



BELSHIPS

REPORT PER 3RD QUARTER 2001

3RD QUARTER 2001

FINANCIAL PERFORMANCE

Belships recorded operating income of USD 6,595,000 (2000: USD 14,058,000) in the third quarter of 2001. Operating income for the first three quarters totalled USD 30,196,000 (USD 44,386,000). The company's third-quarter operating result was USD -166,000 (USD 724,000), while operating results for the first three quarters totalled USD 3,215,000 (USD 458,000). The fall in operating income compared with last year is due primarily to reduced activity in the company's Panmax operation and the sale of the M/S Belstar at the end of 2000. Profit performance reflects the general downturn in the markets in which Belships operates.

The third-quarter net result was USD -778,000 (USD -513,000), while the net result for the first nine months totalled USD 391,000 (USD -2,655,000).

SEGMENTAL RESULTS

The product carrier business generated an operating result of USD 967,000 (USD 838,000) in the third quarter. Operating results for the first nine months were USD 3,618,000 (USD 947,000).

The gas tank business recorded a third-quarter operating result of USD -567,000 (USD 236,000), while accumulated operating results for the first three quarters totalled USD 264,000 (USD 195,000).

The Panmax/Capesize bulk business reported an operating result of USD -814,000 (USD -733,000) in the third quarter. The operating result for the first three quarters was USD -1,024,000 (USD -1,440,000).

The Handymax bulk business recorded a third-quarter operating result of USD 234,000 (USD 568,000) and operating results for the first three quarters totalling USD 661,000 (USD 1,388,000).

The ship management business reported an operating result of USD 164,000 (USD -22,000) in the third quarter, and operating results for the first three quarters totalling USD 248,000 (USD -50,000).

OPERATIONS

The M/S Belgallantry continued on its time charter in the third quarter, while the two other OBO carriers and the M/T Belgrace operated in the spot market. None of the vessels were dry-docked during the quarter or off-hire for any significant period.

At Gibson Gas Tankers, the 3,200 cbm vessels continued on their time charters, while the 6,000 cbm vessels operated in the pool managed by the Dutch company A.Veder. The M/T Ettrick's charter was renewed for a further 12 months during the third quarter at a somewhat lower time charter rate because of the weaker market. The M/T Eildon was off-hire for 78 days during the quarter owing to engine breakdown and ordinary docking.

The Panmax operation Belships Trading fulfilled its previous commitments on both the shipping and cargo sides, but no new contracts were signed during the

quarter.

The M/S Belmaj sailed throughout the quarter in the Capesize pool managed by Belgian company Bocimar. Belships also has a small participation in a timecharter-pool managed by Bocimar. M/S Belnor continued on its time charter.

FINANCIAL POSITION AND OTHER MATTERS

The fall in interest rates during the first six months continued through into the third quarter. During the quarter, Belships fixed interest periods of 3 to 12 months. The company is keeping under review the possibility of more long-term interest rate hedging contracts.

At 30 September, Belships' liquid assets had fallen to USD 9.8 million compared with USD 11.3 million at the close of the second quarter, and mortgage debt was cut by USD 1.7 million during the third quarter to USD 64.9 million at 30 September. Shareholders' equity at the end of the period was equivalent to 28.2% of assets or NOK 7.54 per share excluding minority interests.

The fleet's estimated market value at the end of the period was USD 1.9 million under book value. Based on the accounting policies applied by the company, there is no need, in the company's opinion, to write down the fleet.

Belships has a capitalised tax advantage of USD 3 million at 30 September, the same amount as reported in the second quarter and at year-end 2000. The company is aware that there may be some uncertainty regarding the value of the tax advantage, but in the light of the development of the company's balance sheet value and expectations of future earnings, this balance sheet item has not been adjusted.

In September, Belships' majority shareholder Sonata AS made a mandatory bid to acquire shares in Belships. The bidder received acceptances for a total of 3,499,112 shares. When the bid is implemented, the Tidemand family, who own Sonata AS, will control 56.15% of the shares in Belships.

OUTLOOK

The product carrier market weakened further in the third quarter as a result of the falling demand for oil, which is itself a consequence of the general economic slowdown. It is uncertain how long the slowdown will last, as it will also depend, among other things, on political developments as a result of the war against terrorism.

Trends in the gas carrier market are still poor and earnings for the rest of the year are expected to remain at a level unchanged compared with the third quarter.

The dry bulk market also deteriorated during the third quarter. The economic slowdown and substantial deliveries of new tonnage give little cause for optimism in the short term.

Oslo, 8th November 2001

The Board of BELSHIPS ASA

Income statement

	2001	2000	2001	2000	2000
<i>USD 1 000</i>	07/01-09/30	07/01-09/30	01/01-09/30	01/01-09/30	01/01-12/31
Operating income	6 595	14 058	30 196	44 386	57 243
Charterhire expenses	-1 013	-7 649	-10 577	-26 174	-31 702
Operating expenses	-3 304	-3 063	-9 610	-9 710	-13 038
General administrative expenses	-1 142	-1 084	-3 481	-3 530	-4 831
Ordinary depreciation on ships	-1 302	-1 538	-3 907	-4 514	-6 017
Total operating expenses	-6 761	-13 334	-27 575	-43 928	-55 588
Operating result before sale of ship	-166	724	2 621	458	1 655
Gain/-loss on sale of ship	0	0	594	0	-96
Operating result	-166	724	3 215	458	1 559
Share dividend, interest income	-15	56	255	208	527
Interest expenses	-928	-1 637	-2 822	-4 566	-5 982
Net currency exchange gain/-loss	207	314	203	1 433	971
Other financial items	164	30	-383	-180	-310
Net financial result	-572	-1 237	-2 747	-3 105	-4 794
Result before taxes	-738	-513	468	-2 647	-3 235
Taxes	-40	0	-77	-8	-34
Net result during the period	-778	-513	391	-2 655	-3 269
Hereof minority	404	-61	304	-155	178
Hereof majority	-374	-574	695	-2 810	-3 091
Earnings per share (majority)	-0.02	-0.02	0.03	-0.15	-0.15

Balance sheet

	2001	2000	2000
<i>USD 1 000</i>	Per 30 Sep	Per 30 Sep	Per 31 Dec
Assets			
Intangible assets	3 153	3 153	3 153
Ships	74 992	93 266	81 061
Other fixed assets	3 880	3 516	3 750
Current assets	15 024	18 914	20 431
Total assets	97 049	118 849	108 395
Equity and liabilities			
Equity (excl. minority interests)	20 805	20 395	20 112
Minority interests	6 602	6 639	6 306
Long-term liabilities	65 749	85 428	76 245
Short-term liabilities	3 893	6 387	5 732
Total equity and liabilities	97 049	118 849	108 395

Cash flow statement

	2001	2000	2000
USD 1000	01/01-09/30	01/01-09/30	01/01-12/31
Funds generated from operations			
Result before taxes	467	-2 647	-3 235
-Gain/+ loss on sale of fixed assets	-594	0	40
Ordinary depreciation on ships	3 907	4 514	6 017
Depreciation on capitalised dry docking costs	916	918	1 223
Tax payable	77	8	34
Diff. between capital. pension and paid-in and drawn out	0	0	116
1 Change in bunkers, trade debtors and trade creditors	288	574	-664
2 Change in other short-term items	656	-1 446	-1 333
Net flow from operations	5 717	1 921	2 198
Funds flow from investments			
Investments in fixed assets	-2 255	-1 869	-2 008
Sale proceeds from fixed assets disposals	4 094	0	10 531
Change in other investments	-286	636	-462
Net cash flow from investments	1 553	-1 233	8 061
Funds flow from financing			
Received payments from raising new long-term debt	0	0	833
Repayment of long-term debt	-10 494	-3 380	-12 736
Share issue in consolidated companies (minority interest)	600	0	0
Share issue	0	5 506	5 506
Net cash flow from financing	-9 894	2 126	-6 397
Net change in liquidity reserves	-2 624	2 814	3 862
Liquid reserves at beginning of period	12 378	8 516	8 516
Liquid reserves at end of period	9 754	11 330	12 378
Calculation of cash flow statement			
	(A)	(B)	(B-A)
	2001	2000	
	01/01-09/30	01/01-12/31	
1) Change in bunkers, trade debtors and creditors			
Bunkers	10	291	281
Trade debtors	2 321	2 328	7
Total	2 331	2 619	288
2) Change in other short-term items			
Other receivables (short-term)	2 940	5 434	2 494
Public taxes and duties payable	-230	-285	-55
Other short-term liabilities	-3 663	-5 447	-1 784
Total	-954	-298	656

Key financial figures

		2001 Per 30 Sep	2000 Per 30 Sep	2000 Per 31 Dec
Cash flow	USD 1000	4 093	427	1 777
Interest coverage ratio		1.09	0.11	0.30
Current ratio	%	385.92	296.13	356.44
Equity ratio	%	28.24	22.75	24.37
Earnings per share (majority)	USD	0.03	-0.15	-0.15
Cash flow per share	USD	0.17	0.02	0.09

Segment information

01/01 - 09/30/01

USD 1 000	Product tank	Gas	Panmax/ Capesize bulk	Handymax bulk	Ship management	Admin. a.o.	TOTAL
Net freight income	5 748	9 614	10 775	2 318	0	90	28 545
Other operating income	628	0	34	51	926	11	1 650
Total operating income	6 376	9 614	10 809	2 369	926	101	30 195
Charterhire expenses	0	0	-10 577	0	0	0	-10 577
Operating expenses	-2 103	-6 330	-487	-899	268	-59	-9 610
General admin. expenses	-639	-632	-482	-187	-946	-595	-3 481
Ordinary depreciation on ships	-610	-2 388	-287	-622	0	0	-3 907
Operating result before sale of ship:	3 024	264	-1 024	661	248	-553	2 620
Gain on sale of ships	594	0	0	0	0	0	594
Operating result	3 618	264	-1 024	661	248	-553	3 214
Share dividends/ interest income	72	66	28	14	11	64	255
Interest expenses	-366	-1 045	-166	-753	0	-492	-2 822
Net currency exchange gain/-loss	-4	256	0	0	-18	-31	203
Other financial items	43	-300	-6	-1	14	-132	-382
Net financial items	-255	-1 023	-144	-740	7	-591	-2 746
Result before taxes	3 363	-759	-1 168	-79	255	-1 144	468
Operating income per 30 Sep '00	5 210	9 506	24 445	4 782	395	48	44 386
Operating income per 30 Sep '01	6 376	9 614	10 809	2 369	926	101	30 195
Operating result per 30 Sep '00	947	195	-1 440	1 388	-50	-582	458
Operating result per 30 Sep '01	3 618	264	-1 024	661	248	-553	3 214

Segment information

01/01 - 03/31/01

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

01/01 - 03/31/00

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

04/01 - 06/30/01

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

04/01 - 06/30/00

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

07/01 - 09/30/01

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

07/01 - 09/30/00

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

Fleet list

Per 30 September 2001					
Ship	Ownership	Built year	Dwt	Operation	T/C-period
Product carriers/ OBO					
M/T Belgrace	63 %	1984/87	40 900	Spot	
M/S Belguardian	20 %	1987	43 500	Spot	
M/S Belgallantry	20 %	1987	43 500	T/C to 02/02	
M/S Belgreeting	20 %	1987	43 500	Spot	
Gas					
M/T Lanrick	60 %	1992	3 215 ¹⁾	T/C to 04/02	
M/T Etrick	60 %	1991	3 215 "	T/C to 10/02	
M/T Traquair	60 %	1982	6 616 "	Pool	
M/T Yarrow	60 %	1982	6 568 "	Pool	
M/T Eldon	60 %	1982	6 077 "	Pool	
M/T Quentin	60 %	1977	2 280 "	Spot	
Capesize bulk					
M/S Belmaj	25 %	1990	149 516	Pool	
Panmax bulk, chartered tonnage					
Newbuilding		2003	76 000	Delivering 10/03	10/11
Handymax bulk					
M/S Belnor	100 %	1996	47 600	T/C to 02/03	
Ship under commercial management					
M/T Sbeia		1981	88 723	T/C to 07/03	
<i>1) Capacity in cubicmeter</i>					
Number of ships					
Type	Owned tonnage	New-building	Commercial management	Disponible fleet	
Handysize produkt carriers/ OBO	1.2		2.8	4.0	
Gas	3.6		2.4	6.0	
Capesize bulk	0.3		0.7	1.0	
Panmax bulk		1.0		1.0	
Handysize bulk	1.0			1.0	
Aframax			1.0	1.0	
Total	6.1	1.0	6.9	14.0	



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