

Annual Report 2002



ODFJELL

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ANNUAL GENERAL MEETING

The Annual General Meeting will be held at 4 p.m. at the company's office at Conrad Mohrs veg 29, Minde, 5073 Bergen, Norway on Monday 5 May 2003. Shareholders wishing to attend the Annual General Meeting must notify the company by Wednesday 30 April 2003 as set out in article 4 of the company's Memorandum and Articles of Association.

FINANCIAL CALENDAR

5 May 2003
ANNUAL GENERAL MEETING

5 May 2003
REPORT FIRST QUARTER 2003

15 August 2003
REPORT SECOND QUARTER 2003

4 November 2003
REPORT THIRD QUARTER 2003

10 February 2004
PRELIMINARY YEAR-END RESULTS 2003

Supplementary information on Odfjell may be found on the Internet at:

<http://www.odfjell.com>

Background picture of cover pages:

Altogether three Odfjell ships M/T Bow Flora, M/T NCC Najran and M/T Bow Lady alongside the VOPAK and Island View tank terminals, Durban, South Africa.

Mission Statement

ODFJELL SHALL be a leading, preferred and profitable global provider of transportation and storage of bulk liquid chemicals, acids, edible oils and other special products.

ODFJELL SHALL be a true logistic service provider, capable of combining different modes of transportation and storage.

ODFJELL SHALL provide its customers with safe, reliable and efficient services.

In the execution of its services, ODFJELL IS TO meet high quality, safety and environmental standards.

Customer Service Policy

Odfjell is a logistic service provider whose primary goal is to ensure customer satisfaction.

WE SHALL:

- handle our customers' products in a responsible manner, on schedule and without incidents or accidents
- offer and execute our services in a manner that meets our customers' requirements and expectations

Quality Policy

Odfjell's services and hardware shall comply with all the applicable regulations and industry standards. Planned maintenance and good housekeeping shall ensure safety, reliability and efficiency and an appearance that promotes our standing as a preferred service provider.

ODFJELL SHALL:

- have certified Safety & Quality Management Systems (SQMS)
- ensure that all its activities comply with the SQMS
- continuously improve performance and SQMS procedures based on experience feedback
- hold regular senior management Quality Board meetings

OUR EMPLOYEES SHALL:

- be responsible for the quality of their own work
- know their responsibilities and the applicable procedures to make sure that no activities are overlooked or omitted by mistake
- contribute proactively towards continuous improvements

Human Resource Policy

The human element is our most valuable resource. Integrity and proficient job performance are required from all employees in order to reach our objectives.

ODFJELL SHALL:

- ensure a safe working environment
- offer interesting and challenging jobs
- provide opportunities to develop individual skills
- promote open communication and teamwork
- link compensation to individual development and performance

Safety, Health & Environmental Policy

As a responsible partner, Odfjell gives high priority to Safety, Health and Environmental issues.

WE SHALL:

- adhere to the applicable laws, regulations and requirements
- set goals for and maintain our SHE-culture, with active detection of and protection against possible threats
- systematically record incidents and learn from experience
- participate in official committees and organizations in order to actively influence the SHE aspects of our business
- have a prudent SHE-performance, thus winning the confidence of our customers, employees and society at large

Odfjell - a Profile

Odfjell is a leading company in the global market for transporting chemicals and other speciality liquids as well as related logistical services. Originally set up in 1916, the company pioneered the development of the chemical tanker trade in the middle of the 1950s and the chemical tank storage business in the late 1960s.

Odfjell owns and operates chemical tankers, tank terminals and tank containers.

THE STRATEGY is to continue developing our position as a leading logistic service provider to the chemical industry. We shall maintain that position through efficient and safe operation of deep-sea and regional chemical tankers, tank terminals and tank containers. Scale is needed to offer an efficient trading pattern in a global business environment, thereby maximising fleet utilisation. Our size also allows us to optimize purchasing benefits.



Global Trade

The global transportation of chemicals and other liquids is our core business and as one of few operators we provide a worldwide service. Our operations are fully integrated, with dedicated functions for ship management, operation and chartering. Odfjell currently operates a substantial share of the world global chemical tanker fleet. Our fleet consists

of 59 ships and 7 newbuildings with a total capacity of about 2.3 million dwt. and generated a turnover of USD 592 million in 2002.

Regional Trade

Odfjell has 28 ships with a total capacity of 312 000 dwt. dedicated to regional trade. Fourteen ships are currently operating in the US Gulf, the Caribbean and along the east and west coast of South America. In Asia, fourteen ships are operated out of Singapore. 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 119 million in 2002.

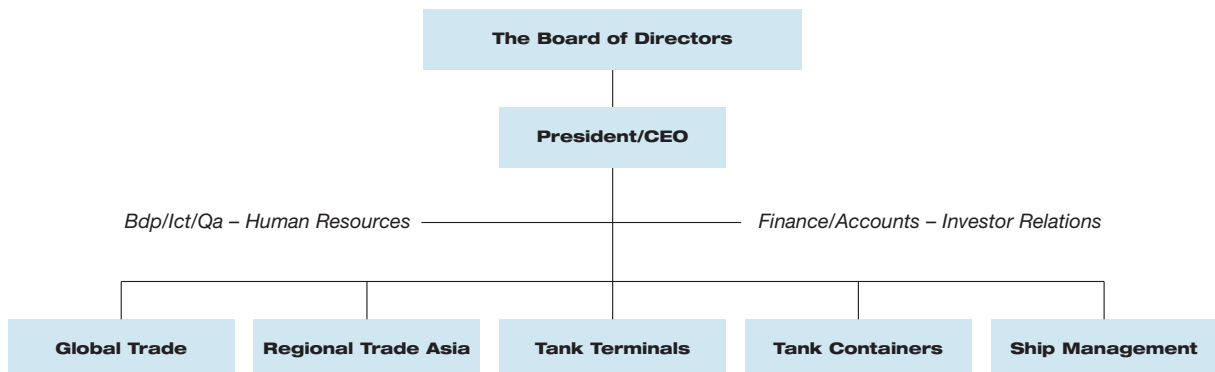
Tank Terminals

Odfjell has direct investments in wholly owned tank terminals in Rotterdam and Houston as well as partially owned terminals in Singapore, Onsan in Korea, and two 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 to date has been limited. Our terminal business generated a turnover of USD 96 million in 2002.

Tank Containers

Odfjell transports chemicals and liquids in tank containers through Hoyer-Odfjell which is a joint venture company. Having started operations in 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 consists of about 5 600 units. Our share of the turnover was USD 39 million in 2002.

BJØRN SJAASTAD
President/CEO



Highlights 2002

Financial Performance

- Gross Revenue of USD 846 million.
- EBITDA of USD 159 million.
- EBIT of USD 72 million.
- Net result of USD 45 million.
- Cash flow of USD 132 million.

Macro variables

- Slow economic growth in the OECD area.
- Low and falling USD interest rates during the year.
- Bunker prices increased substantially during the first quarter 2002 and stayed high throughout the year.
- Early in the second quarter 2002 the USD started a substantial weakening.

Fleet Development

- The newbuilding M/T Bow Chain (37 500 dwt.) was delivered from Kleven Florø AS in Norway in June.
- The newbuildings M/T Bow De Feng (12 514 dwt.) and M/T Bow West (12 503 dwt.) were delivered on long-term time-charters to Odfjell Asia in March and November respectively.
- Cancellation of four newbuilding contracts with Stocznia Szczecinska Porta Holding S.A. in Stettin, due to the bankruptcy of the polish yard. All pre-delivery instalments were refunded.
- Ordering of six 39 500 dwt. advanced chemical tankers from the re-established yard in Stettin, Poland, with deliveries at six months intervals from June 2003 through December 2005. Options secured for two more ships with deliveries in 2006.

Tank Terminals

- Acquisition of 50% of Korean Petrochemical Industrial Company's newly constructed tank terminal in Onsan, Korea, now named Odfjell Terminals Korea.

Financing

- Finance Lease Transaction in the UK of USD 160 million for the financing of three new-buildings.

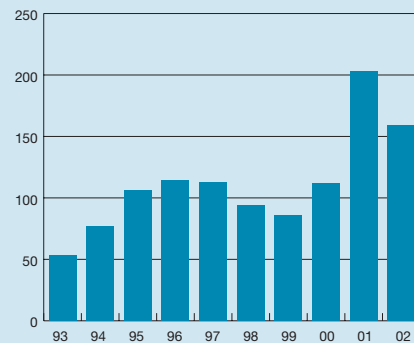
Share issues

- Final deletion of the 2 540 949 treasury shares acquired in 2001. New registered share capital is NOK 228 685 470.
- Annual General Meeting in April approved a dividend for 2001 of NOK 8 per share.
- Acquisition during 2002 of about 1.1 million shares representing 5% of the shares of the company, at an average cost of NOK 116 per share. The total investment in treasury shares came to USD 18.1 million.

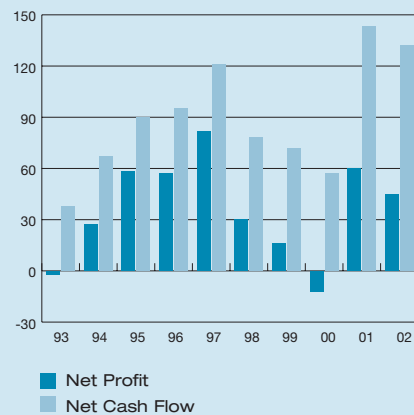
Accidents

- The M/T Bow Eagle collided with the French fishing vessel Cistude causing the loss of four members of the crew of Cistude.

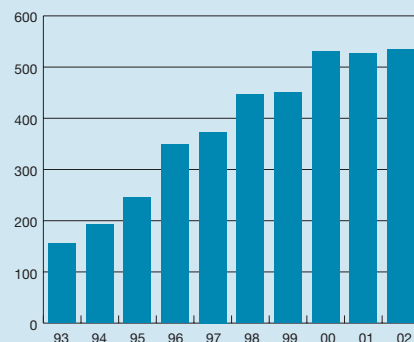
Operating Result
USD million



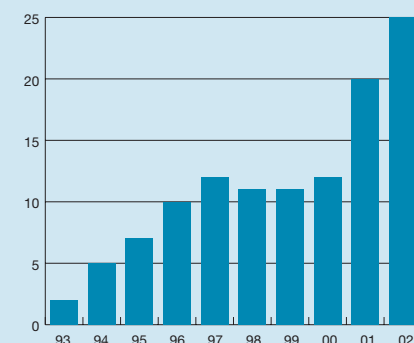
Net Profit/Net Cash Flow
USD million



Shareholders' Equity
USD million



Dividend
USD million



Key Figures/Financial Ratios

ODFJELL GROUP	Figures in	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
FROM PROFIT AND LOSS STATEMENT											
Gross revenue	USD mill.	846	846	696	551	533	547	546	503	391	344
EBITDA (1)	USD mill.	159	203	112	86	94	113	114	106	77	53
Depreciation	USD mill.	(87)	(83)	(69)	(56)	(48)	(39)	(38)	(32)	(40)	(40)
Gain (loss) on sale of fixed assets	USD mill.	1	4	-	16	12	32	-	-	-	-
EBIT (2)	USD mill.	72	124	44	46	58	106	76	74	37	13
Net financial items	USD mill.	(12)	(55)	(54)	(30)	(26)	(24)	(19)	(16)	(10)	(15)
Net result after tax and minority interests	USD mill.	45	60	(12)	16	30	82	57	58	27	(2)
FROM BALANCE SHEET											
Ships and other fixed assets	USD mill.	1 314	1 301	1 292	990	892	712	595	569	468	420
Current assets	USD mill.	315	299	321	281	274	272	245	227	184	157
Shareholders' equity	USD mill.	535	526	530	451	447	373	349	246	193	156
Minority interests	USD mill.	4	4	5	-	-	-	-	-	-	-
Long-term liabilities	USD mill.	981	968	961	749	648	543	445	500	428	392
Current liabilities	USD mill.	110	103	117	71	70	69	45	51	31	30
Total assets	USD mill.	1 630	1 601	1 613	1 271	1 166	985	839	796	652	577
PROFITABILITY											
Earnings per share (3)	USD	2.0	2.4	(0.5)	0.7	1.4	3.8	2.6	2.6	1.2	(0.1)
Cash flow per share (4)	USD	5.9	5.8	2.4	3.3	3.6	5.6	4.3	4.1	3.0	1.7
Return on total assets (5)	%	5.0	7.0	3.3	4.8	6.2	12.4	10.9	12.2	7.5	3.3
Return on equity (6)	%	8.6	11.4	(2.4)	3.6	7.4	22.7	19.2	26.4	15.5	(1.2)
Return on capital employed (7)	%	5.7	9.8	3.8	4.9	7.4	16.5	14.3	16.6	9.7	3.6
FINANCIAL RATIOS											
Average number of shares	mill.	22.43	24.69	23.76	21.85	21.85	21.85	21.85	21.85	21.85	21.85
Basic/diluted equity per share (8)	USD	24.67	22.99	20.50	20.64	20.46	17.07	15.97	11.26	8.83	7.14
Share price per A-share	USD	15.81	14.98	15.18	12.44	7.63	17.63	19.25	15.03	17.46	12.43
Cash flow (9)	USD mill.	132	143	57	72	78	121	95	90	67	38
Interest-bearing debt	USD mill.	957	960	954	749	647	542	444	434	379	356
Bank deposits and securities	USD mill.	230	213	232	218	213	219	205	202	158	165
Debt repayment capability (10)	Years	5.5	5.4	12.7	9.4	6.5	3.6	2.5	2.6	3.3	5.0
Current ratio (11)		2.9	2.9	2.7	4.0	3.9	3.9	5.4	4.5	5.9	5.2
Equity ratio (12)	%	33	33	33	35	38	38	42	31	30	27
OTHER											
Employees		3 201	3 088	2 755	1 743	1 667	1 667	1 711	1 550	1 407	1 333

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

As from financial year 2000, the reporting currency was changed from NOK to USD. USD-figures for 1998-2002 reflect "true" USD-accounting as presented in the official accounts.

The conversion from NOK to USD for the years 1993-1997 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 do not include unrealised currency items. As a result of the conversion from NOK to USD, the various ratios have been recalculated.

1. Operating result before depreciation and gain (loss) on sale of fixed assets.

2. Operating result.

3. Net result after tax and minority interests divided by the average number of shares.

4. Net result after tax and minority interests plus depreciation divided by the average number of outstanding shares.

5. Net result after tax and before minority interests plus financial expenses divided by average total assets.

6. Net result after tax and minority interests divided by average book shareholders' equity.

7. Operating result divided by average book shareholders' equity plus net interest-bearing debt.

8. Shareholders' equity divided by outstanding number of shares per 31.12.

9. Net result after tax and minority interests plus depreciation.

10. Interest-bearing debt less bank deposits and securities, divided by net cash flow (9) before gain (loss) on sale of fixed assets.

11. Current assets divided by current liabilities.

12. Book shareholders' equity plus minority interests as percentage of total assets.

The Directors' Report

Odffjell's consolidated net result before tax for 2002 was a profit of USD 61 million compared with USD 69 million in 2001. The net result after tax was USD 45 million in 2002 compared with USD 60 million in 2001.

BY FAR THE LARGEST portion of results comes from our large size ships operating in global trades. Consequently the major reason of our reduced results this year is due to lower freight rates and cargo demand in this sector of our fleet. Another factor was rising oil prices which resulted in higher fuel costs.

On the positive side, earnings from our growing tank terminal division held steady. Net financial expenses were reduced due to softening interest rates. We also earned a substantial profit on our currency hedging portfolio, due to a weaker US Dollar.

During 2002, we made a number of strategic investments. Our fleet renewal program was enhanced by a renegotiation of the original Polish newbuilding orders with the reconstituted Stettin shipyard. During the third and fourth quarter of the year we signed contracts for six advanced 39 500 dwt chemical tankers with the new Stettin shipyard in Poland. Furthermore, we acquired 50% of a terminal in Onsan in Korea, representing yet another step in our strategy of expanding our network of tank terminals at important hubs around the world. This investment in Korea reinforces our strong growth in Asia.

Business Activities

We are continuing our long term business strategy of developing our position as a leading logistic service provider to the chemical industry. We are improving our position through the efficient and safe operation of global and regional chemical tankers. The fleet operates with extensive trading patterns. We also provide a growing tank container service. Our customers use our transportation and storage services on a stand-alone basis or as combined logistics packages. Our large size is used to maintain efficient trading patterns, thereby optimizing fleet utilisation, and maximise our purchasing benefits.

GLOBAL TRADE

The freight markets softened during the first three quarters of 2002 whilst the last quarter, primarily due to increased volumes, showed improvement in earnings. Freight rates expressed in USD per day for our fleet decreased by about 16% compared to the preceding year. The slowdown was largely caused by low economic growth, primarily in the



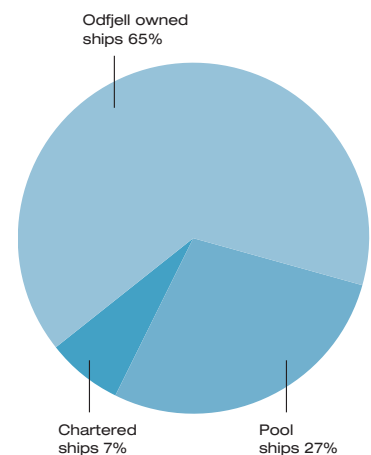
OECD area. Freight rates improved by 6% during fourth quarter 2002 over the third quarter.

Our contract-of-affreightment coverage was about 55% in 2002, in line with previous years. The USD per ton average rate achieved in 2002 was only slightly lower than in 2001. The reduction in time-charter level was therefore negatively influenced primarily by lower volumes, leading to less efficiency and lower fleet utilization as well as the cost of bunkers which remained high for the year. Ship operating costs on a comparable fleet basis was about 5% higher than 2001, primarily as a result of a weaker USD.

Gross revenue from our global deep-sea activities in 2002 was USD 592 million. Earnings before interest, tax, depreciation and amortisation (EBITDA) came to USD 101 million. The operating result (EBIT) was USD 41 million. At the end of the year total assets were USD 1.13 billion.

At year-end 2002 our deep-sea fleet consisted of 59 ships, of which 36 were owned. Our fleet development program continued with the delivery in June of the MT Bow Chain (37 500 dwt.), a chemical tanker with 47 segregations and stainless steel tanks. Our orderbook for

Fleet Distribution
(Global Trade)

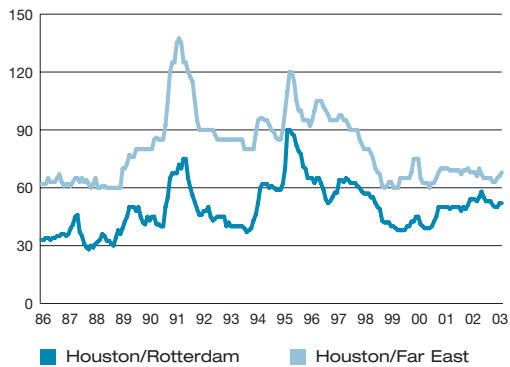




Freight Rates

1000 tons stainless steel grade chemicals

USD/Ton

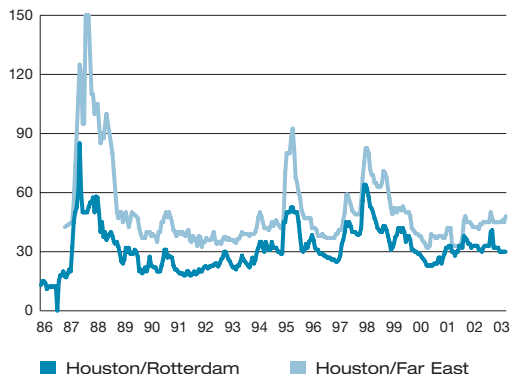


SOURCE: QUINCANNON

Freight Rates

3000 tons easy grade chemicals

USD/Ton



SOURCE: QUINCANNON

large-sized ships totals seven advanced chemical tankers which will be delivered at regular intervals from June 2003 through December 2005. They shall mainly be replacements for older ships which will be retired in coming years. Furthermore, we have an option to increase our newbuilding program in Poland by two ships with deliveries in 2006.

REGIONAL TRADE

The activities in our regional trades increased during the year primarily because more ships entered our Asian service. Activities in other regions were stable.

The overall financial performance of our regional operations improved slightly in 2002 due to efficiency gains. Gross revenue increased to USD 119 million, EBITDA was USD 15 million and EBIT USD 7 million, with total assets deployed at year-end 2002 being USD 130 million.

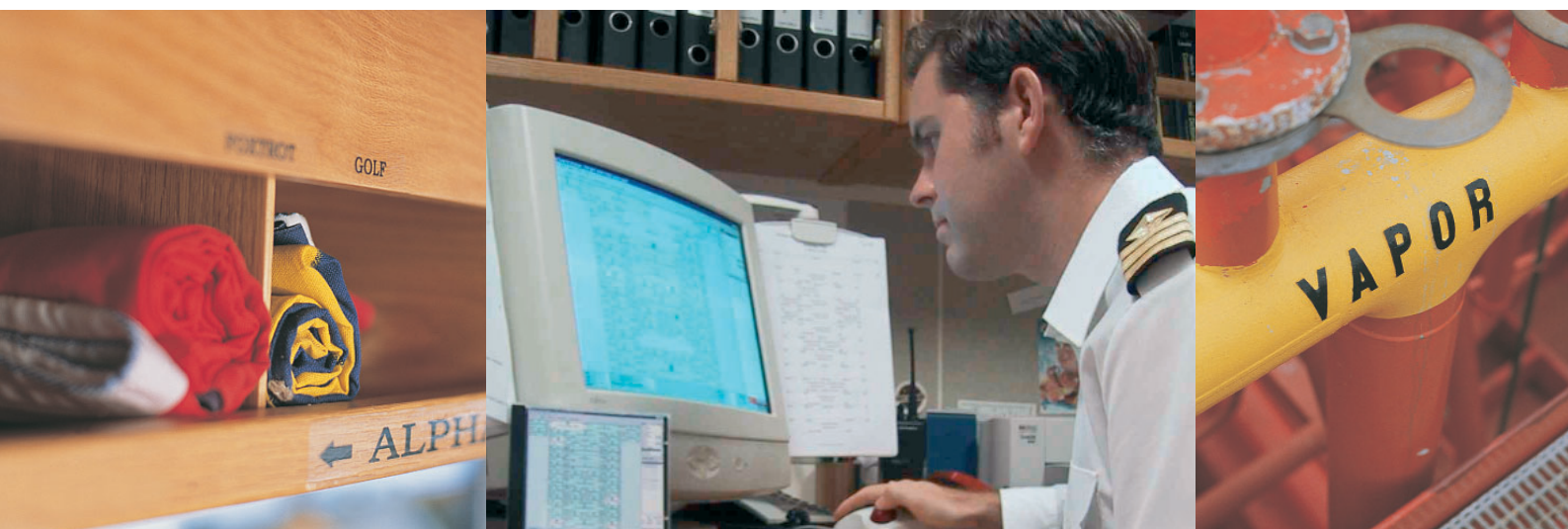
At year-end 2002, we operated 27 ships in this segment, of which 14 were owned. The regional business is located in four different geographical areas. Our biggest regional operation is in Asia where we have trade lanes within the Singapore-Japan/Korea – Australia/New Zealand range, employing altogether 14 modern ships. Six ships were employed by Odfjell Flumar, a 50/50 joint venture company transporting chemicals primarily on the Brazilian coast, where local flag is a requirement. We also employ five ships in the US Gulf-Caribbean – West Coast of South American trade. Finally, we have a 50/50 joint venture operation in Chile involving coastal transportation of sulphuric acid, where two ships have been employed.

The Asian region represents a growth area for our business, as significant new production of chemicals has come on stream during recent years. Our commitments involve the deliveries of new ships on time-charter during the next two years as we aim to increase market share in order to participate in the expected regional economic growth.

TANK TERMINALS

The tank terminals turned in a solid performance during the year with a pickup in the fourth quarter 2002, primarily due to better earnings at our tank terminals in Houston and Rotterdam.

The new terminals in Singapore and in Korea also made decent returns, taking into consideration the fact that they



are still in an early phase in their business life cycle. The gross revenue for the terminal division was USD 96 million, EBITDA was USD 38 million and EBIT was USD 22 million. Total assets at year-end 2002 were USD 336 million. Our terminal in Houston had an EBITDA of USD 18 million in 2002. The EBITDA for the tank terminal in Rotterdam was USD 15 million in 2002. Our share of the terminal in Singapore and of the two terminals in China made an EBITDA of USD 5 million in 2002. Terminals represent a stabilizing factor in the overall financial performance of Odfjell, as the earnings from the tank terminals are less volatile than our traditional shipping activities.

In 2002 we acquired 50% of a new tank terminal named Odfjell Terminals (Korea) Co Ltd in Onsan, Korea. This terminal has a strategic location near an important petrochemical centre and functions as a transshipment hub for all of North East Asia. This terminal has a total storage capacity of about 109 500 cbm. in 39 storage tanks, and excellent jetty facilities. The total investment on a 100% basis came to USD 41 million. The terminal became operational during the summer 2002 with its first full year of operation therefore coming in 2003.

Odfjell's tank terminal division consists of terminals in Houston, Rotterdam, Dalian (China), Onsan (Korea), Singapore and in Ningbo (China). We have also a close co-operation with a group of tank terminals in South America owned by the Odfjell family which is also a shareholder of Odfjell ASA. Altogether, our terminal network now offers close to 2.6 million cbm. of storage space in about 860 tanks in 14 ports around the world. This makes us a world-leader in combined shipping and storage services. The strategy of Odfjell Terminals is to continue to expand the terminal activities along Odfjell's major shipping lanes and in important petrochemical locations around the world, as well as investing in newly industrialised countries.

TANK CONTAINERS

The result for our tank container activities improved in 2002, primarily through improved operational efficiency.

Our 50% share of gross revenue in 2002 was USD 39 million, EBITDA came to USD 5 million and EBIT was USD 2 million. Odfjell's share of total assets was USD 33 million.

Our tank container activity is organised through Hoyer-Odfjell BV, which is 50% owned by Hoyer of Germany and 50% by Odfjell. This business enables us to offer our customers integrated and cost effective transportation solutions for small parcels. Our goal since the inception in 1999 has been to expand the operations globally, thereby building critical mass and achieving economies of scale. The business has grown from 2 600 containers in 1999 to 5 600 containers in 2002.

We shall continue expanding our activities by increasing our fleet of containers either through acquisition or by ordering new containers. We believe that in order to arrive at a satisfactory rate of return we will need to obtain a greater critical mass.

2002 Result

The gross revenue for 2002 was USD 846 million, stable from the preceding year. Earnings before interest, tax, depreciation and amortisation (EBITDA) were USD 159 million compared to USD 203 million in 2001. Operating result (EBIT) was USD 72 million compared to USD 124 million in 2001. After depreciation, the fourth quarter operating result was USD 20 million, somewhat down from USD 24 million fourth quarter 2001.

The net result for 2002 was a profit of USD 45 million compared to USD 60 million in 2001. The figure for 2001 included a non-recurring sale's profit of USD 4 million. The cash flow continued to be strong at USD 132 million compared to USD 143 million the year before. The fourth quarter

result was a profit of USD 14 million, up from USD 7 million fourth quarter 2001.

The general and administrative expenses were about 17% higher in 2002 than in the previous year, primarily due to a weaker USD as well as a growth of our business. Due to stable borrowings and lower interest rates, net financial cost was substantially lower in 2002 than in 2001.

The average USD/NOK exchange rate was 7.97 compared to 8.98 in 2001. The USD/NOK rate weakened substantially from 9.01 at year-end 2001 to 6.96 at year-end 2002. The USD weakening positively impacted our currency hedging portfolio and the cash balances held in NOK, but increased our non-USD cost expressed in USD. The currency gain in 2002 was USD 15 million compared to a currency cost of USD 14 million in 2001. This gain is offset partly by higher voyage, operating and general and administrative expenses. The weaker USD also lead to higher but deferrable taxes, primarily related to unrealised currency gain on net USD-debt in the NOK accounts of ships owned under the Norwegian tonnage tax system.

The preliminary Norwegian accounting standard concerning impairment of fixed assets, equivalent to IAS 36, has been implemented by the company as from 2002 and no impairment was necessary as values were higher than book values.

The parent company recorded a profit for the year of NOK 47 million compared to a profit of NOK 4 million in 2001.

The Board wishes to continue to have a stable attractive dividend policy and proposes to the Annual General Meeting a dividend of NOK 8 per share, totalling NOK 173.5 million (USD 25 million). Furthermore, the Board proposes to cover the dividend from the profit of the parent company of NOK 47.5 and NOK 126.0 million from other equity. Distributable equity was NOK 1 901.9 million as per 31 December 2002.

According to § 3.3 in the Norwegian Accounting Act we are required to, and do confirm, that the accounts have been prepared on the assumption of a going concern.

Liquidity and Financing

The company's cash reserves continue to be strong. Cash and bonds as of 31 December 2002

were USD 230 million, being about 24 per cent of interest-bearing debt, compared to USD 213 million as of 31 December 2001. Interest bearing debt decreased from USD 960 million as per year-end 2001 to USD 957 million per 31 December 2002. Net interest bearing debt was USD 727 million as per 31 December 2002. Disbursements relating to investments amounted to USD 142 million in 2002. The equity ratio was 33% at year-end 2002 and the ratio between current assets and current liabilities was 2.9. Since our fleet consists of speciality ships, in a market with limited relevant sale and purchase activity, we have not attempted to calculate value-adjusted shareholders' equity.

We have established a long-term lease facility to finance the M/T Bow Chain, delivered in June 2002 and newbuilding Kleven 144 as well as one of the newbuildings from Poland. Both new ships going on long term lease will be delivered in 2003.

During 2002 we acquired 413 710 A-shares and 762 600 B-shares, altogether 1 176 310 shares representing 5.14% of the shares of the company, at an average cost of NOK 116 per share. The total investment in treasury shares was NOK 136.7 million (USD 18 million).

To improve the liquidity in the Odfjell share we have entered into a market maker agreement with Pareto Securities ASA valid as from 1 January 2002.

Key Figures

Return on equity was 8.6%, return on total assets was 5.0% and return on capital employed (ROCE) was 5.7% in 2002. Return on the market capitalisation as per year-end 2002 was 13.2%, caused by the share trading at a discount to book value.

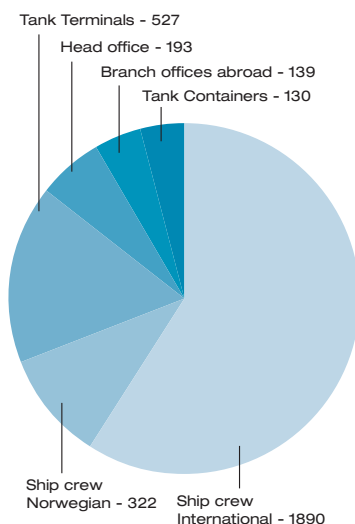
Earnings per share amounted to USD 2.03 (NOK 16.15) in 2002 compared to USD 2.43 (NOK 21.81) in 2001. Cash flow per share was USD 5.90 (NOK 47.02) compared to USD 5.78 (NOK 51.89).

As per 31 December 2002 the Price/Earnings ratio (P/E) was 7.8 and the Price/Cashflow ratio was 2.7. Book value per share equals an EBITDA multiple of 8.1, while market value per share as per 31 December 2002 corresponds to an EBITDA multiple of 6.9. Interest coverage ratio (EBITDA/Net interest cost) was 6.2 for 2002 compared to 5.1 for 2001.

The Bow Eagle Accident

A fatal accident happened on 26 August 2002 when Bow Eagle collided with the French fishing ship Cistude off the coast of France. The Bow Eagle failed to render assistance as the ship continued its course towards Rotterdam. We are extremely dismayed for this tragedy and our thoughts have been and are still with the families of the crew of the Cistude.

Employees
Per 31 December 2002





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. 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.

**Terje Storeng**

Born 1949. Board Member since 1994. Mr. Storeng is the Managing Director of A/S 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.

**Reidar Lien**

Born 1942. Board Member since 2001. Mr. Lien was previously Managing Director of Bergensbanken ASA and he has held various management positions in banking and industry. He has experience from the Board of Directors of a number of different institutions.



The process of settling the claims from the involved parties continues and we hope for all involved this can be concluded in a fair and swift manner. The Norwegian authorities have charged the officer on duty at the time of the accident. A civil trial is now scheduled for March 2003 in Bergen, Norway.

Health, Safety and Environment

The policy of Odfjell is to improve upon the company's already strong position as a supplier of high-quality, environmentally responsible low risk transport services. Stringent environmental and safety requirements guide all of our operations. As a result of this policy, we decided to integrate the environmental standard ISO 14001 into our Safety & Quality Management System. We expect to be ISO 14001 certified during 2003.

The recorded absence rate among our employees in the shore-based organisation increased to 3.47% in 2002 compared to 2.57% during 2001. The 2002 figure is below the average for similar organisations.

Apart from the Bow Eagle accident, we had no other fatal accidents onboard the ships in 2002. The reported number of lost workday injury cases improved to 2.76 per million worked hours (Lost Time Injury Frequency = 2.76) compared to 3.96 in 2001. Initiatives taken during the last years have yielded these substantial positive effects.

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

Det Norske Veritas has audited Odfjell's Document of Compliance in 2002. Renewals and audits of Safety Management Certificates were carried out onboard our ships. Internal audits have also been made on all ships owned by Odfjell. In addition to inspections by classification societies, port state and internal company inspections, our customers have inspected all of our ships. Chemical Distribution Institute (CDI) inspected all our ships in 2002. In addition, each ship had on average two inspections from customers in 2002, primarily through Oil Companies International Marine Forum (OCIMF). Odfjell is in favour of a close follow-up by the industry of ships and organisations, although it must be noted that the vast number of inspections per ship creates lost efficiency and increased cost.

The Board wants to thank all employees for their contribution to the success of 2002.

Corporate Governance

The Board has dealt with the topic of corporate governance and a separate section can be found later in this annual report.



Investigation by Competition Authorities

In February 2003, Odfjell along with three other competitors became subject to investigations by EU and US competition authorities. We are cooperating with the authorities and are also conducting an internal investigation into the matter. Whilst the outcome of these investigations is pending the Board, in keeping with good corporate governance, has put in place a special committee headed up by the Chairman overseeing matters.

Outlook

World economic growth so far in 2003 is somewhat low, particularly in the OECD area. There is still uncertainty as to the length of the current downturn and its impact on the chemical tanker industry. We expect a stable market in 2003

compared to 2002. The clean petroleum products market and bunker prices are volatile and presently influenced by geopolitical factors.

Net interest expenses will be lower in 2003, as we have fixed this exposure. The USD has weakened substantially over the last year, which, consequently, will negatively impact our expenses in other currencies than USD. Our currency hedging program, however, will at current USD level give a substantial currency gain in 2003. Our hedging program also covers 2004 and 2005 where we have hedged estimated non USD-cost at USD/NOK rates around 9. As a consequence of the above as well as the improved results in the fourth quarter 2002, we expect a better net result in 2003 as compared to 2002.

Bergen, 25 February 2003

THE BOARD OF DIRECTORS OF ODFJELL ASA

Per Ivar Gjærnum

B.D. Odfjell jr.
CHAIRMAN

Bjarte Kvåle

Terje Storeng

Peter G. Livanos

Reidar Lien

Bjørn Sjaastad
PRESIDENT/CEO

Profit and Loss Statement

(USD 1 000)

OPERATING REVENUE (EXPENSES)	NOTE	2002	2001	2000
Gross revenue	2, 3	846 352	846 355	696 348
Voyage expenses		(278 800)	(260 155)	(265 916)
Time-charter expenses	4, 24	(189 924)	(183 278)	(152 175)
Operating expenses	5, 7, 21, 24	(169 421)	(157 837)	(126 522)
Gross result		208 208	245 086	151 735
General and administrative expenses	5, 24	(49 234)	(42 092)	(39 264)
Operating result before depreciation and gain (loss) on sale of fixed assets (EBITDA)	3	158 974	202 993	112 471
Depreciation	6, 7	(87 016)	(82 578)	(68 582)
Gain (loss) on sale of fixed assets		521	3 525	-
Operating result (EBIT)	3	72 480	123 939	43 890
FINANCIAL INCOME (EXPENSES)				
Interest income		9 215	13 123	12 430
Interest expenses		(34 799)	(52 984)	(58 598)
Other financial items	8	(1 161)	(761)	9
Currency gains (losses)	9	14 768	(14 169)	(8 135)
Net financial items		(11 977)	(54 790)	(54 294)
Net result before taxes and minority interests		60 502	69 149	(10 405)
Taxes	10	(14 977)	(9 264)	(1 564)
Net result before minority interests		45 525	59 885	(11 968)
Minority interests		(76)	118	17
Net result		45 449	60 003	(11 951)
Earnings per share (USD) – basic/diluted	11	2.03	2.43	(0.50)

Assets as per 31.12.

(USD 1 000)

	NOTE	2002	2001	2000
FIXED ASSETS				
Deferred tax assets	10	-	-	1 991
Goodwill	6,13	15 318	17 266	15 563
Real estate	7,13	13 802	11 306	11 237
Ships	7, 13,21	968 731	974 204	979 480
Newbuilding contracts	7, 13	10 789	35 599	38 469
Tank terminals	7, 13	261 506	215 857	195 365
Tank containers	7, 13	18 370	19 253	8 000
Office equipment and cars	7, 13	7 348	5 862	5 006
Other long-term receivables	15, 17	18 609	21 737	36 850
Total fixed assets		1 314 473	1 301 086	1 291 962
CURRENT ASSETS				
Short-term receivables	17	75 578	79 111	79 429
Bunkers and other inventories	17	9 816	7 648	9 743
Investment in shares	18	109	-	5 041
Bonds and certificates	17, 19	138 217	158 462	57 751
Cash and bank deposits	17, 20	91 703	54 246	168 912
Total current assets		315 424	299 467	320 876
Total assets	3	1 629 897	1 600 553	1 612 837

B.D. Odfjell jr.
CHAIRMAN

Per Ivar Gjærum

Bjarte Kvåle

Terje Storeng

Peter G. Livanos

Reidar Lien

Bjørn Sjaastad
PRESIDENT/CEO**Liabilities and Shareholders' Equity as per 31.12.**

(USD 1000)

	NOTE	2002	2001	2000
PAID IN EQUITY				
Share capital	12	31 099	34 715	36 659
Own shares	12	(1 674)	(3 616)	(1 303)
Share premium	12	109 955	109 955	109 955
Total paid in equity		139 380	141 054	145 311
RETAINED EARNINGS				
Other equity	12	395 721	384 642	384 558
Total retained earnings		395 721	384 642	384 558
Total shareholders' equity		535 101	525 695	529 869
Minority interests		3 984	3 900	5 136
LONG-TERM LIABILITIES				
Deferred tax liabilities	10, 17	19 080	3 350	-
Pension liabilities	16, 17	4 348	4 938	6 572
Long-term debt	15, 17	957 338	960 065	954 614
Total long-term liabilities		980 767	968 352	961 186
CURRENT LIABILITIES				
Taxes payable	10, 17	2 857	5 401	3 273
Employee taxes payable	17	3 293	2 803	2 305
Dividend payable	12, 17	24 948	20 298	12 041
Other short-term liabilities	17	78 946	74 103	99 027
Total current liabilities		110 045	102 606	116 646
Total liabilities		1 090 811	1 070 958	1 077 832
Total liabilities and shareholders' equity		1 629 897	1 600 553	1 612 837
Liabilities secured by mortgages	22	128 600	111 132	101 598
Guarantees	23	482	836	1 198

Bergen, 25 February 2003

THE BOARD OF DIRECTORS OF ODFJELL ASA

Cash Flow Statement

(USD 1 000)

	2002	2001	2000
CASH FLOW FROM OPERATING ACTIVITIES			
Net result before taxes and minority interests	60 502	69 149	(10 405)
Taxes paid	(3 232)	(1 795)	(2 359)
(Gain) loss on sale of fixed assets	(521)	(3 525)	-
Depreciation	87 016	82 578	68 582
Depreciation of capitalised dry-docking cost	22 010	20 348	17 032
Inventory (increase) decrease	(2 168)	2 095	(2 441)
Trade debtors (increase) decrease	2 985	8 329	(12 195)
Trade creditors increase (decrease)	(3 452)	(5 199)	5 947
Difference in pension cost and pension premium paid	362	460	737
Other short-term accruals	(7 664)	(28 300)	25 790
Net cash flow from operating activities	155 838	144 139	90 688
CASH FLOW FROM INVESTING ACTIVITIES			
Sale of fixed assets	32 350	7 951	-
Investment in fixed assets	(142 376)	(137 394)	(357 027)
Investment in trading shares	-	3 921	(1 070)
Changes in long-term receivables	3 218	14 932	(23 871)
Net cash flow from investing activities	(106 809)	(110 590)	(381 968)
CASH FLOW FROM FINANCING ACTIVITIES			
New long-term debt	209 017	147 386	213 017
Payment of long-term debt	(217 901)	(141 935)	(3 049)
Share issue	-	-	115 518
Share repurchases	(18 135)	(41 228)	(13 385)
Dividend	(22 115)	(10 974)	(9 714)
Net cash flow from financing activities	(49 134)	(46 751)	302 387
Effect on cash balances from currency exchange rate fluctuations	17 318	(753)	2 834
Net change in cash balances	17 213	(13 955)	13 941
Cash balances as per 01.01	212 708	226 663	212 722
Cash balances as per 31.12	229 921	212 708	226 663

Cash balances include cash and cash equivalents such as bank deposits, bonds and certificates.

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 companies where Odfjell ASA directly or indirectly controls more than 50% of the votes. Companies are consolidated from the time when control is obtained.

The same accounting principles are applied to all companies in the Odfjell Group.

Foreign subsidiaries not accounted for in USD are converted to USD at the average rate of exchange for the profit and loss account and at the year-end exchange rate for the balance sheet. Translation adjustments are accounted for as other equity.

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. Goodwill is amortised based on an individual evaluation of the underlying activity. Intercompany transactions have been eliminated. Our share of activities under joint control and affiliated companies is included proportionally in each of the lines in the Group's Profit and Loss and Balance Sheet statements according to the Gross Method.

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 classified as Ships. At the time of investing in a ship a portion of the purchase price is defined as dry-docking cost. The cost is depreciated over the period until the next dry-docking, normally 30 or 60 months.

e. Pension costs and liabilities

The Odfjell Group has both defined benefit pension plans and contribution pension plans.

The pension costs under the contribution plans are expensed periodically and there are no further liabilities related to these pension plans.

The present value of the pension liabilities under defined benefit pension plans has been calculated based on actuarial principles.

The net of the present value of the pension liabilities and the pension plan assets is included under long-term assets or long-term liabilities. Pension liabilities are mainly insured with life insurance companies.

Unfunded pension liabilities are calculated and included in the pension liabilities. The change in net pension liabilities is expensed in the profit and loss account. The effect of changes in estimates and pension plans is accounted for when exceeding 10% of the highest of pension liabilities and plan assets.

The result effect of such changes is amortised over the remaining service period.

f. Debt issuance costs

Debt issuance costs are amortised over the loan period.

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 nominal tax rate calculation except for the part of the Group which qualify under the Norwegian tax scheme for shipping companies, where we have used a net present value for calculating deferred taxes. Tonnage tax pertaining to own ships 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. Foreign currency

The functional currency is USD. Current assets, long-term receivables and liabilities in non-USD currencies are valued at the year-end exchange rate.

k. Fixed assets

Fixed assets are stated at historical cost, which includes purchase price, capitalized interest and other costs directly related to the investment, less accumulated depreciation and write-downs.

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

The preliminary Norwegian accounting standard concerning impairment of fixed assets, equivalent to IAS 36, has been implemented as from 2002.

The preliminary standard states that if the Recoverable Amount is lower than the book value, impairment has occurred and the asset shall be depreciated. The Recoverable Amount is the highest of the fair market value of the asset and the net present value of future estimated cash flow from the employment of the asset ("value for use").

We have made the following assumptions when calculating the "value for use" for material assets:

SHIPS:

We have made an assessment of what is a normal T/C income and a normal level of operating expenses for each type of ship.

Ships are interchangeable and the regional trades are integrated with the global trade ships through a logistical system. All chemical tankers are therefore seen together as a portfolio of ships.

TERMINALS:

We have assumed a normalized result of each terminal. We have calculated the "value for use" as 5-years' EBITDA and a residual value after 5 years.

CONTAINERS:

For containers we have used a normalized EBITDA for 5-years and a residual value after 5 years.

The interest rate is based on a weighted average cost of capital (WACC). The WACC reflects the company's long term borrowing rate and a risk free rate plus a risk premium for the equity.

l. Newbuilding contracts

Newbuilding contracts include payments made under the contracts, capitalized interest and other costs directly associated with the newbuilding program.

m. Cash flow statement

The cash flow statement is prepared using the indirect method.

n. Financial instruments

The company uses various financial instruments to reduce fluctuations in earnings and cash flow caused by volatility in foreign exchange rates, interest rates and bunker prices.

The following accounting principles apply for such financial instruments:

FOREIGN CURRENCY INSTRUMENTS:

The result of currency hedging transactions is accounted for in the period when the hedged cash flow items are accounted for. The result of currency hedging transactions have been accounted for under currency gains/losses.

INTEREST RATE INSTRUMENTS:

The result of interest rate hedging transactions is accounted for as an increase or decrease of interest expenses in the period when the hedged cash flow items are accounted for.

BUNKERS:

The result from bunker hedging transactions is accounted for as an increase or decrease of the bunker expenses in the period when the hedged cash flow items are accounted for.

o. 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.

p. 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 segments 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.

q. Finance leases

Assets financed under finance leases are capitalized at the inception of the lease at the fair value of the leased asset, or if lower, at the present value of the minimum lease payments. Lease payments are treated as consisting of a capital element and finance cost, the capital element reducing the obligation to the lessor and the finance cost is expensed. Capitalized leased assets are depreciated over the estimated useful life of the asset in accordance with Note 7.

r. Contingent assets and liabilities

Provisions are made for contingent losses that are probable and quantifiable. Contingent gains are not accounted for.

2 GROSS REVENUE

(USD 1 000)

The majority of revenue arise from shipping. Our shipping and Tank Containers revenue is allocated on the basis of the area in which the cargo is loaded. For the Tank Terminals the revenue is allocated to the area where the respective companies are located.

<i>Gross revenue:</i>	2002	2001	2000
North America	240 423	232 293	220 350
South America	107 551	110 300	93 188
Europe	157 179	169 031	123 787
Africa	67 938	55 578	60 011
Australasia	5 695	6 920	11 699
Middle East and Asia	267 566	272 232	187 313
Total gross revenue	846 352	846 355	696 348

3 SEGMENT REPORTING

(USD 1 000)

<i>Gross revenue:</i>	2002	2001	2000
Global Trade	592 132	620 799	531 866
Regional Trade	118 954	102 820	72 000
Tank Terminals	95 908	88 517	59 054
Tank Containers	39 358	34 219	33 428
Total gross revenue	846 352	846 355	696 348

<i>Operating result before depreciation and gain (loss) on sale of fixed assets (EBITDA):</i>	2002	2001	2000
Global Trade	101 193	150 314	81 289
Regional Trade	15 143	14 425	9 065
Tank Terminals	37 872	34 891	24 511
Tank Containers	4 766	3 363	(2 394)
Total operating result before depreciation and gain (loss) on sale of fixed assets (EBITDA)	158 974	202 993	112 471

<i>Operating result (EBIT):</i>	2002	2001	2000
Global Trade	41 378	94 446	28 557
Regional Trade	7 024	6 136	2 330
Tank Terminals	22 442	23 049	15 653
Tank Containers	1 636	308	(2 650)
Total operating result (EBIT)	72 480	123 939	43 890

<i>Total assets:</i>	2002	2001	2000
Global Trade	1 130 660	1 158 708	1 216 695
Regional Trade	129 612	135 526	128 887
Tank Terminals	336 250	274 010	243 071
Tank Containers	33 376	32 309	24 184
Total assets	1 629 897	1 600 553	1 612 837

4 TIME-CHARTER EXPENSES

(USD 1 000)

	2002	2001	2000
Floating TC-expenses (pool-partners)	103 067	126 435	85 317
Other TC-expenses	86 857	56 843	66 858
Total time-charter expenses	189 924	183 278	152 175

5 SALARIES, NUMBER OF EMPLOYEES, BENEFITS, LOANS TO EMPLOYEES AND AUDITOR'S REMUNERATION

(USD 1 000)

<i>Salaries and other employee expenses:</i>	2002	2001	2000
Salaries	84 557	77 651	62 053
Social expenses	11 956	12 332	8 519
Pension cost	2 193	1 640	1 768
Other benefits	1 736	948	2 950
Total salary expenses	100 442	92 571	75 290
Average number of man-labour years	3 062	2 922	2 241

The salary expenses are included in the following accounts:

	2002	2001	2000
Operating expenses	64 361	62 297	51 533
General and administrative expenses	36 081	30 274	23 757

<i>Compensation and benefits for 2002 to:</i>	<i>President/CEO</i>	<i>Board of Directors</i>
Salary	291	207
Pension cost	65	38
Other benefits	14	3

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 years preceding. Annual pension after 65 years will be 66% of 24G (presently 24G equals USD 186 903).

The company has established a variable compensation scheme for senior and middle management. This scheme is related to salary and is based on a combination of nominal results and their relation to a predefined target of return on equity in addition to individual achievements. The variable compensation scheme is decided by the Board of Directors from year to year. For 2002 no payments were made under this scheme.

Loans to employees amount to USD 1.6 mill. Following members of senior management have loans from the company: Jarle Haugsdal (USD 0.2 mill.), Atle Knutsen (USD 0.2 mill.), Jan Hammer (USD 0.2 mill.), Jan Didrik Lorentz (USD 0.2 mill.) and Gudmund Valen (USD 0.2 mill.). Employee loans are primarily secured by property mortgages. Currently interest rates vary from 0-6.5% per annum and the loans have repayment periods up to 15 years.

<i>Auditor's remuneration for:</i>	2002	2001	2000
Auditing	280	175	97
Tax/Legal/Due diligence	224	341	250

6 INTANGIBLE FIXED ASSETS

(USD 1 000)

	Cost 01.01.02	Investment	Sale book value	Accumulated amortisation prior years	Amortisation this year	Book value 31.12.02
Total Goodwill	25 959	305	-	(8 693)	(2 253)	15 318

Amortisation period:

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

7 FIXED ASSETS

(USD 1 000)

	Cost 01.01.02	Investment	Sale book value	Accumulated depreciation prior years	Depreciation this year	Book value 31.12.02
Real estate	18 630	961	(557)	(3 933)	(1 300)	13 802
Ships and newbuilding contracts	1 225 505	60 880	(31 168)	(240 924)	(65 320)	948 973
Periodic maintenance*	26 474	26 084	-	-	(22 010)	30 547
Tank terminals	295 580	49 928	(4)	(70 286)	(13 711)	261 506
Tank containers	21 716	1 641	-	(2 604)	(2 383)	18 370
Office equipment and cars	13 454	2 578	(99)	(6 536)	(2 050)	7 348
Total	1 601 360	142 071	(31 829)	(324 283)	(106 774)	1 280 545

Assets financed under finance leases are included in ships and newbuilding contracts' book value 31 December 2002 with USD 104 073 and in tank containers' book value 31 December 2002 with USD 17 058.

The preliminary Norwegian accounting standard concerning impairment of fixed assets, equivalent to IAS 36, has been implemented by the company as from 2002 and no impairment was necessary as Recoverable Amounts were higher than book values.

Depreciation periods:

Real estate: 50 years; ships: 25 years; periodic maintenance cost: 2.5-5 years; tank terminals: 40 years; tank containers: 12 years; office equipment and cars: 3-15 years.

* Periodic maintenance is expensed as an operating expense.

8 OTHER FINANCIAL ITEMS

(USD 1 000)	2002	2001	2000
Other financial income	21	411	1 309
Other financial expenses	(778)	(957)	(463)
Changes in the market value of financial current assets	(403)	(216)	(837)
Total other financial items	(1 161)	(761)	9

9 CURRENCY GAINS (LOSSES)

(USD 1 000)	2002	2001	2000
Currency hedging contracts	4 569	(13 487)	(10 920)
Long-term receivables and debt	(1 535)	(263)	(1 113)
Cash and cash equivalents	17 318	(753)	2 834
Other current assets and current liabilities	(5 584)	334	1 064
Total currency gains (losses)	14 768	(14 169)	(8 135)

10 TAXES

(USD 1 000)	2002	2001	2000
<i>Taxes:</i>			
Taxes payable, Norway - ordinary tax	-	(326)	(51)
Taxes payable, Foreign	(1 210)	(3 589)	(1 493)
Change in deferred tax, Norway - within shipping tax system	(21 416)	3 560	10 022
Change in deferred tax, Norway - ordinary tax	12 596	(5 468)	(7 087)
Change in deferred tax, Foreign	(4 947)	(3 441)	(2 132)
Changes to equity	-	-	(823)
Total tax expenses	(14 977)	(9 264)	(1 564)
Tonnage tax (expensed as an operating expense)	(707)	(466)	(710)

Specification of deferred tax liabilities (deferred tax assets) Odfjell Group:

	2002	2001	2000
Current items	536	-	21 729
Fixed assets	60 855	70 357	43 313
Pension fund (pension liabilities)	(4 231)	(5 022)	(6 396)
Other long-term temporary differences	130 002	20 399	4 659
Tax-loss carried forward*	(124 042)	(75 583)	(70 959)
Net temporary differences	63 120	10 151	(7 654)
Tax rate	28%-35%	10%-35%	28%-35%
Total deferred tax liabilities (deferred tax assets) Odfjell Group	19 080	3 350	(1 991)

Accumulated non-taxed income within Norwegian shipping tax system:

	2002	2001	2000
Balance of non-taxed income at entry into the shipping tax system	381 729	294 594	298 529
Accumulated non-taxed operating income	222 744	150 479	100 257
Accumulated non-taxed income	604 473	445 073	398 786
Deferred tax liabilities (deferred tax assets)**	-	-	-

* Tax-loss carried forward expires in the period 2006-2012.

** On the assumption the Group continues under the shipping tax system, the deferred tax liabilities/deferred tax assets relating to non-taxed income is negligible based on a net present value calculation.

11 EARNINGS PER SHARE

The weighted average number of shares in 2002 was 22 431 284, excluding own shares. In 2001 and 2000 the comparable figures were 24 687 339 and 23 755 892 respectively. The company has no stock option plan. Earnings per share is calculated as net result for the year divided by the weighted average number of shares.

12 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>
Shareholders' equity as per 31 December 1999	31 097	-	-	419 967	451 064
Net result 2000	-	-	-	(11 951)	(11 951)
Share repurchases	-	(1 303)	-	(12 082)	(13 385)
Share issue	5 562	-	109 955	-	115 517
Equity adjustments	-	-	-	1 144	1 144
Changes in translation adjustments	-	-	-	(479)	(479)
Dividend	-	-	-	(12 041)	(12 041)
Shareholders' equity as per 31 December 2000	36 659	(1 303)	109 955	384 558	529 869
Net result 2001	-	-	-	60 003	60 003
Share repurchases	-	(4 257)	-	(36 971)	(41 228)
Redemption of shares	(1 944)	1 944	-	-	-
Equity adjustments	-	-	-	801	801
Changes in translation adjustments	-	-	-	(3 451)	(3 451)
Dividend	-	-	-	(20 298)	(20 298)
Shareholders' equity as per 31 December 2001	34 715	(3 616)	109 955	384 642	525 695
Net result 2002	-	-	-	45 449	45 449
Share repurchases	-	(1 674)	-	(16 461)	(18 135)
Redemption of shares	(3 616)	3 616	-	-	-
Changes in translation adjustments	-	-	-	7 041	7 041
Proposed dividend	-	-	-	(24 948)	(24 948)
Shareholders' equity as per 31 December 2002	31 099	(1 674)	109 955	395 721	535 101

13 INVESTMENTS IN AND SALE OF FIXED ASSETS AND INTANGIBLE FIXED ASSETS

(USD 1 000)

	2002		2001		2000		1999		1998	
	<i>Inv.</i>	<i>Sale</i>	<i>Inv.</i>	<i>Sale</i>	<i>Inv.</i>	<i>Sale</i>	<i>Inv.</i>	<i>Sale</i>	<i>Inv.</i>	<i>Sale</i>
Goodwill	305	-	4 032	-	7 722	-	5 951	-	-	-
Real estate	961	1 023	765	7	268	-	175	-	1 096	73
Ships and newbuilding contracts	60 880	31 168	57 828	7 905	236 395	-	127 758	18 685	165 511	15 500
Periodic maintenance costs	26 084	-	22 546	-	18 984	-	18 162	-	18 919	-
Tank terminals	49 928	4	35 793	-	84 190	-	10 119	-	10 438	-
Tank containers	1 641	-	13 884	-	5 700	-	2 300	-	-	-
Office equipment and cars	2 578	155	2 546	39	3 768	-	2 733	213	1 317	57
Total	142 376	32 350	137 394	7 951	357 027	-	167 198	18 898	197 281	15 630

14 CONSOLIDATED COMPANIES

<i>Subsidiaries:</i>	<i>Registered office</i>	<i>Share</i>	<i>Voting rights</i>
Odfjell Chemical Tankers AS	Norway	100%	100%
Odfjell Chemical Tankers II AS	Norway	100%	100%
Odfjell Chemical Tankers III AS	Norway	100%	100%
Odfjell Seachem AS	Norway	100%	100%
Odfjell Terminals AS	Norway	100%	100%
Odfjell Insurance AS	Norway	100%	100%
Odfjell Projects AS	Norway	100%	100%
Odfjell Asia Pte Ltd	Singapore	100%	100%
Odfjell Singapore Pte Ltd	Singapore	100%	100%
Odfjell USA Inc	USA	100%	100%
Odfjell Netherlands BV	Netherlands	100%	100%
Odfjell Chemical Tankers Netherlands BV	Netherlands	100%	100%
Odfjell Japan Ltd	Japan	100%	100%
Odfjell Seachem South Africa (Pty) Ltd	South Africa	100%	100%
Odfjell Brasil - Representacoes Ltda	Brazil	100%	100%
Odfjell Chemical Tankers Ltd	Bermuda	100%	100%
Odfjell Employment Services Ltd	Bermuda	100%	100%
Odfjell Argentina SA	Argentina	99%	99%
Odfjell Terminals (Dalian) Co Ltd	China	64%	64%

Wholly-owned companies held indirectly through subsidiaries:

Odfjell Americas AS, Odfjell Asia II Pte Ltd, Odfjell Terminals USA GP Inc, Odfjell Terminals USA LP Inc, Odfjell Terminals (Houston) LP, Odfjell Terminals (Rotterdam) BV, Odfjell (UK) Ltd and Odfjell Australia Pty Ltd. The company Odfjell Argentina SA is directly and indirectly 100% owned by the Group.

<i>Other companies:</i>	<i>Segment</i>			
Odfjell y Vapores SA	Regional Trade	Chile	49%	49%
Odfjell & Vapores Ltd	Regional Trade	Bermuda	50%	50%
Norfra Shipping AS	Regional Trade	Norway	56%	50%
Hoyer - Odfjell BV	Tank Containers	Netherlands	50%	50%
Oiltanking Odfjell Terminal Singapore Pte Ltd	Tank Terminals	Singapore	50%	50%
Odfjell Terminals (Korea) Co Ltd	Tank Terminals	Korea	50%	50%
V.O.Tank Terminal Ningbo Ltd	Tank Terminals	China	12.5 %	12.5 %

The company Flumar Transportes de Quimicos e Gases Ltda, Brazil, is indirectly 50% owned by the Group.

The share of result and balance sheet items for other companies, comprising affiliated companies and companies under joint control, is included line by line in the accounts. The below main figures are included for each segment in the group accounts:

	<i>Regional Trade</i>	<i>Tank Containers</i>	<i>Tank Terminals</i>	<i>Total</i>
Gross revenue	26 696	39 358	5 835	71 889
Operating expenses	(7 608)	-	(1 348)	(8 956)
Net financial items	(393)	(1 300)	(1 526)	(3 218)
Net result	2 918	336	243	3 497
Fixed assets	8 633	24 038	64 284	96 955
Current assets	6 041	9 338	4 565	19 945
Total assets	14 674	33 376	68 849	116 899
Equity 31.12.2001	(4 619)	4 586	13 412	13 379
Net result	2 918	336	243	3 497
Equity additions/adjustments	-	-	13 068	13 068
Total equity 31.12.2002	(1 701)	4 922	26 723	29 944
Long-term liabilities	10 328	18 260	39 415	68 003
Current liabilities	6 047	10 194	2 711	18 952
Total liabilities	16 375	28 454	42 127	86 955
Uncalled committed capital 31.12.2002	-	-	-	-

15 RECEIVABLES AND DEBT

(USD 1 000)

<i>Other long-term receivables:</i>	2002	2001	2000
Employees	1 587	1 736	1 455
Other	17 022	20 001	35 395
Total other long-term receivables	18 609	21 737	36 850
of which with a maturity later than one year	10 186	14 119	26 912

<i>Long-term liabilities with a maturity later than 5 years:</i>	2002	2001	2000
Total	66 940	253 809	274 747

Long-term interest-bearing debt as per 31.12.2002 **957 338**

Repayment schedule:	
2003	284 068
2004	59 636
2005	140 151
2006	115 777
2007 and thereafter	357 705

The average term of the group's outstanding long-term interest-bearing debt as per 31 December 2002 was 4.5 years (2001: 4.6 years). We have secured a commitment for an USD 150 million loan facility to partly refinance a facility that matures in May 2003.

<i>Average USD interest rate:</i>	2002	2001	2000
Liabilities to financial institutions	3.73%	5.43%	7.08%
Certificates	-	6.97%	6.97%
Bond debt	1.35%	2.74%	4.10%

16 PENSION COSTS AND LIABILITIES

(USD 1 000)

The pension liabilities as per 31.12.2002 were USD 4.3 mill, of which USD 4.2 mill. related to office personnel and seafarers employed by Odfjell ASA. Odfjell ASA has defined benefit pension plans for its employees. The pension plans cover 548 office employees and seagoing personnel and 58 retirees. The retirement age is 65 for office employees. Unfunded pension from 65-67 years covers 66% of the yearly salary at retirement age limited to 12G (G = Indexation of the public National Insurance base amount). Pension from 67 years is paid from the defined benefit plan and national social security. Maximum pension, after 30 years service in the defined benefit plan and 40 years in the national social security, is 66% of yearly salary at retirement age limited to 12G (presently 12G equals USD 93 452). The retirement age is 60 for seagoing personnel. The pension plan covers 60% of salary level at retirement with 30 years employment, and a deduction is made for estimated benefits paid from the Social Security "Pension Insurance for Seamen". Pension benefits are funded (insured) with life insurance companies from the age of 60 until the age of 67. After the age of 67 pension benefits are paid from the Social Security. The pension benefit will be adjusted in accordance with G.

<i>Pension costs:</i>	2002	2001	2000
Present value current year service cost	1 821	1 476	1 450
Interest cost on accrued pension liabilities	1 212	929	924
Return on pension plan assets	(992)	(824)	(842)
Amortised effect of changes in estimates and pension plans, and differences in actual and estimated return on pension plan assets	152	59	237
Net pension cost	2 193	1 640	1 768
Social security tax	297	207	189
Periodic pension cost	2 490	1 847	1 958

<i>Accrued pension fund (liabilities):</i>			
Estimated present value of pension obligation	(26 410)	(17 503)	(17 272)
Estimated value of pension premium fund	18 209	13 216	12 893
Unamortised effect of changes in estimates and pension plans, and differences in actual and estimated return on pension plan assets	3 969	1 436	1 905
Net pension fund (liabilities)	(4 232)	(2 851)	(2 473)
Estimated employer's social cost	(597)	(402)	(349)

The above calculation is based on the following assumptions (based on Norwegian Kroner):

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

17 FINANCIAL MARKET RISK

(USD 1 000)

Balance sheet items:

Currency exposure - non-USD cash balances, receivables and liabilities

<i>Net short-term receivables (liabilities):</i>		2002	2001	2000
	NOK	38 505	25 504	72 150
	EUR	2 245	392	6 944
	SGD	1 975	5 181	2 243
	KRW	1 167	-	-
	JPY	480	716	490
	RMB	(49)	-	-
Total net short-term receivables (liabilities)		44 323	31 793	81 827
<i>Long-term receivables:</i>		2002	2001	2000
	NOK	1 683	1 836	1 558
	EUR	525	-	-
Total long-term receivables		2 208	1 836	1 558
<i>Long-term liabilities:</i>		2002	2001	2000
	NOK	(12 707)	(1 345)	(15 923)
	EUR	(44 836)	(37 129)	(39 647)
	SGD	(24 411)	-	-
	KRW	(5 935)	-	-
	JPY	(3 975)	-	-
	RMB	(5 117)	-	-
Total long-term liabilities		(96 981)	(38 474)	(55 570)

Off-balance sheet items:

The Odfjell Group 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 2002:

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

	Year 2003 USD mill.	Year 2003 Rate	Year 2004-2005 USD mill.	Year 2004-2005 Rate
<i>Hedging instruments:</i>				
Forward sale contracts	111	8.76	98	9.13

ii) Interest rate agreements/derivatives:

<i>Hedging instruments:</i>		USD mill.	Average rate
Forward rate contracts	2003	607	2.37%
	2004	221	2.29%
Interest rate swap	Nov. 2003 - Nov. 2007	50	3.94%

iii) Bunker fuel instruments/derivatives:

The Odfjell Group had no bunker hedging in place as per 31 December 2002.

18 FINANCIAL CURRENT ASSETS

(USD 1 000)

	Cost price		Book value	
	2002	2001	2002	2000
Total financial current assets	109	-	5 070	5 041

19 BONDS AND CERTIFICATES

(USD 1 000)

	<i>Currency</i>	<i>Book value</i>	<i>Market value</i>	<i>Average interest rate</i>
Bonds and certificates issued by financial institutions	NOK	28 753	28 753	7.30%
Bonds and certificates issued by financial institutions	USD	34 992	34 992	1.53%
Bonds and certificates issued by corporates	NOK	19 358	19 358	6.80%
Bonds and certificates issued by corporates	USD	55 114	55 114	2.10%
Total bonds and certificates		138 217	138 217	

Bonds and certificates generally have interest rate adjustments every three months.

See Note 26 Subsequent events.

20 CASH AND BANK DEPOSITS

Included in this item is USD 1.3 million of withholding taxes relating to employees in Odfjell ASA.

21 PUBLIC CONTRIBUTIONS

In relation to the newbuilding delivered in 2002 the company received USD 0.1 million by way of public contribution. Furthermore, the Odfjell Group received a public contribution of USD 0.4 million from the Norwegian Maritime Directorate in connection with the refund system pertaining to Norwegian seafarers.

22 LIABILITIES SECURED BY MORTGAGES

(USD 1 000)

	<i>2002</i>	<i>2001</i>	<i>2000</i>
Book value of loans secured by mortgages	128 600	111 132	101 598
Total liabilities secured by mortgages	128 600	111 132	101 598
Book value of assets mortgaged	217 373	174 932	129 161

23 GUARANTEES

(USD 1 000)

	<i>2002</i>	<i>2001</i>	<i>2000</i>
Total guarantees	482	836	1 198

24 RELATED PARTIES

In the normal course of the conduct of its business, the Odfjell Group enters into a number of transactions with related parties.

The Odfjell Group share offices in Brazil with a terminalling company related to the Chairman of the Board, B. D. Odfjell Jr.

The Chairman's family also has ownership interest in a Brazilian company, which act as port agents for Odfjell as one among many customers. The services are priced at market terms.

Ceres Hellenic Shipping Enterprises Ltd., a company under the chairmanship of the Board Member Peter G. Livanos, is responsible for the crewing and technical management of 17 of Odfjell's ships, while Odfjell is responsible for the commercial management of 5 of Ceres' ships. These services are priced at market terms.

25 COMMITMENTS AND CONTINGENCIES

Capital Expenditures

As of 31 December 2002 the company was committed to take delivery of six sophisticated stainless steel chemical tankers of 39 500 dwt each and one of 37 500 dwt. These seven chemical tankers are expected to be delivered between 2003 and 2005 for a total aggregate ready for sea cost, fully equipped of approximately USD 378 million.

Contingencies

The company maintains insurance coverage for its activities consistent with standard industry practice. The company is routinely involved in claims typical to the chemical tanker industry, but none of these claims have resulted in material losses for the company since the claims have been covered by insurance.

See Note 26 Subsequent events.

26 SUBSEQUENT EVENTS

In February 2003, Odfjell along with three other competitors became subject to investigations by EU and US competition authorities. We are cooperating with the authorities and are also conducting an internal investigation into the matter. The outcome of these investigations is pending.

In February 2003 we have converted NOK 300 mill. to USD. See Note 19 Bonds and certificates.

Profit and Loss Statement

(NOK 1 000)

OPERATING REVENUE (EXPENSES)	NOTE	2002	2001	2000
Gross revenue	2	192 971	180 584	152 943
General and administrative expenses	3, 18	(171 280)	(157 848)	(140 924)
Depreciation	4	(16 448)	(14 387)	(8 616)
Other income (cost)		(54)	(2 609)	(20)
Operating result (EBIT)		5 189	5 740	3 383
FINANCIAL INCOME (EXPENSES)				
Interest income	5	188 088	363 479	362 862
Changes in the value of financial fixed assets	5,6	(6 054)	-	-
Interest expenses	5	(195 967)	(365 019)	(398 083)
Other financial items	5	(8 816)	(4 167)	3 359
Currency gains (losses)	7	85 392	10 661	(19 381)
Net financial items		62 642	4 955	(51 242)
Net result before taxes		67 831	10 694	(47 859)
Taxes	8	(20 379)	(6 286)	12 410
Net result		47 453	4 408	(35 449)
Allocation:				
Proposed dividend	9	(173 538)	(182 948)	(107 101)

Assets as per 31.12.

(NOK 1 000)

	NOTE	2002	2001	2000
FIXED ASSETS				
Real estate	4, 10	53 910	54 624	55 872
Newbuilding contracts	4, 10, 19	41 718	-	-
Office equipment and cars	4, 10	36 213	35 670	26 687
Shares in subsidiaries	6	3 007 013	2 977 878	2 779 796
Other shares	6	305 524	186 889	92 022
Loans to group companies	11	3 432 487	4 956 703	5 488 013
Other long-term receivables	12	12 545	17 690	14 998
Total fixed assets		6 889 411	8 229 454	8 457 388
CURRENT ASSETS				
Short-term receivables		24 659	35 388	27 892
Group receivables		88 507	39 326	271 546
Inventory		3 077	5 390	6 943
Investment in shares		759	-	44 835
Bonds and certificates	13	776 812	1 427 919	513 665
Cash and bank deposits	14	429 606	297 099	1 234 776
Total current assets		1 323 420	1 805 122	2 099 657
Total assets		8 212 831	10 034 576	10 557 045

B.D. Odfjell jr.
CHAIRMAN

Per Ivar Gjærum

Liabilities and Shareholders' Equity as per 31.12.

(NOK 1 000)

	NOTE	2002	2001	2000
PAID IN EQUITY				
Share capital	9, 15	228 685	254 095	267 752
Own shares	9, 15	(11 763)	(25 409)	(9 156)
Share premium	9	973 905	973 905	973 905
Total paid in equity		1 190 828	1 202 591	1 232 502
RETAINED EARNINGS				
Other equity	9	1 901 859	2 151 077	2 654 771
Total retained earnings		1 901 859	2 151 077	2 654 771
Total shareholders' equity		3 092 687	3 353 667	3 887 272
LONG-TERM LIABILITIES				
Deferred tax liabilities	8	13 604	5 683	2 011
Pension liabilities	16	29 433	25 704	21 997
Long-term debt	12	4 347 438	6 129 044	6 287 205
Total long-term liabilities		4 390 475	6 160 431	6 311 213
CURRENT LIABILITIES				
Taxes payable	8	2 939	2 939	-
Employee taxes payable		18 747	21 117	16 776
Dividend payable		173 538	182 948	107 101
Other short-term liabilities		110 495	166 999	234 682
Loans to subsidiaries		423 950	146 476	-
Total current liabilities		729 669	520 478	358 560
Total liabilities		5 120 144	6 680 909	6 669 773
Total liabilities and shareholders' equity		8 212 831	10 034 576	10 557 045
Guarantees	17	1 750 011	1 703 648	1 701 212

Bjarte Kvåle

Terje Storeng

Peter G. Livanos

Reidar Lien

Bjørn Sjaastad
PRESIDENT/CEO

Bergen, 25 February 2003

THE BOARD OF DIRECTORS OF ODFJELL ASA

Cash Flow Statement

(NOK 1 000)

	2002	2001	2000
CASH FLOW FROM OPERATING ACTIVITIES			
Net result before taxes	67 831	10 694	(47 859)
(Gain) loss on sale of fixed assets	54	(88)	20
Depreciation	16 448	14 387	8 616
Inventory (increase) decrease	2 313	1 553	911
Trade creditors increase (decrease)	2 718	(23 717)	18 412
Difference in pension cost and pension premium paid	3 743	4 130	6 554
Exchange rate fluctuations	(221 367)	(7 019)	93 000
Other short-term accruals	133 961	(45 741)	(227 633)
Net cash flow from operating activities	5 701	(45 801)	(147 979)
CASH FLOW FROM INVESTING ACTIVITIES			
Sale of fixed assets	630	420	-
Investment in fixed assets	(58 678)	(22 448)	(15 534)
Investment in subsidiaries and other shares	(121 765)	(248 114)	653 954
Changes in long-term receivables	5 145	(2 692)	(2 056)
Loans to subsidiaries	423 021	993 738	(2 763 533)
Net cash flow from investing activities	248 353	720 904	(2 127 169)
CASH FLOW FROM FINANCING ACTIVITIES			
New long-term debt	1 995 986	891 482	1 514 301
Payment of long-term debt	(2 466 765)	(1 139 008)	(24 500)
Share issue	-	-	1 023 173
Share repurchases	(136 717)	(362 016)	(110 442)
Group contribution	-	-	102
Dividend	(182 948)	(101 638)	(83 772)
Net cash flow from financing activities	(790 444)	(711 180)	2 318 862
Effect on cash balances from currency exchange rate fluctuations	17 790	12 653	96 023
Net change in cash balances	(518 600)	(23 423)	139 737
Cash balances as per 01.01	1 725 018	1 748 441	1 608 704
Cash balances as per 31.12	1 206 418	1 725 018	1 748 441

Cash balances include cash and cash equivalents such as bank deposits, bonds and certificates.

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

The present value of the pension liabilities under defined benefit pension plans has been calculated based on actuarial principles. The net of the present value of the pension liabilities and the pension plan assets is included under long-term assets or long-term liabilities. Pension liabilities are mainly insured with life insurance companies. Unfunded pension liabilities are calculated and included in the pension liabilities. The change in net pension liabilities is expensed in the profit and loss account. The effect of changes in estimates and pension plans is accounted for when exceeding 10% of the highest of pension liabilities and plan assets. The result effect of such changes is amortised over the remaining service period.

c. Debt issuance costs

Debt issuance costs are amortised over the loan period.

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 on a nominal value calculation.

e. Current assets

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

f. Foreign currency

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

g. Fixed assets

Fixed assets are stated at historical cost, which includes purchase price, capitalized interest and other costs directly related to the investment, less accumulated depreciation and write-downs. Fixed assets are depreciated straight-line over their estimated useful lives.

The preliminary Norwegian accounting standard concerning impairment of fixed assets, equivalent to IAS 36, has been implemented as from 2002. The preliminary standard states that if the Recoverable Amount is lower than the book value, impairment has occurred and the asset shall be depreciated. The Recoverable Amount is the highest of the fair market value of the asset and the net present value of future estimated cash flow from the employment of the asset ("value for use"). We have made the following assumptions when calculating the "value for use" for material assets:

SHARES IN SUBSIDIARIES AND OTHER SHARES:

An impairment occurs if the book value of shares is higher than the equity in the corresponding company when the assets and liabilities have been adjusted to reflect the Recoverable Amount as defined above.

The interest rate is based on a weighted average cost of capital (WACC). The WACC reflects the company's long term borrowing rate and a risk free rate plus a risk premium for the equity.

h. Newbuilding contracts

Newbuilding contracts include payments made under the contracts, capitalized interest and other costs directly associated with the newbuilding program.

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 fluctuations in earnings and cash flow caused by volatility in foreign exchange rates and interest rates. The following accounting principles apply for such financial instruments:

FOREIGN CURRENCY INSTRUMENTS:

The result of currency hedging transactions is accounted for in the period when the hedged cash flow items are accounted for. The result of currency hedging transactions have been accounted for under currency gains/losses.

INTEREST RATE INSTRUMENTS:

The result of interest rate hedging transactions is accounted for as an increase or decrease of interest expenses in the period when the hedged cash flow items are accounted for.

k. Activities under joint control

Our share of activities under joint 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.

m. Contingent assets and liabilities

Provisions are made for contingent losses that are probable and quantifiable. Contingent gains are not accounted for.

2 GROSS REVENUE

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

3 SALARIES, NUMBER OF EMPLOYEES, BENEFITS, LOANS TO EMPLOYEES AND AUDITOR'S REMUNERATION

(NOK 1 000)

<i>Salaries and other employee expenses:</i>	2002	2001	2000
Salaries	98 203	97 016	78 316
Social expenses	16 312	17 241	12 219
Pension cost	17 470	14 709	15 533
Other benefits	7 143	3 010	1 723
Total salary expenses	139 128	131 976	107 791
Average number of man-labour years	187	189	191

The salary expenses are included in General and administrative expenses.

<i>Compensation and benefits for 2002 to:</i>	<i>President/CEO</i>	<i>Board of Directors</i>
Salary	2 318 460	1 647 517
Pension cost	517 459	299 755
Other benefits	110 380	23 210

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 annual average salary the three years preceding. Annual pension after 65 years will be 66% of 24G (presently 24G equals NOK 1 300 080).

The company has established a variable compensation scheme for senior and middle management. This scheme is related to salary and is based on a combination of nominal results and their relation to a predefined target of return on equity in addition to individual achievements. The variable compensation scheme is decided by the Board of Directors from year to year. For 2002 no payments were made under this scheme.

Loans to employees amount to NOK 11.0 mill. Following members of senior management have loans from the company: Jarle Haugsdal (NOK 1.5 mill.), Atle Knutsen (NOK 1.5 mill.), Jan Hammer (NOK 1.5 mill.), Jan Didrik Lorentz (NOK 1.5 mill) and Gudmund Valen (NOK 1.5 mill.). Employee loans are primarily secured by property mortgages. Currently interest rates vary from 0-6.5% per annum and the loans have repayment periods up to 15 years.

<i>Auditor's remuneration for:</i>	2002	2001	2000
Auditing	902	863	640
Tax/Legal/Due diligence	787	818	2 224

4 FIXED ASSETS

(NOK 1 000)

	Cost		Sale	Accumulated	Depreciation	Book value
	01.01.02	Investment	book value	depreciation	this year	31.12.02
				prior years		
Real estate	72 820	2 499	-	(18 196)	(3 213)	53 910
Newbuilding contracts	-	41 718	-	-	-	41 718
Office equipment and cars	60 080	14 462	(683)	(24 411)	(13 235)	36 213
Total	132 900	58 678	(683)	(42 606)	(16 448)	131 841

Depreciation periods:

Real estate: 50 years; office equipment and cars: 3-15 years.

5 FINANCIAL INCOME AND EXPENSES

(NOK 1 000)

	2002	2001	2000
Inter-company interest income	131 884	282 375	283 853
Other interest income	56 204	81 104	79 008
Other financial income	1 304	1 325	3 705
Total financial income	189 392	364 804	366 566
Changes in the value of financial fixed assets	6 054	-	-
Inter-company interest expenses	3 796	1 257	1 643
Other interest expenses	192 171	363 762	396 439
Other financial expenses	10 120	5 491	346
Total financial expenses	212 141	370 510	398 428

6 SHARES

(NOK 1 000)

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

<i>Subsidiaries:</i>	<i>Registered office</i>	<i>Share</i>	<i>Book value</i>
Odfjell Chemical Tankers AS	Norway	100%	263 746
Odfjell Chemical Tankers II AS	Norway	100%	1 187 644
Odfjell Chemical Tankers III AS	Norway	100%	100
Odfjell Seachem AS	Norway	100%	24 752
Odfjell Terminals AS	Norway	100%	275 000
Odfjell Insurance AS	Norway	100%	100
Odfjell Projects AS	Norway	100%	100
Odfjell Asia Pte Ltd	Singapore	100%	191 520
Odfjell Singapore Pte Ltd	Singapore	100%	83
Odfjell USA Inc	USA	100%	177 972
Odfjell Netherlands BV	Netherlands	100%	6 581
Odfjell Chemical Tankers Netherlands BV	Netherlands	100%	731
Odfjell Japan Ltd	Japan	100%	-
Odfjell Seachem South Africa (Pty) Ltd	South Africa	100%	-
Odfjell Brasil - Representacoes Ltda	Brazil	100%	10 702
Odfjell Chemical Tankers Ltd	Bermuda	100%	810 089
Odfjell Employment Services Ltd	Bermuda	100%	109
Odfjell Argentina SA	Argentina	99%	141
Odfjell Terminals (Dalian) Co Ltd	China	64%	57 642
Total shares in subsidiaries			3 007 013

Wholly-owned companies held indirectly through subsidiaries:

Odfjell Americas AS, Odfjell Asia II Pte Ltd, Odfjell Terminals USA GP Inc, Odfjell Terminals USA LP Inc, Odfjell Terminals (Houston) LP, Odfjell Terminals (Rotterdam) BV, Odfjell (UK) Ltd and Odfjell Australia Pty Ltd.

The company Odfjell Argentina SA is directly and indirectly 100% owned by Odfjell ASA.

Other shares:

Odfjell y Vapores S A	Chile	49%	3 792
Odfjell & Vapores Ltd	Bermuda	50%	38
Norfra Shipping AS	Norway	56%	16 869
Hoyer - Odfjell BV	Netherlands	50%	75 728
Oiltanking Odfjell Terminal Singapore Pte Ltd	Singapore	50%	105 903
Odfjell Terminals (Korea) Co Ltd	Korea	50%	95 730
V.O.Tank Terminal Ningbo Ltd	China	12.5%	7 463
Total other shares			305 524

The company Flumar Transportes de Quimicos e Gases Ltda, Brazil, is indirectly 50% owned by Odfjell ASA.

The preliminary Norwegian accounting standard concerning impairment of fixed assets, equivalent to IAS 36, has been implemented by the company as from 2002. There was impairment realised on shares in Odfjell Japan Ltd and Odfjell Brasil - Representacoes Ltda, otherwise there was no impairment necessary as Recoverable Amounts were higher than book values.

7 CURRENCY GAINS (LOSSES)

(NOK 1 000)

	2002	2001	2000
Currency hedging contracts	-	10 288	11 409
Long-term receivables and debt	198 576	(5 634)	(189 023)
Cash and cash equivalents	17 790	12 653	96 023
Other current assets and current liabilities	(130 975)	(6 646)	62 210
Total currency gains (losses)	85 392	10 661	(19 381)

8 TAXES

(NOK 1 000)

Taxes:	2002	2001	2000
Taxes payable	12 468	2 939	-
Change in deferred tax	7 911	3 277	19 732
Changes to equity	-	-	(7 322)
Foreign tax	-	70	-
Total tax expenses	20 379	6 286	12 410
<i>Taxes payable:</i>	<i>2002</i>	<i>2001</i>	<i>2000</i>
Net result before taxes	67 831	10 694	(47 859)
Permanent differences	2 224	2 657	(26 803)
Group contribution	-	-	102
Changes temporary differences	19 302	12 149	34 549
Used tax-loss carried forward	(44 831)	(25 500)	-
Tax issues related to earlier years	-	10 495	-
Basis taxes payable	44 527	10 495	(40 011)
Taxes payable (28%)	12 468	2 939	-
Reduction due to group contribution	(12 468)	-	-
Net taxes payable	-	2 939	-
<i>Spesification of deferred taxes (deferred tax assets):</i>	<i>2002</i>	<i>2001</i>	<i>2000</i>
Fixed assets	(5 022)	(2 399)	2 047
Pension fund (liabilities)	(29 433)	(26 550)	(22 420)
Other long-term temporary differences	119 587	95 246	99 057
Tax-loss carried forward*	(4 485)	(46 001)	(71 500)
Temporary differences related to group contribution	(32 059)	-	-
Net temporary differences	48 586	20 296	7 184
Tax rate	28%	28%	28%
Total deferred tax (deferred tax assets)	13 604	5 683	2 011

* Tax-loss carried forward expires in the period 2006-2012.

9 SHAREHOLDERS' EQUITY

(NOK 1 000)

	Share capital	Own shares	Share premium	Other equity	Total equity
Shareholders' equity as per 31 December 1999	218 485	-	-	2 912 225	3 130 710
Net result 2000	-	-	-	(35 449)	(35 449)
Share repurchases	-	(9 156)	-	(101 286)	(110 442)
Share issue	49 267	-	973 905	-	1 023 173
Equity adjustments	-	-	-	(13 616)	(13 616)
Dividend	-	-	-	(107 101)	(107 101)
Shareholders' equity as per 31 December 2000	267 752	(9 156)	973 905	2 654 771	3 887 272
Net result 2001	-	-	-	4 408	4 408
Share repurchases	-	(29 911)	-	(332 105)	(362 016)
Redemption of shares	(13 658)	13 658	-	-	-
Equity adjustments	-	-	-	6 951	6 951
Dividend	-	-	-	(182 948)	(182 948)
Shareholders' equity as per 31 December 2001	254 095	(25 409)	973 905	2 151 077	3 353 667
Net result 2002	-	-	-	47 453	47 453
Share repurchases	-	(11 763)	-	(124 953)	(136 717)
Redemption of shares	(25 409)	25 409	-	-	-
Equity adjustments	-	-	-	1 821	1 821
Proposed dividend	-	-	-	(173 538)	(173 538)
Shareholders' equity as per 31 December 2002	228 685	(11 763)	973 905	1 901 859	3 092 687

10 INVESTMENTS IN AND SALE OF FIXED ASSETS

(NOK 1 000)

	2002		2001		2000		1999		1998	
	Inv.	Sale	Inv.	Sale	Inv.	Sale	Inv.	Sale	Inv.	Sale
Real estate	2 499	-	1 769	67	1 147	-	1 417	-	7 448	-
Ships and newbuilding contracts	41 718	-	-	-	-	-	-	-	-	88 864
Office equipment and cars	14 462	630	20 679	353	14 387	-	10 624	1 191	7 767	430
Total	58 678	630	22 448	420	15 534	-	12 041	1 191	15 215	89 294

11 LOANS TO GROUP COMPANIES

(NOK 1 000)

	Currency	Currency amount 2002	2002	2001	2000
Odfjell Asia Pte Ltd	SGD	-	-	-	38 154
Odfjell Terminals (Houston) LP	USD	15 554	108 192	143 189	321 267
Odfjell Japan Ltd	JPY	35 725	2 093	2 451	2 771
Odfjell & Vapores Ltd	USD	501	3 482	27 249	18 153
Odfjell Chemical Tankers AS	USD	291 900	2 030 427	3 160 063	3 869 108
Odfjell Chemical Tankers II AS	USD	19 651	136 688	348 369	-
Odfjell Chemical Tankers III AS	USD	123 250	857 315	1 255 102	1 238 560
Odfjell (UK) Limited	USD	20 327	141 394	-	-
Odfjell Seachem AS	NOK	41 950	41 950	-	-
Odfjell Americas AS	USD	13 700	95 296	-	-
Hoyer - Odfjell BV	USD	2 250	15 651	20 280	-
Total loans to group companies			3 432 487	4 956 703	5 488 013

12 RECEIVABLES AND DEBT

(NOK 1 000)

<i>Other long-term receivables:</i>	2002	2001	2000
Employees	11 036	15 644	12 949
Other	1 510	2 046	2 049
Total other long-term receivables	12 545	17 690	14 998

<i>Receivables with a maturity later than 1 year:</i>	2002	2001	2000
Loans to group companies	3 384 602	4 919 743	4 893 288
Other long-term receivables	10 038	14 167	14 398
Total	3 394 640	4 933 910	4 907 686

<i>Long-term liabilities with a maturity later than 5 years:</i>	2002	2001	2000
Total	13 912	675 975	872 138

Long-term interest-bearing debt as per 31.12.2002	4 347 438
Repayment schedule:	
2003	1 865 920
2004	283 453
2005	752 976
2006	666 027
2007 and thereafter	779 061

The average term of the company's outstanding long-term interest-bearing debt as per 31 December 2002 was 2.9 years (2001: 3.3 years).

We have secured a commitment for an USD 150 million (NOK 1 043 mill.) loan facility to partly refinance a facility that matures in May 2003.

<i>Average USD interest rate:</i>	2002	2001	2000
Liabilities to financial institutions	3.74 %	5.50 %	7.16 %
Certificates	-	6.97 %	6.97 %

13 BONDS AND CERTIFICATES

(NOK 1 000)

	Currency	Book value	Market value	Average interest rate
Bonds and certificates issued by financial institutions	NOK	200 000	200 000	7.30 %
Bonds and certificates issued by financial institutions	USD	243 403	243 403	1.53 %
Bonds and certificates issued by corporates	NOK	134 653	134 653	6.80 %
Bonds and certificates issued by corporates	USD	198 756	198 756	2.47 %
Total bonds and certificates		776 812	776 812	

Bonds and certificates generally have interest rate adjustments every three months.
See Note 20 Subsequent events.

14 CASH AND BANK DEPOSITS

Included in this item is NOK 9.4 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 (NOK)</i>	<i>2002</i>	<i>2001</i>	<i>2000</i>
A-Shares	16 836 271	10	168 363	176 689	182 277
B-Shares	6 032 276	10	60 323	77 406	85 475
Total share capital	22 868 547		228 685	254 095	267 752

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

20 largest shareholders as per 31 December 2002:

<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	38.56 %	29.52 %
2 Chemlog ApS	3 997 774	1 477 673	5 475 447	23.75 %	23.94 %
3 Odfjell ASA	413 710	762 600	1 176 310	2.46 %	5.14 %
4 Folketrygdfondet	533 600	513 500	1 047 100	3.17 %	4.58 %
5 Odin-fondene	142 950	733 341	876 291	0.85 %	3.83 %
6 A/S Rederiet Odfjell	874 368	-	874 368	5.19 %	3.82 %
7 Bank Morgan Stanley	297 500	445 000	742 500	1.77 %	3.25 %
8 Odfjell Shipping (Bermuda) Ltd	223 100	388 200	611 300	1.33 %	2.67 %
9 Svenska Handelsbanken	235 298	216 000	451 298	1.40 %	1.97 %
10 BSDT - ABN AMRO Bank	224 700	198 400	423 100	1.33 %	1.85 %
11 SIS Segaintersettle	217 126	126 500	343 626	1.29 %	1.50 %
12 Ingeborg Berger	108 320	153 770	262 090	0.64 %	1.15 %
13 Skagen-fondene	248 200	-	248 200	1.47 %	1.09 %
14 Mathilda A/S	150 000	77 568	227 568	0.89 %	1.00 %
15 JP Morgan Chase	188 879	10 400	199 279	1.12 %	0.87 %
16 Boston Safe Dep. & Trust Co.	161 000	-	161 000	0.96 %	0.70 %
17 Magnus Berger	108 100	47 500	155 600	0.64 %	0.68 %
18 Lehman Brothers	154 750	-	154 750	0.92 %	0.68 %
19 Clearstream Banking	94 400	20 000	114 400	0.56 %	0.50 %
20 Euroclear Bank	55 675	33 604	89 279	0.33 %	0.39 %
Total 20 largest shareholders	14 921 073	5 464 350	20 385 423	88.62 %	89.14 %
Other shareholders	1 915 198	567 926	2 483 124	11.38 %	10.86 %
Total	16 836 271	6 032 276	22 868 547	100.00 %	100.00 %
International shareholders	12 868 748	3 500 097	16 368 845	76.43 %	71.58 %
Own shares	413 710	762 600	1 176 310	2.46 %	5.14 %
Cost price own shares (NOK 1 000)	47 471	89 246	136 717		

The Extraordinary General Meeting on 6 November 2001 authorised the Board of Directors to acquire up to 10 per cent of the company's share capital. This authorisation expires on 6 May 2003. The purpose of purchasing own shares is to increase shareholders' value.

The Board of Directors regularly considers investments in own shares when it may be beneficial for the company.

Shares owned by members of the Board,

<i>President/CEO and senior management (including related parties):</i>	<i>A-shares</i>	<i>B-shares</i>	<i>Total</i>
Chairman of the Board of Directors, Bernt Daniel Odfjell Jr.	7 366 991	261 294	7 628 285
Member of the Board of Directors, Per Ivar Gjærum	52	8	60
Member of the Board of Directors, Bjarte Kvåle	10 700	-	10 700
Member of the Board of Directors, Terje Storeng	17 640	528	18 168
Member of the Board of Directors, Peter G. Livanos	4 002 674	1 477 673	5 480 347
Member of the Board of Directors, Reidar Lien	3 000	1 000	4 000
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 Regional Trade, Asia, Atle Knutsen (from April 2003)	2 928	584	3 512
Senior Vice President Regional Trade, Asia, Gudmund Valen (retire April 2003)	6 400	5 480	11 880
Senior Vice President Finance/Accounts, Haakon Ringdal	3 000	-	3 000
Senior Vice President Quality Assurance, Hans Lund (retired January 2003)	628	24	652

16 PENSION COSTS AND LIABILITIES

(NOK 1 000)

Odfjell ASA has defined benefit pension plans for its employees. The pension plans cover 548 office employees and seagoing personnel and 58 retirees. The retirement age is 65 for office employees. Unfunded pension from 65-67 years covers 66% of the yearly salary at retirement age limited to 12G (G = Indexation of the public National Insurance base amount). Pension from 67 years is paid from the defined benefit plan and national social security. Maximum pension, after 30 years service in the defined benefit plan and 40 years in the national social security, is 66% of yearly salary at retirement age limited to 12G (presently 12G equals NOK 650 040). The retirement age is 60 for seagoing personnel. The pension plan covers 60% of salary level at retirement with 30 years employment, and a deduction is made for estimated benefits paid from the Social Security "Pension Insurance for Seamen". Pension benefits are funded (insured) with life insurance companies from the age of 60 until the age of 67. After the age of 67 pension benefits are paid from the Social Security. The pension benefit will be adjusted in accordance with G.

<i>Pension costs:</i>	2002	2001	2000
Present value current year service cost	14 510	13 248	12 738
Interest cost on accrued pension liabilities	9 656	8 336	8 116
Return on pension plan assets	(7 909)	(7 401)	(7 400)
Amortised effect of changes in estimates and pension plans, and differences in actual and estimated return on pension plan assets	1 213	526	2 079
Net pension cost	17 470	14 709	15 533
Social security tax	2 370	1 861	1 664
Periodic pension cost	19 840	16 570	17 197
<i>Accrued pension fund (liabilities):</i>			
Estimated present value of pension obligation	(183 704)	(157 759)	(153 625)
Estimated value of pension premium fund	126 660	119 114	114 681
Unamortised effect of changes in estimates and pension plans, and differences in actual and estimated return on pension plan assets	27 611	12 941	16 947
Net pension fund (liabilities)	(29 433)	(25 704)	(21 997)
Estimated employer's social cost	(4 150)	(3 624)	(3 102)
<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%	3.00%	3.00%
Adjustment of wages	3.50%	3.50%	3.50%
Pension indexation	3.00%	3.00%	3.00%

17 GUARANTEES

(NOK 1 000)

	2002	2001	2000
Subsidiaries and other companies	1 746 968	1 697 748	1 692 710
Other guarantees	3 043	5 900	8 502
Total guarantees	1 750 011	1 703 648	1 701 212

18 RELATED PARTIES

In the normal course of the conduct of its business, the Odfjell Group enters into a number of transactions with related parties.

The Odfjell Group share offices in Brazil with a terminalling company related to the Chairman of the Board, B. D. Odfjell Jr.

The Chairman's family also has ownership interest in a Brazilian company, which act as port agents for Odfjell as one among many customers. The services are priced at market terms.

Ceres Hellenic Shipping Enterprises Ltd., a company under the chairmanship of the Board Member Peter G. Livanos, is responsible for the crewing and technical management of 17 of Odfjell's ships, while Odfjell is responsible for the commercial management of 5 of Ceres' ships. These services are priced at market terms.

19 COMMITMENTS AND CONTINGENCIES*Capital Expenditures*

As of 31 December 2002 the company was committed to take delivery of five sophisticated stainless steel chemical tankers of 39 500 dwt each. These five chemical tankers are expected to be delivered between 2003 and 2005 for a total aggregate ready for sea cost, fully equipped of approximately NOK 1 899 million.

Contingencies

The company maintains insurance coverage for its activities consistent with standard industry practice.

The company is routinely involved in claims typical to the chemical tanker industry, but none of these claims have resulted in material losses for the company since the claims have been covered by insurance.

See Note 20 Subsequent events.

20 SUBSEQUENT EVENTS

In February 2003, Odfjell along with three other competitors became subject to investigations by EU and US competition authorities. We are cooperating with the authorities and are also conducting an internal investigation into the matter. The outcome of these investigations is pending.

In February 2003 we have converted NOK 300 mill to USD. See Note 13 Bonds and certificates.

Auditor's Report



■ Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske Revisorforening

To the Annual Shareholders' Meeting of
Odfjell ASA

Auditor's report for 2002

We have audited the annual financial statements of Odfjell ASA as of 31 December 2002, showing a profit of NOK 47 453 000 for the parent company and a profit of USD 45 449 000 for the Group. We have also audited the information in the Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of profit. The financial statements comprise the balance sheet, the statements of income and cash flows, the accompanying notes and the consolidated accounts. These financial statements are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and on other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and auditing standards and practices generally accepted in Norway. Those standards and practices 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and auditing standards, 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 have been prepared in accordance with law and regulations and present the financial position of the Company and of the Group as of 31 December 2002, and the results of its operations and its cash flows for the year then ended, in accordance with accounting standards, principles and practices generally accepted in Norway
- the Company's management has fulfilled its duty to properly register and document the accounting information as required by law and accounting standards, principles and practices generally accepted in Norway
- the information in the Directors' report concerning the financial statements, the going concern assumption, and the proposal for the appropriation of the profit is consistent with the financial statements and comply with law and regulations.

Bergen, February 25, 2003
ERNST & YOUNG AS

Karl Erik Svanevik
State Authorised Public Accountant (Norway)

Note: The translation to English has been prepared for information purposes only.

■ Arendal, Bergen, Bø, Drammen, Fosnavåg, Fredrikstad, Holmestrand, Horten, Hønefoss, Kongsberg, Kragerø, Kristiansand, Larvik, Levanger, Lillehammer, Moss, Måløy, Notodden, Oslo, Otta, Porsgrunn/Skien, Sandefjord, Sortland, Stavanger, Steinkjer, Trondheim, Tønsberg, Vikersund, Ålesund

Analytical Information

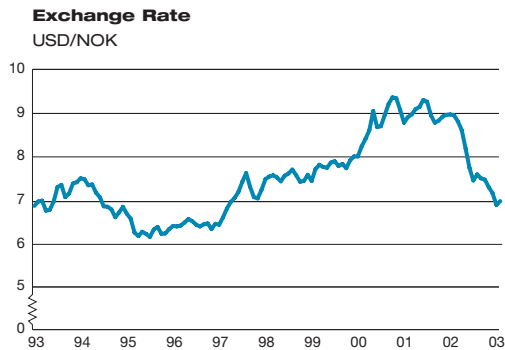
Our results and cash flow are influenced by a number of variable factors. Our policy is to manage the risks we are exposed to, including, but not limited to risks related to movements in currency rates, interest rates and bunker prices. Our intention is to systematically understand and monitor the impact changing market conditions has on our results and cash flow and to initiate measurements that we believe will benefit the Group.

Time Charter Earnings

Our time charter earnings are influenced by factors like cargo type and cargo volume, contract and spot rates, bunker prices and operational efficiency. Sensitivity analysis show that a per-day change in time charter earnings of USD 1 000 for our global fleet and USD 500 for our regional fleet (about a 6% change in time charter earnings), will impact the pre-tax net result by approximately USD 18 million.

Currency

The Group's revenue is primarily in US Dollars, only the tank terminals outside the US receive revenue in non-USD currency. Our currency exposure arises from expenses denominated in non-USD currency, primarily in NOK and EUR. We have estimated that a 10% strengthening of the USD versus the NOK and EUR will improve the pre-tax result by roughly USD 7 million, before taking into account the result of our currency hedging. Our currency hedging as per 31 December 2002, whereby we have sold USD and purchased NOK, covers the period 2003-2005. The average



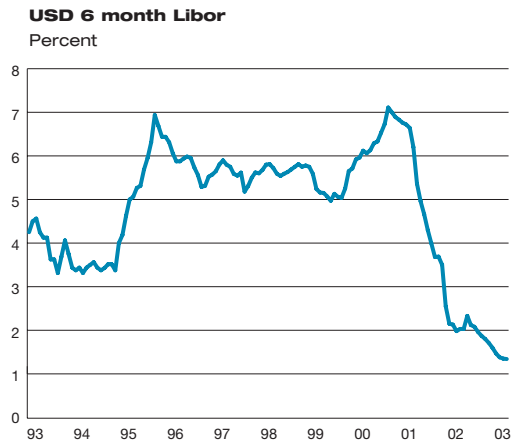
NOK/USD exchange rate for open hedging positions as of 31 December 2002 was 8.93. Future hedging periods may vary depending on changes in market conditions.

A strengthening of the USD will reduce voyage, operating and administrative expenses. This reduction will be offset by increased currency cost linked to the currency-hedging portfolio. A weaker USD will have the opposite effect.

Interest Rates

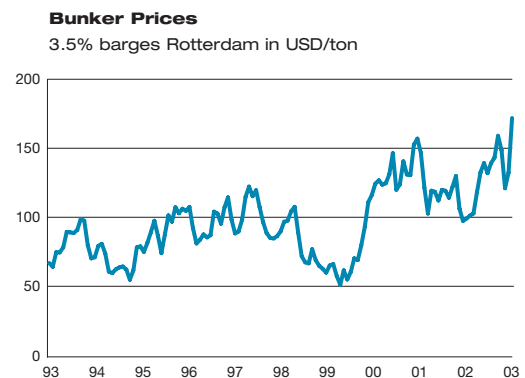
All long-term debt, except debt raised for our tank terminals outside the US, is denominated in USD. Interest on the debt is based on short-term floating USD LIBOR rates. Interest rate periods on debt and liquidity are managed to be concurrent. Sensitivity analysis show that with the current level of debt, a 1% change in interest rates will change the pre-tax result of about USD 7 million. During 2002, through Floating

Rate Agreements we have fixed the 2003 net debt interest rate at about 2.4% (excl. margin). About 20% of the 2004 interest rate exposure is also fixed at a similar level.



Bunkers

Bunker cost amounts to about one third of voyage cost and is also the single largest cost component for the Group. A change in the average bunker price of USD 10 per ton gives a USD 5 million change in voyage cost for the ships in which we have a direct economic interest.



Financing

Odfjell has a stable long-term debt structure established with major international shipping banks, with whom we enjoy long-term relationships. The debt is mainly on an unsecured basis, but we have also utilized lease structures. The average term of the Group's long-term debt is about 4.5 years.

Liquidity

The Group's liquidity is invested in high-grade bank deposits, certificates and bonds with floating interest rate. See also Note 17 Financial market risk in the Group accounts.



Corporate Governance

The Board of Directors determines the strategic direction of the company and decides on matters, which in relation to the company's activities are of significant nature. Such matters include confirmation of the strategic guidelines, approval of the budgets and decisions on major investments and divestments. Furthermore, the Board ensures a correct capital structure and defines the Shareholder Policy, including Dividend Policy.

The Board appoints and determines the remuneration of the President/CEO.

THE BOARD is also responsible for assuring that the company's management and employees operate in a safe, legal and ethically responsible manner. The Board carries out control of the company and monitors management through reporting systems, including monthly financial statements from Management. The company is also subject to external control functions like the auditors Ernst & Young, the ship classification society Det Norske Veritas and other regulatory bodies like IMO, ISM Codes, etc.

Election and Term of Members of the Board of Directors

According to the Article of Association of Odfjell ASA the company has a Board composed of a minimum of five and a maximum of seven members. The members are elected at a General Meeting of the shareholders of the company for a term of two years at a time. All Directors are non-executive. Since the General Meeting 26 May 2000 the Board has composed of six members. The President/CEO is not a member of the Board. The General Meeting also elects the Chairman of the Board for a similar two year period. In 2002 Bernt Daniel Odfjell jr. acted as the Chairman of the Board. The Chairman, together with Board Member Terje D. Storeng represents the Odfjell family, which is the largest shareholder in Odfjell ASA. Board Member Peter G. Livanos represents ChemLog ApS, which is the second largest shareholder. Per Ivar Gjærum, Bjarte Kvåle and Reidar Lien are all independent Board Members.

Meetings of the Board of Directors

The Board holds six regular meetings each year in February, late April/early May, August, September, November and December. The Annual General Meeting is held in connection with the April/May meeting. The Board meetings in February, April/May, August and November deal with the quarterly financial reports. The Board meeting in September covers Strategic review and approval and the December meeting reviews and approves the next year's budget.

In addition to the regular Board meetings, the Board may hold special meetings, also by telephone or by written resolution at the request of the Chairman, the President/CEO or any two Board Members.

The Board met six times in 2002 with a 94.4% attendance.

An additional two meetings were held in the form of written resolutions.

Committee of the Board of Directors

The Board of Odfjell ASA evaluates all Board issues and consequently, no permanent committees exist.

The President/CEO

The President/CEO of the Group is Bjørn Sjaastad. Mr. Sjaastad has been with the company since 1989 and held the position as President/CEO since 1990. The President/CEO is not a member of the Board. According to the Norwegian Public Limited Companies Act the President/CEO has the right and obligation to participate in the Board's dealings with matters and to speak, except as otherwise decided by the Board in each case.

Remuneration

The Annual General Meeting on 29 April 2002 resolved that the annual compensation to the members of the Board be; NOK 1 116 977 for the Chairman and NOK 125 000 for each of the other members of the Board. The compensation was paid in cash.

In 2002, Bjørn Sjaastad received as remuneration for his services as President/CEO a fixed salary of NOK 2 357 799. The President/CEO as well as the Management have no stock options.

More information about the compensation and benefits to the President/CEO and the Board can be found in the Notes to the Group Financial Statement.

Insiders' Trading with Securities

The Board has established a policy in respect of trading with securities issued by the company. The policy is in line with the guidelines for Insiders issued by the Oslo Stock Exchange and applies to the Board, the President/CEO and Senior Management as well as other employees, who in connection with their position have access to non-public information.

Shareholder Information

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 account for a portion of the return on shareholders' investment in the company.

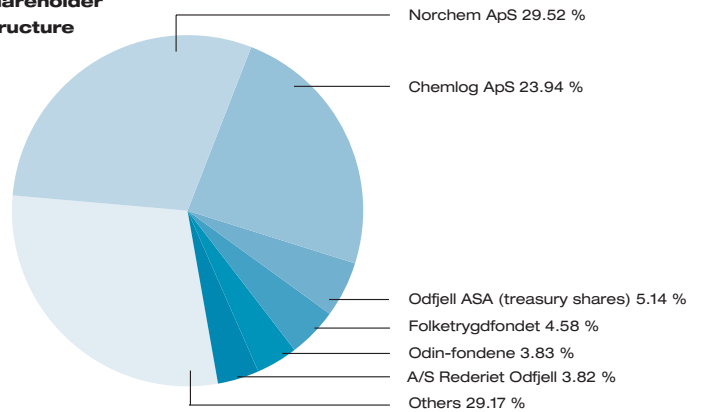
Share Performance

At year-end 2002 the Odfjell A-shares were trading at NOK 110 (USD 15.8), a reduction of 18.5% compared to NOK 135 (USD 15.0) a year earlier. The B-shares were also trading at NOK 110 (USD 15.8) at year-end, in NOK down 17.9% from NOK 134 (USD 14.9) a year earlier. However, the share price expressed in USD increased during the year by 5.3% and 6% respectively for the A- and B-share. By way of comparison, the Oslo Stock Exchange benchmark index fell by 31.1% and the transportation index declined by 34.6% during the year. The A-shares peaked at NOK 163 (USD 19.1) and fell to NOK 101 (USD 13.7) at its lowest point during the year whilst the corresponding figures for the B-shares were NOK 157 (USD 18.3) and NOK 101 (USD 13.6).

Trading Volumes

A total of 6 382 346 Odfjell shares were traded during the year, spread over 4 723 684 A-shares and 1 658 662 B-shares and represent about 28% of the average outstanding shares. The total number of shares traded represents a 43% decline on the corresponding number of shares traded in 2001. Also the Oslo Stock Exchange saw a reduction in activity in 2002, whereby the total volume traded declined by 22% compared to 2001. The Odfjell A-shares were traded on the Oslo Stock Exchange on 206 out of 249 trading days during the year.

Shareholder Structure



The ADR programme set up in the USA in 1994 enables Odfjell B-shares to be traded in USD.

To improve the trading liquidity in the Odfjell share we entered into a market maker agreement with Pareto Securities ASA valid as from 1 January 2002.

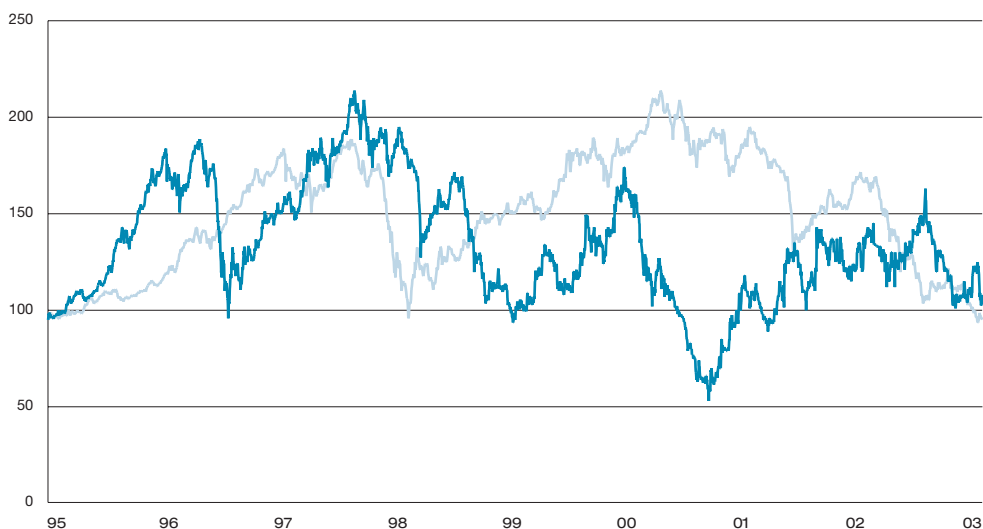
Shareholders

At the end of 2002 there were 1 045 holders of Odfjell A-shares and 498 holders of Odfjell B-shares. Taking account of shareholders owning both share classes, the total number of shareholders was 1 204.

Shareprice Development

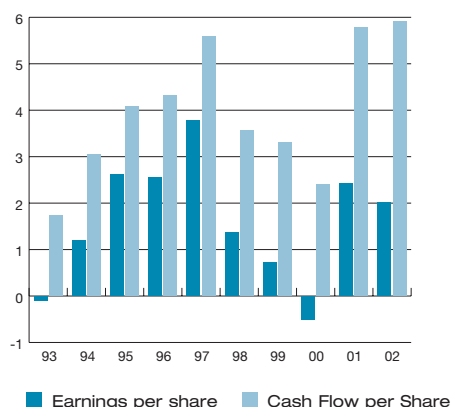
NOK/Index

■ Odfjell A-share (NOK) ■ OSE Bx (Index)

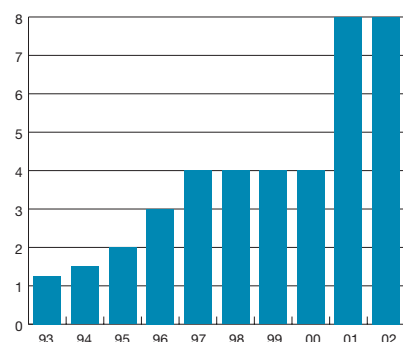


Earnings/Cash Flow per Share

USD

**Dividend per Share**

NOK

**International Ownership**

76.4% of the company's A-shares and 58.0% of the B-shares were held by international investors at year-end, equivalent to 71.6% of the total share capital, up from 65.3% at the 2001 year-end.

Share Repurchase Program

During 2002 we acquired altogether 1 176 310 shares representing about 5% of the shares of the company. This compares with the acquisition of about 3 million treasury shares in 2001 representing 10% of the shares in the company at that time. The average cost of the shares acquired in 2002 was NOK 116 (USD 14.6) per share. The total investment in treasury shares in 2002 was NOK 136.7 million (USD 18.1 million). The Board will recommend for the Annual General Meeting on 5 May 2003 to redeem all treasury shares.

At an Extraordinary General Meeting held on 6 November 2001 the Board was authorized to acquire treasury shares of up to 10% of the company's outstanding shares at a minimum price of NOK 10 (i.e. par value) and a maximum price of NOK 300 per share. This authorisation expires 6 May 2003. The 5% treasury shares held at year-end 2002 was acquired according to this authorisation.

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 2003 is outlined on page 2.

RISK Adjustments

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

1 January 2003	minus	NOK 7.59 per share
1 January 2002	minus	NOK 7.20 per 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.

Investor Relations

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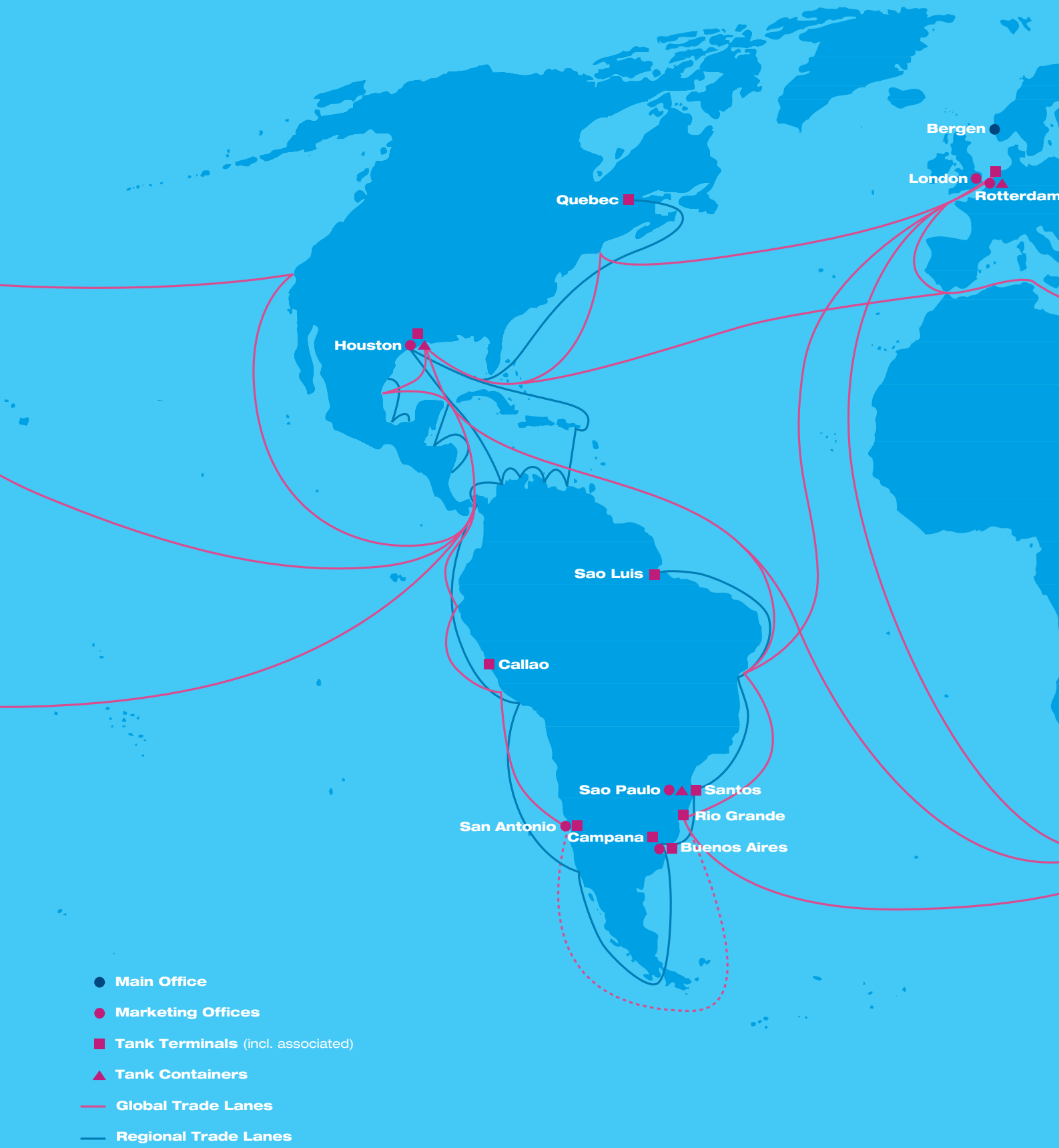
The 20 Largest Shareholders as per 31 December 2002

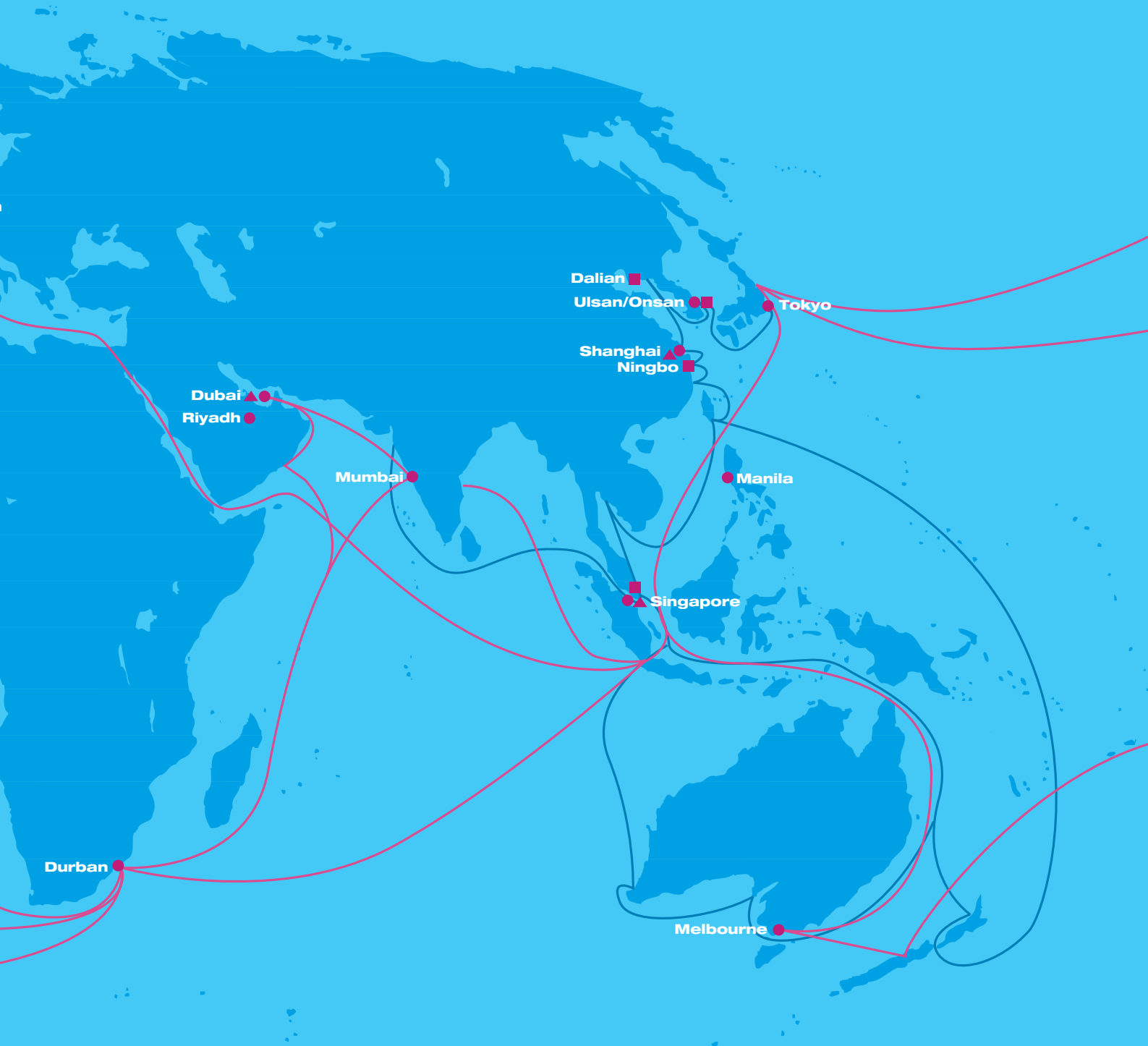
<i>Name</i>	<i>A-Shares</i>	<i>B-Shares</i>	<i>Total</i>	<i>Percent of votes</i>	<i>Percent of shares</i>
1 Norchem ApS	6 491 623	260 294	6 751 917	38.56%	29-52%
2 Chemlog ApS	3 997 774	1 477 673	5 475 447	23.75%	23.94%
3 Odfjell ASA	413 710	762 600	1 176 310	2.46%	5.14%
4 Folketrygdfondet	533 600	513 500	1 047 100	3.17%	4.58%
5 Odin-fondene	142 950	733 341	876 291	0.85%	3.83%
6 A/S Rederiet Odfjell	874 368	-	874 368	5.19%	3.82%
7 Bank Morgan Stanley	297 500	445 000	742 500	1.77%	3.25%
8 Odfjell Shipping (Bermuda) Ltd	223 100	388 200	611 300	1.33%	2.67%
9 Svenska Handelsbanken	235 298	216 000	451 298	1.40%	1.97%
10 BSDT - ABN AMRO Bank	224 700	198 400	423 100	1.33%	1.85%
11 SIS Segaintersettle	217 126	126 500	343 626	1.29%	1.50%
12 Ingeborg Berger	108 320	153 770	262 090	0.64%	1.15%
13 Skagen-fondene	248 200	-	248 200	1.47%	1.09%
14 Mathilda A/S	150 000	77 568	227 568	0.89%	1.00%
15 JP Morgan Chase	188 879	10 400	199 279	1.12%	0.87%
16 Boston Safe Dep. & Trust Co.	161 000	-	161 000	0.96%	0.70%
17 Magnus Berger	108 100	47 500	155 600	0.64%	0.68%
18 Lehman Brothers	154 750	-	154 750	0.92%	0.68%
19 Clearstream Banking	94 400	20 000	114 400	0.56%	0.50%
20 Euroclear Bank	55 675	33 604	89 279	0.33%	0.39%
Total 20 largest shareholders	14 921 073	5 464 350	20 385 423	88.62%	89.14%
Other shareholders	1 915 198	567 926	2 483 124	11.38%	10.86%
Total	16 836 271	6 032 276	22 868 547	100.00%	100.00%
International shareholders	12 868 748	3 500 097	16 368 845	76.43%	71.58%

Share Capital History

<i>Year</i>	<i>Event</i>	<i>Amount NOK</i>	<i>Share capital after event, NOK</i>
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
2001	Redemption of treasury shares	-13 657 500	254 094 960
2002	Redemption of treasury shares	-25 409 490	228 685 470

Trade Lanes and Offices





Chemical Transportation and Storage

Petrochemicals have become a part of modern day life, and in many ways we are now dependent on such products. The petrochemical sector has seen solid growth, and the worldwide use of chemicals has increased considerably. While the industrial nations have been the driving forces behind this growth, developing economies around the world also account for major increases in consumption.

HISTORICALLY, the production of petrochemical products has been based in the US and Europe. However, production capacity has been growing in Asia, South America, South Africa and particularly in the Arabian Gulf where Saudi Arabia plays a leading role. These areas tend to produce commodity type chemicals, whilst the production of speciality petrochemicals is generally concentrated in the US and Europe.

The industry originated in areas which had natural resources needed to produce petrochemicals. Also today most of the industry is located in such places. Historically, much of the petrochemical production has been coal-based. Naphtha is another raw material that is widely used, particularly in Asia. Nevertheless, the most commonly used and most competitive raw materials are derived from natural gas. Most new plants these days are built in areas where natural gas is readily available, which is why we are seeing major increases in production capacity in the Middle East.

The petrochemical business is truly international; with production and consumption worldwide. Recently we have seen a concentration of larger and

global producers, although many countries have developed their own chemical industry.

As a result, the petrochemical industry is looking for service partners with the ability to provide a wide range of logistics services to carry chemical products from production facilities to end-customers. Today, a true logistics partner must be global both in its operations and the range of services it provides.

Odfjell provides the petrochemical industry with a worldwide network of shipping services and transports chemicals on a global basis. Operating through offices at central locations around the world, the company commands a global market share of around 13% in the chemical tanker segment, with trade lanes in all major areas, when such services are required. Sometimes the more narrowly defined definition "CORE CHEMICAL TANKERS" is used and based on this definition Odfjell has a 23% global market share.

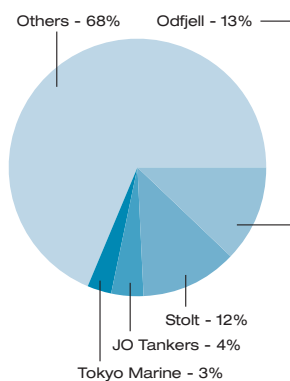
A chemical tanker has to accommodate the different needs and requirements for the particular trade in which it operates. Ships serving the global trade-lanes can be divided into ships with coated and ships with stainless steel cargo tanks.

The coated ships carry commodity-type chemicals and clean petroleum products, vegetable oils or caustic soda. This type of tonnage generally carries commodity chemicals out of the US Gulf and the Arabian Gulf to Asia. Return cargoes also tend to be vegetable oils and clean petroleum products.

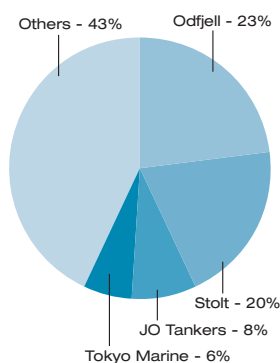
The largest and most advanced ships can handle the most specialised chemicals, and are designed to accommodate the needs for the transport of small consignments. The cargoes in this category often require stainless steel stowage, and may also have special handling requirements in terms of temperature and pressure during transit. Odfjell has increasingly invested in this latter type of ships.

A global and long-term operator needs access to an

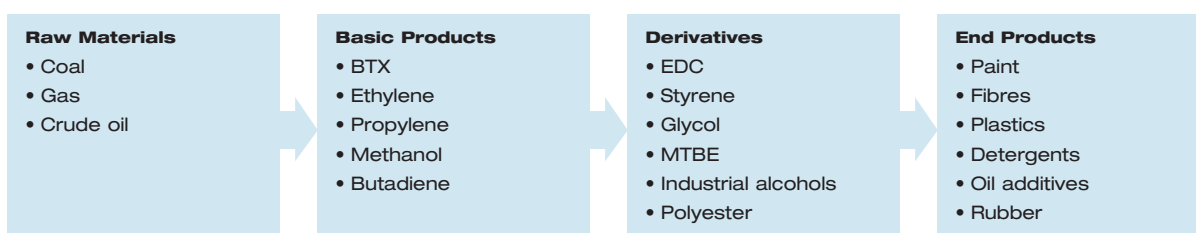
The Chemical Tanker Market
Ships over 10 000 dwt.,
total approximately 17.5 million dwt.



The Core Chemical Tanker Market
Ships over 10 000 dwt.,
total approximately 9.6 million dwt.



ORGANIC CHEMICALS





efficient mix of ships to meet current and changing market requirements.

Odfjell carries over 500 different generic products every year, ranging from various organic chemicals such as alcohols, acrylates, aromatics as well as fuel oil, lubricating oils, vegetable oils and inorganic chemicals like sulphuric and phosphoric acids and caustic soda.

Frequent sailings to all the main destinations used by the industry means that our parcel tankers offer a unique and flexible service whereby customers can choose between small shipments from 100 to 150 tons and full cargoes of around 40 000 tons. The combination of so-called contract of affreightments and spot cargoes enables customers to plan

a steady flow of shipments either to meet required delivery schedules or to take advantage of sudden price changes in the market.

Odfjell's strategy involves consolidating loading and discharging operations. Investing in and operating regional trade lanes and tank terminals play an important role in this respect.

Chemical 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.

Global Trade

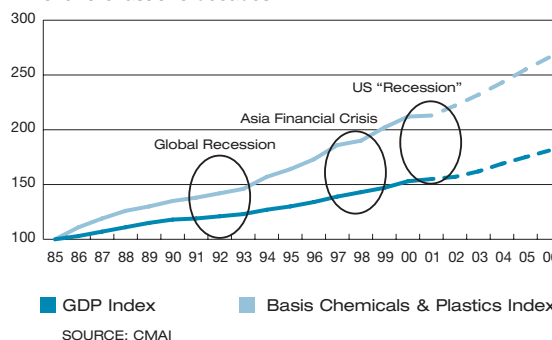
- A leading global operator
- 59 ships and 7 newbuildings on order
- Revenue \$592 million
- 70% of revenue
- Total assets \$1.1 billion

The Odfjell fleet consists of about 87 ships out of which 59 are operated in a global network of deep-sea shipping services. Headquarter for the commercial and operational management of the global trade activities is in Bergen, Norway. Odfjell has 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 our global trade we carried close to 16 million tons of cargo in 2002.

The ships operated in our global trade consist of a variety of ship types – both in size, sophistication, number of tanks, tank configuration and other criteria of importance for clients. Asset and fleet utilization are therefore critical success factors in the daily running of the total fleet.

Flexibility and inter-changeability of ships between routes and trades have always been an important factor for Odfjell. Some of the global trades involve a “round the world” service, servicing ports in Europe, the US, Asia Pacific and Africa. Our 15 state-of-the-art 37 500 dwt. fully stainless steel ships constitute an important backbone to this service. Yet another such ship will join this fleet within the end of 2003. Our new-building program also consists of a series of six specialised

Sustainable Chemical Market Growth
Chemicals and plastics growth has outpaced GDP growth over the last two decades

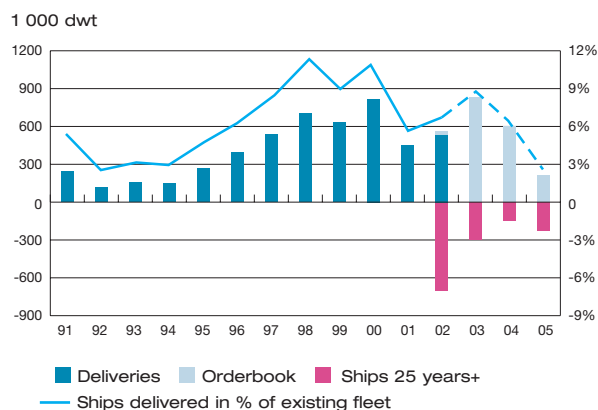


chemical tankers each of 39 500 dwt. The ships will have 40 tanks made of stainless steel and will be delivered from 2003 through 2005. Odfjell is well positioned to meet the very stringent future demands as to quality required by the major oil and chemical companies.

Odfjell has been a supporter of 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. The three to four largest oil- and chemical companies typically inspect every ship once a year. Not only the technical condition of the ship is important to these customers, but also the quality of the people onboard, and the procedures and manuals form important criteria. Following our strategy we have decided to increase our efforts in offering total logistic solutions to our customers. Instead of enlarging Odfjell Logistics, we have decided to incorporate such work

Deliveries of newbuildings

Chemical Core fleet 12,000 dwt



into our various business units. As the largest provider of services to our customers, Odfjell Seachem will be given the prime responsibility in this respect.

Global Trade	<i>Figures in</i>	2002	2001	2000	1999	1998	1997
Gross revenue	USD mill.	592	621	532	429	458	521
Operating result before depreciation and gain (loss) on sale of fixed assets (EBITDA)	USD mill.	101	150	81	65	78	100
Operating result (EBIT)	USD mill.	41	94	29	34	48	97
Total assets	USD mill.	1 131	1 159	1 217	1 000		
Volume shipped	1 000 tons	15 810	16 066	14 902	11 037	11 619	11 326
Number of products shipped		548	545	443	404	389	368
Number of parcels shipped		4 881	4 818	5 138	4 669	5 306	5 356
Port calls		3 586	3 699	3 316	2 606	2 486	2 367
Number of ships		59	62	63	50	49	50
Total deadweight	1 000 tons	2 035	2 124	2 117	1 613	1 567	1 596

Regional Trade

- Asia/Americas/Brazil/Chile
- 28 ships
- Revenue \$119 million
- 14% of revenue
- Total assets \$130 million

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

The ships 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 include 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, ships trading regionally are typically shallow-draft in the 5-15 000 dwt. 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 ship operations also aim to offer our global customers 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, economic and predictable service to our customers.

Asia

Odfjell Asia in Singapore continued during 2002 to develop a regional operation in the Asia-Pacific region. We now operate a fleet of 15 chemical tankers in the 6 000 to 12 000 dwt.



range. The ships are trading intra North East Asia and intra South East Asia, and we are also offering regular services between these two regions. Odfjell Asia carried 1.9 million tons of cargo in 2002.

Petrochemical trade to and from China is increasing, and more and more ports for transfer of petrochemical products are being introduced.

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

US Gulf/Canada/Caribbean/Central America

Odfjell Americas operates five ships 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 ships vary in size from about 8 000 to about 16 000 dwt, and carried about 1.2 million tons of cargo in 2002.

With Houston as a main port, Odfjell Terminals (Houston) forms a hub in the US Gulf for Odfjell services. This combination offers synergies and added benefits to our customers, who can import from and export to almost any

corner of the world via Odfjell Terminals (Houston), by means of ships employed in the region and those trading intercontinental. Additional benefits and value are derived from associated terminals in Canada and Chile.

South America

Odfjell owns 50 % of the Brazilian shipping company Flumar. Operating out of Sao Paulo, 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 ships, ranging in size from 4 400 to 12 450 dwt. Combined, Odfjell and Flumar are able to provide customers with enhanced service capabilities. Furthermore, the extensive network of associated terminals in Brazil, Argentina, Chile and Peru adds important flexibility towards our customers' logistical requirements. Flumar carried more than 1.4 million tons of cargo in 2002.

Through the 50/50 joint venture company, Odfjell y Vapores, along the Chilean coast we carried 1.8 million tons of cargo in 2002, primarily sulphuric acid.

Regional Trade	<i>Figures in</i>	2002	2001	2000	1999
Gross revenue	USD mill.	119	103	72	60
Operating result before depreciation and gain (loss) on sale of fixed assets (EBITDA)	USD mill.	15	14	9	6
Operating result (EBIT)	USD mill.	7	6	2	2
Total assets	USD mill.	130	136	129	130
Volume shipped	1 000 tons	6 313	5 017	4 731	-
Number of ships		27	26	22	13
Total deadweight	1 000 tons	300	289	222	103

Tank Terminals

- 6 owned at strategic locations
- 8 associated terminals
- Revenue \$96 million
- 11% of group revenue
- Total assets \$336 million

In total, our tank terminal network now employs more than 860 people and offers close to 2.6 million cbm of storage space in about 860 tanks in 14 ports around the world. This makes us one of the world-leaders in combined shipping- and storage services. We have a strategy of expanding the tank 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 tank 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 tank terminals gives Odfjell an excellent position to offer complete logistical packages to our customers. The demand for combined services has steadily increased as a result of the industry's ongoing pursuit of improving efficiency in the supply chain.

Odfjell Terminals (Rotterdam) BV Rotterdam, the Netherlands (OTR)

- 1 540 000 cbm
- 300 tanks
- 100% ownership
- Petrochemical industrial distillation plant

Located in the heart of Rotterdam harbour, the most important chemical distribution centre in Europe, Odfjell Terminals

(Rotterdam) has a total storage capacity of about 1 540 000 cbm, and around 300 storage tanks. It is one of the largest facilities of its kind in the world. The tank terminal stores both chemicals and mineral oil products. The chemical storage capacity is 610 000 cbm, while the mineral oil capacity is about 930 000 cbm. 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.

A new tank area consisting of 8 stainless steel tanks totalling about 12 000 cbm is under construction.

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

The facility is already one of the most important docking facilities 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 combined efforts by the terminal and the shipping activities, both our customers and Odfjell may gain benefits through improved efficiency and commercial integration.

Odfjell Terminals (Houston) LP Houston, Texas, USA (OTH)

- 255 000 cbm
 - 88 tanks
 - 100% ownership
 - Large stainless steel capacity
-

Houston is the major international hub for import and export of chemicals in the US. The terminal here was built by Odfjell in 1983 and since the mid 1990's has 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 and costly infrastructure.

The tank terminal comprises 88 tanks ranging from 350 cbm to 9 000 cbm and has a total capacity of about 255 000 cbm. Altogether 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 cbm. The tank terminal comprises the largest stainless steel storage capacity of any privately owned tank terminal in the world.

A new tank area consisting of 4 stainless steel tanks totalling 24 000 cbm is under construction, and will be completed in October 2003, resulting in a total stainless steel capacity of about 90 000 cbm.

The facilities' unused land and existing infrastructure provide good opportunities for further expansion, with potential storage capacity of around 350 000 cbm in the existing area.

Odfjell Terminals (Houston) 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 storage 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.

Odfjell Terminals (Dalian) Co Ltd Dalian, China (OTD)

- | | |
|-----------------|---------------------|
| - 60 000 cbm | - The most advanced |
| - 35 tanks | chemical tank |
| - 64% ownership | terminal in China |
-

Odfjell Terminals (Dalian) is located in Dalian on the north-eastern coast of China. The tank terminal has 35 tanks with a capacity of about 60 000 cbm, constructed in compliance with stringent quality and environmental requirements. From its start in 1998, the development of the tank terminal's business has been very positive, and the diversified customer base gives the terminal a good performance. With a 64% stake, Odfjell is the main shareholder and also the managing partner of the terminal. Dalian Port Authority (36%) is the other shareholder in the company.

Odfjell Terminals (Korea) Co Ltd Onsan, Korea (OTK)

- 109 500 cbm
 - 39 tanks
 - 50% ownership
 - Expansion possibilities
-

In November 2002 Odfjell ASA acquired 50% of the shares in a newly built tank terminal in Onsan, Korea from Korean Petrochemical Industry Company (KPIC). At the same time the terminal was named Odfjell Terminals (Korea) Co. Ltd.

The tank terminal has a strategic location in an important petrochemical distribution and transshipment hub in Northeast Asia. Odfjell is one of the largest carriers of bulk liquid chemicals in and out of Korea with a significant number of port calls and transshipment operations in the region.

The tank terminal currently has 39 tanks with a total storage capacity of 109 500 cbm and has otherwise ample land for

future expansions. The new Joint Venture company is the owner of one jetty and have access to a second jetty, each with the capability of handling two ships at the time. The total investment on a 100% basis was about USD 41 million. The terminal became operational in the middle of 2002.

Oiltanking Odfjell Terminal Singapore Pte Ltd, Singapore (OOTS)

- 131 000 cbm (213 000 from July 2003)
 - 35 tanks
 - 50% ownership
 - Expansion possibilities
-

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 petrochemical industry is concentrated.

The tank terminal, which became operational in September 2001, has a total capacity of 131 000 cbm in 35 tanks, ranging from 800 cbm to 18 000 cbm. The stainless steel capacity is around 5 000 cbm. More than 100 000 cbm of the capacity is committed on long-term contracts. With access to additional land, the tank terminal can eventually grow to about 300 000 cbm. The terminal has two very modern ship docks, and the tank terminal operates and has access to another two docks. Two new tank areas are already under construction which will add about 82 000 cbm. to the capacity.

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 tank terminal is a 50/50 joint venture, in which Oiltanking is the managing partner. Oiltanking GmbH, a worldwide storage operator, already owns a large mineral oil terminal on Jurong Island.

VOTTN, Ningbo, China

- 63 500 cbm
 - 36 tanks
 - 12.5% ownership
 - A sophisticated chemical tank terminal
-

This tank terminal started operations in 1994. Located close to Shanghai, Ningbo is a key port for importing chemicals to the central east coast of China. The terminal serves ships, barges, rail cars and trucks and currently has a capacity of about 63 500 cbm. Odfjell has a 12.5% stake in the tank terminal, with the other partners being Vopak, Helm AG and the local Port Authorities.

Associated Tank Terminals South America

Odfjell's involvement with tank terminals started in South America, where the first terminal was built in Buenos Aires in 1969. Today, eight chemical tank terminals spread along the coasts of Brazil, Argentina, Chile and Peru, has 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 tank terminals are located in Santos, Rio Grande and São Luís. In Argentina, the group has two tank terminals, one in Buenos Aires and the other, a new state-of-the-art tank terminal in Campana, about 80 km upriver from Buenos Aires. The Chilean tank terminal is located in San Antonio. The latest additions is a 25 000 cbm chemical tank terminal in Callao, Peru and a 50 000 cbm tank terminal to be built in Bahia Blanca, Argentina.

The extensive tank 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 Terminals	<i>Figures in</i>	2002	2001	2000	1999	1998	1997
Gross revenue	USD mill.	96	89	59	32	28	27
Operating result before depreciation and gain (loss) on sale of fixed assets (EBITDA)	USD mill.	38	35	25	16	13	13
Operating result (EBIT)	USD mill.	22	23	16	11	8	9
Total assets	USD mill.	336	274	243	129		
Tank capacity	1 000 cbm.	2 155	2 155	1 917	354	315	255



Tank Containers

- Start-up in 1999
- 5 600 containers
- Revenue \$39 million
- 5% of revenue
- Total assets \$33 million

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

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 branch offices, as well as agencies in other countries. The activities in the branch offices have, as far as practically possible, been integrated with Odfjell's existing activities. The purpose of this is 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 5 600 since start-up four years ago and further expansions are planned.

Future growth in demand for tank container services is expected to be considerable, with a large potential being Asia and Latin America.

Tank Containers	<i>Figures in</i>	<i>2002</i>	<i>2001</i>	<i>2000</i>	<i>1999</i>
Gross revenue	USD mill.	39	34	33	30
Operating result before depreciation and gain (loss) on sale of fixed assets (EBITDA)	USD mill.	5	3	(2)	(1)
Operating result (EBIT)	USD mill.	2	-	(3)	(1)
Total assets	USD mill.	33	32	24	13
Number of units		5 600	5 000	5 000	3 500

Ship Management

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

Ships

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 carried out normally every 30 months.

Our ship management division takes care of Odfjell's ships and also nine ships owned by National Chemical Carriers Ltd Co in Saudi Arabia. This includes crewing, technical

operation and maintenance, purchasing, safety assurance and insurance. We also work closely with Ceres Hellenic Shipping Enterprises in Greece, who manages 17 of our ships.

Crew

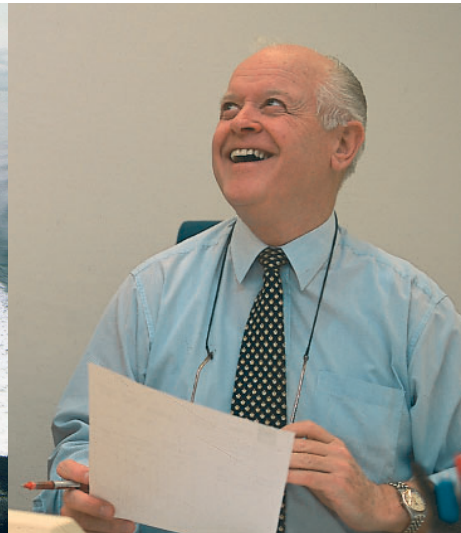
The safe operation of chemical tankers depends on highly qualified officers and crew. Most of our ships are registered with the Norwegian International Ship Register and are manned primarily by Norwegian senior officers and Filipino crew, with many years' experience from chemical tankers.

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

Risk Management

To enhance safety and to 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). Periodical surveys are carried out



by various classification societies, flag states and port states. DNV performs ISM Code inspections of our ships' quality systems.

When ships or offices report critical situations, accidents, non-conformances or possible improvements through our Safety and Improvement Reporting System (SAFIR), proper response is prepared and implemented. Our Quality Board, at senior 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 ships and offices are connected to this system, thus ensuring swift communication and rapid exchange of information needed to operate and manage our ships safely and efficiently.

Health, Safety and Environmental Protection

Odfjell's policy is to maintain and develop the company's position as a supplier of high-quality and 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 essential 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 and other regulatory bodies. Our internal/

external training and safety and quality work procedures are based on preventive actions to reduce the environmental risk of the chemicals that we transport and store. We also focus on improving energy efficiency.

Organisation

Odfjell's Quality Board which comprises members of senior management follow up health, environmental and safety issues. The execution of our environmental policy is delegated 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 emphasis on contributing to the further development of regulations within areas that foster sound environmental standards and high levels of safety.

Fleet

Ocean-going transportation is very energy-efficient compared to other forms of transport and the efficiency of our fleet has been improved. Due to our newbuilding program and sale of older ships we had a reduction in CO² emissions per nautical mile and dead-weight ton of about 10% in the late 1990s. During 2000 we acquired a number of larger, energy-efficient ships.

The pilot version of the world's first "intelligent engine" has been successfully tested onboard our Bow Cecil for more than 10 000 hours. It is approved by DNV for operation both in "Fuel economy Mode" and in "Low emission Mode". The first commercial engine of this type is now undergoing shop tests before its instalment onboard our next newbuilding from Kleven Florø.

Speed and fuel consumption is systematically followed up. Any deviation being analysed and corrective measures implemented. 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 ships 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 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 2002 (Lost Time Injury Frequency) was 2.73 per million worked hours compared to 3.96 in 2001 and 7.3 in 2000.

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 terminals

ensures that we are 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 leakage 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 (Houston) 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

During 2002 we mapped all relevant environmental aspects for our shipping trade and sorted out the most significant. An annual program is prepared to reduce the impact of selected aspects. In 2003 we shall qualify for ISO 14001 certification.

Odfjell's environmental profile is further developed as a strong competitive advantage in the market, to the benefit of shareholders, customers, employees and society at large.

Senior Management



Bjørn Sjaastad

PRESIDENT/CEO

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



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.



Atle Knutsen

SENIOR VICE PRESIDENT,
REGIONAL TRADE ASIA

Born 1950. Mr. Knutsen has been with the company since 1972. He has held various management positions within Odfjell and takes on his new position in April 2003.



Svein-Gustav Steimler

SENIOR VICE PRESIDENT,
TANK TERMINALS

Born 1944. Mr. Steimler joined the company in June 2002. He has previously held executive positions in shipping and finance.



C. P. Mol

CEO AND MANAGING DIRECTOR,
HOYER-ODFJELL B.V.

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.



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).



Jan Hammer

SENIOR VICE PRESIDENT, BUSINESS
DEVELOPMENT AND PLANNING/
INFORMATION COMMUNICATION
TECNOLOGY/QUALITY ASSURANCE

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.



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.



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.



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.

Fleet Overview

Global Trade	Ships	Year built	DWT	CBM	Stainless steel, CBM	Number of tanks	
OWNED:	Bow Chain *	2002	37 518	40 515	40 515	47	
	Bow Favour	2001	37 438	40 515	40 515	47	
	Bow Century	2000	37 438	40 515	40 515	47	
	Bow Fortune	1999	37 395	40 515	40 515	47	
	Bow Cecil *	1998	37 345	40 515	33 236	47	
	Bow Flora	1998	37 369	40 515	33 236	47	
	Bow Cardinal	1997	37 446	41 487	34 208	52	
	Bow Faith	1997	37 479	41 487	34 208	52	
	Bow Cedar	1996	37 455	41 608	34 329	52	
	Bow Fagus	1995	37 375	41 608	34 329	52	
	Bow Clipper	1995	37 166	41 492	34 213	52	
	Bow Flower	1994	37 221	41 492	34 213	52	
	Bow Sea	1978	27 950	34 656	21 035	43	
	Bow Hunter	1983	23 002	25 026	21 031	28	
	Bow Pioneer	1982	23 016	25 965	20 969	28	
	Bow Eagle	1988	24 728	32 458	19 662	25	
	Bow Viking	1981	33 590	40 956	21 745	36	
	Bow Fighter	1982	34 982	41 184	6 299	34	
	Bow Lancer	1980	35 100	42 468	6 252	34	
	Bow Heron	1979	35 289	42 109	5 882	31	
	Bow Cheetah	1988	40 258	47 604	-	29	
	Bow Leopard	1988	40 249	47 604	-	29	
	Bow Lion	1988	40 272	47 604	-	29	
	Bow Panther	1986	40 263	47 604	-	29	
	Bow Puma	1986	40 092	47 604	-	29	
	Bow Petros	1984	39 722	47 963	-	28	
	Bow Transporter	1983	39 738	47 963	-	28	
	Bow Mariner	1982	39 821	47 963	-	28	
	Bow Lady	1978	32 225	41 354	3 077	42	
	Bow Princess	1976	32 362	42 480	1 400	42	
	Bow Queen	1975	32 363	41 703	816	42	
	Bow Peace	1987	45 655	52 173	2 167	23	
	Bow Power	1987	45 655	52 173	2 167	23	
	Bow Pride	1987	45 655	52 173	2 167	23	
	Bow Prosper	1987	45 655	52 173	2 167	23	
Bow Prima	1987	45 655	52 173	2 167	23		
TIME-CHARTERED/ POOL:	NCC Jubail	1996	37 499	41 488	34 209	52	
	NCC Mekka	1995	37 272	41 588	34 257	52	
	NCC Riyad	1995	37 274	41 492	34 213	52	
	NCC Tihamah	1977	28 088	34 656	21 035	43	
	NCC Yamamah	1977	28 053	34 656	21 035	43	
	NCC Jizan	1976	28 024	34 656	21 035	43	
	NCC Jouf	1976	28 026	34 656	21 035	43	
	NCC Madinah	1976	28 053	34 656	21 035	43	
	NCC Najran	1976	28 000	34 656	21 035	43	
	NCC Asir	1983	23 001	24 965	20 969	28	
	NCC Arar	1982	23 002	24 965	20 969	28	
	NCC Baha	1988	24 728	32 458	19 662	25	
	Bow Sky	1977	28 083	34 656	21 035	43	
	Bow Spring	1976	28 060	34 656	21 035	43	
	Bow Saturn	1976	28 030	34 656	21 035	43	
	Bow Merkur	1975	27 952	34 656	21 035	43	
	Fertility L	1987	45 507	52 173	2 167	23	
	Fraternity L	1987	45 507	52 173	2 167	23	
	Maasslot L	1982	38 039	48 866	-	22	
	Maasstad L	1983	38 039	48 866	-	22	
	Maasstroom L	1983	38 039	48 866	-	22	
	Brage Atlantic	1995	17 460	19 587	19 587	22	
	Brage Pacific	1997	17 460	18 620	18 620	24	
	Number of ships:		59	2 035 138	2 388 064	990 205	

Fleet Overview

	Yard	Delivery	DWT	Owner	Status
ON ORDER:	Florø Yard no. 144*	12/2003	37 500	Odfjell	
	NB Szczecin - B588/III/1	6/2003	39 500	Odfjell	
	NB Szczecin - B588/III/2*	12/2003	39 500	Odfjell	
	NB Szczecin - B588/III/3	6/2004	39 500	Odfjell	
	NB Szczecin - B588/III/4	12/2004	39 500	Odfjell	
	NB Szczecin - B588/III/5	6/2005	39 500	Odfjell	
	NB Szczecin - B588/III/6	12/2005	39 500	Odfjell	
	NB Szczecin - B588/III/7	6/2006	39 500	Odfjell	Option
	NB Szczecin - B588/III/8	12/2006	39 500	Odfjell	Option
Number of newbuildings:		9	353 500		

*) Ship beneficially owned through financial lease.

Regional Trade	Ships	Year built	DWT	CBM	Stainless steel, CBM	Number of tanks
OWNED:	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 Marino	1988	11 289	11 445	6 386	17
	Bow Giovanni	1987	11 290	11 445	6 386	15
	Bow Antisana	1989	8 192	9 899	5 777	22
	Bow 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
	Araucaria (50%)	1984	10 259	10 159	6 500	18
	Jatai (50%, LPG)	1979	4 452	4 031	-	3
TIME-CHARTERED/ POOL:	Bow de Jin	1999	11 752	12 296	12 296	20
	Bow de Silver	2000	11 747	12 296	12 296	20
	Bow de Feng	2002	12 514	13 289	13 289	22
	Bow West	2002	12 503	13 289	13 289	22
	Bow Wallaby	2003	11 951	13 486	13 486	22
	Bow Wave	1999	8 594	9 225	9 225	20
	Bow Wind	1999	8 587	9 226	9 226	20
	Cristal	1996	10 314	11 332	11 332	21
	Perla	1994	10 331	11 323	11 323	20
	Sunshine Sea	2000	16 121	17 270	17 270	30
	North Defiance	2001	16 925	17 424	17 424	20
	Chembulk Fortitude	1989	13 681	15 847	10 545	24
	Jacaranda (50%)	1978	9 970	9 924	5 877	17
	Aragas (50%, LPG)	1983	9 300	8 026	-	5
Number of ships:		28	311 574	341 578	262 403	

Tank Terminals	Location	Share	CBM	Stainless steel, CBM	Number of tanks
Odfjell Terminals (Rotterdam) BV	Rotterdam, NL	100%	1 537 000	20 450	300
Odfjell Terminals (Houston) LP	Houston, USA	100%	254 559	65 000	88
Odfjell Terminals (Dalian) Ltd	Dalian, China	64%	59 700	5 750	35
Odfjell Terminals (Korea) Co Ltd	Onsan, Korea	50%	109 500	0	39
Oiltanking Odfjell Terminal Singapore Ltd	Singapore	50%	131 000	13 320	35
VOTTN Ltd (Ningbo)	Ningbo, China	12.5%	63 500	7 900	36
			2 155 259	112 420	533

Tank Containers

5 600 units operated as per 31 December 2002.

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.

CBM: Cubic meters.

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 inter-continental 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.

ISM Code: 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 and Mexico.

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 an operation where net revenues are divided according to a pre-determined key.

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 inter-continental).

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 m³ 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/harbour.

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

VOYAGE COSTS: Expenses directly related to the voyage, such as bunkers, port charges, canal dues, etc.

Offices and Addresses

MAIN OFFICE

Odfjell ASA - Odfjell Seachem AS

Conrad Mohrs veg 29,
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