-5	-257	-389
Net financial items	-659	-1 241	-100	-40	99	-1 941
Result before taxes	-902	-5 259	358	272	870	-4 661
Operating income per 31 Dec 01	15 225	12 016	8 008	1 209	390	36 848
Operating income per 31 Dec 02	8 099	8 705	4 054	1 403	13	22 274
Operating result per 31 Dec 01	-839	-826	3 994	102	-720	1 711
Operating result per 31 Dec 02	-243	-4 018	458	312	771	-2 720

Segmental results

Jan - Mar 2002

<i>USD 1 000</i>	Dry cargo	Gas	Product-carriers	Ship-mgmt.	Adm. a.o.	Total
Net freight income	1 234	2 381	1 035	0	-5	4 645
Management fee	17	0	74	301	3	395
Total operating income	1 251	2 381	1 109	301	-2	5 040
Charterhire expenses	-605	0	0	0	2	-603
Operating expenses	-372	-2 345	-623	58	-2	-3 284
General admin. expenses	-117	-226	-147	-270	-157	-917
Ordinary depreciations	-303	-796	-187	0	0	-1 286
Operat. result before sales	-146	-986	152	89	-159	-1 050
Gain/(-Loss) on sales	0	0	25	0	1 766	1 791
Operating result	-146	-986	177	89	1 607	741

Jan - Mar 2001

<i>USD 1 000</i>	Dry cargo	Gas	Product-carriers	Ship-mgmt.	Adm. a.o.	Total
Net freight income	9 521	3 702	2 251	0	0	15 474
Management fee	5	0	284	230	2	521
Total operating income	9 526	3 702	2 535	230	2	15 995
Charterhire expenses	-8 397	0	0	0	0	-8 397
Operating expenses	-585	-1 932	-682	104	-3	-3 098
General admin. expenses	-129	-213	-230	-344	-221	-1 137
Ordinary depreciations	-303	-796	-203	0	0	-1 302
Operat. result before sales	112	761	1 420	-10	-222	2 061
Gain/(-Loss) on sales	0	0	594	0	0	594
Operating result	112	761	2 014	-10	-222	2 655

Apr - Jun 2002

<i>USD 1 000</i>	Dry cargo	Gas	Product-carriers	Ship-mgmt.	Adm. a.o.	Total
Net freight income	1 229	2 323	891	0	0	4 443
Management fee	47	0	100	313	0	460
Total operating income	1 276	2 323	991	313	0	4 903
Charterhire expenses	-432	0	0	0	-90	-522
Operating expenses	-371	-2 086	-579	59	-3	-2 980
General admin. expenses	-115	-232	-130	-288	-187	-952
Ordinary depreciations	-303	-796	-162	0	0	-1 261
Operat. result before sales	55	-791	120	84	-280	-812
Gain/(-Loss) on sales	0	-320	12	0	0	-308
Operating result	55	-1 111	132	84	-280	-1 120

Apr - Jun 2001

<i>USD 1 000</i>	Dry cargo	Gas	Product-carriers	Ship-mgmt.	Adm. a.o.	Total
Net freight income	2 220	3 207	1 582	0	0	7 009
Management fee	63	0	198	329	7	597
Total operating income	2 283	3 207	1 780	329	7	7 606
Charterhire expenses	-1 167	0	0	0	0	-1 167
Operating expenses	-435	-2 132	-730	16	2	-3 279
General admin. expenses	-274	-209	-210	-250	-188	-1 131
Ordinary depreciations	-303	-796	-204	0	0	-1 303
Operat. result before sales	104	70	636	95	-179	726
Gain/(-Loss) on sales	0	0	0	0	0	0
Operating result	104	70	636	95	-179	726

Jul - Sep 2002

<i>USD 1 000</i>	Dry cargo	Gas	Product-carriers	Ship-mgmt.	Adm. a.o.	Total
Net freight income	1 362	1 796	728	0	6	3 892
Management fee	138	0	10	447	5	600
Total operating income	1 500	1 796	738	447	11	4 492
Charterhire expenses	-715	0	0	0	88	-627
Operating expenses	-368	-1 854	-514	65	-2	-2 673
General admin. expenses	-336	-280	-142	-326	-157	-1 241
Ordinary depreciations	-303	-746	-162	0	0	-1 211
Operat. result before sales	-222	-1 084	-80	186	-60	-1 260
Gain/(-Loss) on sales	0	0	0	0	0	0
Operating result	-222	-1 084	-80	186	-60	-1 260

Jul - Sep 2001

<i>USD 1 000</i>	Dry cargo	Gas	Product-carriers	Ship-mgmt.	Adm. a.o.	Total
Net freight income	1 352	2 705	1 915	0	0	5 972
Management fee	17	0	146	368	92	623
Total operating income	1 369	2 705	2 061	368	92	6 595
Charterhire expenses	-1 013	0	0	0	0	-1 013
Operating expenses	-437	-2 266	-691	148	-58	-3 304
General admin. expenses	-196	-210	-200	-352	-185	-1 143
Ordinary depreciations	-303	-796	-203	0	0	-1 302
Operat. result before sales	-580	-567	967	164	-151	-167
Gain/(-Loss) on sales	0	0	0	0	0	0
Operating result	-580	-567	967	164	-151	-167

Oct - Dec 2002

<i>USD 1 000</i>	Dry cargo	Gas	Product-carriers	Ship-mgmt.	Adm. a.o.	Total
Net freight income	3 959	2 153	1 134	0	0	7 246
Management fee	114	52	83	343	1	593
Total operating income	4 073	2 205	1 217	343	1	7 839
Charterhire expenses	-2 812	0	0	0	0	-2 812
Operating expenses	-616	-1 897	-660	65	-5	-3 113
General admin. expenses	-268	-399	-166	-454	-496	-1 783
Ordinary depreciations	-303	-746	-162	0	0	-1 211
Operat. result before sales	74	-837	229	-46	-500	-1 080
Gain/(-Loss) on sales	0	0	0	0	0	0
Operating result	74	-837	229	-46	-500	-1 080

Oct - Dec 2001

<i>USD 1 000</i>	Dry cargo	Gas	Product-carriers	Ship-mgmt.	Adm. a.o.	Total
Net freight income	2 064	2 402	1 365	0	374	6 205
Management fee	-17	0	267	282	-85	447
Total operating income	2 047	2 402	1 632	282	289	6 652
Charterhire expenses	-1 634	0	0	0	7	-1 627
Operating expenses	-423	-2 358	-731	64	-346	-3 794
General admin. expenses	-162	-338	-320	-493	-118	-1 431
Ordinary depreciations	-303	-796	-204	0	0	-1 303
Operat. result before sales	-475	-1 090	377	-147	-168	-1 503
Gain/(-Loss) on sales	0	0	0	0	0	0
Operating result	-475	-1 090	377	-147	-168	-1 503

Fleet list

As at 31 December 2002					
Ship	Ownership	Built year	Dwt	Operation	T/C-period
Product carriers/OBO					
M/T Belgrace	63 %	1984/87	40 900	Spot	
M/S Belguardian	20 %	1987	43 500	Spot	
M/S Belgreeting	20 %	1987	43 500	Spot	
Gas					
M/T Lanrick	60 %	1992	3 215 cbm	T/C to 10/03	
M/T Etrick	60 %	1991	3 215 cbm	T/C to 10/03	
M/T Traquair	60 %	1982	6 616 cbm	T/C to 11/03	
M/T Yarrow	60 %	1982	6 568 cbm	T/C to 06/03	
M/T Eldon	60 %	1982	6 077 cbm	T/C to 03/03	
Capesize bulk					
M/S Belmaj	25 %	1990	149 516	Pool	
Panmax bulk					
Newbuilding		2003	76 000	Delivery 08/03	08/11
Handymax bulk					
M/S Belnor	100 %	1996	47 639	Spot	
Ekem Chartering AS					
	50 %				
Handysize bulk					
Boonrika Naree		1990	27 881	T/C to 02/03	01/04
Dania Portland		1986	27 000	T/C to 07/03	12/03
Boris Livanov		1986	23 950	Spot	03/04
Yarmouth		1985	29 462	Spot	03/03
Vera Maretskaya		1984	24 105	Spot	03/04
Maria I. A.		1984	37 593	T/C to 07/03	09/03
Sergey Lemeshev		1983	24 105	Spot	03/04
Anangel Eagle		1983	34 070	T/C to 02/03	10/04
Calypso N.		1983	33 009	T/C to 04/03	12/05
Anangel Power		1982	34 111	Spot	10/04
Anna Prima		1980	38 510	Spot	10/03
Handymax bulk					
Belpareil		2003	50 959	Pool	07/10
Pax Phoenix		2001	50 236	Pool	11/08
Legend Phoenix		2002	50 209	Pool	07/07
Number of ships					
Type	Owned tonnage	New-building	Chartered tonnage	Commercial management	Total fleet
Handysize product carriers/ OBO	1.0			2.0	3.0
Gas	3.0			2.0	5.0
Capesize bulk	0.3			0.7	1.0
Panmax bulk		1.0			1.0
Handysize/ Handymax bulk	1.0		14.0		15.0
Total	5.3	1.0	14.0	4.7	25.0



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