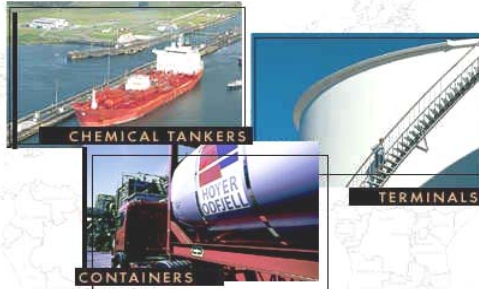


PRESENTATION - HOLBERG FORVALTNING



Providing
Logistical Solutions
for the
Petrochemical Industry



Bergen, 2 September 2003

AGENDA

- **History and Company Overview**
- **The Industry We Serve**
- **Our Shipping Business**
- **Our Tank Terminal Business**
- **Logistics**
- **Financial Highlights**
- **The Odfjell Share**
- **Future Prospects**

HISTORY

- Corporate
 - Established 1916
 - Company split in 1979
 - Listed on the Oslo Stock Exchange in 1986
 - International Share Issue in 1989
- Fleet Development
 - Pioneered the chemical tanker trade in the mid 50s
 - Acquisition of Westfal-Larsen's chemical interest in 1990
 - Newbuilding program 1994 – 2005 (gradual)
 - Merger with Seachem in 2000
- Tank Terminals
 - Developed since the mid 60s
 - Growth in tank terminals late 1990's/early 2000's
- Tank Containers
 - Joint-venture with Hoyer since 1999

3



BUSINESS AREAS

Global Trade

- Leading global operator
- 60 ships and 6 nb on order
- Revenue \$594 million
- EBITDA \$99 million
- EBIT \$38 million
- Total assets \$1,1 billion

Regional Trade

- Asia/Americas/Brazil/Chile
- 28 ships
- Revenue \$126 million
- EBITDA \$14 million
- EBIT \$6 million
- Total assets \$127 million

INTEGRATED
LOGISTICS

Tank Terminals

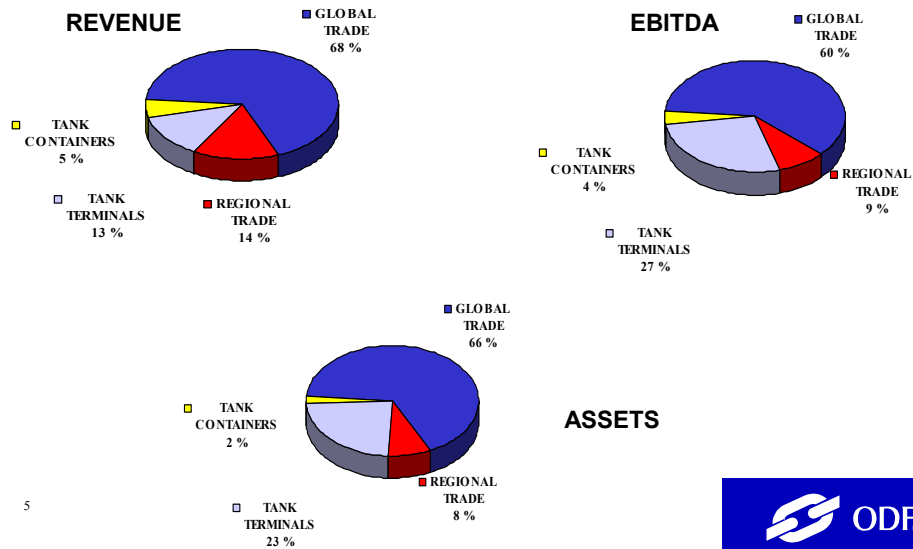
- 6 owned at strategic locations
- 8 associated
- Revenue \$112 million
- EBITDA \$43 million
- EBIT \$26 million
- Total assets \$370 million

Tank Containers

- Start-up in 1999
- 5 600 containers
- Revenue \$48 million
- EBITDA \$5 million
- EBIT \$3 million
- Total assets \$ 37 million



BUSINESS AREAS cont.



ODFJELL'S ASSETS

Industrial shipping utilizing hardware through:

- Skilled employees
- Trade Name/Corporate Culture
- Operational experience
- Global organisation
- Technology/systems
- Partner relations
- Customer relations/network



THE CHEMICAL INDUSTRY

- About 1 billion metric tons of organic and inorganic chemicals, vegetable oils and animal fats and other products are produced annually
- About 2,5 billion metric tons of clean petroleum products are produced annually
- Main producers - DOW, SABIC, Sasol, BP, Dupont, BASF, Senchim, etc.
- Main traders
- Main products – organic chemicals (BTX, EDC, Acrylo, Glycols, etc.), Sulphuric and Phosphoric acids, Metanol, MTBE, etc.

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PRODUCT GROUPS

	# of products	Global annual production (mill. mts)	Global sea-borne transport. (mill. mts)	Odfjell Global Trade in 2002 (mill. mts)
Organic chemicals	400 +	403	75	7.9
Inorganic chemicals	3	310	22	2.7
Vegetable oils & Animal fats	10	99	36	1.3
Other products	3	97	18	1.4
Total		909	146	13.3
Clean Petr. Prod.	4	2,490	450	2.5
Gross total		3,400	596	15.8

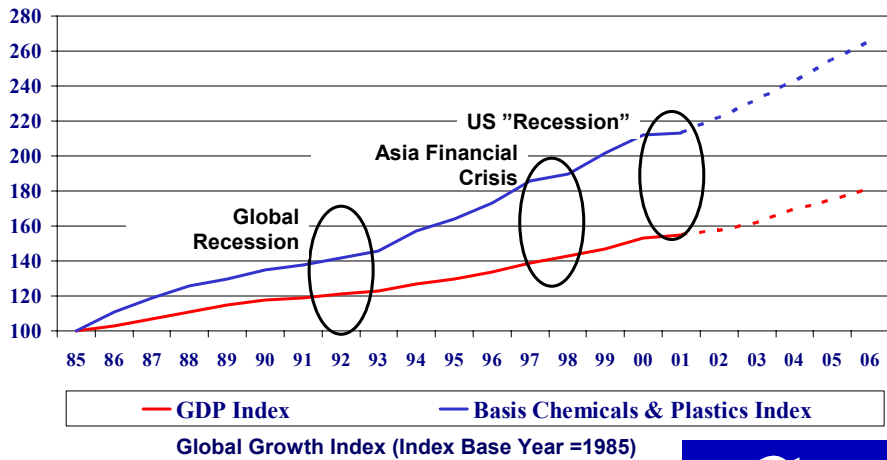
Source: Various sources, Odfjell BDP, 2003

8



SUSTAINABLE CHEMICAL MARKET GROWTH

Chemicals and plastics growth has outpaced GDP growth over the last two decades



9

Source: CMAI – March 2002



CUSTOMERS



END USES

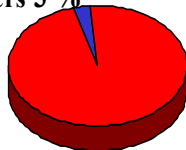


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A NICHE IN THE WORLD TANKER MARKET

■ Core
chemical
tankers 3 %



Characteristics:

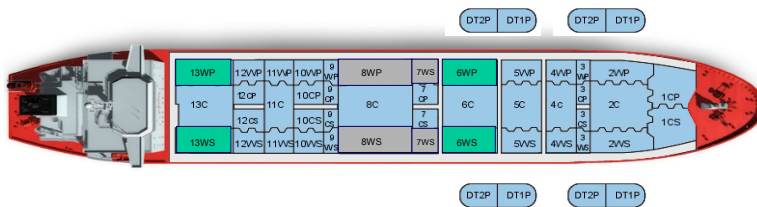
- Many parcels per voyage
- Many ports per voyage
- A margin business

12

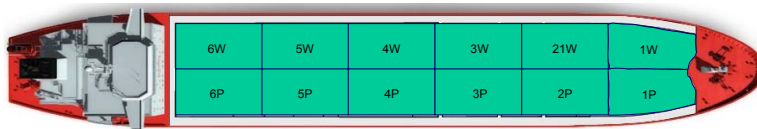


A CHEMICAL TANKER VS. A PRODUCT TANKER

Chemical Tanker



Product Tanker



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BUSINESS CHARACTERISTICS

- Barriers to entry
 - Highly specialised vessels and operation
 - Scale – Threshold
 - Systems, organisation and human resources
 - Customer relations – Track record
 - Contract coverage
- Customer expectations
 - Quality – Safety – Reliability
 - On spec and on time delivery
 - Frequencies - Regularity
 - Many ports for loading and discharging
 - Cost efficiency

=> Few large operators/
many smaller operators

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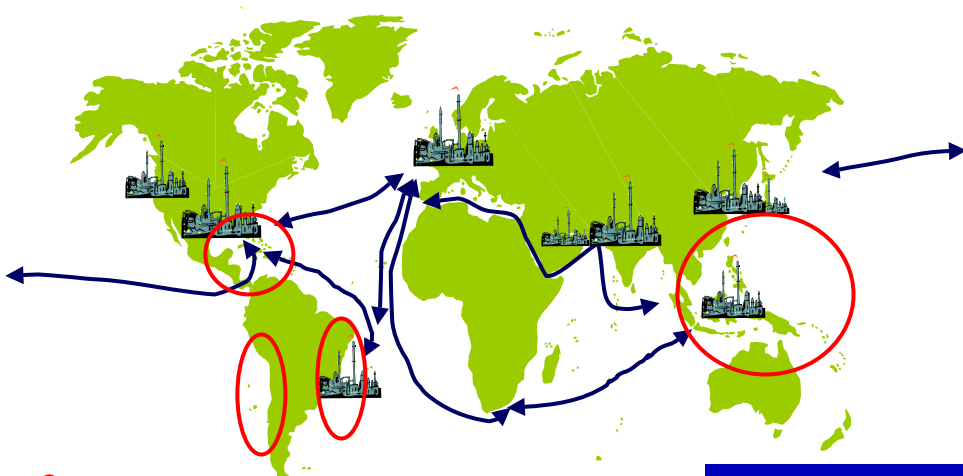
BUSINESS DRIVERS

- World economic growth (industrial production/GDP)
- Regional trends (influencing ton-mile, cargo flows)
 - Production/consumption
 - Imbalances
- Just-in-time delivery
 - Frequency, reliability
- A global chemical industry
 - Global production – global consumption
- Capacity changes
 - Additions/deletions
 - Types of tonnage vs. demand

15



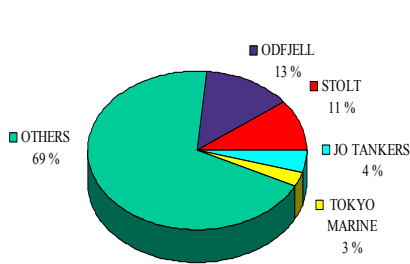
GLOBALISATION, NEW PLANTS & TRADE PATTERNS



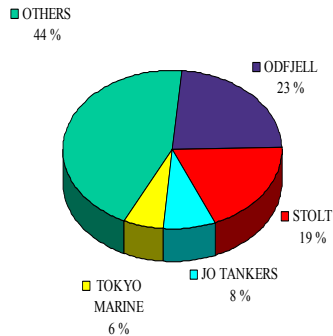
¹⁶ ○ = Regional trade



THE CHEMICAL TANKER MARKET



Total fleet ≥ 13,000 dwt: 16.9 mill. dwt



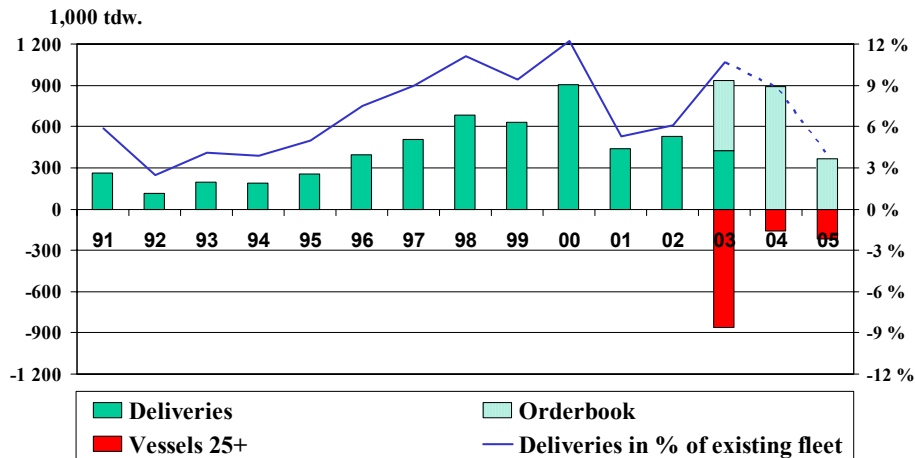
Total "core" fleet ≥ 13,000 dwt: 9.4 mill. dwt

17



DELIVERIES OF NEWBUILDINGS

"Core" Chemical fleet ≥ 13,000 dwt



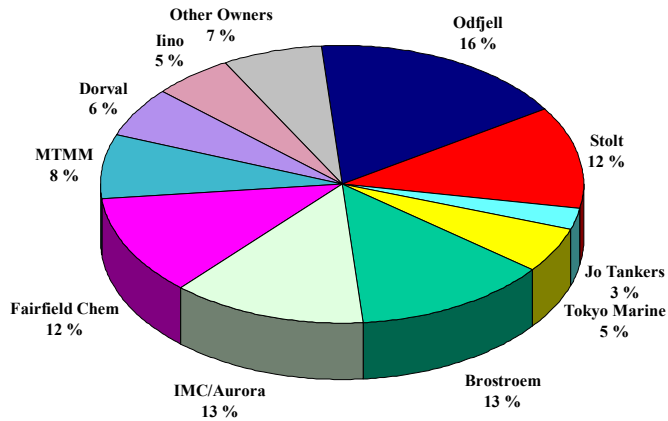
18

Note: A substantial number of commodity chemical ships is included in the order book



ORDER BOOK

("Core" fleet over 13,000 tdw.)



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Total "Core" Deep-Sea order book: 1.7 mill. dwt
or about 18% of the current fleet



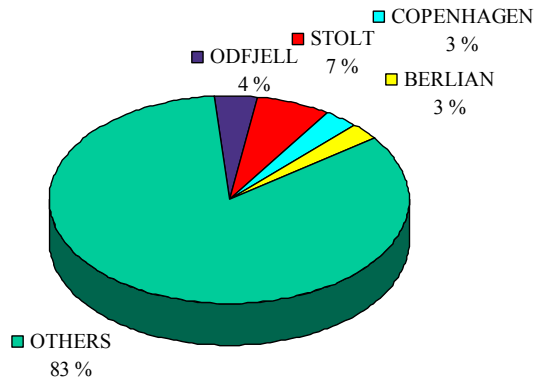
FACTORS INFLUENCING SUPPLY

- Regulations
 - EC Regulation 417/2002
 - IMO Regulation 13G
- Vetting
 - Customer approvals
 - Cost factors
 - CAP test
- Scrapping
 - 120,000 tdw. in 4 quarter 2002
 - 120,000 tdw. in 1 quarter 2003
 - 55,000 tdw. in 2 quarter 2003

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THE REGIONAL CHEMICAL TANKER MARKET

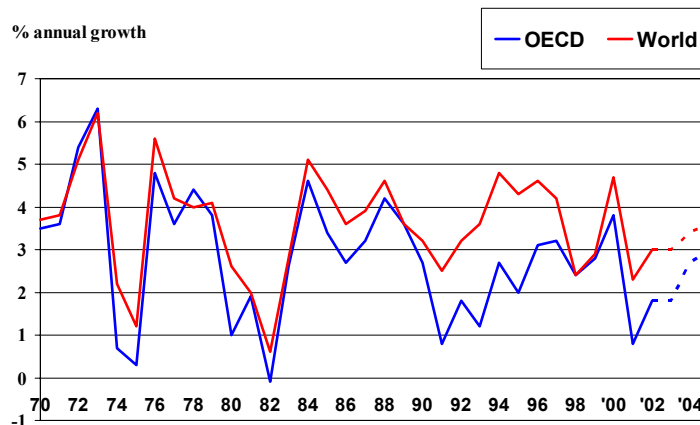


Total fleet ≥ 12,999 dwt: 5.1 mill. dwt

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WORLD ECONOMIC GROWTH (GDP)

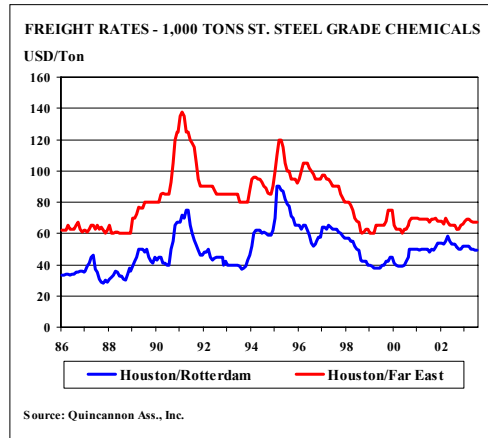
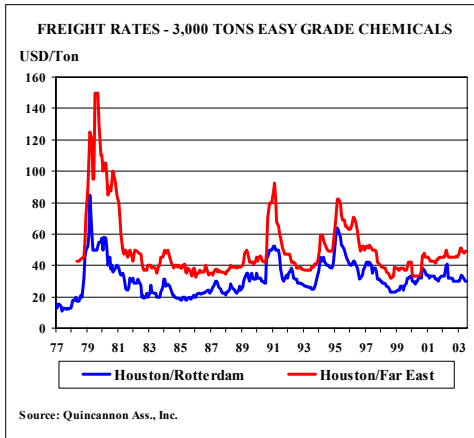


Source: DnB 13.08.2003

22



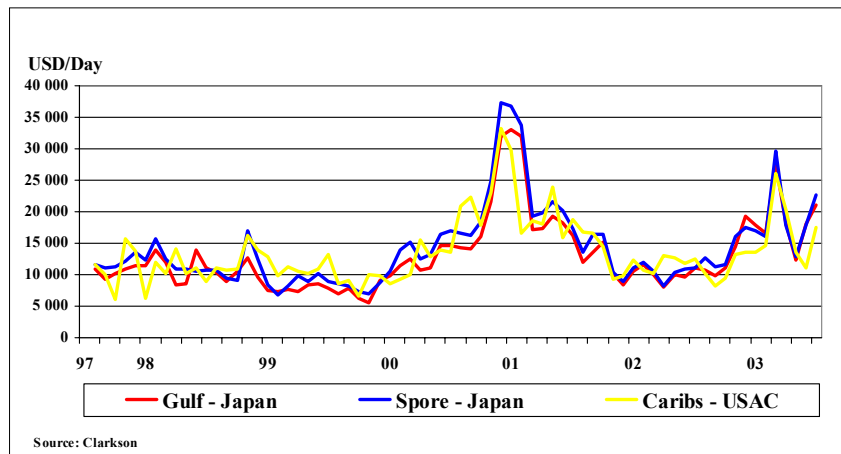
FREIGHT RATE DEVELOPMENT (Chemicals)



23



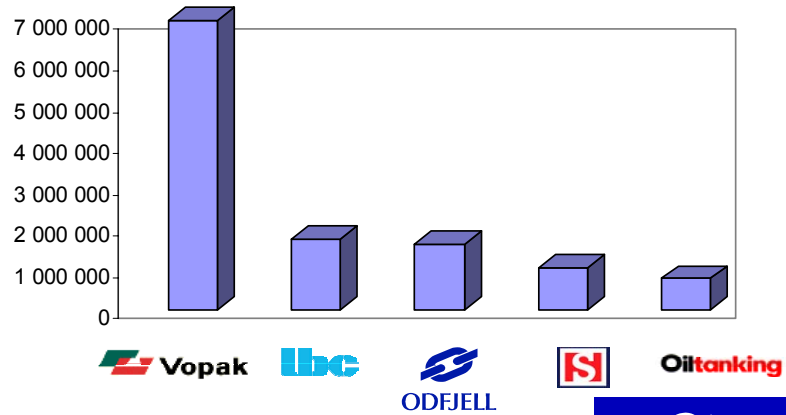
FREIGHT RATE DEVELOPMENT (CPP)



24



MARINE TERMINALS (Chemical capacity in cbm)



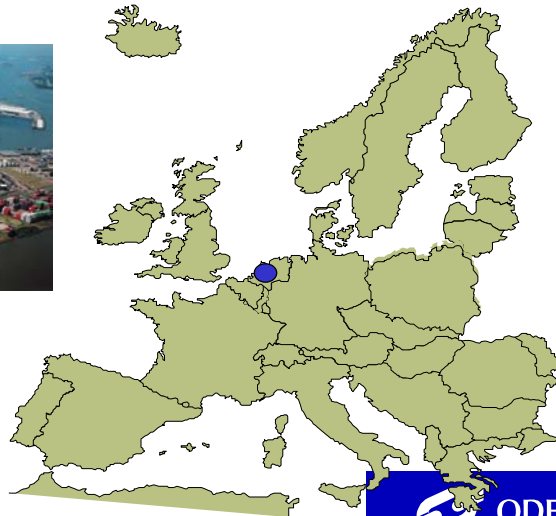
ODFJELL TERMINALS



TERMINALS - EUROPE



Odfjell Terminals (Rotterdam) BV
1,530,000 cbm – 300 tanks



● Ownership ● Associated



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TERMINALS - ASIA



OTD, Dalian
60,000 cbm – 35 tanks



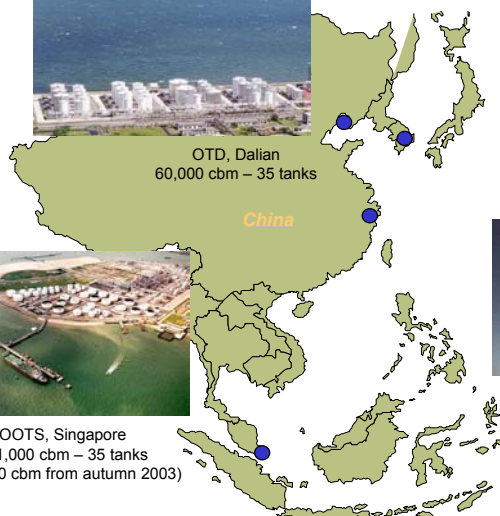
OTK, Ulsan
109,500 cbm – 39 tanks



OOTS, Singapore
131,000 cbm – 35 tanks
(213,000 cbm from autumn 2003)



VOTTN, Ningbo
63,500 cbm – 36 tanks



● Ownership ● Associated



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TERMINALS - NORTH AMERICA



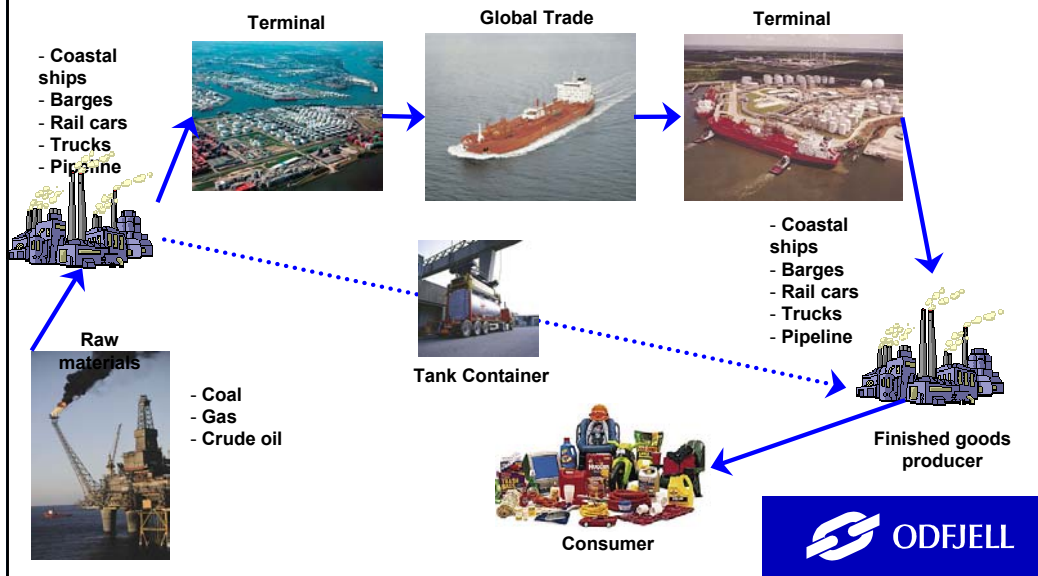
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TERMINALS - SOUTH AMERICA



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FROM PRODUCER TO CONSUMER



COMMON DENOMINATOR IN ALL MODES

- The same customers
- The same products
- Our ability to handle complicated cargoes
- Capital intensive
- Global aspect

=> SYNERGIES

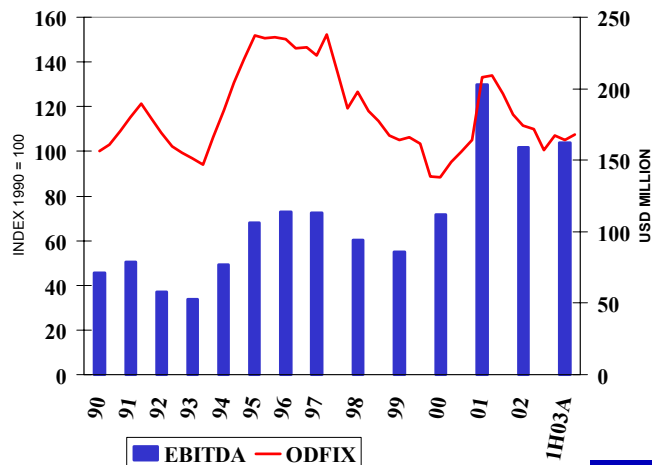
HIGHLIGHTS FIRST HALF 2003

- Net Result after tax nearly doubled in 1st half 03 vs. 1st half 02
- Stable time-charter earnings compared to preceding quarters, up 2% from 1Q03 to 2Q03
- High bunker cost
- Strong result from tank terminal activities
- Continued low interest rates
- Investigations by EU & US Competition Authorities (ref. report second quarter 2003)

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TIME CHARTER INDEX VS. EBITDA

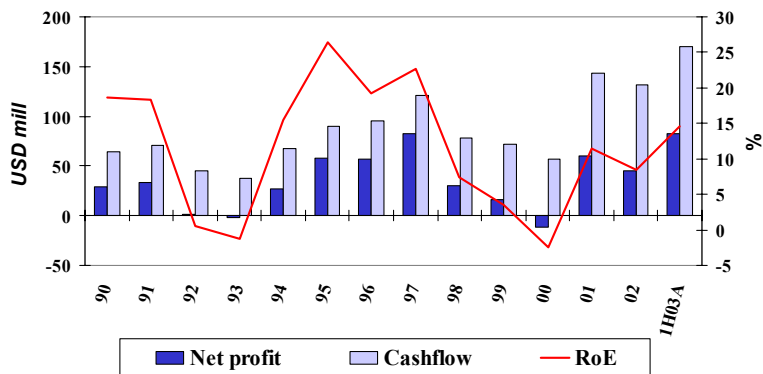


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⇒ Increased EBITDA Capacity



NET PROFIT, CASH FLOW AND RETURN



Average	RoE	ROCE
- 1990-00	11,8%	10,2%
- 2001:	11,4%	9,8%
- 2002:	8,5%	5,7%
- 2003:	14,6%	5,8%

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SUMMARY INCOME STATEMENT

USD million	1Q02	2Q02	3Q02	4Q02	1Q03	2Q03
Gross revenue	196	208	217	226	219	221
Voyage expenses	-60	-68	-75	-76	-79	-76
T/C expenses	-44	-46	-48	-52	-40	-41
Operating expenses	-39	-43	-45	-43	-44	-47
General/adm. expenses	-11	-13	-12	-13	-16	-17
EBITDA	41	39	37	42	41	40
Depreciation	-21	-21	-22	-23	-22	-22
Gain on sale of assets	0	0	1	0	0	0
EBIT	20	17	16	20	18	18
Net interest	-8	-7	-6	-5	-5	-6
Currency gain/(cost)	-4	8	6	5	7	7
Net result before tax	7	19	15	20	19	19
Taxes	-1	-3	-5	-6	-1	3
Net result	6	16	10	14	18	23

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EBITDA/EBIT PER SEGMENT

USD million	1Q02	2Q02	3Q02	4Q02	1Q03	2Q03
Global trade	27	25	24	26	25	24
Regional trade	4	4	3	4	3	4
Tank terminals	9	9	9	11	11	11
Tank containers	1	1	1	1	1	1
SUM EBITDA	41	38	37	42	41	40

USD million	1Q02	2Q02	3Q02	4Q02	1Q03	2Q03
Global trade	12	10	8	11	10	9
Regional trade	2	2	1	2	1	2
Tank terminals	5	5	5	7	7	6
Tank containers	0	0	0	0	1	1
SUM EBIT	20	17	16	20	18	18

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FLEET AND BUSINESS DEVELOPMENT

- Global Trade
 - Delivery of M/T Bow Sun – the first newbuilding from Poland
 - The Polish newbuilding program back on schedule

- Regional Trade
 - Joint-venture with Ahrenkiel for inter European trade

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TANK TERMINALS IN 1st HALF 2003

- Odfjell Terminals (Houston)
 - Gross revenue USD 18.1 million
 - EBITDA USD 8.9 million
 - EBIT USD 6.2 million
 - 88 tanks – 255 000 cbm.
 - 24 000 cbm expansion will be ready by 4th quarter 2003
- Odfjell Terminals (Rotterdam)
 - Gross revenue USD 32.6 million
 - EBITDA USD 9.7 million
 - EBIT USD 5.5 million
 - 300 tanks – 1 540 000 cbm.
 - 8 000 cbm of new stainless steel tanks will come on stream in 2003

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TANK TERMINALS 1 HALF 2003

- Other tank terminals
 - Gross revenue USD 5.2 million
 - EBITDA USD 2.7 million
 - EBIT USD 0.9 million
- Oiltanking Odfjell Terminal Singapore
 - A 82 000 cbm expansion will be completed in September 2003
- Odfjell Terminals (Korea)
 - Start-up in 2002
 - Currently evaluating expansions
- Dalian, China
- Ningbo, China

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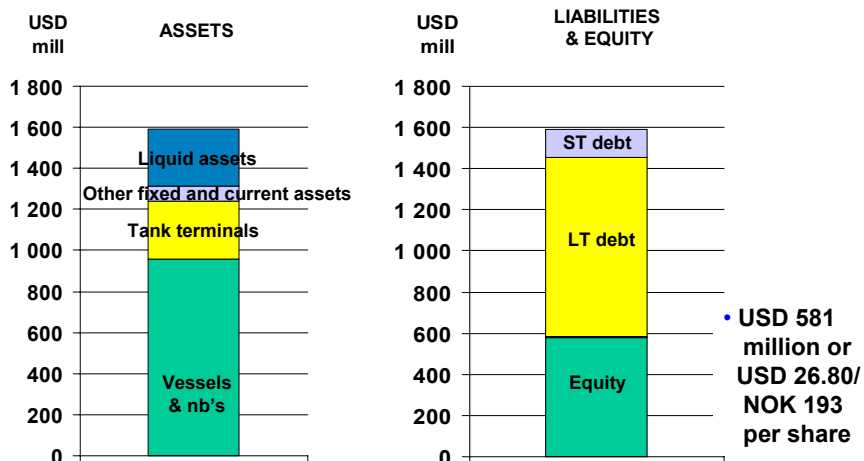
SUMMARY BALANCE SHEET

USD million	31.12.2001	31.12.2002	30.06.2003
Vessels and nb's	1 010	980	959
Tank terminals	216	262	281
Tank containers	19	18	19
Other fixed assets	56	55	54
Other short term assets	86	86	90
Cash & liquid assets	213	230	188
Shareholders' equity	526	535	581
Interest bearing debt	960	957	900
Other liabilities	115	138	110
Total assets	1 601	1 630	1 591
Equity ratio	32,8 %	33,1 %	36,8 %

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BALANCE SHEET (30 June 2003)



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YEARLY SENSITIVITIES

- T/C RATES
 - Global USD 1000/day USD 14 mill.
 - Regional USD 500/day USD 4 mill.
- CURRENCY
 - USD 10% stronger vs. NOK improve net result by USD 7 mill.
(2003 – 2005 exposure fully hedged)
- BUNKERS
 - USD 10 per metric ton USD 5 mill.
(38% of 2003 exposure hedged at USD 127.50 per ton)
- INTEREST RATES
 - USD LIBOR 1 % USD 7 mill.
(2003 and 90% of 2004 fixed through FRA's about at about 2.40%)

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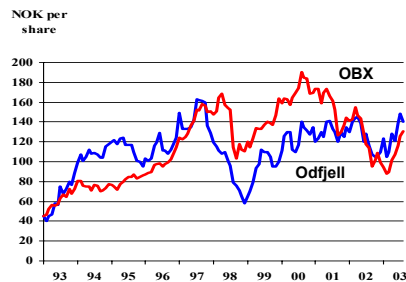


LISTED ON THE OSLO STOCK EXCHANGE

\$ in Millions, except per share

Share price (A-share)	NOK 140 (\$18.42)
# of shares (MM)	21.7
Market capitalization	\$400
Net interest bearing debt	<u>\$683</u>
Enterprise Value	\$1,083
Enterprise Value/1H03A EBITDA	6.7x
Price/1H03A Earnings	4.9x
Price/1H03A Cash Flow	2.3x
EBITDA 1H03A/Net interest coverage	7.3x
Market capitalization/Book Equity	69%
Dividend yield	5.7%

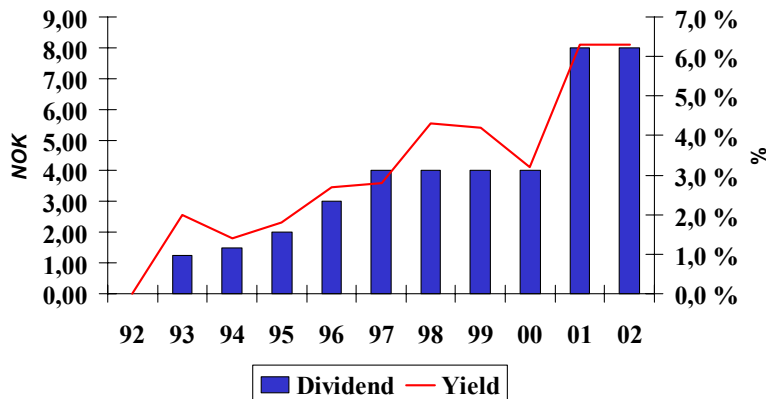
TRADING Symbol: ODF and ODFB



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DIVIDEND AND YIELD



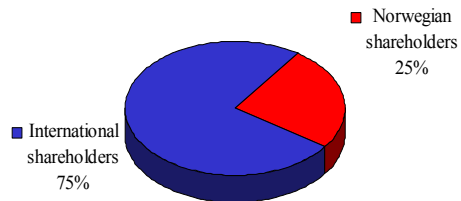
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Dividend per share in NOK. Yield equals dividend as a percentage of yearly average share price.



SHAREHOLDER STRUCTURE

- Odfjell family 35%
- Chemlog ApS 25%
- 5 Norwegian Funds 11%
- Others 29%



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SUMMARY

- Global economy
 - Low economic growth in the OECD area
 - Uncertain macro variables
 - Oil and bunker prices volatile
 - Lower net interest expenses
 - Considerable currency profits in 2003
- Investigations by EU & US Competition Authorities
- Orderbook vs. Demand growth/scraping
- Strong market position and corporate platform

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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.

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